

REPUBLIC OF SOUTH AFRICA
CO-OPERATIVES ACT, 2005

**APPLICATION FOR EXEMPTION FROM FULL COMPLIANCE WITH
AUDITING REQUIREMENTS**
[Section 47(2) and 55]

Name of co-operative: _____

Registration number: _____ / _____ / _____

(To be completed by the Chairperson of the board of directors of the co-operative and lodged with the Registrar)

1. I, _____ (complete full names and surname), chairperson of the board of directors of above-mentioned co-operative declares under oath / solemnly that:

- (a) the cost of an annual audit would materially affect the financial sustainability of the co-operative;
- (b) the co-operative has maintained adequate financial records, and is able to prepare annual financial records;
- (c) having regard to the size and kind of co-operative, the interests of members will be adequately protected.

2. I, therefore, apply on behalf of the co-operative, that the co-operative -

Tick box (a), (b) or (c)

☒

- (a) be allowed to combine the audit for the financial years of _____ to _____ into a single audit (max. 3 years);

OR

☒

- (b) be allowed to have the financial statements of the co-operative audited by a member of a profession whose members have been authorised to act as accounting officers for close corporations in terms of the Close Corporations Act, 1984 (Act 69 of 1984);

OR

☒

- (c) be allowed to appoint _____
_____ (state name of person or organisation) being an organisation which was established for the purpose of rendering audit services to co-operatives or a person whose training qualifies him or her to carry out the audit of the co-operative.

3. I am aware that the board of directors is, notwithstanding any exemption that may be granted, required to prepare financial statements for the relevant financial year/s and by this application binds the said board -

- (a) to prepare them as required by section 55 (3) of the Act. And to submit them to your office within 15 days after the annual general meeting has approved them; and
- (b) in the event of the said general meeting not approving them, to furnish your office on Form CR 7 with the reasons for the failure to approve them and the action the co-operative proposes to take in order to address the situation.

Signature Chairperson: _____

Date: _____

I certify that the deponent acknowledges that he/she is cognisant of and understands the contents of this statement, has no objection to taking the oath and regards the oath as binding on his/her conscience. This statement was sworn to/solemnly declared before me and signed in my presence.

Signed at _____ on this the _____ day of _____ 20 _____

Commissioner of Oaths

Full name and surname: _____

Ex officio: _____

Address: _____

For Office Use Only

DIRECTIVE BY REGISTRAR IN TERMS OF SECTION 47 (2) OF THE ACT:

To:- _____ **CO-OPERATIVE LIMITED**

Your application for exemption under section 47 (2) of the Act has been approved on the following terms:

Tick box (1), (2) or (3)

☒ 1. A combined audit for the financial years of _____ / _____ may be performed by your appointed auditor.

OR

☒ 2. You are authorised to have the financial statements of the co-operative audited by a member of a profession whose members have been authorised to act as accounting officers for close corporations in terms of the Close Corporations Act, 1984 (Act 69 of 1984). See the annexure for a list of the relevant professions.

OR

☒ 3. You are authorised to have the financial statements of the co-operative audited by _____ (name of person or organisation) being an organisation which was established for the purpose of rendering audit services to co-operatives or being a person whose training qualifies him or her to carry out the audit of the co-operative.

This exemption is valid for the financial year only.

Signed and sealed at **PRETORIA** on this, _____ day of _____ 20_____

REGISTRAR OF CO-OPERATIVES

Seal of Office of the Registrar of Co-operatives

This directive is not valid unless sealed by the said seal

ANNEXURE

Members of the following professions have, in addition to auditors, been authorised to perform the functions and duties of accounting officers in terms of the Close Corporations Act, 1984:

1. The South African Institute of Chartered Accountants (SAICA)
2. Auditors registered in terms of the provisions of the Auditing Profession Act, 2005(CA)
3. The Southern African Institute of Chartered Secretaries and Administrators (ICSA)
4. The Chartered Institute of Management Accountants (CIMA)
5. The South African Institute of Professional Accountants (SAIPA)
6. THE IAC who have obtained the Diploma in Accountancy (IAC)
7. The Association of Chartered Certified Accountants (ACCA)
8. The Chartered Institute of Business Management (MCIBM)
9. The South African Institute of Business Accountants (SAIBA)
10. The South African Institute of Government Auditors (SAIGA)

HOW TO COMPLETE THE CR4 AND CR 8 FORMS

- A **CR4-FORM, Part I, Section A** (Appointment of auditor)
This form must be completed by the auditor (ie. a Chartered Accountant).
- **OR**
- A **CR8-FORM *** (Exemption of certain auditing requirements for a given period). See note hereunder (*).

When a co-operative cannot afford to use the services of an auditor annually, it must complete a CR8 form and must choose one of the three options under part 2 of the form. The CR8 form is in the format of an affidavit, which must be provided by the chairperson of the co-operative and must be signed by a Commissioner of Oath.

*** Note: When completing a CR8-form:**

- **Options on CR8-form:**

Option 2(a) of the CR8-form, means the co-operative will use the services of an auditor (i.e. a Chartered Accountant), but the period for which the audit will be done, will be longer than 12 months (e.g. 18 months, 24 months), but not longer than 3 years.

Option 2(b) of the CR8-form means the co-operative will use the services of an Accounting Officer registered with one of the professional bodies listed on page 5 of the CR8-form.

Option 2(c) of the CR8-form means the co-operative will use the services of a person or organisation that is qualified to carry out the audit of a co-operative. A certified copy of the person's qualifications and ID document must be attached.

Note: All registered co-operatives must submit a form CR4 or CR8 annually, with their annual returns, for authorisation.