

Assessment of Professional Competence November 2015

Required

Assume you are the audit senior at D Artz & Co. on the audit of Arubah

(a)	Draft a letter to Mr Malcolm, the Chief Executive Officer of Arubah, for review and signature by the audit engagement partner, in which you indicate, with reasons, whether your firm will be able to render the taxation services for Arubah and its directors as described in the extract from the draft minutes of the board meeting held on 17 November 2015 (see attachment L for details of the request). In addition, include any matters that need to be addressed or clarified before any agreed services can be performed.
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Assume you are the financial accountant at Arubah

(b)	Respond to Ms Needham's request per her email dated 17 November 2015 (attachment K) and attach an amended draft capital budget for the proposed Pretoria day clinic.
(c)	Prepare the internal report as requested in Ms Needham's email dated 16 November 2015 (attachment H).
(d)	Redraft the revenue accounting policy in response to Ms Needham's email dated 17 November 2015 (attachment J).
(e)	Ms Needham forwarded a copy of Mr Scarbenga's legal opinion (attachment G) and the extract from the draft minutes of the board meeting held on 17 November 2015 (attachment L) to you. Draft an email to Ms Needham in which you – <ul style="list-style-type: none"> • outline the key financial reporting considerations with regard to the legal claim against Arubah; and • list any concerns you may have with regard to the actions of and opinions expressed by the directors at the above board meeting.
(f)	Ms Needham forwarded the email she sent to Mr Malcolm dated 4 November 2015 to you (attachment B). Draft an email to Ms Needham in which you identify any taxation consequences for Arubah, its shareholders and the B-BBEE partners of entering into the B-BBEE deal in 2012.
(g)	Estimate the breakeven occupancy of the existing Arubah hospitals to assist Ms Needham in responding to Dr Kennedy's email dated 17 November 2015 (attachment I). Forward your calculations to Ms Needham in an email, together with the additional information you would require to refine the breakeven occupancy estimate.
(h)	Mr Malcolm forwarded an email he received from Crackerjack & Co. dated 13 November 2015 to you (attachment F). Draft an email to Mr Malcolm in which you critically comment on the key issues raised by Crackerjack & Co. and identify any further key issues that Arubah needs to consider with regard to the selection and implementation of an ERP system.