



Reference: IFRS Foundation trademark impact on auditor report templates
Contact person: Mr Sameer Rajab
Tel: 012 431 0436
E-mail: s.rajab@medicalschemes.co.za
Date: 26 March 2024

Circular 15 of 2024: IFRS Foundation trademark impact on auditor report templates

The Council for Medical Schemes (CMS) would like to inform all stakeholders that the revised prescribed auditor report templates regarding ISA700, ISA800, ISA810, ISRE2410 and ISAE3000, effective for the 2023 financial year, has been published. The reason for the revision is due to a change in the IFRS Foundation's trademark guidelines.

The IFRS Foundation Trade Mark Guidelines require, amongst other updates, that the set of standards issued by the IASB, including the IASs and the IFRSs, be referred to as "IFRS Accounting Standards."

The details on the IAASB communication can be found on this link: [IAASB communication re IFRS Trademark](#)

Kindly refer to the links provided below for the updated auditor report templates:

1. [ISA700 auditor report template 2023](#)

Section 37(2) of the Medical Schemes Act 131 of 1998 (the Act) requires an annual financial statement (AFS) which, amongst others, must consist of a report by an auditor of a medical scheme and such other returns as the Registrar may require.

[Circular 65 of 2015](#) requires the auditors of medical schemes in terms of Sections 36(5)(d) and 37(2) of the Act to report on Key Audit Matters.

[Circular 38 of 2018](#) requires the auditor's report on the annual financial statements to disclose the number of years both the audit firm and the engagement partner have been the auditor of a medical scheme (audit tenure).

The ISA 700 report provides reasonable assurance that the AFS were prepared, in all material respects, in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Act.

All non-compliance matters, considered material by an auditor, should be reported under the sub-heading "Report on Other Legal and Regulatory Requirements". Where no material instances of non-compliance have come to an auditor's attention, a statement to this effect should be made.

2. [ISA800 and ISRE2410 combined auditor report template 2023](#)

This auditor report provides assurance through an audit of Parts 4 – 10 of the Annual Statutory Return (the Return), and a review on Part 6.2 of the Return of a scheme, that these have been prepared in all material respects in accordance with the provisions of the Act, related Regulations, the Guidance Manual for the completion of the Return and the applicable Circulars issued by the CMS.

This report originates from the following sections in the Act:

- Section 36(8), which states that the auditor should certify whether any return or statement which he or she is required to examine in terms of Chapter 7 (Financial Matters) of the Act, complies with the requirements of the Act and whether it presents fairly the matters dealt with therein, as if such return or statement were a financial statement;
- Section 37(2), which inter alia states that the AFS shall consist of “(e) such other returns as the Registrar may require”, which in this case is the Return;
- As the Return is deemed to be part of the AFS, it is required to be audited in terms of Section 37(3); and
- Section 39(3), which requires all documents that are submitted to be audited.

The audit is performed using ISA 800 and the review is performed using ISRE 2410. The auditor report is restricted to the financial information contained in Parts 4 – 10 of the Return.

3. [ISAE3000 auditor report template 2023](#)

This auditor report template is the format in which the CMS requires an auditor to report on *all* non-compliance matters by a medical scheme, which an auditor becomes aware of in the performance of the his/her functions as an auditor, as required by Sections 36(5)(b) and 36(8)(b) of the Act.

These sections are limited to the financial aspects of the Act which an auditor will address in the auditor's normal audit procedures.

It should be noted that for purposes of this auditor report, materiality is set as one, as all non-compliance matters need to be reported to the CMS.

4. [ISA810 auditor report template 2023](#)

Some schemes distribute summary AFS to their members in terms of the Scheme Rules. The format and disclosure contained in these summary AFS are prescribed in Circular 6 of 2013.

These summarised AFS are subjected to an engagement conducted in terms of ISA 810 (Revised).

[Circular 38 of 2018](#) requires the auditor's report on the annual financial statements to disclose the number of years both the audit firm and the engagement partner have been the auditor of a medical scheme (audit tenure).

The changed reference to IFRS Accounting Standards is effective for the auditor reports of annual reporting periods of medical schemes beginning on 1 January 2023.

The contents of this circular deals with audit opinions and the relevant templates to be followed, and the requirement for medical schemes to be audited is in terms of Section 37(3) of the Act.

Yours sincerely



Mr Mfana Maswanganyi
Executive: Regulation
Council for Medical Schemes