CIRCULAR

Reference:	Auditor authorisation 2024
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Circular 38 of 2024: Authorisation of Auditors and IFRS advisors 2024

The Council for Medical Schemes (CMS) wishes to inform stakeholders that the final version of the Standards for Authorisation of auditors and IFRS advisors remains unchanged from the prior year, and can be accessed on this link: "Standards for authorisation of auditors for medical schemes".

1. Previously authorised audit firms, individual auditors and IFRS advisors

All audit firms, individual auditors and IFRS advisors who were previously granted authorisation for the audit of medical schemes for the financial year ending 31 December 2023, will automatically have their accreditation extended to include the audits of the financial year ending 31 December 2024. **No application forms or annual declarations are required in relation to these authorisations.**

Audit firms and individuals are however reminded of the requirement to submit the results of any updated IRBA inspection or investigation reports to the auditor authorisation FTP site as detailed further below.

For previously authorised firms, the link to the FTP site is contained below:

a) FTP site for upload of documentation.

2. New authorisation submissions

As previously communicated on ICT-related issues encountered by the CMS, the applications for new audit firms, new individual auditors and new IFRS advisors are now replaced by a manual Microsoft Forms (MS Forms) submission. The submission of new firm and new individual auditor / IFRS advisors' documentation will run concurrently and the deadline for new submissions is **5 September 2024**.

For new firms, you are urged to kindly contact the auditor authorisation project leader at k.mahobye@medicalschemes.co.za to issue you with a username and password for the FTP site.

In line with the prior cycle, the CMS has decided to waive all renewal and application fees.

Please find links to the MS Forms to be used for the authorisation process, and FTP site:

a) New audit firm application and declaration form
b) New individual auditor application and declaration form
c) New individual IFRS advisor application and declaration form
d) FTP site for upload of documentation

New firm submission requirements

The authorisation process is open for all new audit firms who would like to be authorised for the 2024 financial year and should be submitted electronically to the CMS via Microsoft Forms by **5 September 2024.**

In addition to completing the MS Form, the following documents must be uploaded to the FTP site:

- IRBA certificate of registration.
- Latest IRBA firm inspection report and letter, or a letter from the audit firm if IRBA has not conducted any inspections.
- List of medical schemes related experience, completed using the following template:
  - Firm scheme service history
- List of services to third parties to medical schemes, completed using the following template:
  - Firm third party service history
- List of all proposed auditors and IFRS advisors, completed using the following templates:
  - Firm individual auditor list
  - Firm IFRS advisor list.

Applications will only be deemed valid upon the submission of all documents as detailed above.

New individual auditors and new IFRS advisors' submission requirements

The authorisation process is open for new individual auditors/IFRS advisors in relation to the 2024 financial year. The deadline for submission is **5 September 2024**.

The MS Form submission should include the following documents to be uploaded to the FTP site:

- Curriculum Vitae (CV's).
- Continuing Professional Development (CPD) certificates applicable to the last year.
- IFRS advisors:
  - SAICA certificate of registration.
  - Hours of IFRS consulting performed, across relevant IFRS related categories
- Individual auditor:
  - IRBA certificate of registration.
  - IRBA inspection report and decision letter or a letter from the individual auditor if IRBA has not conducted an inspection.

Applications will only be deemed valid upon the submission of all copies as detailed above.

The list of all authorised audit firms, auditors and IFRS advisors will be updated on the CMS website subsequent to the finalisation of this process.

3. Approval of appointment of scheme auditors

Section 36(2) of the Medical Schemes Act 131 of 1998 (MSA) requires the appointment of an auditor to be approved by the Registrar, subject to such conditions as he or she may deem fit.

The approval of a scheme appointment of auditors will run concurrently to the authorisation process. Please note that applications should be completed and submitted using the manual MS Form submission:

a) Auditor approval application form

The following documents must be submitted via e-mail to k.mahobye@medicalschemes.co.za (kindly copy b.phalane@medicalschemes.co.za) to ensure a complete submission:

- Annual General Meeting (AGM) minutes/an extract from the AGM minutes or Board of Trustees (BoT) resolution (in terms of the Scheme Rules).
- Signed letter of acknowledgement as a nominated concurrent review partner (where an auditor has been authorised with a condition to make use of an authorised concurrent review partner with medical scheme experience) and
- Where applicable, the required reports in terms of Section 36(5)(c) of the MSA.

Kindly note that the MS Form will only be updated with the list of new audit firms, individual auditors and IFRS advisors after the finalisation of the above-mentioned authorisation process. These new entities and individuals will therefore only reflect on the auditor approval MS Form for selection once they have been analysed and approved. The CMS will keep the auditors and medical schemes updated with any developments regarding this process.

The submission deadline for schemes for the appointment of their auditors is **16 September 2024.**

Yours sincerely,

Mfana Maswanganyi

Signed by Mfana Maswanganyi,
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Mr Mfana Maswanganyi
Acting Chief Executive and Registrar
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