



CIRCULAR

Reference: Joint and Shared Audit Engagements
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Circular 28 of 2026: Fostering Greater Auditor Inclusion in the Audit of Medical Schemes

Audit firms are required by the International Standard on Quality Management (ISQM) 1 to make judgments about the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements. This includes, *inter alia*, the availability of individuals with relevant industry knowledge (paragraph A72).

The Registrar recognises that the medical schemes environment is highly technical and complex. This complexity, together with the specialised application of IFRS 17, has contributed to limited participation by audit firms in the industry. To support the effective transfer of skills and knowledge to new entrants to the audit market, the Registrar encourages medical schemes and their audit committees to consider joint or shared audit engagements.

Joint and shared audit engagements provide flexibility to medical schemes while continuing to support transformation objectives, subject to the prudent management of scheme funds.

Below is the distinction between joint and shared audit engagements:

- A joint audit engagement is an audit in which two or more separate firms are engaged to jointly audit the financial statements of an entity, take joint and collective responsibility for the audit and form a joint auditors' opinion. Each joint auditor has a joint responsibility with the other joint auditor(s) for the audit and the joint auditors' opinion on the financial statements.
- A shared or subcontracted audit engagement is an audit engagement where a portion of the audit work is outsourced or subcontracted by the engagement auditor to another firm(s). The engagement auditor takes overall control, responsibility and accountability for the audit engagement, regardless of the outsourcing or subcontracting of a portion of the audit work to another firm(s).

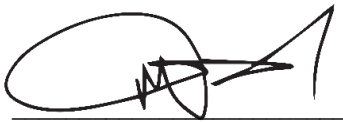
Benefits of joint or shared audits include but are not limited to:

- **Enhanced Audit Quality and Objectivity:** Using two independent audit firms allows for different perspectives which strengthen professional scepticism, support more robust challenge of management decisions, and improve overall oversight.
- **Knowledge Transfer and Skills Development:** Joint or shared audits help build capacity by enabling larger, established firms to work with and mentor smaller audit firms, supporting empowerment and the transfer of skills and knowledge.
- **Continuity and Stability:** This approach supports audit independence while maintaining operational stability. It allows one audit firm to rotate, while the other is retained to ensure continuity.
- **Specialised Expertise:** One firm may not have all the resources and industry knowledge. A joint or shared audit allows for schemes to combine the resources and industry-specific expertise of two firms.
- **Market Competition:** Encouraging shared audits reduces dependence on a small number of dominant firms, strengthens small and medium-sized firms, and supports a more competitive audit market.

Please [click here](#) to access the addendum relating to comments received during the stakeholder consultations.

Your consideration will be highly appreciated.

Yours sincerely,



Dr Musa Gumede
Chief Executive and Registrar
Council for Medical Schemes