



## CIRCULAR

Reference: Auditor authorisation 2020  
Contact person: Hellen Mahlke  
Tel: 012 431 0572  
E-mail: [h.mahlke@medicalschemes.com](mailto:h.mahlke@medicalschemes.com)  
Date: 30 June 2020

### Circular 45 of 2020: Authorisation of Auditors and IFRS advisors

The Council for Medical Schemes (CMS) would like to inform auditors and International Financial Reporting Standards (IFRS) advisors that the online Auditor Authorisations and Approval Portal is now available on our website, [www.medicalschemes.com](http://www.medicalschemes.com) for 2020 applications.

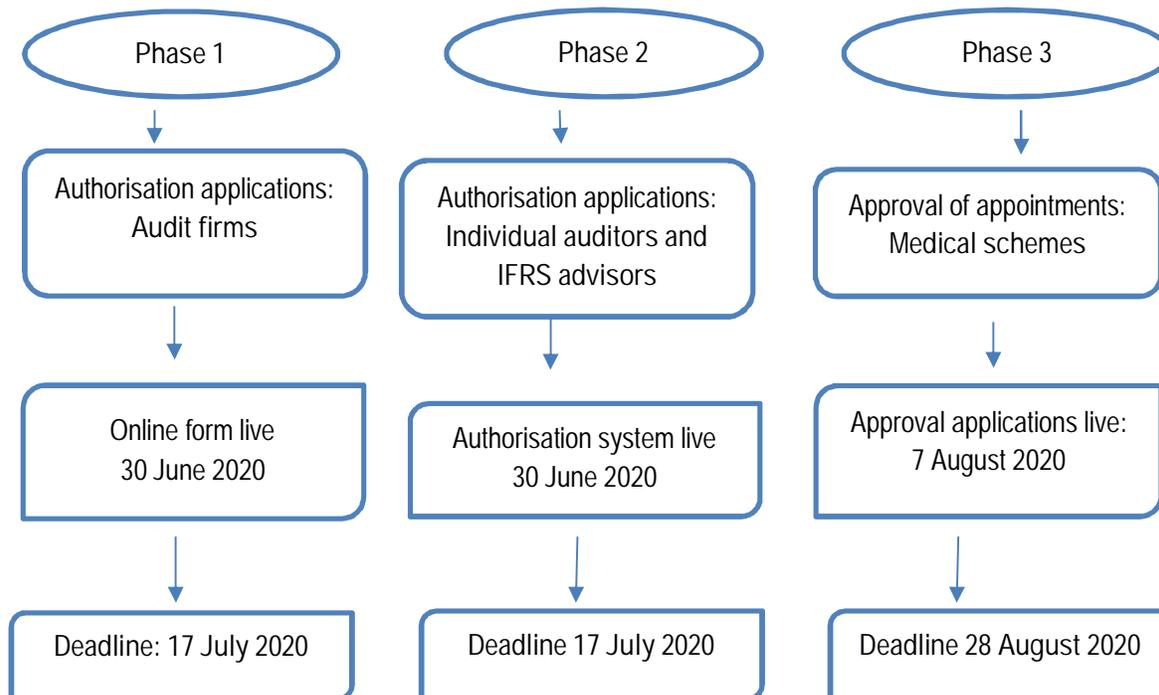
The final version of the Standards for Authorisation of auditors and IFRS advisors can be accessed on this link: ["Standards for authorisation of auditors for medical schemes"](#).

Kindly take note of specified deadlines below and the application process.

Please note that in 2020 the 2017 cycle of authorisations will be expiring and all audit firms, individual auditors and IFRS advisors authorisations that are expiring in 2020 should renew their authorisation.

The application process is set out on the following page.

## Application process



### 1. Authorisations

#### Phase 1: Application by audit firms

New Audit firms: For the application of a new audit firm; a representative who will act as a contact person on behalf of the audit firm and responsible for all administrative duties in terms of the authorisation process should be nominated by the audit firm. The nominated individual will have to register/create an account on the auditor authorisation portal and be approved by CMS.

Renewal of audit firms: All audit firms that have expiry dates in 2020 will need to apply for a renewal of their authorisation. The below submission requirements will then also apply.

Annual declarations: For audit firms whose authorisations is still within the three-year cycles, they are required to make only the annual declaration.

#### Submission requirements

The authorisation system will open for all applications to be considered for financial year 2020 on 30 June 2020. Applications for audit firms who would like to be authorised for the 2020 financial year should be submitted to the CMS by 17 July 2020 with the following documents:

- Signed online based report;
- Declaration by senior firm representative;

- IRBA firm inspection report and letter/ Letter from the audit firm if IRBA has not conducted any inspections;
- IRBA certificate of registration; and
- Proof of payment of administration fees.

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

### Phase 2: Application for authorisation by individual auditors and IFRS advisors

The authorisation system will go live on 30 June 2020 for the individual auditors/IFRS advisors for the 2020 financial year, and the application deadline for submission is 17 July 2020. The list of all authorised auditors and IFRS advisors will be published on the CMS website before 7 August 2020.

Renewal of individual auditors and IFRS advisors: All individual auditors and IFRS advisors that have expiry dates in 2020 will need to apply for a renewal of their authorisation. The below submission requirements will then also apply.

Annual declarations: For individual auditors whose authorisations is still within the three-year cycles, they are required to make only the annual declaration.

### Submission requirements

- Signed online report (external IFRS advisor);
- Declaration by individual auditor/IFRS advisor;
- Continuing Professional Development (CPD) certificates applicable to the last year;
- Curriculum Vitae (CV's);
- IRBA inspection report and decision letter/ Letter from individual auditor if IRBA has not conducted inspection (only applicable for individual auditors);
- IRBA certificate of registration (only applicable for individual auditors); and
- Proof of payment of Administration fees.

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

## 2. Approvals

### Phase 3: Approval applications

Medical scheme applications for approval of appointment of auditors will be accepted from 7 August 2020 to 28 August 2020.

Submission requirements:

- Completed application (Signed via Signflow)
- AGM minutes/BoT resolution
- Section 36(5) where applicable

3. Administration fees

The fees are applicable to only new and renewal of applications.

The fees payable for the 2020 financial year are as follows:

|              | Audit firm | Individual auditor | IFRS advisor |
|--------------|------------|--------------------|--------------|
| Fee payable: | R5 000     | R2 500             | R2 500       |

The fee payable by the audit firm is R5 000 and R2 500 per individual auditor and per IFRS advisor in respect of initial and renewal applications. This fee is payable on application and valid for three (3) years of the authorisation period.

The CMS will keep the auditors and medical schemes updated with any developments regarding this process, until the 2020 applications are completed.

Yours sincerely,



Mr Sameer Rajab  
Acting General Manager: Financial Supervision Unit  
Council for Medical Schemes