

FINANCIAL SERVICES BOARD

Riverwalk Office Park Block B 41 Matroosberg Road Ashlea Gardens Extension 6
Pretoria South Africa 0081 PO Box 35655 Menlo Park Pretoria South Africa 0102
Tel +27 12 428 8000 Fax +27 12 346 6941 E-mail info@fsb.co.za
Toll free 0800 110443/0800 202087 Website: www.fsb.co.za



ENQUIRIES:	Ms Kedibone Dikokwe	D. DIALLING NO.:	012 428 8017
OUR REF:	Auditor's Report :Key Audit Matters	FAX:	
DATE:	29 April 2016	E-MAIL:	Kedibone.Dikokwe@fsb.co.za

INFORMATION CIRCULAR NO.27

TO MANAGERS AND AUDITORS OF COLLECTIVE INVESTMENT SCHEMES

1. The Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA") requires a manager to appoint an auditor for the purposes of auditing the business of the collective investment scheme. In this regard the auditor must provide the manager with a report wherein the auditor expresses an opinion on the financial position of the manager and its collective investment scheme.
2. The International Standard on Auditing (ISA) 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, deals with the auditor's responsibility to form an opinion on the financial statements as well as the form and content of the auditor's report issued as a result of an audit of financial statements. The revised standard is applicable for the audit of financial statements for the periods ending on or after 15 December 2016.
3. Paragraph 31 of ISA 700 provides that when the auditor is otherwise required by law or regulation to communicate key audit matters (KAM) in the auditor's report, the auditor shall do so in accordance with ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*.
4. In terms of ISA 701 the purpose of communicating KAM is to enhance the communicative value of the auditor's report by providing greater transparency about the audit that was performed. KAM are defined as those matters that were in the auditor's professional judgment of the most significance in the audit of the financial statements. These matters are selected from matters communicated with those charged with governance.
5. Consequently the Registrar of Collective Investment Schemes advises that auditors are required pursuant to the provisions of section 74(3) of CISCA to

Board Members: AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
Prof PJ Sutherland FE Groepe D Turpin HMH Ratshefola D Msomi I Momoniat O Makhubela (Alternate)
Executive Officer: DP Tshidi

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report on KAM in their audits of the manager and its collective investment schemes' financial statements for the years ending on 31 December 2016 and beyond.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized 'O' followed by a vertical line and a long, sweeping horizontal stroke that tapers to the right.

J.A. BOYD

REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES