

28 September 2017

Circular 481

To All Sasria Agents and Intermediaries

REMINDER: SASRIA AUDIT CERTIFICATES DUE 30 NOVEMBER 2017

This circular serves as a reminder that the Sasria Audit Certificates are due on the 30th November 2017, originals to be delivered to the Sasria offices and emailed to Mogana (moganat@sasria.co.za) and Millicent (millicentn@sasria.co.za).

As per accounting section under Sasria regulations, our Non-Mandated Intermediaries' (NMI's) Annexure 1 returns are required to be verified by an audit certificate at half yearly intervals (31 March and 30 September each year),

Non Mandated Intermediaries that generate a premium of R5 million per annum or less and all Captives are exempt from providing two audit certificates per annum. These institutions are only required to submit one return per annum covering the 12 month period ending 31 March.

However, where these institutions have had a qualified audit certificate in the last two years, they will be required to provide Sasria with two audit certificates per annum until such time Sasria is comfortable with the administration of its business by the Non Mandated Intermediary.

This certifies that inter alia the premiums due to Sasria have been paid by the Non Mandated Intermediary in terms of The Short-Term Insurance Act No. 53 of 1998 for the period covered by the certificate (1 April 2017 – 30 September 2017).

The aforementioned certificate wording and accompanying summary schedule is included in Annexure A for ease of reference.

Please note that a summary of annual, monthly, annual adjustments, monthly adjustments are to be submitted on separate annexures and these need to tie back to the annexures submitted for the six months ending 30 September 2017 to Sasria (Annexure B). Please ensure that when you submit Annexure B the relevant information at the top of each sheet are completed (name of Non Mandated Intermediary, period, **VAT number** of the Non Mandated Intermediary).

A maximum amount of ten cents error more or less than the correct premium produced by computers will be permitted.

Should you have any queries kindly contact Philippa Viljoen on philippav@sasria.co.za

Philippa Viljoen
Acting Finance Executive

ANNEXURE A

INDEPENDENT AUDITOR'S REPORT OF TO SASRIA SOC LIMITED FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Opinion

We have audited the attached Schedule of Collection and Remission of Premiums (the Schedule) of [Insert name of insurer] (the Company) to Sasria SOC Limited (Sasria) for the six months period ended 30 September 2017 prepared in compliance with the Sasria Regulations.

In our opinion, the Schedule of [Insert name of insurer] for the six months ended 30 September 2017 has been properly prepared, in all material respects, in accordance with the Sasria Regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We emphasise that the Schedule has been prepared in accordance with the Sasria Regulations. As a result, the Schedule may not be suitable for another purpose. The purpose of our report is to provide information to Sasria in accordance with the Regulations and is not to be used for any other purpose, nor to be distributed to any other parties without our prior written consent. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors

The directors are responsible for the preparation of the Schedule in accordance with Sasria Regulations and for such internal control as the directors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance that the Schedule is prepared, in all material respects, in accordance with the Sasria Regulations.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Schedule.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of firm/s Registered Auditor

Address:

Date: