
BOARD NOTICE

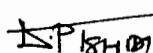
BOARD NOTICE 152 OF 2009
FINANCIAL SERVICES BOARD
PENSION FUNDS ACT NO 24 OF 1956:

**AMENDMENT OF BOARD NOTICE 58 OF 2007: CATEGORISATION AND
PRESCRIBED FINANCIAL STATEMENTS APPLICABLE TO THE
DIFFERENT CATEGORIES OF FUNDS**

I, Dube Phineas Tshidi, Registrar of Pension Funds, under regulation 12(2) of the Regulations made under the Pension Funds Act, 1956 (No. 24 of 1956), published in GNR. 98 of 1962, *Government Gazette* 162 of 26 January 1962, hereby amend Board Notice 58 of 2007, published in *Government Gazette* 29877 of 30 May 2006 by replacing **Schedule D** of **Annexures C and D** with the **Schedule D** as set in the Schedule to this Notice.

Schedule D must be completed and certified by an auditor registered under the Auditing Profession Act, 2005 (Act No. 26 of 2005).

This Notice takes effect on the date of publication thereof. Audits commencing after 1 December 2009 must prepare the audit report in the new prescribed format, however, for audits that have already commenced at the effective date of this Notice the new prescribed audit report may be used.



DP TSHIDI
Registrar of Pension Funds

SCHEDULE D

Date

The Board of Management
{Name of Fund}
Address of fund

Cc: The Registrar of Pension Funds
Financial Services Board
Pretoria
0001

Dear Sir

FACTUAL FINDINGS REPORT <OF THE INDEPENDENT AUDITORS OF [NAME OF FUND] TO THE BOARD OF MANAGEMENT AND THE REGISTRAR OF PENSION FUNDS¹> or <BY THE REGISTERED AUDITOR TO BOARD OF MANAGEMENT AND THE REGISTRAR OF PENSION FUNDS IN RESPECT OF [NAME OF FUND]²>

Introduction

At the request of the Registrar of Pension Funds (the “Registrar”) and in accordance with the requirements of Section 15(4) of the Pension Funds Act of South Africa (the Act), we have performed the procedures agreed with the Registrar and set out below with respect to the unaudited financial statements (“annual financial statements”)³ and other information in the general ledger and management information comprising the accounting records of the [Name of Fund] (the “fund”) for the <year/period> ended <insert period end>. Our engagement was undertaken in accordance with the *International Standard on Related Services Engagements (ISRS 4400) to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Registrar and the Board of Management in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Act were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar. We have initialed the attached <summaries and / or schedules referred to below⁴> for identification purposes only.

¹ Use first option in the heading where the registered auditor providing this Factual Findings Report is the appointed external auditor of the said Fund.

² Use the second option in the heading where the registered auditor is not the appointed external auditor of the Fund.

³ As submitted by the administrator/fund to the registrar of pension funds

⁴ Suggest the auditor clearly identifies any such “unaudited” schedules attached and initialed for identification purposes only.

Procedures and Findings

Our procedures performed and corresponding findings thereon are set out in the table below.

Note: unless otherwise indicated, all balances, lists, schedules etc. referred to below relate to the accounts / balances reflected in the annual financial statements of the Fund, as at the financial period ended <insert year/period end> .

	Procedures	Findings
Statement of Net Assets and Funds		
Investments		
1	We inspected the list of investments held by the fund as at period end for any investments prohibited in terms of section 19 (4) of the Act.	The fund held/did not hold investments prohibited in terms of section 19(4) of the Act. (Or not applicable) [Provide details of exceptions]
1.1	Where investments held in the participating employer exceeded 5%, we inspected the appropriate approval of the Registrar.	The fund <had/did not have> the appropriate approval of the Registrar. [Provide details of exceptions]
2	For all investments or investment policies held by the fund, we obtained investment certificates from the investment manager / insurer for all such assets disclosed in the unaudited annual financial statements.	The fund did/did not have investment certificates from the investment manager/insurer. [Provide details of exceptions]
2.1	For all investments including linked insurance policies (as defined in the Long Term Insurance Act) and/or collective investment schemes we requested a Regulation 28 certificate from the relevant registered insurer/collective investment scheme manager and we observed that the certificate states that the investments are Regulation 28 compliant.	A Regulation 28 certificate was/was not obtained from the relevant registered insurer/collective investment scheme manager/investment manager and noted that the certificate states that the linked insurance policies and/or collective investment schemes <are/are not> Regulation 28 compliant. [Provide details of exceptions]
2.2	We obtained investment certificates for the investments of the fund reflected in the summary prepared by the administrator / fund and agreed the breakdown by category as reflected on the investment certificate to the summary set out in Schedule IA.	The investment certificates of the fund were/were not obtained. The breakdown per category per the investment certificates <agreed/did not agree> to the summary prepared by the administrator/fund. [Provide details of exceptions].

	Procedures	Findings
2.3	We reviewed the disclosure of the Regulation 28 limits in Schedule IB by performing the following procedures:	
2.3.1	We compared the summary of investments by investment category to Schedule IB as attached to the unaudited annual financial statements and compared the calculated limits to the limits set in Regulation 28. Where the limits were exceeded we inspected the letter from the Registrar to the fund granting an exemption.	There <were/were no> differences between the summary of investments per category and the disclosure of the investments per category as set out in Schedule IB and that the limits set in regulation 28 <were/were not> exceeded. Where the limits were exceeded, the fund <has / does not have> the appropriate exemption approval letter from the Registrar. <i>[Provide details of exceptions]</i>
Bank and Cash		
3	We obtained the bank reconciliations of bank accounts of the fund as at <i>[year end/ period end]</i> as disclosed.	The bank reconciliations for the bank accounts of the fund were/were not obtained as at <i>[year end/period end]</i> . <i>[Provide details of exceptions]</i>
3.1	We inspected the bank statements subsequent to period end to <insert date> for evidence that reconciling items were cleared by then and obtained explanations from the <trustees/administrators> for all material outstanding items not cleared by that date.	Reconciling items were cleared/not cleared by <insert date>. Explanations were <obtained/not obtained> for all material outstanding items not cleared by that date. (Note explanations with details in respect to exceptions provided)
Member Individual Accounts(Defined Contributions Funds only)		
4	We obtained a list of member individual accounts as reflected on the administrator's member records as at <insert period / year end>.	
4.1	We agreed the total closing balance on the list to the total of member's individual accounts reflected in the unaudited annual financial statements as at <i>[insert period end]</i> .	The closing balance on the list amounting to RXX <agreed/did not agree> to the total of individual members' accounts in the unaudited annual financial statements as at <i>[insert period end date of the fund]</i> . <i>[Provide details of exceptions]</i>
4.2	We selected a sample of the lesser of 25 or 10% of the number of members from the list of members as per 4.1 above and performed the following procedures for each member selected:	
4.2.1	We agreed the member and employer contributions received and allocated for each of the members selected as reflected on the administrator's system, to	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system <agreed/did not

	Procedures	Findings
	information supplied by the participating employers for those members selected, for a judgementally selected period of three months.	<i>agree</i> to the information supplied by the participating employers for each of the three months selected. [Provide details of months selected and exceptions]
4.2.2	In respect of unitised investment products, we recalculated the conversion of the selected contributions at the unit price per the administration system on the dates that the contributions were invested and agreed the units recalculated to the administration system units for each of the selected members. We further inspected that the units were added to the existing units for that member.	The conversion of contributions into units <i><was/was not></i> correctly calculated and agreed/does not agree to the units on the administration system. The units <i><were/were not></i> correctly added to the members existing units. [Provide details of exceptions]
4.2.3	In respect of unitised investment products, we recalculated the conversion of units at the end of the period , at the period end unit price and agreed the amount of the <i><transaction/conversion></i> recorded in each member's record.	The conversion of the units <i><was/was not></i> correctly calculated and <i><agreed/did not agree></i> to the amount of the <i><transaction/conversion></i> recorded in each member's record on the member register. [Provide details of exceptions]
4.2.4	In respect of unitised investment products, we compared the unit price as at the end of the financial period to the unit prices on the administration system used to calculate each member's credits at period end.	The unit price <i><did/did not></i> agree to the unit prices on the administration system at period end. [Provide details of exceptions]
4.2.5	In respect of non-unitised investment products, we agreed the interim and/or final return allocated to each individual member's account on the administrator's records for the period under review to the return approved in accordance with a resolution of the Board of Trustees or the Rules of the fund.	The return allocated to each member's fund credit on the administrator's account <i><agreed/did not agree></i> to the return approved in accordance with a trustees' resolution or the Rules of the fund. [Provide details of exceptions]
4.3	We obtained a listing of members who switched investment portfolios during the period from the fund/administrator and selected a sample of the lesser of 25 or 10% of members who switched between investment portfolios during the period from the list.	
4.3.1	We inspected evidence that the portfolios had been switched in accordance with notification of the members' election.	The portfolios <i><were/were not></i> correctly switched and the correct amount <i><was/was not></i> switched in accordance with notification of the members' election. [Provide details of exceptions]