



COUNCIL FOR MEDICAL SCHEMES

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TO ALL PRINCIPAL OFFICERS, BOARD OF TRUSTEES AND AUDITORS OF ALL MEDICAL SCHEMES

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CIRCULAR NO 25 OF 2007

AUDITOR APPROVAL IN TERMS OF SECTION 36 (2) OF THE MEDICAL SCHEMES ACT

The Office has revised the auditor approval process from 2007 onwards. We have rolled over information from the 2006 to the 2007 questionnaire. Depending on how the scheme is categorised as mentioned below, schemes will be able to edit the rolled over data, whereas some schemes will have to complete the full questionnaire.

- Category 1 - Reappointment of audit firm and engagement partner;
- Category 2 - Appointment of a new audit firm; or
- Category 3 - Appointment of a new audit partner.

All schemes are required to complete the auditor approval questionnaire which is available on our website (www.medicalschemes.com) under the portals section. We wish to remind all schemes that they should notify the Registrar in writing, of every appointment/reappointment after every annual general meeting (AGM). The letter, accompanied by the minutes of the AGM, should specifically state the name of audit firm, audit partner, and financial year to be audited.

REGISTRATION PROCESS

Please note that every medical scheme will have to register online to be able to access the system. Please use the register function on the login screen as a scheme user. Your username and passwords will be emailed to you. Users can also register for multiple schemes.

There is no need for the auditor to register on the system too as they are registered automatically when the scheme completes and submits Part A of the questionnaire. For

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more information on the completion of the auditor approval questionnaire, please view our Help File on the auditor approval site.

COMPLETION OF THE AUDITOR QUESTIONNAIRE

Upon login, the scheme is required to first complete Part A that entails the selection of the auditor being appointed, as well as completing the e-mail address and auditor contact person fields. Once part A is completed by the scheme, an email will be sent to the appointed auditor with a username and password allowing the auditor to complete Part B, C and D.

Please note the following with regards to completion of the form in 2007:

- Where a scheme selects category 1 in Part A - ***reappointment of audit firm and engagement partner***, they will be required to edit the form where necessary in order to align it with the 2007 financial year.
- Where a scheme selects category 2 in Part A - ***appointment of new audit firm***, they will be required to complete the full questionnaire.
- Where a scheme selects category 3 in Part A - ***new engagement partner***, they will be required to edit part B and fully complete part C and D.

The deadline for the submission of the 2007 auditor questionnaire is 07 September 2007. Your attention is drawn to the provisions of section 66(3) of the Act, in terms of which any medical scheme which fails to furnish the registrar with the prescribed documentation, shall be liable to a penalty of R 1 000.00 (one thousand rands) for every day, which the non submission continues. PLEASE NOTE THAT THE DEADLINE APPLIES TO THE RECEIPT OF THE SIGNED DOCUMENTS BY THE OFFICE AND NOT MERELY THE ELECTRONIC SUBMISSION.

Your cooperation in this regard will be highly appreciated.



MAGGIE GROBLER
HEAD: FINANCIAL SUPERVISION
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