



Reference: Key audit matters
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Circular 65 of 2015: Auditor's Reports: Key Audit Matters

The International Standard on Auditing (ISA) 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, is applicable for the audits of financial statements for periods ending on or after 15 December 2016.

Paragraph 31 of ISA 700 refers the auditor to ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, for the reporting of key audit matters in the auditor's report.

As per ISA 701 the purpose of communicating key audit matters is to enhance the communicative value of the auditor's report by providing greater transparency about the audit that was performed. Key audit matters are defined as those matters that were in the auditor's professional judgement of the most significance in the audit of the financial statements. These matters are selected from matters communicated with those charged with governance.

The Council for Medical Schemes requires the auditors of medical schemes in terms of Sections 36(5)(d) and 37(2) to report on Key Audit Matters (KAM) in their audits of medical schemes' financial statements for the years ending 31 December 2016 onwards.

A handwritten signature in black ink, appearing to read 'Maziya', is positioned above the typed name.

Tebogo Maziya
General Manager: Financial Supervision Unit
Council for Medical Schemes