



COUNCIL FOR MEDICAL SCHEMES

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TO: ALL PRINCIPAL OFFICERS, BOARDS OF TRUSTEES OF ALL MEDICAL SCHEMES , ALL STATUTORY RETURN USERS AND OTHER RELEVANT STAKEHOLDERS

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INCLUSION OF THE BENEFIT OPTIONS RESULTS IN THE ANNUAL FINANCIAL STATEMENTS.

During our deliberations with the Independent Regulatory Board for Auditors (IRBA) it came to our attention that there is confusion amongst stakeholders as to whether the benefit option results included in the annual financial statements require to be audited.

The provisions of section 37(2) of the Medical Schemes Act, 131 of 1998 empower the Registrar to determine the medium and form in which the annual financial statements should be furnished. The purpose of this power granted to the Registrar is to ensure that the annual financial statements are presented in a manner and form which accurately reflect the financial results and position of the medical scheme.

The benefit options of the medical scheme are central to the state of affairs and the business of the medical scheme and its results. The fair presentation of the medical scheme's results would reasonably require that the benefit option results also form part of the annual financial statements and therefore be subject to audit.

The requirement that the annual financial statements shall include the results of the benefit option offered by the medical scheme indicating the financial performance thereof and the number of members enrolled per option is hereby effected in terms of the provisions of section 37(2)(e).

This benefit option results (as part of the annual financial statements) would accordingly require to be audited.

T PATRICK MASOBE
REGISTRAR OF MEDICAL SCHEMES

Chairperson: Prof. William Pick Vice-Chairperson: Dr Saadiq Kariem Chief Executive & Registrar: Patrick Masobe

A STATUTORY BODY ESTABLISHED IN TERMS OF THE MEDICAL SCHEMES ACT, 1998 (ACT 131 OF 1998)