

SCHEDULE IB

INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH REGULATION 28

TO THE BOARD OF FUND

We have audited Schedule IB "Assets held in compliance with Regulation 28" of [name of fund] (the Fund) at 20XX (the Schedule) for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation), as set out on pages [xx] to [xx]. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Board of Fund to report to the Registrar of Pension Funds (the 'Registrar').

The information contained in Schedule IB has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement. Our audit of the annual financial statements of the [name of fund] for the year ended [xxxx] was conducted in accordance with International Standards on Auditing and in our report of [insert date] we expressed an unmodified opinion¹ on the financial statements, prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

The Board of Fund's Responsibility for the Schedule

The Board of Fund is responsible for the preparation of the Schedule in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation, and for such internal control as the Board of Fund determines is necessary to enable the preparation of the Schedule that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit of the Schedule. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule 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 entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

¹ Consider the effect on the opinion where the auditor's report on the annual financial statements of the Fund is modified. (Refer to ISA 805.14 to 16 in this regard). If the auditor is unable to issue an unmodified report on the Schedule in accordance with the requirements of Regulation 28, the auditor considers the implications for the auditor's opinion on the annual financial statements.

Opinion²

In our opinion, Schedule IB “Assets held in compliance with Regulation 28” at 20XX by [name of fund] has been prepared in all material respects in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation.

Restriction on Use

Without modifying our opinion, we draw attention to the purpose of our report as indicated in the introductory paragraph, and the basis of accounting. Consequently, the Schedule and our auditor’s report may not be suitable for another purpose.

Auditor’s Signature

Name of individual registered auditor

Registered Auditor

Date of auditor’s report

Auditor’s address

² Should the auditor’s opinion be modified, then the basis for the qualified/adverse opinion paragraph should be included in the report that provides sufficient detail regarding the instances of non-compliance with Regulation 28 identified, or disagreement with the basis of interpretation/valuation applied by the fund, to enable the FSB to deal with the matter or issue identified in the appropriate manner.