

## **SECTION 15 AUDITOR'S REPORT – RETIREMENT FUNDS – SMALL FUNDS**

### **REPORT OF THE INDEPENDENT AUDITOR OF [NAME OF FUND] OF FACTUAL FINDINGS**

#### **TO THE BOARD OF FUND AND THE REGISTRAR OF PENSION FUNDS**

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 of Pension Funds (the "Registrar") and set out below with respect to the unaudited financial statements ("annual financial statements")<sup>1</sup> and other information in the general ledger and management information comprising the accounting records of the [name of fund] (the "Fund") for the [period/year] ended [insert period/year-end]. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Registrar in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Act, regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar.

#### **Procedures and findings**

Our procedures performed are set out in the numbered paragraphs (not bold) in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the [period/year] ended [insert period/year-end].

In accordance with the requirements of Section 2(5)(a) of the Act, the Registrar has exempted the fund from the requirement of Section 15(1) for the fund's financial statements to be audited. Accordingly we are not required by the Registrar to perform an audit, or undertake a review or other assurance engagement and have not done so. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

#### **Restriction on use and distribution**

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Registrar and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.

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<sup>1</sup> As submitted by the administrator/fund to the Registrar of Pension Funds.

*Auditor's Signature*

Name of individual registered auditor

Registered Auditor

Date of auditor's report

Auditor's address

## Procedures and Findings

	Procedures	Findings
	<b>Statement of Net Assets and Funds</b>	
<b>1</b>	<b>Investments</b>	
1.1	Inspect the list of investment balances reflected in the general ledger of the Fund as at [insert period/year-end date] for any investments in accordance with the terms of section 19(4) of the Act.	
1.1.1	Where investments held in the participating employer exceed 5% of the total assets as reflected in the unaudited financial statements, inspect the appropriate approval of the Registrar.	The Fund [had/did not have] the appropriate approval of the Registrar (or not applicable – either where such investments are not held, or where the holding did not exceed 5% of the total assets as reflected in the unaudited financial statements). <b>[Provide details of exceptions]</b>
1.2	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.	We [obtained/did not obtain] the investment certificates from the investment manager/insurer. <b>[Provide details of exceptions]</b>
1.3	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.	We [obtained/did not obtain] a Regulation 28 certificate from the relevant registered insurer/collective investment scheme manager/investment manager and the certificate states that the linked insurance policies and/or collective investment schemes [is/is not] Regulation 28 compliant. <b>[Provide details of exceptions]</b>
1.4	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. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
1.5	Compare the summary of investments by investment category to Schedule IB as attached to the unaudited annual financial statements and compare the calculated limits to the limits set in Regulation 28.	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 the limits set in Regulation 28 [were/were not] exceeded. <b>[Provide details of exceptions]</b>
<b>2</b>	<b>Bank and cash</b>	
2.1	Obtain the bank reconciliations of bank accounts of the fund as at [insert period/year-end date] as disclosed.	The bank reconciliations for the bank accounts of the fund as at [insert period/year-end date] [were/were not] obtained. <b>[Provide details of exceptions]</b>
2.2	Inspect the bank statements subsequent to period end to [insert date] for evidence that reconciling items were cleared by then and obtained explanations from the 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. <b>[Provide details of exceptions]</b>
<b>3</b>	<b>Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)</b>	
3.1	Obtain a list of member individual accounts as reflected in the unaudited Statement of Net Assets and Funds as at [insert period/year-end date] and note any differences.	
3.2	Select a random sample of the lesser of 25 or 10% of the number of members from the list of members and perform the following procedures:	
3.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the [period/year] under review).	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system [agreed/did not agree] to information supplied by the participating employers for the three months selected. <b>[Provide details of months selected and exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
3.2.2	Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the [period/year] under review).	The member and employer contribution rates for the members selected as reflected on the administrator's system [agreed/did not agree] to the rules of the Fund for the three months selected. <b>[Provide details of months selected and exceptions]</b>
3.2.3	In respect of unitised investment products, for the three months selected in 3.2.1 and 3.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	The conversion of contributions into units [was/was not] calculated correctly and [agreed/did not agree] to the units on the administration system. The units [were/were not] added to the existing unit for that member. <b>[Provide details of exceptions]</b>
3.2.4	In respect of unitised investment products, calculate the conversion of units at the end of the [period/year], at the [period/year-end] unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	The conversion of the units [was/was not] calculated correctly and [agreed/did not agree] to the amount recorded in each member's record on the member register. <b>[Provide details of exceptions]</b>
3.2.5	In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the [period/year-end] to the unit prices on the administration system used to calculate each member's credits at [period/year-end].	The unit price(s) [agreed/did not agree] to the unit prices on the administration system at [insert period/year-end date]. <b>[Provide details of exceptions]</b>
3.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the [period/year] under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	The interim and/or final return allocated to each individual member's account in the administrator's records [agreed/did not agree] to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
3.3	Obtain a list of members who switched investment portfolios during the [period/year] from the Fund/administrator, select a random sample of the lesser of 25 or 10% of members who switched between investment portfolios during the [period/year], and perform the following procedures:	
3.3.1	Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.	The portfolios [were/were not] switched in accordance with notification of the member's instruction/investment strategy (including life stage models) of the Fund and [were/were not] switched within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund. <b>[Provide details of exceptions]</b>
3.3.1	Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.	Fees deducted [were/were not] approved by the Board of Fund and [were/were not] agreed to authorised supporting documentation by the Board of Fund. <b>[Provide details of exceptions]</b>
3.4	For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:	
3.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	The investments per product [agreed/did not agree] to the investment certificates in total. <b>[Provide details of exceptions]</b>
3.4.2	Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the unaudited Statement of Net Assets and Funds.	The member individual accounts on the ALM reconciliation per investment portfolio [agreed/did not agree] to the administration system and to the total member individual accounts as disclosed in the unaudited Statement of Net Assets and Funds. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
3.4.3	Inspect whether the total mismatch (in units/Rand) for all portfolios was within the range as prescribed by the Registrar.	The total mismatch for all portfolios [was/was not] within the range as prescribed by the Registrar. <b>[Provide details of exceptions]</b>
<b>4</b>	<b>Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)</b>	
4.1	Select a sample of the lesser of 25 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:	
4.1.1	Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the [period/year] under review).	The member contributions received and allocated for the members selected as reflected on the administrator's system [agreed/did not agree] to information supplied by the participating employers for the three months selected. <b>[Provide details of months selected and exceptions]</b>
<b>5</b>	<b>Surplus apportionment scheme</b>	
5.1	If a surplus apportionment scheme was approved by the Registrar in the current [period/year] or if allocation and/or payments to members were made during the [period/year], perform the following procedures:	
5.1.1	<u>Active members:</u> Select a random sample of the lesser of 25 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	
5.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	The original surplus amount allocated to the selected member [agreed/did not agree] to the individual allocation on the member records per the administration system. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
5.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	The calculation of the relevant investment return from surplus apportionment date to date of allocation [was/was not] in accordance with the requirements of the Act and [was/was not] allocated to the member records in the administration system. <b>[Provide details of exceptions]</b>
5.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 25 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	
5.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	The original surplus amount allocated to the selected member and/or pensioner [agreed/did not agree] to the individual allocation on the member records per the administration system. <b>[Provide details of exceptions]</b>
5.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	The calculation of the relevant investment return from surplus apportionment date to date of allocation [was/was not] in accordance with the requirements of the Act and [was/was not] allocated to the member records in the administration system. <b>[Provide details of exceptions]</b>
5.1.2.3	Agree the total of the amount calculated in 5.1.2.1 and 5.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.	The total amount calculated in 5.3 and 5.4 [agreed/did not agree] to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation. <b>[Provide details of exceptions]</b>



	<b>Procedures</b>	<b>Findings</b>
<b>6</b>	<b>Member and employer surplus accounts</b>	
6.1	Obtain the analysis of the transactions in the member and/or employer surplus account per the unaudited annual financial statements, and perform the following procedure:	
6.1.1	Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.	The transactions [were/were not] made in terms of the registered rules of the Fund and/or the Act. <b>[Provide details of exceptions]</b>
<b>7</b>	<b>Reserves</b>	
7.1	Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the unaudited financial statements and/or in the actuarial valuation, and perform the following procedures:	
7.1.1	Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.	The reserve and other accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation [were/were not] in accordance with the registered rules of the Fund. <b>[Provide details of exceptions]</b>
7.1.2	Inspect that the movements in reserves and other related accounts as set out in 7.1 are permitted in terms of the registered rules of the Fund and/or the Act.	The movements in reserves and other related accounts as set out in 7.1 [were/were not] permitted in terms of the registered rules of the Fund and/or the Act. <b>[Provide details of exceptions]</b>
<b>8</b>	<b>Other assets, liabilities and guarantees</b>	
8.1	Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at [insert period/year-end date], and perform the following procedure:	
8.1.1	Agree the total loans on the above list to the corresponding account in the unaudited annual financial statements.	The total loans on the list [agreed/did not agree] to the corresponding account in the unaudited annual financial statements. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
8.2	From the list in 8.1, randomly select a sample of the lesser of 25 or 10% of the number of members' housing loans granted and perform the following procedures:	
8.2.1	Inspect evidence that the value of the housing loan provided does not exceed the amount permitted by the rules and the home loan agreement.	The value of the housing loan provided [exceeded/did not exceed] the amount permitted by the rules and the home loan agreement. <b>[Provide details of exceptions]</b>
8.2.2	Inspect evidence that the housing loan has been granted in terms of Section 19(5)(a).	The housing loan [had/had not] been granted in terms of Section 19(5)(a). <b>[Provide details of exceptions]</b>
8.2.3	Inspect evidence that repayments are being made in accordance with the housing loan agreement.	Repayments [were/were not] made against the housing loan and [were/were not] made in accordance with the loan agreement. <b>[Provide details of exceptions]</b>
8.2.4	Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate.	The interest rate [agreed/did not agree] to the prescribed rate. <b>[Provide details of exceptions]</b>
8.2.5	If the Fund issued more than 100 housing loans or the total principal debt of all outstanding housing loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).	The Fund [was/was not] registered as a credit provider under the NCA. <b>[Provide details of exceptions]</b>
8.3	Obtain the list of housing loan guarantees and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees and perform the following procedures:	
8.3.1	For the sample selected, determine that each selected housing loan guarantee did not exceed the value of the benefit that the member would become entitled to had they withdrawn, as at the [period/year] end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Each selected housing loan guarantee [did not/did] exceed the value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund. <b>[Provide details of exceptions]</b>
8.3.2	Inspect evidence that the housing loan guarantee has been granted in terms of Section 19(5)(a).	The housing loan guarantee [had/had not] been granted in terms of Section 19(5)(a). <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
8.4	Obtain a list of other loans per the general ledger of the Fund as at [insert period/year-end date] and perform the following procedure:	
8.4.1	Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.	Loans [were/were not] granted and/or investments [were/were not] made as prohibited in terms of section 19(5) B. <b>[Provide details of exceptions]</b>
	<b>Statement of Changes in Net Assets and Funds</b>	
<b>9</b>	<b>Contributions</b>	
9.1	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:	
9.1.1	Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.	The contributions received by or on behalf of the Fund [agreed/did not agree] to the remittance advice from the participating employer/pay-point. <b>[Provide details of months selected and exceptions]</b>
9.1.2	Inspect the bank statements for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	Contributions [were/were not] deposited with a registered bank in accordance with section 13A of the Act and late payment interest [had/had not] been raised in terms of regulation 33, where applicable. <b>[Provide details of exceptions]</b>
9.2	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at [period/year-end] from a list supplied by the Fund/administrator and perform the following procedure:	

	<b>Procedures</b>	<b>Findings</b>
9.2.1	Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at [period/year-end] have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such.	Amounts disclosed as arrear contributions at [period/year-end] [have/have not] been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where amounts were received after the prescribed period: [List amounts and dates of receipt] Where amounts were not received: [List amounts]
<b>10</b>	<b>Benefits</b>	
10.1	Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's unaudited Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:	
10.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The list [agreed/did not agree] to the respective general ledger benefit expense accounts reconciliation. <b>[Provide details of exceptions and/or unexplained reconciling items]</b>
10.2	Select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedures:	
10.2.1	Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.	The benefit paid [agreed/did not agree] to the administration system and authorised supporting documentation in accordance with the procedures of the Fund. <b>[Provide details of exceptions]</b>
10.2.2	For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.	The recovery from the insurer [was/was not] received/accrued by the Fund. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
10.2.3	<p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u> Inspect that the calculation of the benefit payment was done by the actuary in accordance with the requirements of the rules of the Fund and/or the Act.</p> <p><u>For a defined contribution fund</u> Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit.</p>	<p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u> The calculation of the benefit payment by the actuary [was/was not] done in agreement with the requirements of the rules of the Fund and/or the Act. <b>[Provide details of exceptions]</b></p> <p><u>For a defined contribution fund</u> The opening fund credit for the member [agreed/did not agree] to the opening fund credit report and contributions [were/were not] added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) [agreed/did not agree] to the fund credit report or administration system as at the date of exit. <b>[Provide details of exceptions]</b></p>
10.3	Obtain a list of all benefits not yet paid at [period/year-end], select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedures:	
10.3.1	Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the rules are classified as unclaimed benefits.	The benefits that were older than the period as set out in the Act or a shorter period defined by the rules [were/were not] classified as unclaimed. <b>[Provide details of exceptions]</b>
<b>11</b>	<b>Transfers</b>	
11.1	Obtain the list of section 14 transfers paid/received and accrued to and from the Fund throughout the [period/year] and select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out, and perform the following procedures:	
11.2	Compare the above list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	The list of total section 14 transfers to and from the Fund [agreed/did not agree] to the corresponding account in the general ledger. <b>[Provide details of exceptions]</b>

	<b>Procedures</b>	<b>Findings</b>
11.2.1	<p>Agree the sample of section 14 transfers to and from the Fund to:</p> <p>a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or</p> <p>b) the section 14(8) documentation as prescribed.</p>	<p>The sample of section 14 transfers to and from the Fund [agreed/did not agree] to:</p> <p>a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or</p> <p>b) the section 14(8) documentation as prescribed.</p> <p><b>[Provide details of exceptions]</b></p>
11.2.2	<p>Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from the application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.</p>	<p>The transfers to and from the Fund [were/were not] received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from the application date for section 14(8) transfers and growth and investment return [was/was not] allocated from the effective date of transfer to the date of final settlement.</p> <p><b>[Provide details of exceptions]</b></p>
11.2.3	<p>In respect of unitised funds, select a sample of the lesser of 25 or 10% of the number of members transferred from other funds and recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase).</p>	<p>The conversion of transfers from other funds [was/was not] correctly calculated and, where units were purchased after date of receipt, investment return [was/was not] added from the date of receipt to the date of purchase.</p> <p><b>[Provide details of exceptions]</b></p>
11.3	<p><b>Individual transfers</b></p> <p>Obtain the list of individual transfers throughout the [period/year] ended [insert period/year-end date], select a sample of the lesser of 25 or 10% of the number of individual transfers, and perform the following procedures:</p>	
11.3.1	<p>Agree the transfers to the approved recognition of transfer documentation.</p>	<p>The transfers [agreed/did not agree] to the approved recognition of transfer documentation.</p> <p><b>[Provide details of exceptions]</b></p>

	<b>Procedures</b>	<b>Findings</b>
11.4	<p><b>For individual transfers in selected</b></p> <p>In respect of unitised funds, recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was added from the date of receipt to the date of purchase).</p>	<p>The conversion of transfers from other funds [was/was not] correctly calculated and, where units were purchased after date of receipt, investment return [was/was not] added from the date of receipt to the date of purchase.</p> <p><b>[Provide details of exceptions]</b></p>
<b>12</b>	<b>Pensioners paid</b>	
12.1	Obtain a copy of the list of pensioners and amounts paid for the [period/year] from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	
12.1.1	Agree the total pensions paid for the [period/year] ended [insert period/year-end date] to the corresponding account reconciliation to the general ledger balance.	<p>The total pensions paid [agreed/did not agree] to the corresponding account reconciliation to the general ledger balance for the [period/year] ended [insert period/year-end date].</p> <p><b>[Provide details of exceptions and / or unexplained reconciling items]</b></p>
12.2	Select a sample of the lesser of 25 or 10 % of the number of pensioners from the above list and perform the following procedures:	
12.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	<p>The pensioner increases [were/were not] authorised by the Board of Fund.</p> <p><b>[Provide details of exceptions]</b></p>
12.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	<p>The evidence indicated that the pensioners selected [existed/did not exist].</p> <p><b>[Provide details of exceptions]</b></p>
12.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	
12.3.1	Agree the closing market value of the annuity to the unaudited annual financial statements.	<p>The closing market value of the annuity [agreed/did not agree] to the unaudited annual financial statements.</p> <p><b>[Provide details of exceptions]</b></p>

	<b>Procedures</b>	<b>Findings</b>
12.3.2	Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the unaudited annual financial statements.	The pensioner payment per the confirmation from the insurer [agreed/did not agree] to the pensions paid disclosed in the notes to the unaudited annual financial statements. <b>[Provide details of exceptions]</b>
	<b>General</b>	
13.1	Inspect evidence that the Fund's fidelity insurance cover was in place throughout the [period/year] ended [insert period/year-end date], that the Fund's fidelity insurance cover extends after [period/year-end] and report the date to which the subsequent fidelity insurance cover extends.	The Fund's fidelity insurance cover [was/was not] in place throughout the [period/year] ended [insert period/year-end date], the Fund's fidelity insurance cover [extended/did not extend] after [period/year-end]. The subsequent fidelity insurance cover extended to [date]. <b>[Provide details of exceptions]</b>
13.2	Inspect evidence that the total premiums for the Fund's insured benefits have been paid to the insurer within the contracted payment period and report on any lapsed policies as a result of the under- or non-payment of premiums.	The total premiums for the Fund's insured benefits [have/have not] been paid to the insurer within the contracted payment period. The following policies lapsed as a result of the under- or non-payment of premiums: [Insert details] <b>[Provide details of exceptions]</b>
13.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at [last valuation date of the Fund] and perform the following procedures:	
13.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	Per the report, the Fund was [under-funded/fully funded].
13.3.2	Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Registrar.	A scheme, as required in terms of section 18 of the Act in South Africa, [had/had not] been approved by the Registrar. <b>[Provide details of exceptions]</b>