

EXTERNAL AUDIT SERVICES – BID GEPF17/2014

QUESTIONS AND ANSWERS

QUESTION 1

According to Section 1, paragraph 1.2, it states that:

"...and encourages the inclusion of an emerging audit firm as a partner in the bid to promote skills transfer"

According to Section 2, paragraph 2.1, Item No. A, Functionality (First Phase), the following weight is given for:

Empowerment of emerging audit firm - weight of "5"

According to Section 3, paragraph 6, the GEPF deems small and medium audit firms as emerging audit firms in terms of the following criteria:

Medium (5-19 partner firm)

We intend to partner with a large audit firm however we have 25 partners, and we therefore would like to confirm that if we submit a joint bid, will we be penalised with regard to the Empowerment of Emerging Audit Firm criteria?

Your partnership will not be penalised entirely, however you will not qualify for maximum points but should get points for the empowerment of the smaller of the two partners. This sort of arrangement still constitutes skills transfer and enables the smaller of the two firms to gain the necessary experience and exposure.

QUESTION 2

Can you please confirm if the administrator, all the investment managers, Nedbank and any other external service organisations have had/plan to have a review of their internal controls done in this current financial year in terms of ISAE 3402? We need to budget to either rely on these reviews or conduct our own controls review.

The PIC and Nedbank have/ will have ISAE 3402 reports available. The administrator, GPAA, does not have an ISAE3402 report however their Internal Audit department conducts internal control reviews.

QUESTION 3

When preparing the project plan it would be helpful to get a view on what the current timelines are for conducting the interim and final audit. We don't want to assume that we can do the interim audit in January only to find that in reality we can't because no-one is ready for us. We are aware that the AFS have to be signed by 30 Sept 2015 as the overall deadline.

The audit starts round about February/March of every year for the planning and the Audit Committee report to be finalised 3rd week of July of every year for an early August Audit Committee meeting.

QUESTION 4

Please let us know when we can expect to hear the results of the proposal; this will also assist us with planning and designing an effective project plan.

We anticipate the process to be finalised the end of the second week of December 2014 however the date could change to early 2015.