Appendix 3

(Ref: Para. 7, A11)

examples: nature of assurance engagements on compliance

Example scopes of assurance engagements which may be conducted with respect to compliance is set out in the following table:

| **Scope** **of** **Engagement** | **Compliance Requirement** | **Criteria for Evaluating Compliance Activity** | **Subject** **Matter / Compliance Activity** | **Compliance Outcome** **of** **the** **Evaluation** (**Subject** **Matter** **Information**) | **Assurance Conclusion** |
| --- | --- | --- | --- | --- | --- |
| Compliance of the Real Estate Trust with the requirements of s407 of the *Property Agents and Motor dealers Act 2000* (the “Act”) | *s407 of the Property Agents and Motor Dealers Act 2000* | Applicable criteria as specified under s407 of the Act.  As an example: maintenance and controls over the Trustee Bank Account. | Trustee Account procedures:  Trustee Bank Account and cash book procedures. | Evaluator’s Statement or assurance practitioner’s conclusion whether the Trust has complied in all material respects with s407 of the Act. | Reasonable Assurance – complied in all material respects with s407 of the Act. |
| Compliance of the Registered Superannuation Entity (RSE) with the applicable provisions of the *Superannuation Industry (Supervision) Act 1993* (SIS Act), *Superannuation Industry (Supervision) Regulations*, FSCODA Reporting Standards , *Corporations Act 2001* (Corporations Act) and *Corporations Regulation 2001* (Corporation Regulations) | Applicable sections of:  SIS Act;  SIS Regulations;  Corporations Act;  Corporation Regulations;  FSCODA Reporting Standards; and  Conditions C1, C5[[1]](#footnote-1), E1, F1 and G1 imposed under s29EA of the SIS Act. | Example: Conditions imposed under C534of SIS Act:   * all assets of RSE, including all bank accounts are ‘custodially held’ as defined in trustee’s RSE licence | As an example:  RSE procedures and controls covering:   * bank accounts * other assets | Evaluator’s Statement or assurance practitioner’s conclusion whether the RSE has complied in all material respects with the requirements of the applicable SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations, conditions imposed under s29EA of the SIS Act. | Reasonable Assurance – complied in all material respects with Condition C5 imposed under s 29EA of the SIS Act…….….and  the applicable provisions of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations, other conditions imposed under s29EA of the SIS Act. |
| Compliance of a General Insurer or Insurance Group with the requirements of Prudential Standard GPS 220 *Risk Management* to maintain a Risk Management Strategy (RMS) and Prudential Standard GPS 230 *Reinsurance Management* to maintain a Reinsurance Management Strategy (REMS) | GPS 220 *Risk Management* (RMS)  and  GPS 230 *Reinsurance Management* (REMS) | Applicable criteria as specified in GPS 220 and GPS 230.  Example: GPS 220   * General Insurer must have a documented Risk Management Strategy (RMS) which includes specified elements | General Insurers or Insurance Groups maintenance of an RMS and a REMS. | Evaluator’s Statement or assurance practitioner’s conclusion whether the General Insurer or Insurance Group has complied in all material respects with its RMS and REMS. | Limited Assurance – nothing has come to our attention that causes us to believe that [throughout the specified period] the General Insurer or Insurance Group did not comply in all material respects with its RMS and REMS. |

1. Condition C5 under s29EA of the SIS Act has been selected as one example of a compliance requirement. [↑](#footnote-ref-1)