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Our ref RMB Krugerrand
Stock Count
Final_updated_Draft

13 March 2020

Dear Sir

**Factual findings report on the agreed upon procedures
engagement in connection with the observation of the Brinks
Physical Box Count and Box Weight check on behalf of RMB**

We have performed the agreed upon procedures engagement in connection with the observation of the Brinks Physical Box Count and Box Weight Check on behalf of RMB Johannesburg. The signed summary count sheets have been attached and are initialled for identification purposes. Our engagement was undertaken in accordance with the International Standard on Related Services 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of management of RMB.

The procedures are summarised as follows:

The KPMG representative will observe the process as follows:

- On 4 December 2019, two Brinks supervisors and KPMG representative will be escorted by Guardforce vault security to Brinks' vault facility, within the Guardforce vault facility at OR Tambo Airport.
- Brinks' vault facility will only be opened by Brinks' offsite control room in the presence of Brinks and the KPMG representative.



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- Brinks will issue the KPMG representative with supporting documents, which will include vault cage seal numbers / box numbers said to contain individual coins and serial numbers / box weights on each day of audit.
- Brinks will commence physical audit verification of individual cage seal number which must have two seals per cage.
- Brinks will proceed to cut the seals off each individual cage for the individual box count/box number verification.
- Brinks will proceed to weigh each individual box and record test weights.
- Brinks upon completion of this full process, will then re-seal each individual cage with two seals per cage and record this on the audit sheet.
- The KPMG representative may not under any circumstances handle the boxes. They are only permitted to oversee/ witness this process and upon completion of the observation dual sign the audit sheet for record purposes, to prove that they attended the count.
- The whole process will take place under Brinks' CCTV off site monitoring.
- Once the audit is completed, the KPMG representative and Brinks' staff will exit the vault facility and Brinks' offsite control room will lock the vault.
- Brinks and the KPMG representative will be escorted by Guardforce vault security out of the secure vault facility back to the ACSA Permit Office where the permits need to be handed in.

We report our findings below:

- KPMG attended the count on 4 December 2019. One of Brinks supervisors and KPMG were escorted by Guardforce vault security to the Brinks' vault facility, within the Guardforce vault facility at OR Tambo Airport.
- KPMG observed that the Brinks' vault facility was opened by Brinks' off-site control room in the presence of both Brinks and KPMG.
- Brinks issued KPMG with supporting documents, which included vault cage seal numbers/ box numbers said to contain individual coins and serial numbers/ box weights on each day of the count.
- KPMG observed Brinks perform a physical count verification of individual cage seal numbers and inspected whether there were two seals per cage. **KPMG observed that Cage 3B only had one seal.**
- KPMG observed that Brinks cut the seals off each individual cage for the individual box count/ box number verification.
- **KPMG observed that Brinks did not weigh each individual box nor recorded test weights. The Brinks' Supervisor confirmed that the weighing of each box had stopped last year. It is no longer done as it was very time-consuming and RMB were informed about this.**



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However, KPMG did observe that an actual physical count of each coin was conducted and that the amount of coins per shelf and cage was recorded in an Excel spreadsheet by Brinks.

- KPMG observed that Brinks upon completion of this process, re-sealed each individual cage with two seals per cage and recorded this on the audit sheet. ***It was observed that Brinks' Supervisor could not put the second lock on Cage 3B and the Supervisor stated that a new lock was needed. However, it was sealed with one seal in KPMG's presence.***

On follow up KPMG requested proof that a second lock was put on Cage 3B. KPMG were informed that Guardforce was closing and Brinks were moving to another facility. Once the move was completed, Brinks provided an updated seal list (Appendix C) and photos of the new cages showing two seals per cage.

- KPMG did not under any circumstances handle the boxes. KPMG only observed the process and upon completion of the observation dual signed the audit sheet for record purposes, to prove that they attended the count.
- Once the observation of the audit was completed, KPMG and Brinks' staff exited the Brinks vault facility and Brinks' offsite control room locked the vault.
- Brinks and KPMG were escorted by Guardforce vault security out of the secure vault facility back to the ACSA Permit Office where the permits were handed in.

KPMG concludes that the count has been performed with minor discrepancies as stipulated above.

As evidenced by the attached summary count sheet (Appendix A) and the cage seal numbers (Appendix B), there were no discrepancies with regard to the count sheet and cage seal numbers.

As the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance engagements, we do not express any assurance on the compliance with the condition precedent noted above.

Had we performed additional procedures, or had we performed an audit, review or other assurance engagements of the financial statements; other matters might have come to our attention that would have been reported to you.



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Our report is solely for the purpose set out in the first paragraph of this report and for your information and is not to be used for any other purpose, nor to be distributed to any other parties.

Yours faithfully

A handwritten signature in black ink that reads 'A EM Beck'.

Alison Beck
Director



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Appendix A

Summary count sheet

Coins Totals 04 December 2019				
Cage	Coins	Brink's	KPMG	KPMG
A1	5783			
B1	6050			
A2	5909			
B2	5664			
A3	5620			
B3	2489			
Total	31515	31515		

