



## Risk Evaluation&Audit Process



## Risk Evaluation & Audit Process

### A critical & objective analysis of your financial plans.

Many business owners and entrepreneurs tend to get caught up in the day to day running of their businesses and lose sight of the fact that they are creating a significant asset, the success of which impacts many people, including business partners, shareholders, employees and their own families.

The same can be said for people who have progressed through the wealth creation process and are now looking to consolidate and secure their wealth. The purpose of this evaluation and audit is to, broadly, determine to what degree your goals and objectives are aligned with existing structures and arrangements.

This process will take you through a structured series of steps designed to do the following:

- Determine your Goals and Objectives
- Create an Estate Balance Sheet, both personal and business.
- Interrogate and evaluate existing structures to determine to what extent they are appropriate in the context of your objectives.
- Identify possible shortcomings and threats posed by your circumstances and the structures currently in place.
- Provide you with an unbiased and objective report on the status quo of your current situation and planning.
- Provide you with advice and a range of solutions designed to address the shortcomings as identified.
- Prioritise and map out an implementation process together with timelines.
- Introduce the Risk Evaluation and Audit Report to your Financial Advisor who can then discuss appropriate solutions to address the needs as identified.

As we have already said, this process could be regarded as being an objective, unbiased and professional Risk Evaluation and Audit report which, in turn, could also be regarded as being a 'Second Opinion' which could well reinforce any existing arrangements and structures which you may have in place. The last thing that you need is to discover how misaligned your planning is when it is too late. Prevention is always better than cure!!

## Client Details

Name:

Date of Birth:

Address:

## Report Name



## Determine Current Situation

The first step of the exercise is to take an in depth look at the following:

- We will look at your current Will and get an understanding of what it was designed to achieve.
- We will then take a detailed look at your personal and family situation.
- The next step will be to look at your business structures and agreements.
- This will enable us to then look at the construction of an Estate Balance Sheet which will then start putting financial values to the exercise.
- We will also look at any Trusts which you may have set up, whether they already be in place or are planned to be implemented in terms of your Will.

The inappropriate structuring of any of these factors or structures could have a serious impact on the ability of your Executor to give effect to your wishes as identified in your goals and objectives.

## ***Estate Planning Checklist***

1	COPIES OF ID OF CLIENT AND SPOUSE	
2	UTILITY BILL NOT OLDER THAN 3 MONTHS	
3	DATE OF MARRIAGE	
4	MARRIAGE CONTRACT	

5	CHILDREN'S BIRTH DATES	
6	LAST WILL AND TESTAMENT	
	<b>IF APPLICABLE THE FOLLOWING:</b>	
1	TRUST DEED (S) AND LATEST LETTER OF AUTHORITY	
2	BUY AND SELL AGREEMENT(S)	
3	PARTNERSHIP AGREEMENT(S)	
4	LATEST RETIREMENT FUND BENEFIT STATEMENT	
5	LATEST POLICY SCHEDULE	
6	LATEST INVESTMENT SCHEDULE	
7	LIST OF ASSETS AT MARKET VALUE AND LIABILITIES IN PERSONAL CAPACITY OF BOTH CLIENT AND SPOUSE	
8	BASE COST VALUATION OF ASSETS FOR CAPITAL GAINS TAX PURPOSES	
9	ANNUAL FINANCIAL STATEMENT OF TRUST ASSETS	
10	LIST OF LIVESTOCK AT MARKET VALUE ( IF FARMING CLIENT)	
11	DETAILS OF OFFSHORE ASSETS / JURISDICTION AND COPY OF OFFSHORE WILL	
12	COPY OF DIVORCE ORDER (If applicable)	

### ***Current Will***

Will Review

## ***Personal Info***

### **Marital Regime**

It is critically important to understand the different implications if you are married In Community of Property as opposed to being married in terms of an Ante Nuptial Contract

### **Estate Liquidity**

Here we will determine how much money your Executor will need in order to satisfy any bequests, pay Estate expenses, settle debts and still have sufficient capital to provide for your dependents whilst the Estate is being wound up.

### **Family Income**

Ensure that your family will be able to maintain the lifestyle which you have created for them.

### **Children's Education**

Ensure that your children will be able to continue with the quality education which you are providing so that they will be able to reach their full potential.

## ***Business Info***

### **Shareholder's Agreement**

### **Buy & Sell Agreement**

### **Unilateral Buy & Sell Agreement**

### **Contingent Liability**

### **Loan Account Protection**

### **Keyman**

## ***Assets & Liabilities***

### **Balance Sheet**

#### ***Personal***

Statement of assets and liabilities.

#### ***Business***

### **Assurance & Investment Schedule**

### **Retirement Fund Benefit Statement**

## ***Trusts***

Existing Trusts

*Trust Audit*

***Audit Trust Deed***

***Latest Financial Statements***

Testamentary Trusts

***Report & Discussion on Current Situation***



## **Determine Objectives**

Here we will determine the cornerstones of your planning and we will address your goals and objectives as they relate to:

- Your personal planning, which then secures your family and their needs
- Your business planning which will address the needs of your partners, shareholder and employees on death or retirement. In addition, we will look at the impact of inappropriate planning structures on your personal estate.
- Retirement and Investment objectives, whether of a personal or business nature.
- Lifestyle objectives in terms of disability or illness.
- Threats posed by business debts.

## ***Estate Planning Objectives***

Will Review

Estate Liquidity

Family Income

Children's Education

## ***Business Continuity Objectives***

Shareholder's Agreement

Buy & Sell Agreement

Unilateral Buy & Sell Agreement

Contingent Liability

Loan Account Protection

Keyman

### ***Retirement Objectives***

Retirement Gap

About to Retire

Already Retired

### ***Investment Objectives***

Short Term

Medium Term

Long Term

### ***Lifestyle Objectives***

Disability

Dread Disease

Income Replacement

Sickness



Existing Strategies

### ***Estate Planning Strategy***

Will Review

Estate Liquidity

Family Income

## ***Business Continuity Strategy***

Shareholder's Agreement

Buy & Sell Agreement

Unilateral Buy & Sell Agreement

Contingent Liability

Loan Account Protection

Keyman

## ***Retirement Strategy***

Retirement Gap

About to Retire

Already Retired

## ***Investment Planning Strategy***

Short Term

Medium Term

Long Term

## ***Lifestyle Goals Strategy***

Disability

Dread Disease

Income Replacement

Sickness Cover



## **Risk Audit Report**

Following on from the previous steps, here we will look at identifying appropriate strategies designed to give life to your goals and objectives.

Having determined your goals and objectives which we referred to as being the cornerstones of your plan, we will now look to laying the foundations of a plan designed to achieve the objectives.

This step will also open the opportunity to start looking at how best to employ structures and planning methodology to your advantage.

Here we will also address any problems that may have evolved over time as legislation has changed.

At this point we will also look at your current Will and do an audit of the Trust Deeds relating to any trusts which you may have set up.

The Risk Evaluation and Audit Report that will ultimately be produced will summarise your existing situation, your goals and objectives and the threats posed in your existing plan.

The report will then go on to identify a range of objective planning strategies and solutions which could then be considered to remedy the shortcomings as identified.

The report will also provide you with a comprehensive financial report which will address the financial implications and requirements as dictated by your goals and objectives.

### ***Estate Planning Audit***

Will Review

Estate Liquidity

Family Income

### ***Business Continuity Audit***

Shareholder's Agreement

Buy & Sell Agreement

Unilateral Buy & Sell Agreement

Contingent Liability

Loan Account Protection

Keyman

### ***Retirement Audit***

Retirement Gap

About to Retire

Already Retired

## ***Investment Audit***

Short Term

Medium Term

Long Term

## ***Lifestyle Audit***

Disability

Dread Disease

Income Replacement

Sickness Cover



## **Remedial Action Plan**

The report will then be discussed with you and we will then start to identify and prioritise any remedial action which may have to be taken.

## ***Retirement Plan***

Retirement Gap

About to Retire

Already Retired

## ***Estate Plan***

Will Review

Estate Liquidity

Family Income

## ***Investment Plan***

Short Term

Medium Term

Long Term

## ***Lifestyle Plan***

Disability

Dread Disease

Income Replacement

Sickness Cover

## ***Business Continuity Plan***

Shareholder's Agreement

Buy & Sell Agreement

Unilateral Buy & Sell Agreement

Contingent Liability

Loan Account Protection

Keyman



## **Implementation Roadmap**

At this point, if your Financial Advisor has not already been involved, you can then introduce your Advisor to the report and an implementation roadmap can be set up.

Here we will discuss various planning and financial solutions, strategies and products which could be considered to help reduce or eliminate risks and provide liquidity where required.

Your ability to implement all or part of the suggested solutions will also be considered and, if necessary, a priority sequence can be agreed and this will be an integral part of the ongoing evaluation and monitoring process.

***Retirement Plan***

***Estate Plan***

***Investment Plan***

***Lifestyle Plan***

***Business Continuity Plan***

Shareholder's Agreement

Buy & Sell Agreement

Unilateral Buy & Sell Agreement

Contingent Liability

Loan Account Protection

Keyman

Acceptance

**Acknowledgement of Acceptance and Understanding**

I hereby acknowledge that I understand and accept the contents of this Record of Advice as being accurate and representative of the discussions and decisions made.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Advisor Name: \_\_\_\_\_

Advisor Signature: \_\_\_\_\_



## Acknowledgements

This Risk Evaluation & Audit Report has been prepared in collaboration with Gallet Group Employee Benefits (Pty) Ltd..Legal and Technical support is provided by Glacier Fiduciary Services, a wholly owned subsidiary of Sanlam.Peter Strydom Financial Services CC, trading as Enhance IFA, is a registered Financial Services Provider, Reg. No. 3441.