



AUDITOR - GENERAL
SOUTH AFRICA

MS SHANAAZ ISAACS

Secretary
Portfolio Committee on Science and Technology
Parliament of the Republic of South Africa

Per email: shisaacs@parliament.gov.za

9 March 2018

Dear Madam,

RE: NATIONAL RESEARCH FOUNDATION AMENDMENT BILL [23 – 2017]

1. We refer to the above matter.
2. It is our understanding that the Portfolio Committee's call for inputs and submissions into the above bill has closed, however, we hereby request the Committee's indulgence and attention regarding the matters raised hereunder, as the bill has only recently come to the attention of our office.
3. We note that section 19 of the bill proposes to repeal section 18 of the principal Act, the latter being a section that prescribes that, *inter alia*, the Auditor General must audit the financial statements of the Foundation and that the Foundation must submit to the Minister, *inter alia*, a statement of income and expenditure certified by the Auditor General.
4. We further note that the Memorandum on the objects of the bill does not address the rationale and/or reasons behind the repeal referred to above. As such, we hereby humbly request the Committee to provide us, in reply hereto, with the rationale and/or reasons behind the said repeal in particular so that if there are any issues that the Auditor-General is not aware of that led to this decision, so that we can note them and

address them.

5. Pre-emptively, we hereby record that the repeal is unusual, in that it removes a statutory obligation which ensures public accountability of the Foundation. Whilst we accept that the accounting obligations may be conducted just as competently by private institutions, it must be noted that such institutions can never be held to the same Constitutional standards as those that the Auditor General is held to.
6. Notwithstanding the above, we confirm that the Auditor General retains its statutory discretion, pursuant to section 4 (3) of the Public Audit Act No. 25 of 2004, to audit and report on the accounts, financial statements and financial management of the Foundation.
7. We trust you find the above in order and await your reply herein at your earliest convenience.

Yours sincerely,



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Auditor-General of South Africa

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