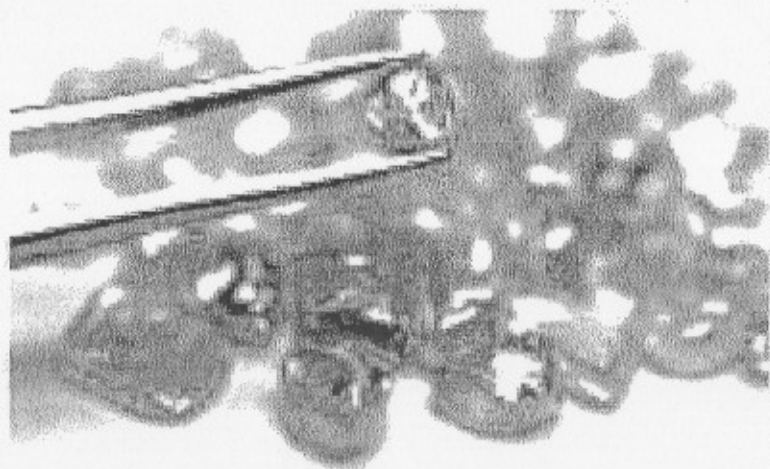




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PRESENTATION TO THE PPC ON MINERAL RESOURCES 5 MAY 2010



SDT Presentation on AG Report in Annual Report for FY 2008/9



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Contextualising presentation

- In November 2009, SDT presented its Annual Report to PPC on Mineral Resources
- AG report, part of annual report, was not accepted by the PPC as contents of AG report required clarity
- Presentation addresses the issues noted by the PPC

AG Findings

1. Material changes to the annual financial statements
2. Non-compliance with the PFMA
3. PAYE/UIF/SDL and VAT not paid before the 7th of the following month
4. Entity not registered with SARS for income tax purposes

AG Findings - continued

5. Reporting to the executive authority does not include all objectives per the plan
6. Performance measures developed are not time-bound
7. Lack of approved internal policies and procedures relating to performance information

Progress made by Management

- Re 1 – AFS had been erroneously prepared according to GRAP and this was attended to during the audit and were re-done in accordance with GAAP
- Re 2 – This was in relation to the absence of approved Risk Management and Fraud Prevention policies which were then approved by the Board in May 2009

GRAP - Generally Recognized Accounting Principles.

GAAP - Generally Agreed Accounting Principles.

Progress - continued

- Re 3 – This related to the late payment of VAT in Jan 09 which was a result of insufficient funds at the SDT and the penalties that resulted from non-payment of income tax.
- Re 4 – The SDT was not registered for income tax. This has been attended to and an assessment has been done by SARS for 07/8 and 08/09 and payment made in April

Progress - continued

- Re 5 – Quarterly reports used to exclude progress report on strategic objectives. Since Q1 09/10, such reports have become part of quarterly reports
- Re 6 – AG identified one sub-objective that was not time-bound. With the strategic plan review of Jan 2010, this has been addressed

Progress – continued

- Re 7 – The AG did not express an opinion on performance, but informed SDT that as of the next audit, an opinion will be expressed on performance information.
- The Board has subsequently approved the Performance Policy and is implemented
- AG to audit performance information in 2010