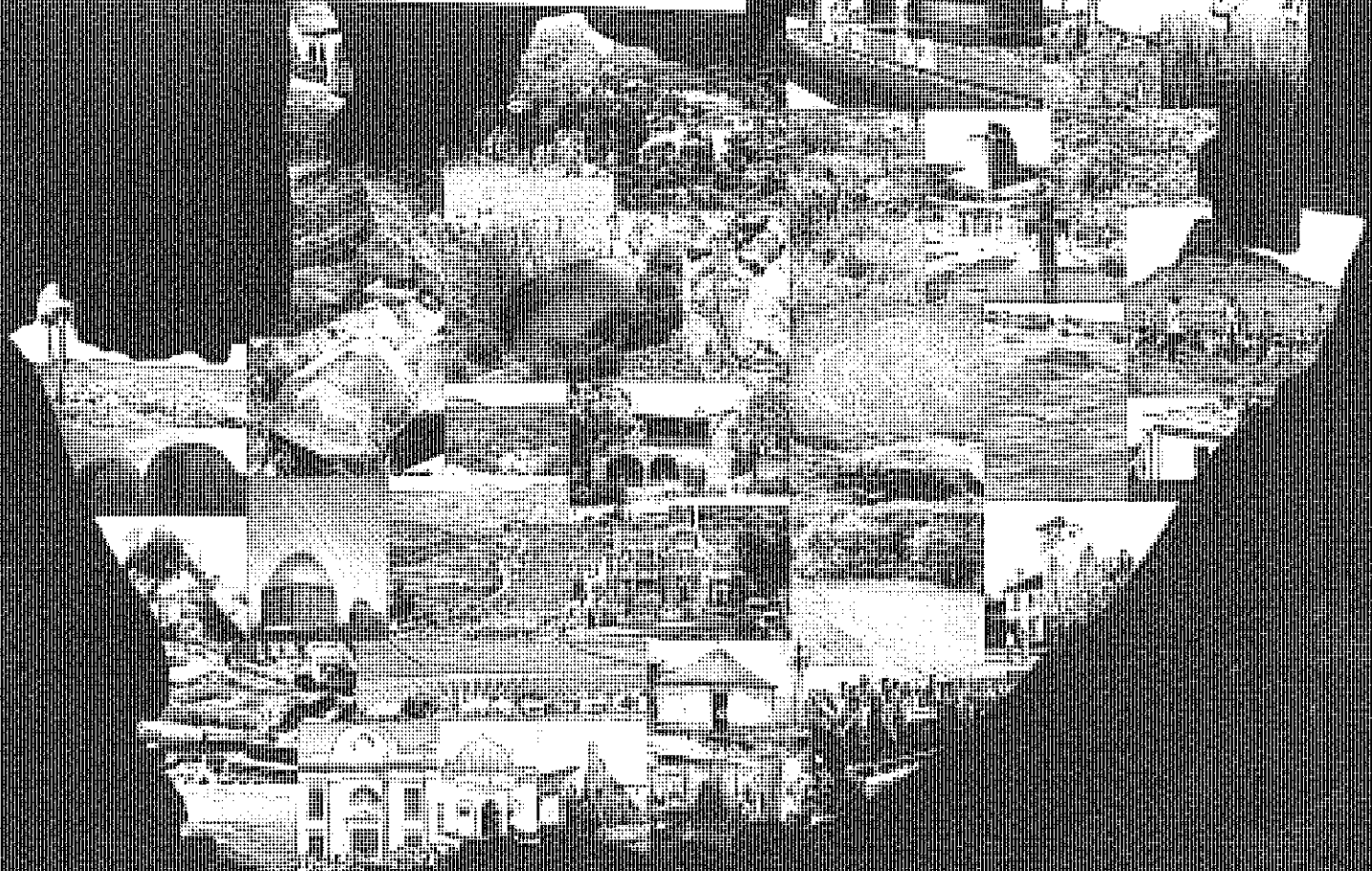


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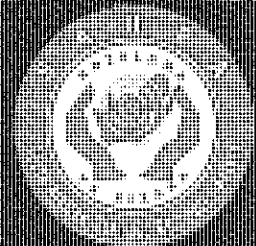
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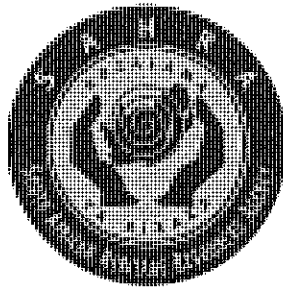
Annual Report

For the Year ends 31 March 2011



HERITAGE
RESOURCES
AGENCY





SOUTH AFRICAN
HERITAGE RESOURCES
AGENCY



Annual Report

AUDITOR GENERAL OF S.A.
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TABLED REPORT

For the Year ended 31 March 2010

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AUDITOR - GENERAL
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Auditor-General's Report

REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE SOUTH AFRICAN HERITAGE RESOURCES AGENCY FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the South African Heritage Resources Agency, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 104 to 125.

Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Heritage Resources Agency for the year ended 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the PFMA.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Restatement of corresponding figures

8. As disclosed in note 23 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during March 2010 in the financial statements of the entity at, and for the year ended, 31 March 2009.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings

Predetermined objectives

Lack of effective, efficient and transparent systems and internal controls regarding performance management (applicable at an overall performance management level)

9. The accounting authority did not ensure that the entity has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the entity's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 51(1)(a)(i) of the PFMA.

Reliability of information

10. The following criteria were used to assess the reliability of the planned and reported performance:

Validity: Has the actual reported performance occurred and does it pertain to the entity

i.e. can the reported performance information be traced back to the source data or documentation?

Accuracy: Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.

Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit findings relate to the above criteria:

Reported indicators not reliable as inadequate supporting source information was provided

11. For the selected objectives, 21% or more of the reported indicators could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided for audit purposes.

INTERNAL CONTROL

12. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control.

The pervasive internal control deficiency is reported in paragraph 9 above.

Cape Town
31 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence