

# Corporate governance

## Framework

Corporate governance is formally concerned with the organisational arrangements that have been put in place to provide an appropriate set of checks and balances within which the stewards of the organisation operate. The objective is to ensure that those to whom the stakeholders entrust the direction and success of the organisation act in the best interest of these stakeholders. It is about leadership with integrity, responsibility and transparency.

The CSIR is committed to principles and practices that will provide our stakeholders with the assurance that the organisation is managed soundly and ethically. We have established a management model that governs and provides guidance for the way in which all employees interact with our various stakeholder groups.

The underpinning principles of the Group's corporate governance rest on the three cornerstones of an effective and efficient organisation, namely day-to-day management processes, a long-term strategic planning process and effective change processes. These processes are supported by systems that are used to plan, execute, monitor and control the strategic and operational domains of the organisation. The supporting infrastructure and its evolution are documented in our management model, which is reviewed and updated regularly.

In accordance with the Scientific Research Council Act, Act 46 of 1988, as amended by Act 71 of 1990, the appointment of the CSIR Board is by the Executive Authority, the Minister of Science and Technology. The Board provides strategic direction and leadership, determines goals and objectives of the CSIR, and approves key policies, including investment and risk management and reviews. It also approves financial objectives,

plans, goals and strategies. The Board has adopted formal terms of reference that are in line with the Scientific Research Council Act and the Public Finance Management Act (PFMA), Act 1 of 1999, as amended by Act 29 of 1999.

The CSIR Board and the CSIR Executive Management Committee believe that the organisation has applied and complied with the principles incorporated in the Code of Corporate Practices and Conduct, as set out in the King II Report.

## Shareholders Compact

In terms of the treasury regulations issued in accordance with the PFMA, the CSIR must, in consultation with the Executive Authority, annually agree on its key performance objectives, measures and indicators.

This is annexed in the shareholders performance agreement (Shareholders Compact) concluded between the CSIR Board and the Executive Authority.

The compact promotes good governance practices in the CSIR by helping to clarify the roles and responsibilities of the Board and the Executive Authority and ensuring agreement on the CSIR's mandate and key objectives.

## Financial statements

The CSIR Board and the CSIR Executive Management Committee confirm that they are responsible for preparing financial statements that fairly present the state of affairs of the Group as at the end of the financial year and the results and cash flows for that period. The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP).

In addition, the CSIR Board is satisfied that adequate accounting records have been maintained.

The external auditor is the Auditor-General, who is responsible for independently auditing and reporting on whether the financial statements are fairly presented in conformity with GAAP and International Standards of Auditing. The Auditor-General's terms of reference do not allow for any non-audit work to be performed.

### Risk management

The CSIR Board is accountable for the process of risk management, which is reviewed regularly for effectiveness. Appropriate risk and control policies are established and communicated throughout the organisation. The CSIR Board retains control through the final review of key risk matters affecting the organisation.

Risk management in the CSIR is an ongoing process, focused on identifying, assessing, managing and monitoring all known forms of significant risks across all operations and Group companies. This has been in place for the year under review and up to the date of approval of the annual report and financial statements.

A structured process of risk management has been put in place to ensure that the growth and development of human capital, strengthening of the science, engineering and technology (SET) base, operational excellence and financial sustainability will be achieved and maintained.

CSIR systems have been put in place to review aspects of economy, efficiency and effectiveness. Management is involved in a continuous process of improving procedures to ensure effective mechanisms for identifying, managing and monitoring risks in the following major broad risk management areas: research; business; fraud; safety, occupational health and environmental management; operating and financial management.

Documented and tested processes are in place, to allow the CSIR to continue its critical business processes in the event of a disastrous incident impacting on its activities.

### Research risk management

The Group recognises that research has to be conducted in

compliance with the existing legal framework, aligned to CSIR strategies and in accordance with the standards and practices that would ensure outputs that support the CSIR's mandate.

In order to mitigate research-related risks, the CSIR has an established *Good Research Guide* and institutional governance structures such as the research and development (R&D) core management function, the Strategic Research Panel (SRP) and the Research Advisory Panels (RAPs). In addition, projects that require reviews from a research ethics perspective are submitted to the Research Ethics Committee of the University of Pretoria.

The CSIR is in the process of establishing its own Ethics Committee.

### Business risk management

The organisation has effective mechanisms in place for identifying and monitoring risks that impact on the CSIR Group. The procedures for implementing the Group's business risk management process include a focus on areas such as human capital assessment and development, technological development and business continuity.

### Fraud risk management

The objective is to manage the fraud risk and to raise the level of fraud awareness among the CSIR's internal and external stakeholders. The CSIR's fraud prevention plan intends to reduce the risk of fraud and provide contingency plans that will protect the interests of the organisation. The proactive approach consists of the responsibility for, prevention, detection, reporting, communication and reaction to fraud.

### Safety, occupational health and environmental management

The CSIR is committed to the promotion of environmental, health and safety principles and practices to create a safe and healthy environment for all and to meet the requirements of all safety legislation as a minimum standard. This commitment is depicted in two ways: in the manner it serves business as a supplier of environmental management-related products, and in the way it demonstrates sound environmental practices at all CSIR sites.

## Operating risk management

The CSIR endeavours to minimise operating risk by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the Group. Key practices employed in managing operating risk include segregation of duties, transaction approval frameworks, financial and management reporting and monitoring of metrics, which are designed to highlight positive or negative performance across a broad range of key results areas (KRAs). The Operations Committee, which comprises members of the Executive, operating unit and centre management and group managers, oversees all operational matters.

## Financial risk management

Financial risks are managed within predetermined procedures and constraints as identified and detailed in the various policies and the setting of annual goals and objectives. Controls are designed to give assurance that assets are safeguarded and that liabilities and working capital are managed effectively. Organisational policies, procedures, structures and approval framework provide for segregation of duties and contain self-monitoring mechanisms. Compliance is measured through regular reporting against the business goals, internal audit checks and external audit verification.

## Going concern

The CSIR Board has reviewed the Group's financial budgets for the period 1 April 2009 to 31 March 2010 and is satisfied that adequate resources exist to continue as a going concern for the foreseeable future. The CSIR Board confirms that there is no reason to believe the business will not be a going concern in the year ahead.

## Internal control

The CSIR Board has ultimate responsibility for the system of internal controls. The key controls required to ensure the integrity and reliability of financial statements have been identified in conjunction with the internal and external auditors. Close cooperation between the internal and external auditors ensures adequate and efficient audit reviews of the proper functioning of these key controls.

The annual audit plan is based on the key financial risks to the organisation and the results of the risk management process. The work programme that gives effect to the plan is reviewed

by the Audit and Risk Committee and approved or modified as required.

## Approval framework

The CSIR Board has adopted an approval framework that governs the authorisation processes in the CSIR. It deals with, among others, the construction of strategic plans, development of operational plans and budgets, appointment of staff, approval of salaries and acquisition and disposal of assets. It also defines authority levels in relation to organisational positions.

Appropriate controls are in place to ensure compliance with the above framework. A comprehensive set of procedures exists to provide the necessary checks and balances for the economical, efficient and effective use of resources. The essence of this framework is that it is comprehensive, clear and unambiguous, and easy to assimilate and internalise.

Each subsidiary company's board of directors has adopted an approval framework, which mirrors that of the CSIR. All subsidiary companies are under the control of the CSIR Board and CSIR Executive Management Committee.

## Employee participation

The CSIR strongly encourages effective and modern workplace practices and relationships to foster employee participation and work process involvement as a key practice at all levels in the organisation. Employee participation happens, for example, through self-directed quarterly staff sessions, formal induction programmes, technical and strategic focus groups and task teams.

## Code of ethics and organisational values

The CSIR Board and CSIR Executive Management Committee have approved and adopted a Code of Ethics, which reflects its commitment to a policy of fair dealing and integrity in conducting its operations. The code links closely to the CSIR's set of values. It requires all employees to maintain the highest ethical standards, ensuring that business practices are conducted in a manner, which, in all reasonable circumstances, is beyond reproach. Monitoring ethical behaviour is devolved to operating unit level and transgressions are addressed by means of procedures detailed in the CSIR's Conditions of Service and the PFMA.

# Governance structure

## CSIR Board

The responsibilities of the Board are governed by the Scientific Research Council Act.

The Board approves the strategy, goals, operating policies and priorities for the organisation and monitors compliance with policies and achievement against objectives.

With the exception of the CEO of the CSIR, all members of the CSIR Board are non-executive. CSIR Board members are actively involved in and bring independent judgement to bear on Board deliberations and decisions.

The CSIR Board, of which the current number of members adheres to the statutory minimum requirements, meets

quarterly. For the year under review, the Board met on 13 August 2008, 25 September 2008, 27 November 2008 and 19 February 2009. The Annual Financial Statements for the 2008/09 financial year were approved on 6 August 2009.

The CSIR Board has the following sub-committees: the Human Resources and Remuneration Committee, the Audit and Risk Committee and the Strategic Review Committee (see pages 110 and 111). These committees are selected according to the skills sets required for the committees to fulfil their functions. For the 2008/09 year, the committees complied with their respective terms of reference.

A new CSIR Board was appointed by the Executive Authority with effect from 1 January 2009.

## Schedule of attendance at CSIR Board and CSIR Board Committee meetings (1 April 2008 - 31 December 2008)

Board member	Board meetings (3)	Audit and Risk Committee (1)	Human Resources and Remuneration Committee (3)	Strategic Review Committee (1)
Ms N Shikwane (Chairperson)	3	1	3	
Professor C de la Rey	2		3	3
Dr N Dlamini	2		3	
Professor DR Hall	1		1*	1
Mr E Mayet	3	1	1*	
Dr N Msomi	1		1	2
Professor FW Petersen	2	1		3
Dr S Sibisi	3	1	3	3
Professor MJ Wingfield	2			3

\* Invitation to the meeting on 26/06/08 was open to all Board members. Both Mr E Mayet and Professor D Hall attended.

## Schedule of attendance at CSIR Board and CSIR Board Committee Meetings (1 January 2009 - 31 March 2009)

Board member	Board meetings (1)	Audit and Risk Committee (1)	Human Resources and Remuneration Committee (0)	Strategic Review Committee (1)
Professor FW Petersen (Chairperson)	1			1
Mr N Behrens	1			
Professor DR Hall	1			
Mr A Knott-Craig	1			
Mr M Sibanda	1	1		
Dr S Sibisi	1	1		
Mr M Silinga	1			
Ms KL Thoka	1			
Professor MJ Wingfield	1			1

### Executive Management Committee

The Executive Management Committee has executive responsibility for the CSIR and consists of the following Executive Members:

- Chief Executive Officer: Dr Sibusiso Sibisi
- Group Executive, Operations: Dr HOFFIE MAREE
- Group Executive, R&D Outcomes and Strategic Human Capital Development: Khungeka Njobe
- Group Executive (Interim), Research and Development: Dr Thulani Dlamini
- Chief Financial Officer: Chris Sturdy
- Group Executive, Services: Raynold Zondo.

### CSIR Leadership Team

The CSIR Management is responsible for strategy implementation and managing the day-to-day affairs of the CSIR and its operating units in accordance with the policies and objectives approved by the CSIR Board. This Leadership Team comprises the members of the CSIR Executive Management Committee and operating unit and centre management.

Other internal structures that contribute to governance at the CSIR include the Executive; Operations and Service Committees; the Strategic Research, Contract Research & Development Forums; and the Research Advisory Panels.

### Board of directors of Group companies

The CSIR Executive has control over the boards of the various subsidiary companies.

### Board and executive management remuneration

Details of the CSIR Board are set out on pages 108 and 109 of the Corporate Governance Report. The membership and terms of reference of each Board Committee are further described on pages 110 and 111.

Remuneration to Board Members and the Executive Management is set out in Note 19 to the Annual Financial Statements.

### General

The CSIR acknowledges that systems of corporate governance should be reviewed continuously to ensure that these are sound and consistent with world-class standards relevant to the operations of the Group and the evolution thereof.

We shall continue to comply with all major recommendations of the Code of Corporate Practices and Conduct as set out in the King II Report on Corporate Governance.

### Public Finance Management Act

The PFMA came into effect on 1 April 2000 and has had an impact on governance matters in terms of the regulation of financial management in the public sector. The Group complies, in all material aspects, with the Act.

### Materiality framework

The materiality framework for reporting losses through criminal conduct and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged per section 54(2) of the PFMA, has been finalised and incorporated into the Shareholder's Compact. No material losses through criminal conduct and irregular, fruitless and wasteful expenditure were identified as having been incurred during the year.

## CSIR Executive



CSIR Executive team from left: Dr Sibusiso Sibisi, CSIR President and CEO; Chris Sturdy, Chief Financial Officer; Khungeka Njobe, Group Executive: R&D Outcomes and Strategic Human Capital Development; Dr Hoffie Maree, Group Executive: Operations; Dr Thulani Dlamini, Interim Group Executive: R&D; and Raynold Zondo, Executive Director: Services

# CSIR Board members

(1 April 2008 - 31 December 2008)



Ms Nobusi Shikwane (Chairperson)  
Chief Executive Officer  
Tshenolitha Business Services



Dr Nhlanhla Msomi  
Chief Executive Officer  
Coast Biotechnology Innovation Centre



Professor Cheryl de la Rey  
Chief Executive Officer  
Council on Higher Education



Professor Francis Petersen  
Dean  
Faculty of Engineering & the Built  
Environment, University of Cape Town



Dr Nomsa Dlamini  
Managing Director  
Masifundisane Training and  
Development Projects



Dr Sibusiso Sibisi  
CEO and President, CSIR



Professor Denis Hall  
Professor of Photonics  
Director of SMI



Professor Mike Wingfield  
Director  
Forestry and Agricultural  
Biotechnology Institute,  
University of Pretoria



Mr Ebie Mayet  
Financial Executive  
arivia.com

# CSIR Board members

(1 January 2009 - 31 March 2009)



**Back from left:**

Mr Norbert Behrens, Group General Manager: Strategy and Planning, Sasol Limited;  
Professor Denis Hall, Professor of Photonics, Director of SMI, Heriot-Watt University;  
Mr Pepi Silinga, Chief Executive Officer: COEGA Development Corporation;  
Dr Sibusiso Sibisi, CSIR CEO and President

**Front from left:**

Professor Mike Wingfield, Director Forestry and Agricultural Biotechnology Institute: University of Pretoria;  
Mr Mclean Sibanda, Head of Innovation Fund IP Management Office;  
Ms Khomotso Thoka, Managing Executive: The Talent Hub;  
Dr Alan Knott-Craig, Director of Companies; and  
Professor Francis Petersen (Chair), Dean: Faculty of Engineering & the Built Environment, University of Cape Town

# CSIR Board committees

2008/2009

## Audit and Risk Committee

Members (1 April 2008 - 31 December 2008)

Chairperson Mr E Mayet  
Professor F Petersen  
Ms N Shikwane  
Dr S Sibisi

Meeting: 6 August 2008

Members (1 January 2009 - 31 March 2009)

Chairperson Mr P Seling  
Mr M Sibanda  
Dr S Sibisi

Meeting: 12 March 2009

Purpose: Deals with all matters prescribed by the regulations issued in terms of the PFMA. Controls the final reviews of the key risk matters affecting the organisation. Agrees on the scope and reviews the annual external audit plan and the work of the CSIR internal auditors. Acts in an unfettered way to understand the dynamics and performance of the organisation without restrictions. The Audit and Risk Committee has adopted formal terms of reference and is satisfied that it has complied with its responsibilities as set out in the terms of reference.

## Human Resources and Remuneration Committee

Members (1 April 2008 - 31 December 2008)

Chairperson Ms N Shikwane  
Professor C de la Rey  
Dr N Dlamini  
Dr N Msomi

Meetings: 26 June 2008  
13 August 2008  
25 September 2008

Members (1 January 2009 - 31 March 2009)

Chairperson Dr A Knott-Craig  
Ms K Thoka  
Mr M Sibanda

Meeting: None

Purpose: Provides the vehicle for the CSIR Board to influence and control human resources and remuneration in the organisation. Determines human resources policy and strategy. Approves remuneration changes and bonus payments. In addition, it reviews the remuneration and expenses of the Executive Management.

The Human Resources and Remuneration Committee has adopted formal terms of reference in line with King II Code on Corporate Governance.

## Strategic Review Committee

Members (1 April 2008 - 31 December 2008)

Chairperson Professor C de la Rey  
Dr N Msomi  
Professor F Petersen  
Professor M Wingfield  
Professor D Hall  
Dr S Sibisi

Meetings: 08 May 2008  
26 June 2008  
20 November 2008

Purpose: Provides guidance and advice on the long-term trajectory and composition of the CSIR's science and technology portfolio in the context of the needs of the country. Ensures that key innovation and research processes are conducted effectively and benchmarked against international best practice, and that research outputs, organisational climate and credibility remain congruent with the role and objectives of the institution.

Members (1 January 2009 - 31 March 2009)

Chairperson Professor F Petersen  
Professor M Wingfield  
Mr N Behrens

Meeting: 26 March 2009

# Report of the Audit & Risk Committee

REPORT OF THE AUDIT AND RISK COMMITTEE REQUIRED BY TREASURY REGULATIONS 27.1.7 AND 27.1.10 (B AND C) OF THE PUBLIC FINANCE MANAGEMENT ACT, ACT 1 OF 1999, AS AMENDED BY ACT 29 OF 1999

The Audit and Risk Committee reports that it has adopted the Audit and Risk Committee Charter as its formal terms of reference and that it has discharged all of its responsibilities for the financial year, in compliance with the charter.

The Audit and Risk Committee is satisfied that an adequate system of internal control is in place to reduce significant risks faced by the organisation to an acceptable level, and that these controls have been effective during the period under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise opportunities to achieve business objectives.

The Audit and Risk Committee has evaluated the Annual Financial Statements of the CSIR Group for the year ended 31 March 2009 and based on the information provided to

the Audit and Risk Committee, considers that it complies, in all material respects, with the requirements of the various Acts governing disclosure and reporting in the Annual Financial Statements. The Audit and Risk Committee therefore recommends the adoption of the Annual Financial Statements by the Board of the CSIR.



**Pepi Silinga**  
Chairperson  
3 August 2009

# Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH (CSIR) FOR THE YEAR ENDED 31 MARCH 2009

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying group financial statements and financial statements of the CSIR, which comprise the consolidated and separate balance sheet as at 31 March 2009, and the consolidated and separate income statement, the consolidated and separate statement of changes in net equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 128 to 173.

### The 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 Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Scientific Research Council Act (Act No. 46 of 1988) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 14(1) of the Scientific Research Council Act (Act 46 of 1988), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 consolidated and separate financial position of the CSIR as at 31 March 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the PFMA.

### OTHER MATTERS

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### Governance framework

8. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below.

#### Other key governance responsibilities

9. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Yes	No
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
<b>Quality of financial statements and related management information</b>			
2	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
<b>Timeliness of financial statements and management information</b>			
4	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA.	✓	
<b>Availability of key officials during audit</b>			
5	Key officials were available throughout the audit process.	✓	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6	Audit committee		
	• The public entity had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	✓	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.	✓	
7	Internal audit		
	• The public entity had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	✓	

8	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12	Delegations of responsibility are in place, as set out in section 56 of the PFMA.	✓	
<b>Follow-up of audit findings</b>			
13	The prior year audit findings have been substantially addressed.	✓	
14	SCOPA/Oversight resolutions have been substantially implemented.		N/A
<b>Issues relating to the reporting of performance information</b>			
15	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the CSIR against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 30.1.	✓	
18	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on performance information

10. I have reviewed the performance information as set out on pages 119 to 127.

### The accounting authority's responsibility for the performance information

11. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

### The Auditor-General's responsibility

12. I conducted my engagement in accordance with section 13 of the Public Audit Act read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of May 2008.
13. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance

information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

### Finding (Performance Information)

14. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

### Appreciation

15. The assistance rendered by the staff of the CSIR during the audit is sincerely appreciated.

*Auditor-General*

Pretoria

27 July 2009

