

Report of the Human Sciences Research Council (HSRC) Audit Committee – 2006/07

We are pleased to present our report for the financial year ended 31 March 2007.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 of the Public Finance Management Act, 1999. This report has been prepared according to the Treasury Regulations for public entities issued in terms of the PFMA and promulgated in Gazette 7372 on 25 May 2002. The HSRC is listed as a national public entity in Schedule 3A of the Act.

Audit Committee members and meetings

The entity's accounting authority, the HSRC Council, appointed the present Audit Committee members on 23 November 2006. During the year under review (2006/07) the Committee consisted of Messrs SM Pityana (Council member and Chairperson), T Makwetu (Council member and Chairperson until July 2006) and R Page-Shipp (specialist member), Professor WE Morrow (Council member), and Ms R Xaba (specialist member). The accounting officer of the HSRC, Dr O Shisana (CEO and Council member) is an *ex-officio* member of the Audit Committee.

The Audit Committee met on 11 May 2006, 25 July 2006, 16 November 2006 and 15 February 2007. In addition to the above members, persons attending Committee meetings by standing invitation include the Internal Auditor, the Chief Financial Officer and Chief Risk Officer, and representatives of the Auditor-General and its agent. Where necessary, the Committee met separately with external and internal auditors.

The effectiveness of internal control

The system of internal control is effective as the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management letter of the Auditor-General have not reported any significant or material non-compliance with prescribed policies and procedures.

Evaluation of Financial Statements

The Audit Committee has reviewed the Annual Financial Statements of the HSRC (including the Council's Report), the Report of the Auditor-General and periodic reports submitted to the Audit Committee by the Internal Audit section of the organisation. In the context of our understanding, the Committee is satisfied that the major financial risks of the entity are appropriately managed and that the financial statements are a fair reflection of the HSRC's activities in the last fiscal year. The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Siphon M Pityana

*Chairperson of the Audit Committee
Human Sciences Research Council*

Pretoria
31 July 2007