

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE  
1 – OFFICE OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2006**

**1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 147 to 188 for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from the National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

**2. SCOPE**

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

**3. BASIS OF ACCOUNTING**

The Office of the Premier's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

#### 4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

#### 5. APPRECIATION

*The assistance rendered by the staff of the Office of the Premier during the audit is sincerely appreciated.*

*Shauket Fakie*

**Auditor-General**

**Pretoria**

**31 July 2006**



**AUDITOR - GENERAL**