

# INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON THE PERISHABLE PRODUCTS EXPORT CONTROL BOARD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

- 1 We have audited the financial statements of the Perishable Products Export Control Board set out on pages 79 - 117, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
- 2 In our opinion, the financial statements present fairly, in all material respects, the financial position of the Perishable Products Export Control Board as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of Public Finance Management Act No. 1 of 1999 (PFMA).

### Basis for opinion

- 3 We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
- 4 We are independent of the entity in accordance with the Independent Regulatory Board for Auditors (IRBA) Code of Professional Conduct for Registered Auditors and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in

South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of accounting authority for the financial statements

- 6 The Board of Directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, 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.
- 7 In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

- 8 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 9 A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report Introduction and scope

- 10 In accordance with the Public Audit Act No. 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.
- 11 Our procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the entity enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

- 12 We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2022:

<b>Programme</b>	<b>Pages in the annual performance report</b>
Programme – Food Safety Services	116

- 13 We performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 14 We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme – Food Safety Services

#### Other matter

- 15 We draw attention to the matter below.

#### Achievement of planned targets

- 16 Refer to the annual performance report on pages 112 to 117 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

#### Report on the audit of compliance with legislation

##### Introduction and scope

- 17 In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.
- 18 We did not identify any material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

#### Other information

- 19 The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the chairperson's report, the chief executive officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
- 20 Our opinion on the financial statements and my findings on the reported performance information and compliance with legislation does not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
- 21 In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Internal control deficiencies

- 22 We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with applicable legislation. However, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

#### Auditor tenure

- 23 In terms of the IRBA rule published in Government gazette number 39475 dated 4 December 2015, we report that Morar Incorporated has been the auditor of the Perishable Products Export Control Board for one year.



#### **VISHALL SAMARJITH DIRECTOR**

Registered Auditor Morar Incorporated  
31 May 2022 | Cape Town

## **ANNEXURE: AUDITOR'S RESPONSIBILITY FOR THE AUDIT**

1 As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements, and the procedures performed on the reported performance information for selected programme and on the entity's compliance with respect to the selected subject matters.

### **FINANCIAL STATEMENTS**

- 2 In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:
- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit 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;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors, which constitutes the accounting authority;
  - Conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Perishable Products Export Control Board to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

- 3 We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 4 From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.