

Part III

Report of Audit Committee



prosperity through mobility

Report of Audit Committee

We are pleased to present our report for the financial year ended 31 March 2003.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and met 4 times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
J T M Edwards	4
B P Campbell	4
B S Khuzwayo	4
R Morar	4
D S D Shabalala	3
R W Green-Thompson	1
R K Sizani	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Our review revealed that the department has implemented sound systems of internal control for major areas of its operations. Fundamental weaknesses in such systems of internal control that were identified by Internal Audit have been raised with the Department of Transport.

The committee has only reviewed the design of the systems of internal control as implemented by management. The effective operation of such systems will be the focus of the committee in the 2003/2004 financial period.

The quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

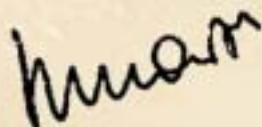
The Committee cannot at this stage comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed the audited annual financial statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusion 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.



Chairperson of the Audit committee

Date: 05 /08/2003