

PART III

REPORT OF THE AUDIT COMMITTEE

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REPORT OF THE AUDIT COMMITTEE ON VOTE 12 - TRANSPORT

We are pleased to present our report for the financial year ended 31 March 2004.

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
R Morar (Chairperson)	4
BP Campbell	4
BS Khuzwayo	4
ADK Leisegang	4
DSD Shabalala	2
RK Sizani	0
RW Green-Thompson	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) of the Public Finance Management Act 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 systems of internal control for major areas of its operations. Weaknesses in such systems of internal control that were identified by Internal Audit have been raised with the Department of Transport.

The quality of in year management and monthly / quarterly reports submitted in terms of the Treasury Regulations 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.

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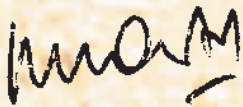
Evaluation of Financial Statements

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 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.



Chairperson of the Audit Committee
R MORAR

Date: 10/08/2004

