

Report of the Audit Committee for the financial year ended 31 March 2003

1. Audit Committee members and their attendance

The Audit Committee of the GCIS consists of the members listed below and meets at least two times per annum in accordance with its approved terms of reference.

During the financial year under review, four meetings were held.

| Name of member | Status | Number of meetings attended |
|----------------------------|-------------------------|-----------------------------|
| Ms N Kwinana (chairperson) | Resigned 9 January 2003 | 4 |
| Mr N Howa | Resigned 29 April 2003 | None |
| Mr G Mampone | Active | 2 |
| Ms T Zungu | Active | 3 |
| Ms I Mackay Langa | Active | 4 |
| Mr K Semakane | Active | 3 |
| Ms Z Manase | Appointed 22 May 2003 | |
| Ms M Vuso | Appointed 22 May 2003 | |

2. Audit Committee responsibility

The Audit Committee has carried out its responsibilities in accordance with Section 38(1)(a) of the PFMA and Paragraph 3.1.13 of the Treasury Regulations. 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.

3. The effectiveness of internal control

The Committee considered and adopted the reports of the Internal and External Auditors on the effectiveness of internal controls.

The Committee also took note of three significant control weaknesses, which have been reported by the Auditor-

General under emphasis of matter in its audit report. The effect of one of the weaknesses identified, relating to irregular expenditure, has been included in the annual financial statements and the management report of the Accounting Officer.

The Committee is working very closely with senior management in ensuring the weaknesses reported are effectively addressed.

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

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review.

5. Evaluation of financial statements

The Audit Committee has reviewed

- and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report
- the Auditor-General's management letter and management response
- significant adjustments resulting from the audit referred to under Item 3 of this report.

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.



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Chairperson of the Audit Committee: Zodwa Manase
Date: 31/07/03