

AUDIT COMMITTEE REPORT for the year ended 31 March 2003

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

1.1. Audit Committee Members and Attendance

The audit committee was appointed on 1 July 2002 and consisted of the members listed hereunder. The committee held 6 meetings during the year under review and additional 2 meetings subsequent to financial year-end.

NAME	MEETINGS ATTENDED
E Cousins (Chairperson)	8
K Cloete	6
H Verachia	6

1.2. Audit Committee Responsibility

The Audit Committee has performed its functions in accordance with S38 (1)(a) of the PFMA and Treasury Regulation 3.1.13, 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 of its responsibilities as contained therein.

1.3. The effectiveness of Internal Control

According to the Internal Audit reports for the financial year numerous cases of non-compliance with internal control measures as well as deficient internal control systems are still present. The internal control and implementation of the various measures are therefore not yet on a satisfactory level.

The Committee's review of the audit report of the Auditor-General further confirms the aforementioned viewpoint.

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

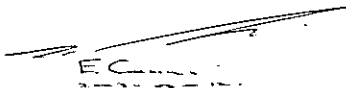
The Committee is satisfied with the content and quality of monthly management reports issued during the year under review. Proper measures are in place to monitor results.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed with the Auditor-General the audited financial statements included in the annual report;
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee accepts the conclusions of the Auditor-General on the financial statements and is of the opinion that the financial statements can be accepted when read together with the report of the Auditor-General.



Chairperson of the Audit Committee

Date: 12/08/2003