

OFFICE OF THE PREMIER  
AUDIT COMMITTEE REPORT

In terms of its obligations according to Treasury Regulation 3.1.12, the Audit Committee reports as follows on certain events as well as actions and findings in respect of the financial year ended 31 March 2005.

1. Appointment of Audit Committee Members / Meetings and attendance.

The Department established a unitary shared Audit Committee for four small to medium sized provincial departments (cluster) in accordance with the requirements of Sections 38(1)(a)(ii) and 77 of the Public Finance Management Act. This committee consisted of three members of which two members were external, while one internal member was appointed from the ranks of top management within the cluster department grouping. Since 4 May 2004 however, the relevant internal member, because of a pending investigation and subsequent suspension, was excluded from attendance of the committee meetings and was released from the Public Service at a later stage. (15 December 2004). However, notwithstanding discussion of this vacancy at successive committee meetings, the Department remained on course with the intention to fill this position from new senior appointments that were in process. Subsequently in respect of composition, the Audit Committee did not function as is legally prescribed in respect of 2004/2005, and at the date of this report, that was still the situation. The Auditor -General has pointed the relevant legal deviation out in the audit report.

Except for ad hoc meetings, the committee held four meetings during the year under review and attendance was as follows:

Name	Meetings
* E. Cousins (Chairperson)	4
* K. Cloete	4
* R. Charles	0

2. Audit Committee Responsibility

The Audit Committee has performed its functions in accordance with Section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal terms of reference by way of the Audit Committee Charter and the Internal Audit Charter. It has regulated its affairs in compliance with these charters and discharged all of its responsibilities as contained therein. Note must however be taken of the situation referred to under paragraph 1.

3. The effectiveness of Internal Control

Notwithstanding the fact that several shortcomings were pointed out, the Audit Committee is satisfied that the Department is continually focussed on maintaining qualitative levels of internal control. The Audit Committee is however not satisfied with the safekeeping, archiving and control of documentation and records and this aspect should now receive attention.

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

The administration of monthly- / quarterly reports submitted in terms of the PFMA and Division of Revenue Act was satisfactory according to monitoring and internal audit results.

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VOTE 1  
AUDIT COMMITTEE REPORT  
for the year ended 31 March 2005

5. 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 the contents of the management letter (s) from the Office of the Auditor-General, and responses by management;
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusion(s) of the Auditor-General on the financial statements and is of the opinion that the financial statements can be accepted when read with the report of the Auditor-General.



Chairperson of the Audit Committee

2005-08-23