



Report of the Audit Committee





DEPARTMENT OF SPORT, ARTS, CULTURE, SCIENCE AND TECHNOLOGY

REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2006

We are pleased to present our report for the financial year ended 31 March 2006.

General

The Audit Committee's function is primarily to assist the Accounting Officer in discharging her responsibilities relative to the Public Finance Management Act, Act 1 of 1999, as amended. The Audit Committee Charter provides clear terms of reference for the committee and sets out specific responsibilities as delegated by the Accounting Officer to the Committee.

Audit Committee Members and Attendance:

During the year under review the audit committee consisted of the members listed hereunder. Three meetings were held:

Name	Attended	Apologies	Total
Mr R van Niekerk (Chairperson)	3	0	3
Ms J Schimper	2	1	3
Ms L Dunn-Radile	1	2	3

Due to the resignation of the Chairperson during December 2005, the Committee was not functional for a part of the financial year. However, a meeting was held on 28 July 2006 presided by the Acting Chairperson, Mr. Mosala Khunong, with the purpose of reviewing the annual financial statements and reports of the Auditor-General for the 2005-06 financial year.

Audit Committee responsibility:

The Committee reports that it had complied with the responsibilities arising from section 38 (1)(a) of the PFMA and Treasury Regulation 3.1.13. The Committee also reports that it had adopted 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:

The Committee co-ordinates and monitors the activities of the Internal Audit Function (IAF). Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of a risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors and the Auditor-General's Report on the Annual Financial Statements, including the matters of emphasis raised by the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

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

The Audit 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.

Evaluation of Financial Statements:

The committee has

- Reviewed and discussed the audited annual financial statements with the Auditor-General, Accounting Officer and the Chief Financial Officer;



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for the year ended 31 March 2006**

- Reviewed the report of the Auditor-General on the annual financial statements; and,
- 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 annual financial statements be accepted and read together with the report of the Auditor-General.

Mosala Khunong
Acting Chairperson
28 July 2006

