



Western Cape
Government

Cultural Affairs and Sport

BETTER TOGETHER.



iLifa leMveli leNtshona Koloni
Erfenis Wes-Kaap
Heritage Western Cape



Annual Report
2013/2014
Heritage
Western Cape

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Cover photograph: Boschendal Wine Cellar end Gable

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PART A: GENERAL INFORMATION

1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Heritage Western Cape
LEGAL FORM OF ENTITY	Public entity
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To regulate and monitor the promotion of conservation of the heritage environment in the Western Cape
REGISTRATION NUMBER	n/a
PHYSICAL ADDRESS	3rd floor, Protea Assurance Building Greenmarket Square Cape Town 8001
POSTAL ADDRESS	Private Bag X9067 Cape Town 8000
TELEPHONE NUMBER/S	021 483 9598
FAX NUMBER	021 483 9845
EMAIL ADDRESS	Hwc.Hwc@westerncape.gov.za
WEBSITE ADDRESS	www.hwc.org.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank and ABSA
COMPANY/ BOARD SECRETARY	n/a

2 LIST OF ABBREVIATIONS/ ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APM	Archaeology, Palaeontology and Meteorites Committee
BAR	Basic Assessment Report
BELCOM	Built Environment and Landscapes Committee
BID	Basic Information Document
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMF	Conservation Management Framework
CMP	Conservation Management Plan
CoCT	City of Cape Town
CPD	Continuing Professional Development
DCAS	Department of Cultural Affairs and Sport
D: ERM	Directorate Enterprise Risk Management, Department of the Premier
EE	Employment Equity
EIA	Environmental Impact Assessment
EIR	Environmental Impact Report
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCOM	Enterprise Risk Management Committee
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
HIMS	Heritage Information Management System
HWC	Heritage Western Cape
IACOM	Impact Assessment Committee
IGIC	Inventories, Grading and Interpretation Committee

IMS	Information Management System
ISIS	City of Cape Town Integrated Spatial Information System
KINGIII	King Report on Corporate Governance, 2009
LUPO	Land Use Planning Ordinance (Ordinance 15 of 1985)
MEC	Member of the (Provincial) Executive Council
MTEF	Medium-Term Expenditure Framework
NHRA	National Heritage Resources Act, 1999
NTPSRMF	National Treasury Public Sector Risk Management Framework
PAIA	Promotion of Access to Information Act, 2000
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act, 1999
PN	Provincial Notice
ROD	Record of Decision
RWOPS	Remunerative Work Outside the Public Service
SAHRA	South African Heritage Resources Agency
SAHRIS	South African Heritage Resources Information System
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SITA	State Information Technology Agency
TR	Treasury Regulations
WCG	Western Cape Government

3 FOREWORD BY THE CHAIRPERSON



Laura Robinson

The financial year 2013/14 has been a year of transition for Heritage Western Cape (HWC) seeing the expiry of the term of its third Council and the appointment of a new Council which will serve until end of August 2016. Whilst there are several familiar faces on the fourth Council, there are many new members who have, through their early contributions, already shown themselves to have added considerable value to serving the heritage of the province.

New committees for the organisation were also appointed early in the term of the new Council. Having learned from experience, the outgoing Council acted responsibly by approving a policy which sought to ensure that the transition period for committees was managed with the least possible disruption to serving the public. In order to achieve this, the incoming Council reappointed the existing committees under new chairpersons for a short interim period to allow enough time for new members to be recruited and appointed. This ensured that the members of the committees, which are effectively the "workhorses" of the organisation, were selected after the new Council had had a few months to settle in and the new chairpersons had become familiar with the ambit and responsibilities of their committees. Whilst it has been resolved that the policy should be reviewed before the expiry of the term of the present Council, it is generally felt that this system is better than the previous practice which was for an incoming Council to appoint committees at its first meeting.

The most notable trend in the workload of HWC over the past year has been an increase of almost 60% in the number of applications received and processed. This apparent upturn in the construction industry has presented a challenge to an organisation which has suffered staff shortages during the past two years. The number of professional heritage officers is less than half of what it was. Nevertheless, it is due to the hard work of both staff and committee members that HWC was able to manage this considerable increase in its workload.

It is hoped that, in the 2014/15 financial year, the Western Cape Government, as the employer of the staff of HWC, will have resolved current challenges in respect of recruitment. The present recruitment system creates considerable operational stress and a negative impact on the quality of service offered to the public. It also causes difficulties for recruitment in a sector where skills are scarce. The slow recruitment process too often results in the loss of good candidates to other employers.

Given the increase in applications, workload and the challenging staff situation, the past year has been one in which the organisation has been able to undertake very little work other than processing applications.

Managing these increased pressures would not have been possible without great dedication on the part of the members of the present and previous Council, their standing committees, and a very dedicated staff. I would like to take this opportunity to extend my thanks to all of our colleagues, as well as the Department of Cultural Affairs and Sport (DCAS) which provides HWC with ongoing support, most notably in the field of financial management. A special word of thanks is due to our outgoing Minister, Dr Ivan Meyer, who has during his term of office been an enthusiastic and dedicated supporter of our work. On behalf of HWC, I would like to wish him well with his new responsibilities in the Provincial Cabinet.

A handwritten signature in cursive script that reads "Laura Robinson".

Laura Robinson
Chairperson:
Heritage Western Cape
31 May 2014

4 CHIEF EXECUTIVE OFFICER'S OVERVIEW



Andrew Hall

The past year was one in which the bulk of expenditure of the organisation has, in line with service delivery targets, been largely dedicated to support of the Council and its committees. The bulk of the work associated with such disbursements is for the most part associated with the processing of applications. During the year under review, processing of applications was the only major area of activity to which Heritage Western Cape was able to attend. All targets in the Annual Performance Plan have been met or exceeded.

Whilst there was some expectation at the start of the year that other activities might be possible, for reasons associated with major growth in the number of applications received and with the slow pace of recruitment of new staff, this proved, for the most part, to be impossible.

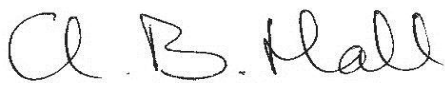
The growth in applications over the three-year financial planning cycle has, as previously reported, led to reviews of work methods and improvements in efficiency. However, the large increase in applications in the 2013/14 year led to serious consideration of how technology in the form of an information management system (IMS) could relieve the organisation of part of its administrative burden. At financial year-end, a contract for the development of such a system had been advertised and funds identified for its development.

As a measure aimed in part to relieve workload, HWC's volunteer programme, initiated last year, has become better established. Without the assistance of students and young graduates seeking experience in the heritage resources sector, the organisation would not have achieved its targets for the year.

During the course of 2013/14, HWC opened an investment account and money set aside for the IMS project and other purposes has been invested at a competitive rate. The initial amount envisaged for this purpose has been supplemented by income from application fees which HWC started to levy, in line with the practice of other heritage resources authorities.

Subsequent to the reporting date, a claim for R26 574 804 was lodged against HWC, DCAS and its Ministry on 8 May 2014. The claim was lodged by Midnight Storm Investments 170 (Pty) Ltd and arises from the refusal of an application under section 27 of the NHRA which was first submitted in the 2011/12 financial year and finally refused on appeal to the Tribunal appointed by the Minister on 21 November 2013.

In conclusion, I take this opportunity to thank the members of the previous HWC Council for their service and dedication over the triennium and welcome the new Council which has already shown its willingness to take forward the work of its predecessor in the same spirit. Many thanks also go to each one of our staff, volunteers and committee members who served the organisation with great dedication and rose to the challenges of what has been a testing year. The support and advice of my colleagues in the senior management team of the Department of Cultural Affairs and Sport in all manner of issues pertaining to HWC is, as always, much appreciated. In this regard I single out the CFO and her public entities support staff. I would also like to express my appreciation to our outgoing Minister, Dr Ivan Meyer, and his Head of Ministry Adv. Estienne Pretorius. Their support and guidance during the year under review was much appreciated.



Andrew Hall
Chief Executive Officer:
Heritage Western Cape
31 May 2014

5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to Heritage Western Cape.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of Heritage Western Cape for the financial year ended 31 March 2014.

Yours faithfully



Andrew Hall
Accounting Authority:
Heritage Western Cape
30 May 2014



Laura Robinson
Chairperson:
Heritage Western Cape
31 May 2014

6 STRATEGIC OVERVIEW

6.1 Vision

To celebrate, treasure, maintain and nurture the diverse urban and rural heritage resources of the people of the Western Cape by promoting pride in both tangible and intangible heritage, particularly amongst the previously marginalised.

6.2 Mission

By establishing, implementing and maintaining an effective integrated heritage resources management strategy in the Western Cape, we will ensure systematic identification, conservation, protection and promotion of heritage resources for all our communities for present and future generations.

6.3 Values

Promotion of social inclusivity, enhancement of civic pride, integrity, accountability, competence, responsiveness and caring.

7 LEGISLATIVE AND OTHER MANDATES

HWC was established on 5 October 2002 as a provincial heritage resources authority in terms of the National Heritage Resources Act, 1999. It is subject to the National Treasury Regulations and as a Schedule 3 provincial public entity in terms of the PFMA.

HWC is mandated to develop strategies and procedures for the implementation of the NHRA. These include identification, recording, protection, conservation, promotion and management of heritage in the province.

Constitutional mandates

Section	Direct Responsibility of Heritage Western Cape
Constitution of the Republic of South Africa, 1996	
Section 24(b)(ii): Environment	Heritage Western Cape must, by legislative and other measures, regulate and monitor the promotion of conservation of the heritage environment in the Western Cape. This may not be exercised in a manner inconsistent with any provision of the Bill of Rights. Annual reports on this mandate must be submitted to the Western Cape Provincial Parliament.
Section 31: Cultural, religious and linguistic communities	HWC must ensure that its programmes and projects take into account the cultural diversity of the population of the Western Cape.
Section 41: Principles of cooperative government and intergovernmental relations:	Heritage Western Cape cooperates with all spheres of government. In terms of its mandates, HWC works in close cooperation with the Department of Cultural Affairs and Sport, the South African Heritage Resources Agency (SAHRA) and municipalities in the Western Cape.
Schedule 5: Functional Areas of Exclusive Provincial Legislative Competence	DCAS provides HWC, as the provincial heritage resources authority for the Western Cape, with personnel and other shared financial and administrative support to execute and administer its legal mandate. The MEC (Member of the [Provincial] Executive Council) also has certain legal powers and is the authority of final appeal under the NHRA.
Section 195: Basic values and principles governing public administration	HWC officials must adhere to the provisions of section 195, which provides a description of the democratic values and principles governing public administration. Section 195(1)(b) requires the promotion of the efficient, economic and effective use of resources. This implies that programmes undertaken in the public sector should yield maximum benefits at the lowest possible cost.
Constitution of the Western Cape, 1997	
Section 81	The Western Cape Government must adopt and implement policies actively to promote and maintain the welfare of the people of the province, including policies aimed at achieving the protection and conservation of the natural historical, cultural historical, archaeological and architectural heritage of the Western Cape for the benefit of present and future generations.

Legislative mandates

National Legislation	Reference	Description
Public Finance Management Act, 1999	Act 1 of 1999	The Public Finance Management Act (PFMA): <ul style="list-style-type: none"> regulates financial management in national and provincial governments, listed public entities, constitutional institutions and provincial legislatures; ensures that all revenue, expenditure, assets and liabilities of these institutions are managed efficiently and effectively; and defines the responsibilities of persons entrusted with financial management in these bodies.
Promotion of Access to Information Act, 2000	Act 2 of 2000	This Act gives effect to the right to have access to records held by the state, government institutions and private bodies. Among other things, HWC and every other public and private body must: <ul style="list-style-type: none"> compile a manual that explains to members of the public how to lodge an application for access to information that the body holds; and appoint an information officer to consider requests for access to information held by the body.
Promotion of Administrative Justice, 2000	Act 3 of 2000	This Act: <ul style="list-style-type: none"> sets out the rules and guidelines that administrators must follow when making decisions; requires administrators to inform people about their right to review or appeal and their right to request reasons; requires administrators to give reasons for their decisions; and gives members of the public the right to challenge the decisions of administrators in court.
Cultural Institutions Act, 1998	Act 119 of 1998	HWC must liaise and cooperate with nationally declared cultural institutions regarding arts, culture and heritage matters.
Cultural Promotion Act, 1983	Act 35 of 1983	This legislation was assigned to the Western Cape and DCAS is responsible for complying with the provisions of the Act.
Cultural Affairs Act (House of Assembly), 1989	Act 65 of 1989	This legislation was assigned to the Western Cape and DCAS is responsible for complying with the provisions of the Act.
National Heritage Council Act, 1999	Act 11 of 1999	DCAS is responsible for the nomination of a Western Cape provincial representative to sit on the National Heritage Council (NHC), and for cooperating with and coordinating activities related to funding and projects that the NHC is conducting in the Western Cape.
National Heritage Resources Act, 1999	Act 25 of 1999	DCAS provides HWC, as the provincial heritage resources authority for the Western Cape, with personnel and other shared financial and administrative support to execute and administer its legal mandate. DCAS oversees the nomination of a Western Cape provincial representative, preferably a member of the Council of Heritage Western Cape, to sit on the Council of the South African Heritage Resources Agency. DCAS also ensures that the MEC appoints a Council for HWC – the provincial heritage resources authority appointed in terms of the NHRA. DCAS also assists the MEC when appeals have been lodged with him or her against decisions of HWC.
World Heritage Convention Act, 1999	Act 49 of 1999	DCAS is responsible for appointing a Western Cape provincial representative to sit on the South African World Heritage Advisory Committee. The Department is also responsible for complying with the provisions of the Act and the World Heritage Convention regarding the nominations of potential sites for the South African Tentative List, and the nomination of sites on the South African Tentative List for the attention of UNESCO's World Heritage Committee.

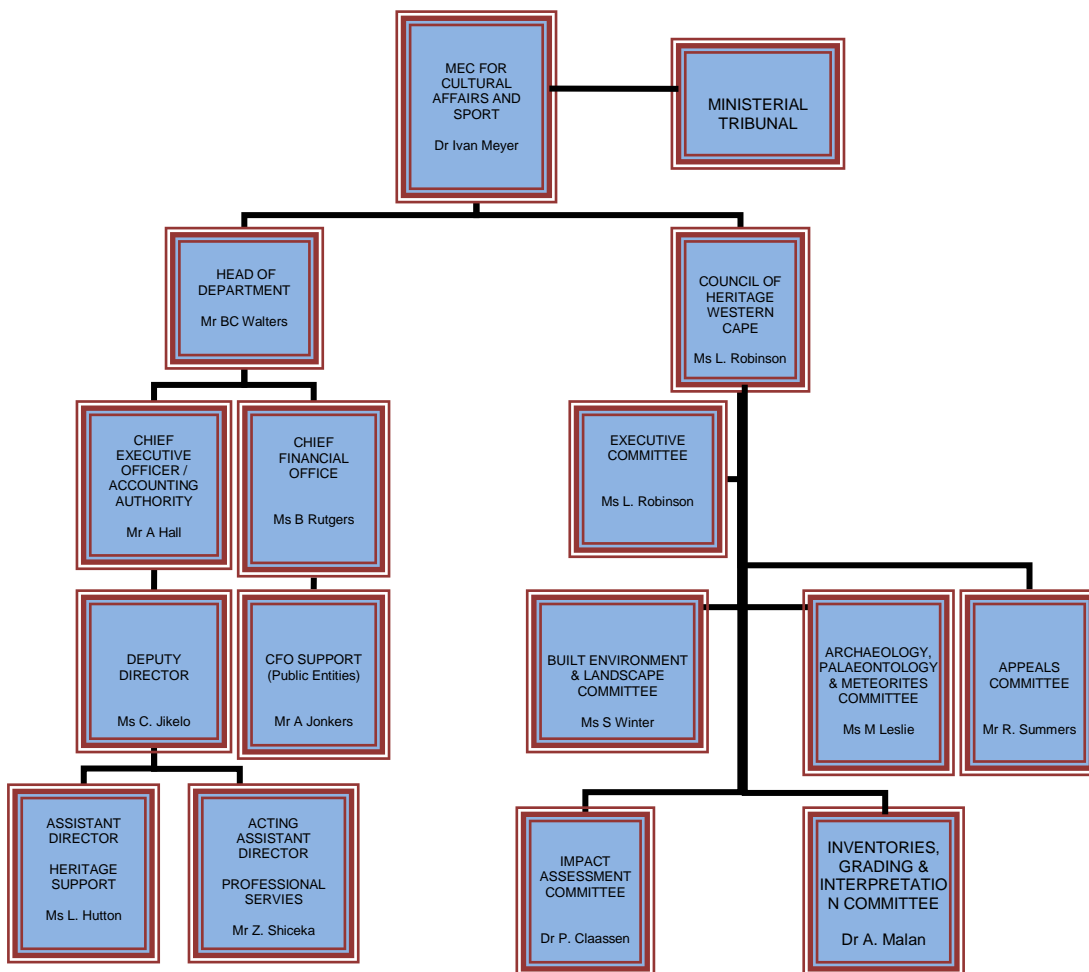
Provincial Legislation	Reference	Description
Western Cape Cultural Commissions and Cultural Councils Act, 1998	Act 14 of 1998 (Western Cape)	This Act establishes the Western Cape Cultural Commission (WCCC) to, among other things, consider the registration and deregistration of cultural councils representing communities sharing a common cultural and language heritage. The WCCC may also make recommendations on the following: <ul style="list-style-type: none"> the visual, performing and literary arts; the natural and human sciences; cultural history; and the cultural awareness and cultural involvement of youth. DCAS has oversight of the WCCC and provides the Commission with administrative and financial support.
Western Cape Heritage Resource Management Regulations	PN 336 of 25 October 2002, PN 298 of 29 August 2003, PN 212 of November 2004 and PN 106 of 31 March 2005	

Case law

Court Case	Reference	Impact on Heritage Western Cape
<i>Louis Johannes Raubenheimer v the Trustees of the Hendrik Johannes Bredenkamp Trust and Others</i>	Western Cape High Court case no. 10228/04	The judgement deals with the inadmissibility of a late appeal as well as the importance of authenticity and integrity; the irrelevance of romantic and sentimental attachment to heritage that has lost significance; and the need to demonstrate how one's rights are affected by the issuing of a permit one is opposed to.
<i>Top Performers (Pty) Ltd v Minister of Cultural Affairs and Recreation</i>	Western Cape High Court case no. 5591/05	This judgment had a profound impact on the appeal processes of the tribunals appointed by the MEC in terms of section 49 of the National Heritage Resources Act, 1999, read with Regulation 12 of PN 336 of 2003. DCAS and the MEC took corrective steps to ensure fair administrative processes and make provision for the admission of new evidence into the record of a tribunal process, as well as better compliance with the rules of natural justice in terms of the <i>audi alteram partem</i> maxim.
<i>The Chairpersons' Association v Minister of Arts and Culture</i> [2007] SCA 44 (RSA)	Supreme Court of Appeal case no. 25/2006	This judgment sets out what constitutes adequate consultation with local communities and other stakeholders in respect of proposed changes to geographical names. DCAS and the Western Cape Provincial Geographical Names Committee established by the MEC are important role-players in the implementation of the relevant legislation, especially with respect to the facilitation of consultation with stakeholders and communities. They must take this judgment into account in the processes and procedures they use to manage proposed changes to geographical names.
<i>Qualidental Laboratories v Heritage Western Cape</i> [2007] SCA 170 (RSA)	Supreme Court of Appeal case no. 647/06	This judgment confirmed the powers conferred on the MEC and Heritage Western Cape to impose conditions on a development in terms of section 48 of the National Heritage Resources Act, 1999.
<i>South African Heritage Resources Agency v the Arniston Hotel Property (Pty) Ltd and One Other</i>	Western Cape High Court case no. 5446/2006	The judgment deals with the matter of work approved under the National Building Regulations prior to the institution of a formal protection in terms of the NHRA and issues of validity of a notice of provisional protection.
<i>Willows Properties (Pty) Ltd v Minister of Cultural Affairs and Sport</i>	Western Cape High Court case no. 13521/08	The applicant filed an urgent application in the High Court to compel the MEC to make a decision or, alternatively, to issue the Record of Decision in respect of an appeal lodged with the MEC in terms of section 49 of the National Heritage Resources Act, 1999, read with regulation 12(7) of PN 336 of 2003. The impact of the judgment on DCAS is that it must ensure that tribunals issue Records of Decision in good time. Corrective measures have been implemented.

Court Case	Reference	Impact on Heritage Western Cape
<i>Waenhuiskrans Arniston Ratepayers Association and Another v Verreweide Eiendomsontwikkeling (Edms) Bpk and Others 1926/2008 [2009] ZAWCHC 181.</i>	Western Cape High Court case no. 1926/2008	The Court considered whether the South African Heritage Resources Agency or Heritage Western Cape have jurisdiction in respect of sites that have been graded by SAHRA as Grade 1 sites in terms of sections 35 and 36 of the National Heritage Resources Act, 1999. The Court found that, in such cases, SAHRA has jurisdiction. The implication of this judgment for DCAS is that the Department must provide legal assistance to Heritage Western Cape to interpret the legislation, and it must ensure that HWC acts within its legal mandate.

8 ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 39-41 of the Auditor's Report, published as Part E: Financial Information.

2 SITUATIONAL ANALYSIS

2.1 Service delivery environment

The major feature of the service delivery environment has been staff shortages caused by long delays in recruitment. This has made the 2013/14 financial year an extremely difficult one for staff management and the committees of Heritage Western Cape. The professional staff responsible for the bulk of effort involved in processing of applications fell from eight to three and it was only under extremely stressful conditions that performance targets were met and the mandate of the organisation to process applications within stipulated timeframes met. This achievement has to be viewed in the light of a growth in the number of applications received of almost 60%, given improved economic conditions in the construction sector of the economy. In this regard, the organisation was assisted by an archaeologist appointed on contract from mid-July and in the last quarter by two volunteers, one a town planning student who could not find a paid internship and the second an archaeology honours graduate seeking professional experience in heritage conservation. These volunteers work four days per week.

One of the biggest difficulties arising from the staffing situation has made it almost impossible for Heritage Western Cape to provide much-needed advice and assistance to applicants who cannot afford the services of professional heritage professionals. The absence of a qualified architect on the staff since the end of November has been a particular concern. Given the improving economic situation for such professionals, it is unlikely that on present salary scales an architect can be recruited. This became clear when the entry level candidate identified to fill a vacant Heritage Officer Built Environment position declined the position in large part due to the salary offered.

2.2 Organisational environment

The offices of HWC are situated on the 3rd Floor in Protea Assurance Building, Greenmarket Square in Cape Town within the offices of the Department of Cultural Affairs and Sport. Being centrally situated in Cape Town, the office provides an easily accessible front desk for clients who hand in applications there and receive advice and other information from professional staff. At the time of reporting, negotiations concerning a move to the Old Standard Bank Building on Adderley Street, Cape Town were at an advanced stage and the move had been announced by the MEC. It is planned that office space there will be shared with the provincial Museum Service.

HWC is made up of diversely skilled permanent staff in 19 funded posts and who provide both the professional and administrative expertise necessary to handle the day-to-day running of the organisation. The staff also receive continuous support in their work from committees of Council made up of senior professionals in the heritage conservation sector. Financial support services to the entity are provided by the staff of the CFO of the Department of Cultural Affairs and Sport.

The functions of the organisation are overseen by a Council of 13 members who are specialists in architecture, town and regional planning, urban planning, archaeology, social history and law. A new Council appointed by the MEC took office on 1 September 2013 where after new committees were also appointed. The terms of office of the present Council and its committees expire at the end of August 2016.

2.2.1 Processing of applications

Whilst the NHRA provides for a variety of activities to be undertaken by a provincial heritage resources authority, the bulk of the work of HWC still comprises the processing of applications under the terms of Chapter II of the Act. This was particularly true in the 2013/14 financial year when a large growth in the

number of applications received and staff shortages meant that few activities other than processing applications could be undertaken. The number of applications processed in the course of the year amounted to 3 297, exceeding 3 000 for the first time. This constitutes a growth of 57.6% on the 2 092 processed in the previous financial year; a year in which the figure of 2 000 was exceeded for the first time. Unfortunately, the size of the staff has not kept pace with such growth.

Figure 1: Growth in the number of applications over the MTEF period 2011/12 to 2013/14

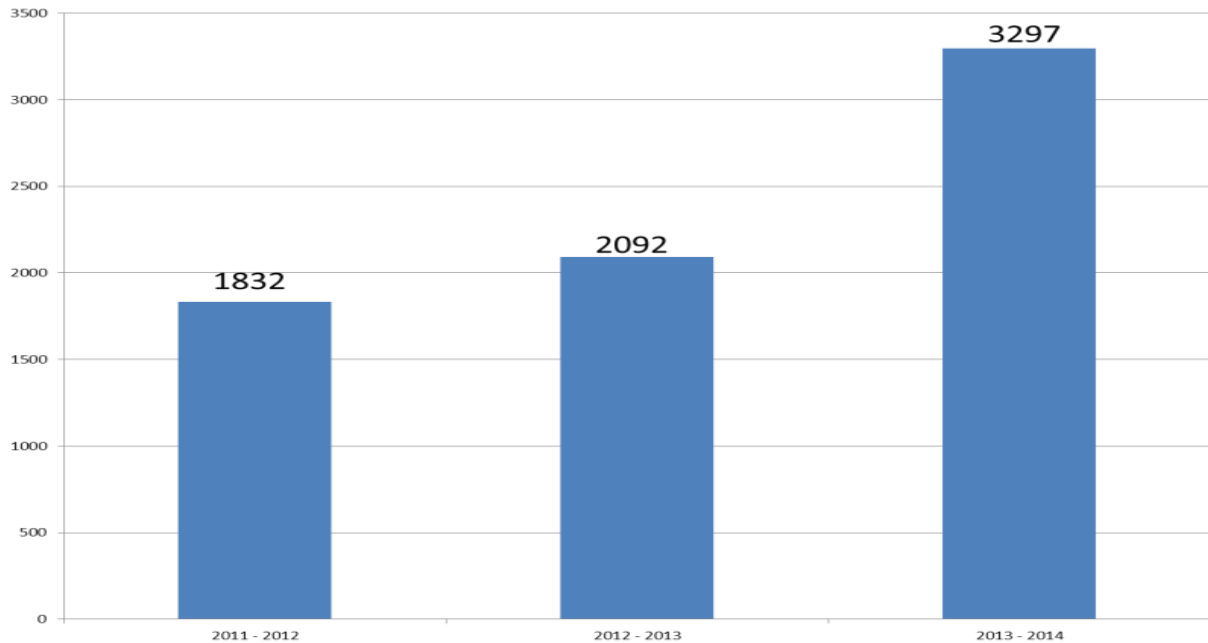


Figure 2: Applications by type

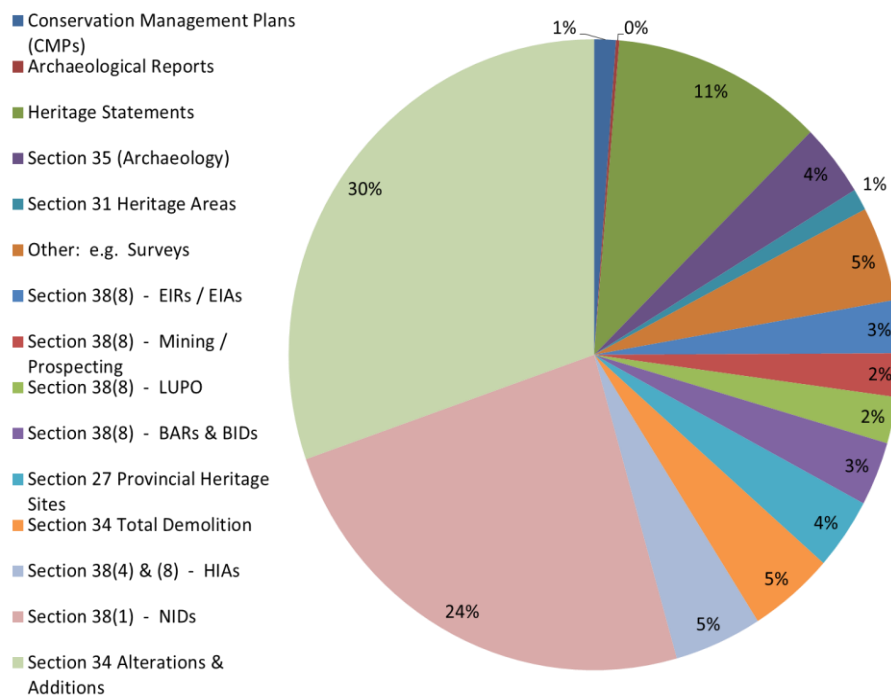
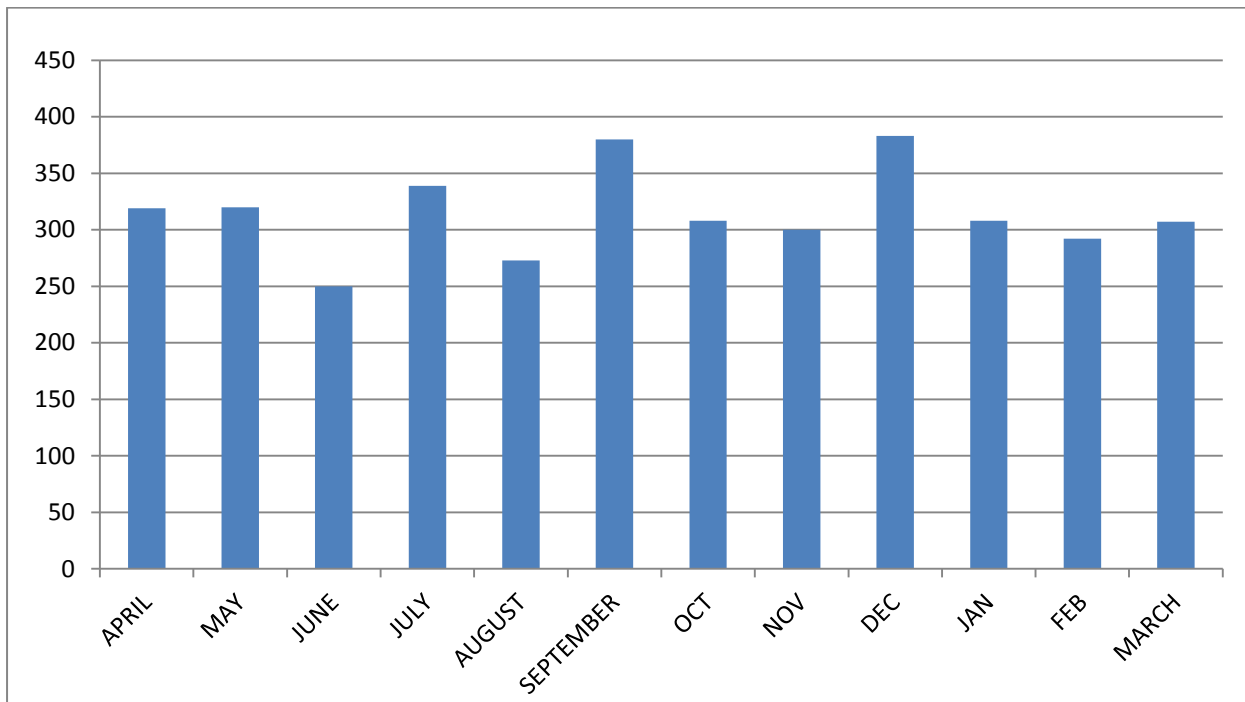


Figure 3: Number of applications received per month



In addition to the above, the organisation also dealt with 482 other queries not directly related to processing of applications.

2.2.2 Appeals

In the course of the year, 12 appeals were heard by the Appeals Committee. Whilst there were 25% fewer appeals relative in the preceding year, relative to the increase in the number of applications processed there has in fact been a decrease with the ratio declining from 1:233 in 2012/13 to 1:275 in the year under review.

At the commencement of the term of office of the new Council, it was resolved to reconfigure the membership of the Appeals Committee in order to better ensure that the necessary expertise was brought to bear on appeals and to avoid situations where in the past it had proven difficult to obtain a quorum due to committee members having to recuse themselves due to conflicts of interest most often brought about by their having served on the committee that had made the decision being appealed. The Council hence resolved that all members of the Council should be appointed as members of the Appeals Committee and that as required in terms of regulations at least two of them should be present at an appeal. Three experts who are not members of the Council make up the balance of membership of the committee.

2.2.3 Consideration of inventories of the national estate

During the course of the year the review of the Drakenstein Municipality's inventory of heritage resources was finalised.

New inventories of the national estate were received for two areas falling within the Stellenbosch Municipality, one for the historic core of Stellenbosch and other for the University of Stellenbosch. An inventory for Church Street, Tulbagh in the Witzenberg Municipality was also received. At year-end these and the George Municipal inventory submitted in the previous financial year were still under consideration.

The Church Street, Tulbagh inventory is the second to have been submitted by a registered conservation body, and represents a positive trend where communities are taking responsibility for identifying important heritage resources.

The process of reviewing the inventory of the City of Cape Town (CoCT) continues with completion expected during the course of 2016. Amendments to the Swartland Municipal inventory, submitted in 2011, are still awaited.

The submission of inventories is important for a number of reasons. They form the basis for identification of sites for formal protection in terms of Part 1 of Chapter II of the NHRA and in grading sites, assist HWC and local government to understand the relative values of heritage resources. With regard to the latter, the submission of inventories has greatly assisted the organisation with the grading of former national monuments and their subsequent marking with badges indicating their status as provincial heritage sites. This is particularly true of the Drakenstein Municipality in which all former national monuments have now been graded.

Above all, the purpose of an inventory shows the presence of heritage resources within physical space and this contributes greatly to the ability of those planning development to avoid conflict with the heritage resources authorities and to use the presence of heritage resources to their advantage where possible. They are hence invaluable as the means to resolve tensions between heritage conservation on the one hand and the need for development on the other.

Inventories are also an important first step in identifying areas for protection as heritage areas in terms of both Section 31 of the NHRA and municipal zoning schemes. Several such areas have been identified in the inventories already approved and this is an area that requires follow-up with the municipalities concerned.

2.2.4 Declaration of provincial heritage sites and issuing of badges

On 29 November 2013, the Saron Mission Station in the village of Saron was declared as a provincial heritage site in recognition of its historical significance as an early mission, its association with a community of freed slaves, and its architectural merits. A badge indicating the status of the site was unveiled by Dr Ivan Meyer during a commemoration service in the mission church on Sunday 1 December 2013, the date of the 175th anniversary of the emancipation of slaves in the former Cape Colony.

In the course of the year under review, HWC issued 63 badges for the marking of provincial heritage sites. These included the newly declared Saron Mission, as well as former national monuments which have been graded. The bulk of the latter were in the Drakenstein Municipality flowing from the submission of the municipal inventory and Clanwilliam, where HWC staff conducted a grading exercise.

2.2.5 Other activities involving local government

During the course of 2013/14, there has been ongoing discussion with the CoCT around the issue of devolution of powers. The matter stalled around apparent contradictions in measures concerning appeals processes set out in the NHRA and the Local Government: Municipal Systems Act, 2000. By March 2014 this issue seemed to have been resolved and the process was once again moving forward.

2.2.6 Heritage Month – Wiki Loves Monuments project

Once again HWC sponsored Western Cape activities of the Wiki Loves Monuments project. This initiative of Wikipedia is now in its fourth year of existence and the second to include South Africa. It is the world's largest photographic competition. Through use of the Internet and cell phone technology, the competition is attractive to youth and involves them in a project to record heritage sites. This provides a record of heritage resources that is invaluable to heritage authorities. A total of 6 432 South African photographs were uploaded during the course of September 2013 and HWC has now entered into a three-year sponsorship agreement with Wikimedia South Africa.

The highest placed Western Cape photograph, which came in third in the national competition, is on the cover of this report. It was taken by former HWC staffer now turned professional photographer, Chris Snelling who also came third in the 2012 competition.

2.2.7 Digitisation

The ongoing Expanded Public Works Programme (EPWP)-funded project to digitise the records of HWC and its predecessors made steady progress with all incoming submissions that were not received in electronic form being scanned and stored. The project employs four young people. In addition, a total of 7 472 of the 15 576 records in the Registry have now been scanned.

After considerable consideration and discussion with SAHRA, HWC resolved not to participate in 'SAHRIS' (South African Heritage Resources Information System) project. This decision was taken on the basis of several factors, one being the need to integrate with other systems at provincial and municipal level, in particular with the provincial Museum Service and CoCT's Integrated Spatial Information System (ISIS) and the advantages of becoming part of the Western Cape Government's enterprise content management (ECM) project which is being piloted in DCAS and from which HWC will derive

considerable benefit. There were also concerns that given that the bulk of the workload of HWC is in the processing of applications, and the large numbers of applications received, downtime and other service delivery issues concerning SAHRIS over which HWC would not have control could severely hamper effective service delivery.

At financial year-end, HWC had entered into an agreement with DCAS to develop an information management system (IMS) for use by itself and the Museum Service and a bid in terms of an existing SITA contract had been advertised. The system that will commence development in the new financial year is provisionally known as 'HIMS' – Heritage Information Management System. It is seen as a key project that will enable online application under the NHRA and will automate many functions currently being performed manually. These functions are in addition to data processing functions and document storage and access. It is expected that the system will make the 15 500 files of HWC easily accessible to the public and will free up professional staff to concentrate more specifically on the functions for which they are employed.

2.3 Key policy developments and legislative changes

2.3.1 Policy development

A new policy on appointment of committees was developed early in the financial year and greatly assisted in the transition period after the new Council of Heritage Western Cape took office on 1 September 2013. In contrast to the past where at its first meeting the new Council had to appoint committees in order to allow the work of organisation to continue uninterrupted, the policy allows existing committees to continue in office for a transitional period during which applications to serve on committees are considered and appointments made once the new Council has become familiar with its responsibilities.

Following on from an initiative taken at the commencement of the term of office of the last Council, all the legislation, regulations, policies, guidelines and manuals applying to the core mandates of the organisation were compiled into a handbook, a hard copy of which was given to each member of the new Council and to staff in September. A digital version of the document has been widely distributed and is regularly updated as changes are made.

2.3.2 Legal matters

Whilst there were no amendments to legislation or regulations, several legal opinions were sought regarding interpretations of the NHRA and these have assisted to clarify approaches to areas of uncertainty on the part of both HWC and those who submit applications to the organisation. There were also several occasions on which HWC used its powers to stop what it regarded as illegal work and a court case is in process. The major issues are discussed in greater detail below.

Legal opinion on PAIA applications

Legal opinion was sought on situations where a PAIA application made by HWC receives no response within the required period of time. It was established that in such an instance the application is deemed to have been refused.

Legal opinion on amendment of a gazette notice declaring a provincial heritage site

The procedure for amending notices was clarified.

Legal opinion on late appeals

It was established that appeals lodged after the 14 working day limit cannot be processed even if argument is made that the reason relates to a procedural error on the part of HWC. The recourse in such instances is judicial review.

Legal opinion on Supreme Court of Appeal judgement

The impacts of the Supreme Court of Appeal judgment in the *Qualidental Laboratories vs Heritage Western Cape and one other*' case was clarified concerning the nature of alterations and additions under which application in terms of Section 34 of the NHRA should be required.

Legal opinion on extension of permits

The wording of regulations governing the extension of permits was clarified, it being established that a permit could be extended for a further three years and not to a maximum of three years if the permit had been issued for less than that period.

Klein Konstantia, Paarl

This matter concerns work conducted on a provincial heritage site allegedly in contravention of the provisions of the permit issued by HWC. The matter first came before the Paarl Magistrates Court on 7 February 2013 and has since been repeatedly postponed. During the course of 2013, the magistrate asked to be recused due to a conflict of interest. A new magistrate was appointed and requested that HWC and the accused attempt to negotiate a settlement of the matter. At financial year-end a discussion with the accused had not yet taken place.

Stop works orders

HWC has powers to stop work on a project in instances where it is believed that work is proceeding outside of the parameters of the NHRA. Stop works orders were issued in respect of a variety of sites during the year under review.

2.4 Strategic outcome-oriented goals

Heritage Western Cape's strategic outcome-oriented goal is to steer and manage the process of transforming the heritage landscape of the Western Cape. This involves identification, recording and management of both tangible and intangible heritage resources as prescribed in the National Heritage Resource Act, 1999. The approach to achieve the above is driven by the institution's operational values which foreground inclusivity, accountability, transparency, enhancement of civic pride, excellence and ethics.

3 PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

Strategic objective

Strategic Objective	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviation
To establish and maintain an integrated heritage resources management system in the Western Cape	2 469	88	95	7	See comments below.

Key performance indicators, planned targets and actual achievements

Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviations
Number of scheduled meetings of the Council and its executive to implement the NHRA	-	8	11	3	There was a need for additional meetings when the new Council took office

Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviations
Number of scheduled meetings of committees to make decisions on applications to implement the NHRA	-	36	38	2	The ad hoc Baboon Point Committee met once and the BELCOM required an additional meeting to deal with a complex application
Number of meetings of the staff to make decisions on applications as per delegations from the Council to implement the NHRA	-	44	46	2	Extra staff meetings were held to process an unexpected increase in number of applications

The performance indicators provide an indication of performance on the bulk of the work of the organisation which concerns the processing of over 3 000 applications per annum. This work is undertaken by the staff teams and APM, IACOM and BELCOM committees of the Council. The work of these components of HWC hence reflects the major work effort of the organisation for the financial year under review. The work of the Council and Executive Committee reflect the bulk of the balance of tasks undertaken by HWC in that these organs deal with matters relating to policy, declarations of sites, approval of inventories and gradings and financial oversight.

Strategy to overcome areas of under performance

Regular monitoring on performance has left no room for underperformance. Measures were put in place to achieve performance on indicators.

Changes to planned targets

No changes were made during the period under review.

Linking performance with budgets

Programme/ activity/ objective	2013/14			2012/13		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 503	1 147	356	1 528	1 211	382
Total	1 503	1 147	356	1 528	981	547

4 REVENUE COLLECTION

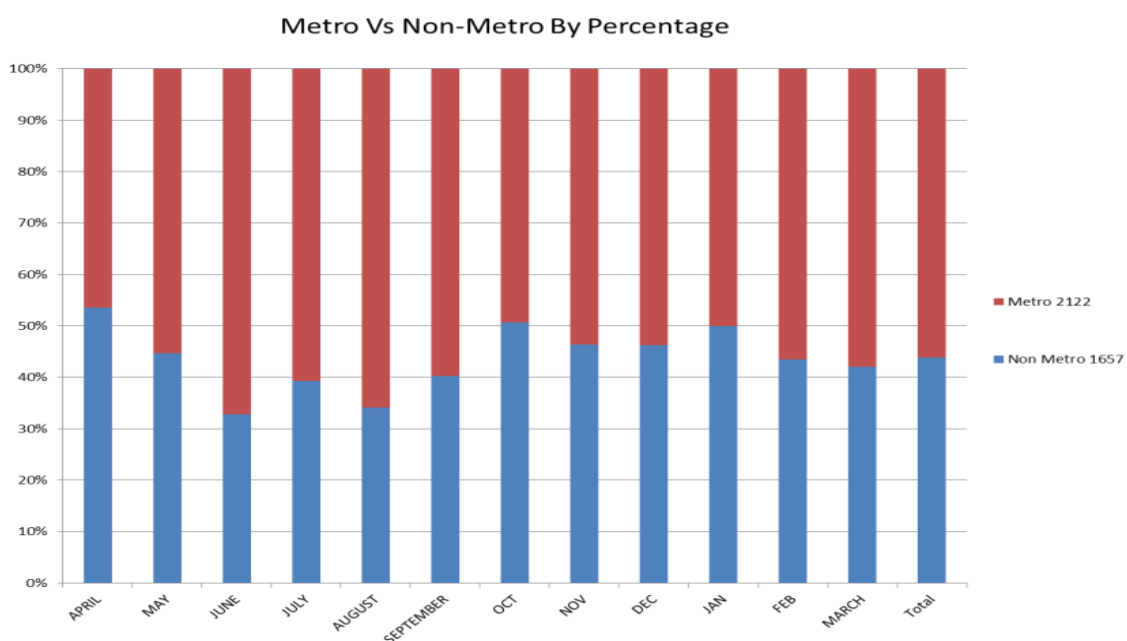
Sources of Revenue	2013/14			2012/13		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	1 423	1 723	300	1 452	1 452	0
Other Operating Cost		57	57		50	50
Other Income		152	152	76	76	
Interest Income	80	104	24			
Total	1 503	2 036	533	1 528	1 578	50

From 1 January 2014 HWC commenced collecting fees for the processing of applications. This followed a submission for approval to the MEC for Cultural Affairs and Sport and the MEC for Finance.

Schedule of fees with effect from 1 January 2014		
Type of Application	Applicable Section of NHRA	Fee
Permit	Section 48 and Chapter II (excluding Section 38)	R300
Notification of Intent to Develop	Sections 38(1) and (8)	R300
Heritage Impact Assessment	Sections 38(2), (3) and (8)	R1 000

The process for collection of fees is set out in terms of a policy approved by the HWC Council. Fees are payable in advance of acceptance of an application and tracking of a payment through the system is connected to the case number allocated to the application. Due to the high growth in number of applications received, income from fees has exceeded forecasts. However, in the medium-term, income from this source is expected to fall once the long-planned delegation of functions to the City of Cape Town metropolitan municipality takes place. In the 2013/14 financial year, 56% of all applications received fell within the jurisdiction of the city. In the future only a small proportion of these will still be processed by HWC. These will primarily be applications for provincial heritage sites under section 27 of the NHRA. It is anticipated that income from this source will fall by about 50%.

Figure 4: 2013/14 monthly trends: CoCT vs remainder of province



4.1 Capital investment

Not applicable

PART C: GOVERNANCE

1 INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA), National Treasury Regulations and Provincial Treasury Instructions in tandem with the principles contained in the King Report on Corporate Governance, 2009 (King III).

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2 PORTFOLIO COMMITTEES EXECUTIVE AUTHORITY

Standing Committee on Community Safety, Cultural Affairs and Sport	
Date of Hearing	Matter Under Consideration
15 November 2013 (09:00-13:00)	Department of Cultural Affairs and Sport Western Cape Language Committee Western Cape Cultural Commission Heritage Western Cape
Standing Committee on Public Accounts	
Date of Hearing	Matter Under Consideration
15 November 2013 (14:00-16:00)	Briefing by the Auditor-General and Audit Committee on the Annual Report of the Annual Report of Department of Cultural Affairs and Sport Western Cape Language Committee Western Cape Cultural Commission Heritage Western Cape
15 November 2013 (16:00- until adjournment)	Department of Cultural Affairs and Sport Western Cape Language Committee Western Cape Cultural Commission Heritage Western Cape

3 EXECUTIVE AUTHORITY

The Accounting Authority executed his oversight responsibility by monitoring financial and non-financial information for the period under review. The following reports were submitted for monitoring purposes:

Quarterly Performance Report	31 July 2013, 31 October 2013, 31 January 2014 and 30 April 2014.
In-year Monitoring Report	31 July 2013, 31 October 2013, 31 January 2014 and 30 April 2014.

4 THE HERITAGE WESTERN CAPE COUNCIL

Importance and purpose

The HWC Council is established in terms of the National Heritage Resources Act, 1999 and regulations published as Provincial Notice 336 of 25 October 2002.

Role

The Council is the decision-making authority on matters of policy and all areas of decision making in terms of the NHRA that have not been delegated to its committees, staff or municipalities.

Board charter

Not applicable.

Composition of the Heritage Western Cape Council from 1 September 2013

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Ms Laura Robinson	Chairperson	1 September 2013	-	B Architecture	Heritage and policy formulation; architecture and cultural landscape; town and regional planning; sites related to intangible heritage	Cape Town Partnership	EXCO and IGIC	10
Ms Sarah Winter	Member	1 September 2013	-	BA Archaeology, Anthropology; Masters in City and Regional Planning	Heritage law and policy formulation; cultural landscapes; town and regional planning; archaeology; sites related to intangible heritage; documentation of heritage; database	n/a	EXCO, BELCOM and Baboon Point	13
Mrs Mary Leslie	Member	1 September 2013	-	Masters in Archaeology	Scientific and natural heritage; heritage law and policy formulation; archaeology; documentation of heritage and database	n/a	EXCO, APM, IACOM, IGIC and Baboon Point	17
Dr Piet Claassen	Member	1 September 2013	-	BSc Eng (Civil); M (TRP); Dphil (Town and Regional Planning)	Heritage law and policy formation; architecture; town and regional planning; promotion and interpretation of, and education about heritage resources; scientific and natural heritage	n/a	EXCO and IACOM	12

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Dr Antonia Malan	Member	1 September 2013		PHD in Archaeological Records and Inventory; BA Hons. in Archives, Architecture and Archaeology	Heritage law and policy formation; architecture; cultural landscape; sites related to intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	EXCO, IGIC and Appeals	14
Ms Maureen Wolters	Member	1 September 2013	-	BA Architecture	Architecture; documentation of heritage and database	Charaprep Holdings	IGIC	7 (2 meetings as an additional member in appeals meetings)
Ms Quahnita Samie	Member	1 September 2013	-	MPhil Conservation of the Built Environment (in process); BTech: Town and Regional Planning (cum laude); ND: Town and Regional Planning, Planning and Geomatics; CPD: History of conservation, conservation discipline and practices; planning and geomatics; researching and assessing heritage resources	Heritage law and policy formation; cultural landscape; town and regional planning; sites related to intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	IACOM and IGIC	12 (3 meetings as an additional member in appeals meetings)

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Mr Julian Kritzinger	Member	1 September 2013	-	LLM Advanced Company Law; LLM Law on International Business Transactions; LLB International Mercantile Law; BA International Relations; Diploma des Etudes de la langue Francaise	Architecture; documentation of heritage and database	n/a	-	5
Mr Rowen Ruiters	Member	1 September 2013	-	BTech: Architectural Technology; BTech: Project Management ND: Architectural Technology	Architecture	n/a	BELCOM and IGIC	14 (2 meetings as an additional member in appeals meetings)
Mr Sipiwo Mavumengwana	Member	1 September 2013	-	Dipl. Marketing Management Development Programme Old Mutual Finance School Programme (Banking Finance); Wesbank (FNB)	Architecture; cultural landscape; town and regional planning; archaeology (rock art paintings); palaeontology; meteorites; sites related to intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources; scientific and natural heritage	Western Cape Liquor Authority	IACOM	8 (2 meetings as an additional member in appeals meetings)

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Dr Lita Webley	Member	1 September 2013	-	PHD Archaeology; MA Archaeology; BA; BA Hons; GIS course; Architectural and Urban Conservation Course	Heritage law and policy formation; architecture; archaeology; palaeontology; sites related to intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	APM	7
Mr Ignatius de Swardt	Member	1 September 2013	-	MA in Cultural History (cum laude); BA Hons. History; BA African Studies	Architecture; documentation of heritage and database	n/a	IGIC	7
Ms Maureen Wicomb	Member	1 September 2013	-	ND: Business Skills; Development Education and Leadership Teams in Action (DELTA) course	Documentation of heritage and database; promotion and interpretation of, and education about heritage resources; scientific and natural heritage	n/a	-	5

HWC committees from 1 November 2013

Committee	No. of Meetings Held	No. of Members	Names of Members
Council	5	13	Ms Laura Robinson (Chairperson) Mrs Mary Leslie Ms Sarah Winter Dr Antonia Malan Dr Pit Claassen Dr Lita Webley Ms Maureen Wolters Ms Maureen Wicomb Ms Quahnita Samie Mr Siphwo Mavumengwana Mr Rowen Ruiters Mr Julian Kritzinger Mr Ignatius de Swardt
EXCO	3	5	Ms Laura Robinson (Chairperson) Mrs Marry Leslie Ms Sarah Winter Dr Antonia Malan Dr Piet Claassen
BELCOM	5	7	Ms Sarah Winter (Chairperson) Ms Belinda Mutti Mr Rowen Ruiters Mr Stuart Hermansen Mr Graham Jacobs Mr Mike Scurr Mr Peter Buttgens

Committee	No. of Meetings Held	No. of Members	Names of Members
IACOM	5	10	Dr Piet Claassen (Chairperson) Mr Quinton Lawson Mr Tim Hart Mr Frik Vermeulen Mr Sipiwo Mavumengwana (appointed 13 December 2013) Mr Piet Louw Ms Corlie Smart Ms Cindy Postlethwayt Mrs Mary Leslie Ms Quahnita Samie (appointed 13 December 2013)
APM	5	9	Mrs Mary Leslie (Chairperson) Dr Lita Webley Dr Janette Deacon Dr John Pether Dr Thalassa Matthews Mrs Colette Scheemeyer Ms Jenna Lavin Ms Harriet Clift Mr Jayson Orton
Appeal	5	4	Mr Richard Summers (Chairperson) Dr Antonia Malan Dr Nicolas Baumann Mr Trevor Thorold
IGIC	2	8	Dr Antonia Malan (Chairperson) Dr Stephen Townsend Ms Laura Robinson Mrs Marry Leslie Ms Quahnita Samie Mr Ignatius de Swardt Mr Rowen Ruiters Mr Stefan de Kock

Composition of the HWC Council until 31 October 2013

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Adv. Roneé Robinson	Chairperson	August 2010	1 August 2013 (From HWC Council and EXCO)	LLM (Intellectual Property); BA Hons. Phil; LLB, BA Law	Heritage law and policy formulation	n/a	EXCO	2
Dr Stephen Townsend	Member	August 2010	n/a	B Arch; Diploma in Study and Restoration of Monuments (equivalent to Master's degree); PhD	Heritage law policy formulation; architecture, cultural landscapes; sites related to intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	EXCO, BELCOM, IACOM, IGIC and Baboon Point	20
Dr Matilda Burden	Member	August 2010	n/a	Diploma in Civil Defence; BA; BA Hons (cum laude); MA (cum laude); ND in Archival Science; D Phil	Architecture and cultural landscapes; sites related into intangible heritage; documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	EXCO, Appeals and IGIC	7
Ms Laura Robinson	Member	August 2010	n/a	B Architecture	Heritage and policy formulation; architecture; cultural landscapes; town and regional planning; sites related to intangible heritage	Cape Town Partnership	EXCO, Appeals and IGIC	7
Ms Sarah Winter	Member	August 2010	n/a	BA Archaeology, Anthropology; Masters in City and Regional Planning	Heritage law and policy formulation; cultural landscapes; town and regional planning; archaeology; sites related to intangible heritage; documentation of heritage and database	n/a	EXCO, BELCOM, IACOM and Baboon Point	16

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Ms Sharon de Gois	Member	August 2010	n/a	B Social Science; Hons. Psychology; Masters in Urban and Regional Planning; Project Management (accredited executive education); Housing Policy Development and Management	Town and regional planning; architecture; cultural landscapes	Cape Town Heritage Trust	Appeals and IGIC	2
Ms Maureen Wolters	Member	August 2010	n/a	BA Architecture	Architecture, documentation of heritage and database	Charaprep Holdings	BELCOM	6
Mr Roger Joshua	Member	August 2010	n/a	B Arch	Architecture	Joshua Conrad Architects	BELCOM, IACOM and Baboon Point	17
Mr Patrick Fefeza	Member	August 2010	n/a	BA; Diploma in Museum and Heritage Studies	Sites related to intangible heritage; promotion and interpretation of, and education about heritage resources	n/a	BELCOM and IGIC	8
Mr Floris Brown	Member	August 2010	n/a	Teaching diploma	Documentation of heritage and database; promotion and interpretation of, and education about heritage resources	n/a	IGIC	4
Mrs Mary Leslie	Member	August 2010	n/a	Masters in Archaeology	Scientific and natural heritage; heritage law and policy formulation; archaeology; documentation of heritage and database	n/a	EXCO, APM, IACOM, IGIC and Baboon Point	22
Mr Magnus Steenkamp	Member	August 2010	n/a	BA Law; LLB; LLM; Postgraduate Diploma in Tax Law	Heritage law and policy formulation; town and regional planning	n/a	-	0

Committees of the HWC Council until 31 August 2013

Committee	No. of Meetings Held	No. of Members	Names of Members
Council	1	12	Adv. Roneé Robinson (Chairperson) (resigned with effect from 1 August 2013) Dr Stephen Townsend Dr Matilda Burden Mrs Mary Leslie Ms Laura Robinson Ms Sarah Winter Ms Sharon de Gois Ms Maureen Wolters Mr Roger Joshua Mr Patrick Fefeza Mr Floris Brown Mr Magnus Steenkamp
EXCO	3	6	Adv. Roneé Robinson (Chairperson) (resigned with effect from 1 August 2013) Dr Matilda Burden Dr Stephen Townsend Mrs Mary Leslie Ms Laura Robinson Ms Sarah Winter
BELCOM	7	8	Ms Sarah Winter (Chairperson) Dr Stephen Townsend Ms Maureen Wolters Mr Roger Joshua Mr Patrick Fefeza Ms Melanie Attwell Mr Trevor Thorold Mr Tim Hart

Committee	No. of Meetings Held	No. of Members	Names of Members
IACOM	7	9	Dr Stephen Townsend (Chairperson) Ms Sarah Winter Mr Roger Joshua Mrs Mary Leslie Mr Quinton Lawson Mr Richard Summers Mr David Hart Mr Piet Louw Mr David Halkett
APM	7	8	Mrs Mary Leslie (Chairperson) Mr David Halkett Ms Claire Browning Dr Shadreck Chirikure Mrs Colette Scheermeyer Prof. Judy Sealy Dr Janette Deacon Dr John Pether
Appeal	3	5	Ms Laura Robinson (Chairperson) Dr Matilda Burden Dr Nicolas Baumann Dr Antonia Malan Ms Sharon de Gois
IGIC	3	7	Dr Matilda Burden (Chairperson) Dr Stephen Townsend Ms Laura Robinson Ms Sharon de Gois Mrs Mary Leslie Mr Patrick Fefeza Mr Floris Brown
Baboon Point	2	6	Dr Stephen Townsend (Chairperson) Ms Sarah Winter Mr Roger Joshua Prof. Judy Sealy Dr Janette Deacon Mrs Mary Leslie

Remuneration of HWC members

The service benefit packages for office-bearers of certain statutory and other institutions are defined by the Minister of Finance and described in a Provincial Treasury Circular. The Chairperson's rate is R360 per hour, the Deputy Chairperson's rate is R244 per hour and the rate for members is R206 per hour.

Name	Remuneration	Other disbursements	Total
Ronee Robinson	6 446.39	0	6 446.39
Mary Leslie	49 814.02	15 557.84	65 371.86
Laura Robinson	23 120.51	0	23 120.51
Stephen Townsend	38 354.94	1 303.06	39 658.00
Matilda Burden	9 037.74	2 439.36	1 1477.10
Sharon de Gois	1 048.06	654.75	1 702.81
Antonia Malan	17 130.49	157.76	17 288.25
Patrick Fefeza	11 192.35	0	11 192.35
Maureen Wolters	16 848.42	13 680.24	30 528.66
Sarah Winter	54 209.38	1 524.54	55 733.92
Trevor Thorold	11 488.72	201.22	11 689.94
Dave Halkett	12 079.82	245.00	12 324.82
John Pether	1 028.00	402.60	1 430.6
Janette Deacon	4 777.63	1 599.30	6 376.93
Judy Sealy	1 606.25	0	1 606.25
Shadrack Chirikure	771.00	0	771.00
Roger Joshua	26 675.38	1 544.74	28 220.12
Piet Louw	14 926.56	1 109.98	16 036.54
Tim Hart	15 023.22	1 897.75	16 920.97
Nicholas Baumann	4 986.62	0	4 986.62
Floris Brown	6 337.62	2401.8	8 739.42
Richard Summers	13 550.31	0	13 550.31
Magnus Steenkamp	1 840.12	0	1 840.12
Quinton Lawson	19 727.74	2 193.46	21 921.20
Melanie Attwell	11 504.71	666.394	12 171.10
Julian Kritzingler	4 109.43	4 021.75	8 131.18
Quahnita Samie	13 227.68	312.96	13 540.64
Siphiwo Mavumengwana	7 703.93	8 401.15	16 105.08
Rowen Ruiters	18 362.36	150.70	18 513.06
Maureen Wicomb	4 109.43	14 248.68	18 358.11
Piet Claassen	18 879.68	4 254.57	23 134.25
Natie de Swart	6 765.81	29 220.60	35 986.41
Litha Webly	5 844.37	1 015.87	6 860.24
Mike Scurr	8 284.25	0	8 284.25
Harriet Clief	0	0	0
Stefan de Kock	3 339.00	7 266.85	10 605.85
Peter Buttgens	10 595.25	285.17	10 880.42
Corlie Smart	8 776.12	1 636.13	10 412.25
Jenna Lavin	0	0	0
Jayson Orton	4 689.25	1 183.89	5 873.14
Cindy Postlethwayt	9 843.31	999.09	10 842.4
Stuart Hermansen	8 155.25	2349.62	10 504.87
Belinda Mutti	10 082.25	6 133.00	16 215.25

Name	Remuneration	Other disbursements	Total
Graham Jacobs	10 082.25	2 974.66	13 056.91
Frik Vermeulen	9 971.81	332.92	10 304.73
Colette Scheermeyer	0	0	0

5 RISK MANAGEMENT

The Accounting Authority (AA) for the Heritage Western Cape (HWC), takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (NTPSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Entity of the Premier (DoTP) provides a centralised strategic support service to the Entity.

In compliance with the National Treasury Public Sector Risk Management Framework (NTPSRMF) and to further embed risk management within the Entity, the Western Cape Government (WCG) has adopted an ERM Policy which sets out the WCG's overall intention with regard to ERM.

An Annual ERM Implementation Strategy has been developed in order to give effect to the WCG ERM policy and to attain the Annual ERM Implementation Plan and the risk management priorities of the Entity. This enables the Entity to deliver on its goals, objectives and key performance indicators, enhance risk informed decision making and optimise compliance with applicable legislation. It further outlines the roles and responsibilities of managers and staff in embedding risk management in the Entity and defines the enabling legislation, standards, mechanisms, tools and resources to be used to realise the ERM plan.

The Fraud and Risk Management Committee (FARMCO) provides governance oversight over the entire system of risk management of the Entity and furnishes the Accounting Authority with the requisite reports in respect of performance of risk management. The Audit Committee provides the independent oversight of the Entity's system of risk management. The Audit Committee is furnished with Quarterly ERM progress reports and the Entities risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process is in relation to the progress of implementation of the Entities Annual ERM Implementation Plan and significant/strategic risks faced by the Entity and their relevant risk response/treatment strategies.

Fraud and Risk Management Committee (FARMCO)

The Entity has established a FARMCO to assist the Accounting Authority in executing his respective responsibilities concerned with risk management. The committee operates under a terms of reference approved by the Accounting Authority. The Committee comprises of select members of the Entity's senior management team. As per its terms of reference the Committee should meet four times a year. The Committee meetings during the financial year under review were attended as follows:

Member	Position	Scheduled Meetings	Attended
Mr BC Walters	HOD	4	4
Adv E Pretorius	Head of office Ministry	4	3
Adv L Bouah	Chief Director Sport	4	4
Ms H du Preez	Chief Director Cultural affairs	4	3
Ms BG Rutgers	CFO/Risk Champion	4	4
Mr S Julie	Director Strategic Operational Management Support	4	4
Mr A Hall	Director Heritage	4	4
Mr PC Hendricks	Director Sport Development	4	4
Ms J Moleleki	Director Arts Cultural and Language	4	4
Ms N Dingayo	Director Archives and Libraries	4	4
Mr T Tutu	Director Sport Promotion	4	4

Risk management process

During the period under review, the Entity assessed its risks relative to its strategic and annual performance plan. Risk assessments are conducted on a strategic level on an annual basis and updated quarterly. At a programme level the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans are developed and managed by allocated risk owners. Programme risk registers are approved by the respective programme manager.

The FARMCO ratifies, prioritises and further recommends to the Accounting Authority, which significant risks are mitigated with an appropriate risk response/treatment in order to meet the Entities strategic objectives. This process is conducted on a quarterly basis and feeds into the evaluation of the performance environment of the Entity.

6 INTERNAL CONTROL UNIT

It is the responsibility of the Accounting Authority to continually assess and evaluate internal controls to assure that the control activities in place are effective, efficient and transparent and updated when necessary. To achieve this, quarterly key control meetings were held with the Auditor-General, programme managers of the Department of Cultural Affairs and Sport and the MEC. This is an ongoing process to ensure that the Entity obtains clean audits.

7 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Entity. It should assist the Entity to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Entity's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Authority in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

The Audit Committee is established as oversight bodies, providing independent oversight over governance, risk management and control processes in the Entity, which include oversight and responsibilities relating to:

- Internal audit function;
- External audit function as carried out by the Auditor-General of South Africa;
- Entity accounting and reporting;
- Entity accounting Policies;
- Review of Auditor-General of South Africa's management and audit report;
- Review of entity's in-year monitoring;
- Entity risk management;
- Internal control;
- Pre-determined objectives;
- Ethics and forensic Investigations.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Ronnie Kingwill	CA(SA);	External	N/a	01 January 2013	N/a	8
Mr Mervyn Burton	CA(SA)	External	N/a	01 January 2012	N/a	8
Ms Judy Gunther	CIA; AGA; CRMA; MCA; BCompt	External	N/a	01 January 2013	N/a	8
Mr Louw van der Merwe	CA(SA); ACMA; CIA; CISA; CRMA	External	N/a	01 January 2013	N/a	8
Mr Francois Barnard	MComm (Tax); CA(SA); BProc	External	N/a	01 January 2013	N/a	8

8 COMPLIANCE WITH LAWS AND REGULATIONS

Systems, policies and processes are in place to ensure compliance with laws and regulations.

9 FRAUD AND CORRUPTION

The Western Cape Government adopted an Anti-Corruption Strategy which confirms the Province's zero tolerance stance towards fraud and corruption. The Entity has an approved Fraud Prevention Plan and a Fraud Prevention Implementation plan which gives effect to the Fraud Prevention Plan.

Various channels for reporting allegations of fraud and corruption exist and these are described in detail in the Provincial Anti-Corruption Strategy and the Entities Fraud Prevention Plan. Each allegation received by the Forensic Investigation Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Entity and generating statistics for the Province and the Entity. We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

Once fraud or corruption is confirmed after completion of an investigation, the relevant employee who participated in these acts is subjected to a disciplinary hearing. In all such instances, the WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported at the South African Police Services.

During this financial year, 1 investigation was completed by the Forensic Investigation Unit confirming Fraud or Corruption. At the end of the financial year, 2 matters remained on the case list of the Entity.

10 MINIMISING CONFLICTS OF INTEREST

Heritage Western Cape ensures that there are no conflicts of interest by insisting that a Declaration of Interest (WCBD4 form) is obtained from every supplier not registered on the Western Cape Supplier Database. Before doing business with suppliers who are registered on the database, checks are done to verify that their WCBD4 declarations are not more than 12 months old.

Provincial Treasury is assisting departments to reduce the risk of conflicts of interest where owners or directors of companies are also public servants in the Western Cape. This is done by providing information from PERSAL (the Personnel Salary System) about public servants who are registered as owners or directors of companies. The entity ensures that such persons possess a Remunerative Work Outside the Public Service (RWOPS) approval letter before doing business with them.

The entity has not found any conflict of interest with any business concluded with suppliers. If such a conflict were to be discovered, the matter will be treated as a fraudulent Supply Chain Management activity and, after a due diligence investigation, the supplier will be identified as a “non-preferred” service provider.

11 CODE OF CONDUCT

The policy implemented by DCAS incorporates HWC. The purpose of the Code of Conduct is to promote a high standard of professional ethics in the workplace. HWC strives to adhere and comply with the content of the Code. Employees are made aware of the content of the Code of Conduct through, among other things, the compulsory induction of all newly appointed employees. The Code was distributed to all employees as a reminder to continue promoting high standards of professional ethics in the workplace. If and when the content of the code is breached, managers make use of progressive discipline as necessary. More serious offences are referred to the Corporate Services Centre (Directorate Employee Relations) for formal disciplinary procedures.

12 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The policy as implemented by DCAS incorporates HWC. Health and safety issues are addressed by conducting monthly inspections at DCAS Head Office and annual audit inspections at all other offices of the Department. Contingency plans and business continuity plans have been compiled for all the offices. The managers at all offices have been appointed as health and safety risk coordinators, safety marshals, first aiders and fire-fighters and trained.

Annual fire drills are conducted at offices in the Cape Town city centre in collaboration with the Department of Community Safety and the Disaster Risk Management Department of the City of Cape Town which monitor and provide comment in respect of all processes.

Occupational health and safety meetings are held quarterly at top management level to discuss health, safety and environmental issues.

The holding of annual health and safety awareness programmes has considerably raised the level of awareness in the entity. The entity has implemented a waste management programme. Waste paper is collected and disposed of every month.

13 COMPANY/ BOARD SECRETARY

Not applicable to this entity.

14 SOCIAL RESPONSIBILITY

Not applicable to this entity.

15 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference (approved on the 11 September 2013), as its Audit Committee terms of reference, has regulated its affairs in compliance with these terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The entity is serviced by the Department of Cultural Affairs and Sport and no internal control deficiencies were reported at the Entity level.

In-Year Management and Quarterly Performance Reports

The Entity has reported monthly and quarterly to the Treasury as is required by the PFMA.

The Audit Committee is satisfied with the content and quality of the quarterly financial and performance reports prepared and issued by the Accounting Authority of the Entity during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements as presented in the annual report, with the Auditor-General of South Africa and the Accounting Authority;
- reviewed the Auditor-General of South Africa's management report and management's responses thereto;
- considered changes to the accounting policies and practices and where applicable these are reported in the annual financial statements;
- reviewed the Entity's processes to ensure compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed material adjustments resulting from the audit of the Entity and
- reviewed and where appropriate recommended changes to the interim financial statements as presented by the Entity for the six months ending 30 September 2013

Internal Audit

Vacancies within the internal audit structures are receiving on going attention and good progress is being made to fill funded vacancies

Risk Management

The Entity has taken full responsibility and ownership for the implementation of the Enterprise Risk Management (ERM). The risk reports are reviewed and updated on a quarterly basis by management and overseen by the Audit Committee. The challenge remains to institutionalise ERM throughout the Entity. The Audit Committee noted the emerging risks and will be monitoring these on a regular basis.

Auditor-General of South Africa's Report

- The Audit Committee concurs and accepts the Auditor-General of South Africa's opinion regarding the annual financial statements, and proposes that the audited annual financial statements be accepted and read together with the report of the Auditor-General of South Africa.
- The Audit Committee has met with the Auditor-General of South Africa and the Entity to ensure that there are no unresolved issues emanating from the regulatory audit.
- The Audit Committee has reviewed the Entity's implementation plan for audit issues raised in the previous year on a quarterly basis and is satisfied that the matters have been adequately resolved.
- The Audit Committee recommended that the Annual Financial Statements be approved by the Accounting Authority on 7th August 2014

Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Entity, the Auditor-General of South Africa, the Internal Audit Unit and all other assurance providers for the co-operation and information they have provided to enable us to compile this report.



Mr Ronnie Kingwill

Chairperson of the Social Cluster Audit Committee

Heritage Western Cape

Date: 14 August 2014

PART D: HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

Staff are employed by the Department of Cultural Affairs and Sport, and the relevant information appears in the DCAS Annual Report.

2 HUMAN RESOURCE OVERSIGHT STATISTICS

These statistics are reported in the Annual Report of the Department of Cultural Affairs and Sport.

PART E: FINANCIAL INFORMATION

1 REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE HERITAGE WESTERN CAPE

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Heritage Western Cape set out on pages 42 to 59, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and regulation 3(2) of the Provincial Heritage Resources Authority Regulations, 2002 (Provincial Notice No. 336 of 2002) (regulations), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Heritage Western Cape as at 31 March 2014, and its financial performance, and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA and the regulations.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Significant uncertainty

8. As disclosed in note 17 to the financial statements, the entity is a defendant in a legal claim as a result of a decision taken to decline an application for the development of a declared provincial heritage site.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the public entity for the year ended 31 March 2014:
 - To establish and maintain an integrated heritage resources management system in the Western Cape (on pages 16 to 17).
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objective.

Additional matter

15. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matter:

Achievement of planned targets

16. Refer to the annual performance report (on pages 16 to 17) for information on the achievement of the planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor - general

Cape Town

30 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

HERITAGE WESTERN CAPE**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014****STATEMENT OF FINANCIAL POSITION as at 31 March 2014**

Figures in Rand	Notes	2014 R'000	2013 R'000
ASSETS			
Current assets			
Cash and cash equivalents	2	2,834	1,836
Inventory	3	73	81
Receivables from exchange transactions	4	3	7
TOTAL ASSETS		2,910	1,924
LIABILITIES			
Current liabilities			
Payables from exchange transactions	5	82	68
Provisions	6	83	-
TOTAL LIABILITIES		165	68
NET ASSETS			
Accumulated surplus		2,745	1,856
TOTAL NET ASSETS		2,910	1,924

HERITAGE WESTERN CAPE**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014****STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2014**

Figures in Rand	Notes	2014 R'000	2013 R'000
REVENUE			
Revenue from non-exchange transactions	7.1	1,780	1,502
Revenue from exchange transactions	7.2	256	76
TOTAL REVENUE		2,036	1,578
EXPENDITURE			
Audit fees	8	(103)	(125)
Administration expenses	10	(40)	(76)
Legal fees	11	(147)	-
Members fees	12	(536)	(512)
Other operating expenses	13	(321)	(292)
TOTAL EXPENDITURE		(1,147)	(1,005)
SURPLUS FOR THE YEAR		889	573

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus R'000	Total Net assets R'000
Balance at 1 April 2012	1,248	1,248
Correction of error	35	35
Restated balance at 1 April 2012	1,283	1,283
Surplus for the year	573	573
Balance at 01 April 2013	1,856	1,856
Surplus for the year	889	889
Balance at 31 March 2014	2,745	2,745

HERITAGE WESTERN CAPE**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014****CASH FLOW STATEMENT for the year ended 31 March 2014**

Figures in Rand	Notes	2014 R'000	2013 R'000
Cash flows from operating activities			
Cash received		1,875	1,452
		(1,064)	(931)
Cash paid to suppliers and employees			
Cash generated in operations	9	811	521
Interest received		104	76
Net cash inflows from operating activities		915	597
Cash flows from financing activities			
Cash generated by provision	6	83	-
Net increase in cash and cash equivalents		998	597
Cash and cash equivalents at the beginning of the year		1,836	1,239
Total cash and cash equivalents at the end of the year	2	2,834	1,836

HERITAGE WESTERN CAPE

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 31 March 2014

Description	Final Budget R,000's	Actual amounts on comparable basis R,000's	Variance R,000's	Variance %	Explanation of significant variances (greater than 5%) versus budget
REVENUE					
Transfers & subsidies	1, 423	1, 723	300	21	Increase in transfer due to extra project
Other operating income	-	57	57	100	Rebate on audit fee from National Treasury
Other income	-	152	152	100	HWC started charging fees for heritage applications from January 2014.
Interest income	80	104	24	30	Under provision for Bank interest
NET REVENUE	1,503	2,036	533	35	
EXPENDITURE					
Members fees	812	511	301	37	Meetings are budgeted for a full day but only last a few hours.
Administration expenses	140	49	91	65	The decrease in members and meetings directly affected the administration expenses.
Audit fees	70	105	(35)	(50)	Expenses relating to National Treasury rebate were not budgeted for.
Other operating expenses	481	456	25	5	
NET EXPENDITURE	1,503	1,211	382	25	
		915	915		

The approved budget covers the period from 1 April 2013 to 31 March 2014. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis using the same classification.

HERITAGE WESTERN CAPE

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2014 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE FINANCIAL STATEMENTS

Description	Operating R'000	Financing R'000	Investing R'000	Total R'000
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-	-	-
Basis differences	915	-	-	915
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Actual amount in the cash flow statement	915	-	-	915

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

1. ACCOUNTING POLICIES

1.1 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act.

1.1.1 Basis of preparation

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The accounting policies set out below, where applicable to the Entity, have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

Standards of GRAP effective for the reporting period:

GRAP No.	Description	GRAP No.	Description
GRAP 1*	Presentation of Financial Statements	GRAP 16*	Investment Property
GRAP 2*	Cash Flow Statements	GRAP 17*	Property, Plant and Equipment
GRAP 3*	Accounting Policies, Changes in Accounting Estimates and Errors	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 4*	The effects of Changes in Foreign Exchange Rates	GRAP 21	Impairment of Non-cash-generating Assets
GRAP 5	Borrowing Costs	GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 6	Consolidated and Separate Financial Statements	GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 7	Investments in Associates	GRAP 25	Employee benefits
GRAP 8	Interests in Joint Ventures	GRAP 26	Impairment of Cash-generating Assets
GRAP 9*	Revenue from Exchange Transactions	GRAP 27	Agriculture (replaced GRAP 101)
GRAP 10*	Financial Reporting in Hyperinflationary Economies	GRAP 31	Intangible Assets (replaced GRAP 102)
GRAP 11*	Construction Contracts	GRAP 100*	Non-current Assets Held for Sale and Discontinued Operations
GRAP 12*	Inventories	GRAP 103	Heritage Assets
GRAP 13*	Leases	GRAP 104	Financial Instruments

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

GRAP 14*	Events after the Reporting Date
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*As revised in 2012

Standards of GRAP approved, but not yet effective for the reporting period

GRAP No.	Description
GRAP 18	Segment Reporting (not required to use)
GRAP 32	Service concessions arrangements: Grantor
GRAP 105	Transfers of functions between entities under common control
GRAP 106	Transfers of functions between entities not under common control
GRAP 107	Mergers
GRAP 108	Statutory receivables

These standards will not impact the Entity's Financial Statements.

Standards of GRAP that may be used to disclose information in the financial statements:

GRAP No.	Description
GRAP 20	Related Party Disclosure*

* For the current financial year and consistent with previous years IPSAS 20 was used for related party disclosures.

Accounting policies for material transactions, events or conditions not covered by the GRAP Standards adopted, have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board.

The preparation of financial statements in conformity with GRAP requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

1.1.2 The cash flow statement can only be prepared in accordance with the direct method.

1.1.3 Specific information has been presented separately on the statement of position such as:

- (a) Receivables from non-exchange transactions including taxes and transfers;
- (b) Taxes and transfers payable;
- (c) Trade and other payables from non-exchange transactions.

1.2 PRESENTATION CURRENCY

The functional currency of the entity is South African Rand. These annual financial statements are presented in South African Rand. All amounts have been rounded to the nearest thousand (1 000) Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements are prepared on a going concern basis

1.4 FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Gains or losses arising on translation are charged against surplus/deficit.

1.5 REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and when the amount of revenue can be reliably measured, and specific criteria have been met for the entity's activities. Revenue from the rendering of services is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date.

The amount is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved.

1.5.1 Revenue from non-exchange transactions

1.5.1.1 Unconditional grants

An unconditional grant is recognised in revenue when the grant becomes receivable.

1.5.1.2 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the grantor it is recorded as part of the liability and if not, it is recognised as interest earned in the statement of financial performance.

Grants that compensate the entity for expenses incurred are recognised in surplus or deficit on a systematic basis in the same years in which the expenses are recognised.

1.5.1.3 Services in-kind

Services in-kind are services provided by individuals to entities, without charge, but may be subject to stipulations. Public entity staff provide valuable support to the entity in achieving its objectives; however, the service provided cannot be measured reliably and therefore it is not recognised in the statement of financial performance or statement of financial position.

The nature of the service is disclosed in the notes to the financial statements, related parties.

1.5.2 Revenue from exchange transactions

Revenue received from interest on investments and current bank account.

1.6 EXPENDITURE

1.6.1 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and /or under spending of appropriated funds. The write off occurs at year end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorization has been granted for the recognition thereof.

1.6.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

1.6.3 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

1.6.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorization for payment is effected on the system (by no later than 31 March of each year).

1.7 ASSETS

1.7.1. Financial instruments

The financial instruments of the entity are categorised as either financial assets or liabilities.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

1.7.1.1 Financial assets

A financial asset is any asset that is cash or a contractual right to receive cash. The entity has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

- Trade and other receivables
- Cash and cash equivalents

In accordance with GRAP 104, the financial assets of the entity are classified as follows into the categories allowed by this standard:

Type of financial Asset	Categorised in terms of GRAP 104
Trade and other receivables	Loans and Receivables
Cash and cash equivalents	Loans and Receivables

1.7.1.2 Loans and receivables

Loans and receivables are recognised initially at costs which represents fair value. After initial recognition, financial assets are measured at amortised cost, using the effective interest method less an allowance for impairment.

They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

1.7.1.3 Inventory

Inventory consists of badges used to identify heritage sites. Inventory is distributed at no charge and is therefore valued at the lower of cost and current replacement cost.

1.7.2 Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The financial liabilities of the entity are trade and other payables as reflected on the face of the statement of financial position and the notes thereto.

There are two main categories of financial liabilities, the classification based on how they are measured. Financial liabilities may be measured at:

- Fair value through surplus or deficit; or
- Amortised cost

Financial liabilities that are measured at fair value through surplus or deficit are stated at fair value, with any resulted gain or loss recognised in the statement of financial performance. Any other financial liability should be classified as financial liabilities that are not measured at fair value through surplus or deficit and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.8 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.8.1 Provision for impairment of receivables

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for impairment debt shall be calculated on trade receivables only. The total impairment provision of the entity shall be calculated either by individual debtor or at least per risk category.

1.8.2 Contingent Liabilities

An estimate for contingent liabilities is made when the entity has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

1.9 VAT & POSSIBLE EXEMPTIONS

The entity is not entitled to register as a VAT vendor. However, if any funding is received that entitles the entity for possible exemption such application will be lodged.

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

Figures in Rand	2014 R'000	2013 R'000
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	834	1,836
Short term deposits	2,000	-
	2,834	1,836
Credit quality of cash at bank and short term deposits, excluding cash on hand		
Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.		
3. Inventory		
Inventory	73	81
	73	81
Inventory consists of ceramic tiles used to identify heritage sites. These tiles are distributed free of charge.		
4. Receivables from exchange transactions		
Trade and other receivables	3	7
	3	7
Trade and other receivables are classified as loans and other receivables. The carrying amount of trade and other receivables transactions approximate their fair value.		
5. Payables from non-exchange transactions		
Trade payables	82	68
	82	68
Trade and other payables are classified as a financial liability. The carrying amount of trade and other payables transactions approximate their fair value.		
6. Provisions		
Provisions	83	-
	83	-

A heritage building was painted in contravention of heritage regulations and a stop order was initiated with the owner having to provide Heritage Western Cape with R83 176.26 as security until such time as the building is repainted and the money returned to the owner.

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Figures in Rand	2014 R'000	2013 R'000
7. Revenue		
7.1 Revenue from Non-exchange transactions		
Transfers and Subsidies received	1,723	1,452
Other operating income – Rebates: Audit fees	57	50
7.2 Revenue from Exchange transactions		
Heritage application fees	152	-
Interest income	104	76
	2,036	1,578
8. Audit fees		
External Audit	103	125
	103	125
9. Cash generated from/(used in) operations		
Surplus before taxation	889	573
Adjustment for:		
Interest received	(104)	(76)
Changes in working capital		
Changes in inventory	8	(46)
Trade and other receivables	4	24
Trade and other payables	14	46
	811	521
10. Administrative expenses		
Entertainment	35	74
Stationery & Printing	4	1
Bank charges	1	1
	40	76
11. Other operating expenses		
Legal fees*	147	-
	147	-

Consulting the state attorney for advice regarding appeals to heritage site declarations and property development.

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Figures in Rand	2014 R'000	2013 R'000
12. Members Fees		
Attwell M Ms.	11	18
Baumann N Dr.	5	7
Brown F Mr.	6	8
Burden M Dr.	9	18
Buttgens P Mr.	11	-
Chirkure S Dr.	1	2
Classen P Dr.	19	-
De Kock S Mr.	3	-
De Gois S Ms.	1	26
Deacon J Dr.	5	9
De Swardt I Mr.	7	-
Fefeza P Mr.	11	26
Halkett D Mr.	12	17
Hart T Mr.	15	13
Hermansen S Mr.	8	-
Jacobs G Mr.	10	-
Joshua R Mr.	27	53
Kritzinger J Mr.	4	-
Lawson Q Mr.	20	23
Leslie M Ms.	50	37
Louw P Mr.	15	7
Malan A Dr.	17	8
Mavumengwena S Mr.	8	-
Mutti B Ms.	10	-
Orton J Mr.	5	-
Pether P Dr.	1	5
Postlethwayt C Ms.	10	-
Robinson L Ms.	23	21
Robinson R Adv.	6	17
Ruiters R Mr.	18	-
Samie Q Ms.	13	-
Scurr M Mr.	8	-
Sealy J Prof.	2	3
Smart C Ms.	9	-
Steenkamp M Mr.	2	5
Summers R Mr.	14	15
Thorold T Mr.	11	17
Townsend S Dr.	38	69
Vermeulen F Mr.	10	-
Webley L Dr.	6	-
Wicomb M Ms.	4	-
Winter S Ms.	54	64
Wolters M Ms.	17	24
	536	512

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

Figures in Rand	2014 R'000	2013 R'000
13. Other operating expenses		
Advertising costs	101	53
Consultants, contractors & special leave	52	154
Courier services	3	4
Equipment less than R5 000	2	3
Publications	29	23
Transport	2	-
*Travel & subsistence	132	55
	321	292

* 4 New members resided out of town which led to a substantial increase in travel and subsistence expenses.

14. Related parties

Relationships

Primary funders	Department of Cultural Affairs and Sport
Strategic partner	Western Cape Language Committee
Strategic partner	Western Cape Cultural Commission
Secondary funder	National Treasury

Nature of relationship

Officials of the Department of Cultural Affairs and Sport in the Western Cape fulfill the executive and administrative functions associated with the Heritage Western Cape.

The entity occupies the accommodation of the Department of Cultural Affairs and Sport and has access to the use of their assets and security service provided by the Department of Community Safety.

National Treasury subsidised the audit fees of the Heritage Western Cape.

Related party transactions

Income received from related parties

Department of Cultural Affairs and Sport	1,723	1,452
National Treasury	57	50

15. Commitments

Approved but not contracted.

This commitment relates to the development of a database for the recording and reporting of heritage information for the Western Cape.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

Figures in Rand	2014 R'000	2013 R'000
16. Risk Management		
Market risk		
The entity's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.		
The entity is not exposed to market risk, due to it being required to settle creditors within 30 days of receiving an invoice as required by the treasury regulations and the PFMA.		
Liquidity risk		
Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. In terms of its borrowing requirements, the entity ensures that adequate funds are available to meet its expected and unexpected financial commitments. All outstanding Accounts payable balances are due within 30 days of the reporting date.		
Sensitivity analysis		
At 31 March 2014, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, post tax surplus for the year would have been R20, 814 higher/lower.		
Interest rate risk		
The entity's risk profile consists of fixed and floating rate loans and bank balances which exposes the entity to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:		
Financial Assets		
Trade and other receivables are at a fixed rate. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.		

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

Cash flow interest rate risk

Financial Instrument	Current	Due in less than one year	Due in one to two years	Due in two to three years	Due in three to four years	Due after four years
Cash in current Banking institutions	-	2,834	-	-	-	-
Trade and other Payables – extended Credit terms	-	(165)	-	-	-	-
Net amount	-	2,669	-	-	-	-
Past due but not provided for	-	-	-	-	-	-

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with creditworthy parties.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties

Maximum exposure to credit risk

The entity's exposure to credit risk with regards to loans and receivables is limited to the amounts on the balance sheet.

17. Events after reporting date

Legal claim against the Entity amounting to R26 574 804. Stone Attorneys has indicated their intention to institute legal proceedings on behalf of their client, Midnight Storm Investments, relating to the declining of an application to develop their property situated in a declared Provincial Heritage Site.