



Western Cape
Government



Western Cape Language Committee
Wes-Kaapse Taalkomitee
IKomiti yeeLwimi yeNtshona Koloni



Western Cape Language Committee

Annual Report
2022/2023

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PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

| | |
|---------------------------------|--|
| REGISTERED NAME: | Western Cape Language Committee |
| REGISTRATION NUMBER: | Not applicable |
| PHYSICAL ADDRESS: | Protea Assurance Building Greenmarket Square Cape Town 8000 |
| POSTAL ADDRESS: | Private Bag X9067 Greenmarket Square Cape Town |
| TELEPHONE NUMBER/S: | +27 21 483 3889 |
| EMAIL ADDRESS: | DCAS.Language@westerncape.gov.za |
| WEBSITE ADDRESS: | www.westerncape.gov.za/dept/cas |
| EXTERNAL AUDITORS: | Auditor General of South Africa 19 Park Ln Milnerton Cape Town 7441 |
| BANKERS: | Nedbank 5th Floor Nedbank Clock Tower V&A Waterfront Cape Town 8001 |
| COMPANY/ BOARD SECRETARY | Not applicable |

2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|----------------|---|
| AA | Accounting Authority |
| AO | Accounting Officer |
| AGSA | The Auditor-General of South Africa |
| AFS | Annual Financial Statements |
| B-BBEE | Broad-based Black Economic Empowerment |
| CD | Chief Director |
| CFO | Chief Financial Officer |
| DCAS | The Department of Cultural Affairs and Sport |
| DotP | The Department of the Premier |
| ECM | Enterprise Content Management |
| ERM | Enterprise Risk Management |
| ERMECO | Enterprise Risk Management and Ethics Committee |
| GRAP | Generally Recognised Accounting Practice |
| ISA | International Standards on Auditing |
| MEC | Member of the Executive Council |
| MTSF | Medium-Term Strategic Framework |
| NID | National Institute for the Deaf |
| PAA | Public Audit Act |
| PanSALB | The Pan South African Language Board |
| PERMPS | Provincial Enterprise Risk Management Policy and Strategy |
| PFMA | Public Finance Management Act |
| PLC | Provincial Language Committee |
| POPIA | Protection of Personal Information Act, 2013 |
| PSP | Provincial Strategic Plan |
| SASL | South African Sign Language |
| SCM | Supply Chain Management |
| Scopa | Standing Committee on Public Accounts |
| SGBs | School Governing Bodies |
| VIPs | Vision-Inspired Priorities |
| WCG | Western Cape Government |
| WCLC | Western Cape Language Committee |

3. FOREWORD BY THE CHAIRPERSON

Through language diversity, the Western Cape Language Policy fosters social cohesion and stronger ties. This strategy supports the Batho Pele initiatives and is in accordance with the Western Cape Provincial Languages Act, 13 of 1998. The Western Cape Language Committee (WCLC) is actively promoting multilingualism and equitable access to information and knowledge in the province to enhance service delivery and make it more accessible to all residents.

To increase awareness and foster communication, the Committee worked to promote and develop South African Sign Language and indigenous languages in Western Cape communities. This assisted in achieving the objectives outlined in its Annual Performance Plan (APP) 2022/23. The WCLC has continuously worked innovatively and in collaboration with partners, such as PanSALB, to ensure that we continue to make a difference in the lives of those we serve. The new edition of the Nama booklet has been published and in addition it is made accessible through a USB flash drive. The booklet consists of English and Afrikaans translations alongside the Nama language.



I wish to express my gratitude to the Minister of Cultural Affairs and Sport and the Department for the confidence shown in the Committee. Finally, I want to take this opportunity to thank the Committee Members for their contribution towards social cohesion of language in the Western Cape.

A handwritten signature in black ink, which appears to read 'Genevieve Lentz'.

Ms Genevieve Lentz
Chairperson
31 August 2023

4. ACCOUNTING AUTHORITY (AA) OVERVIEW

The 2022/23 Annual Report of the Western Cape Language Committee is presented in line with the requirements of Section 55 (1)(d) of the Public Finance Management Act (PFMA), Act 1 of 1999.

During the year under review, the Committee executed its mandate as required by the Western Cape Provincial Languages Act, 13 of 1998. The Committee ensured compliance to the Western Cape Language Policy which states that the Province should empower and affirm speakers of previously marginalised languages, create awareness about the needs of the deaf and advance the use of those indigenous languages of historically diminished status used by the people of the Western Cape, such as the Khoi and San languages. The Committee's activities during the financial year 2022/23 illustrate its commitment to fully execute its mandate. The Committee over-achieved on its performance targets relating to activities that monitor the implementation of the Western Cape Language Policy and projects that promote indigenous languages.

Despite its small operational budget, possible challenges arising from this were mitigated as a result of the application of a managed network model, with the Committee sharing joint initiatives with DCAS and other organisations in the language field, which required pooling of and hence limited resources to execute. The impact of the resignation of the deaf member from the Committee was also alleviated through these alliances where expertise was sourced around the promotion of SASL.

The financial information below provides the financial overview and spending trends of the Committee.

| Programme | 2022/23 | | | 2021/22 | | |
|--------------------|------------|--------------------|---------------------------|------------|--------------------|---------------------------|
| | 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 | 454 | 427 | 27 | 179 | 164 | 15 |
| Total | 454 | 427 | *27 | 179 | 164 | 15 |

* Audit fees decreased due to a change in the composition of the audit team for the year under review

The Committee did not incur any unauthorised, fruitless, or wasteful expenditure for the period under review. No activities were discontinued and no new activities were introduced. SCM processes and systems were in place to prevent irregular expenditure and there were no major challenges experienced in SCM.



Ms Genevieve Lentz

On behalf of the Accounting Authority

31 August 2023

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

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

- All information and amounts disclosed in the Annual Report is 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 F) have been prepared in accordance with the GRAP standards applicable to the Public Entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control, which 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 conclusion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Public Entity for the financial year ended 31 March 2023.

Yours faithfully



Ms Genevieve Lentz
On behalf of the Accounting Authority
31 August 2023

6. STRATEGIC OVERVIEW

6.1. Vision

The empowerment of all the people of the Western Cape through language; the enhancement of human dignity through mutual respect for language and the promotion of multilingualism.

6.2. Mission

To monitor the use of the three official languages of the Western Cape; to monitor the implementation of the Western Cape Language Policy and to advise the Minister tasked with language matters and the Pan South African Language Board (PanSALB) on language matters in or affecting the Province.

6.3. Values

Caring, Competence, Accountability, Integrity, Innovation and Responsiveness.

7. LEGISLATIVE AND OTHER MANDATES

The WCLC is a schedule 3C entity in terms of the Public Finance Management Act, 1999.

7.1 Constitutional mandates

| Section | Description |
|--|--|
| Constitution of the Republic of South Africa, 1996 | |
| Section 6(3), (4) and (5): Language | <p>The Western Cape Government must, by legislative and other measures, regulate and monitor its use of official languages. All official languages must enjoy parity of esteem and must be treated equitably. The WCLC collaborates with the Pan South African Language Board to promote the three official languages of the Province and to create conditions for the development and use of the Khoi, Nama and San languages and South African Sign Language.</p> <p>The WCLC, in collaboration with the Department of Cultural Affairs and Sport (DCAS), is responsible for monitoring and evaluating the implementation of the Western Cape Language Policy, adopted in 2001, and must report to the Western Cape Provincial Parliament on this mandate at least once a year. DCAS has oversight of the WCLC and provides the Committee with administrative and financial support.</p> |
| Section 30: Language and culture | The WCLC facilitates opportunities for the people of the Western Cape to exercise their language and cultural rights through the programmes and projects that it presents and supports. |
| Section 31: Cultural, religious and linguistic communities | The WCLC must ensure that its programmes and projects respect the cultural diversity of the population of the Western Cape. |
| Section 41: Principles of cooperative government and intergovernmental relations | The WCLC cooperates with all spheres of government in the execution of its mandate. |

| Section | Description |
|---|--|
| Constitution of the Republic of South Africa, 1996 | |
| Schedule 4: Functional areas of concurrent national and provincial legislative competence | With regard to language policy and the regulation of official languages to the extent that the provisions of section 6 of the Constitution expressly confer legislative competence upon the Western Cape Provincial Parliament, the WCLC works closely with the national Department of Sports, Arts and Culture and associated organs of state on language policy matters. |
| Section 195: Basic values and principles governing public administration | DCAS officials responsible for executing the mandate of the WCLC must ensure the efficient, economic and effective use of resources. Programmes undertaken in the public sector should yield maximum benefits at the lowest possible cost. |
| Constitution of the Western Cape, 1997 (Act 1 of 1998) | |
| Section 5 | <p>For the purposes of the Western Cape Government:</p> <p>(a) the official languages Afrikaans, English and isiXhosa must be used; and</p> <p>(b) the languages enjoy equal status.</p> <p>The WCLC must monitor the use of Afrikaans, English and isiXhosa in the Western Cape.</p> <p>The WCLC must also implement practical and positive measures to help elevate the status and advance the use of those indigenous languages of the Western Cape whose status and use have historically been diminished.</p> |
| Section 81(d) | The Western Cape Government must adopt and implement policies to actively promote and maintain the welfare of the people of the Western Cape, including policies aimed at achieving the promotion of respect for the rights of cultural, religious and linguistic communities in the Western Cape. |

7.2 Legislative mandates

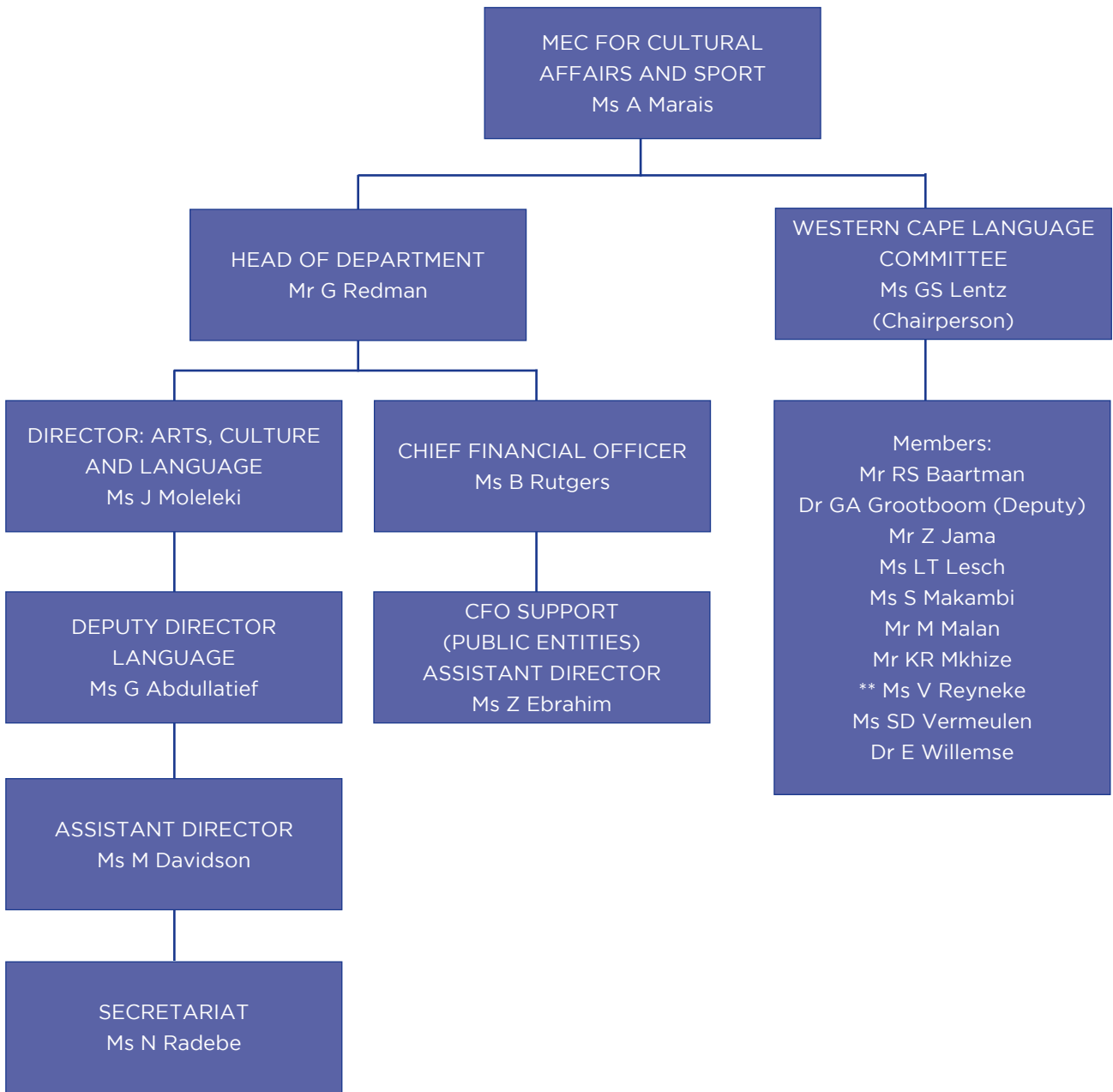
| Legislation | Reference | Description |
|--|----------------|---|
| Pan South African Language Board Act | Act 59 of 1995 | The WCLC is recognised by the Pan South African Language Board. Amongst other things, this Act requires the Pan South African Language Board to establish a provincial language committee (PLC) in every province. A PanSALB Western Cape PLC was established in August 2019. |
| Protection of Personal Information Act (POPIA) | Act 4 of 2013 | <p>The Act promotes the protection of personal information processed by public and private bodies; to introduce certain conditions so as to establish minimum requirements for the processing of personal information. In addition, the Act provides for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act and the Promotion of Access to Information Act, 2000.</p> <p>The Act further provides for the issuing of codes of conduct; for the rights of persons regarding unsolicited electronic communications and automated decision making; to regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith.</p> |
| Public Finance Management Act (PFMA) | Act 1 of 1999 | The WCLC must submit quarterly and annual reports on its performance delivery and audited financial statements based on the strategic objective annual targets for each financial year. |

| Legislation | Reference | Description |
|---|----------------|---|
| Traditional and Khoi-San Leadership Act | Act 3 of 2019 | <p>The Act provides for:</p> <ul style="list-style-type: none"> the recognition of traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; the functions and roles of traditional and Khoi-San leaders; the recognition, establishment, functions, roles and administration of kingship or queenship councils, principal traditional councils, traditional councils, Khoi-San councils and traditional sub-councils, as well as the support to such councils; the establishment, composition and functioning of the National House of Traditional and Khoi-San Leaders; the establishment of provincial houses of traditional and Khoi-San leaders; the establishment and composition of local houses of traditional and Khoi-San leaders; the establishment and operation of the Commission on Khoi-San Matters; a code of conduct for members of the National House, provincial houses, local houses and all traditional and Khoi-San councils; and regulatory powers of the Minister and Premiers. |
| Use of Official Languages Act | Act 12 of 2012 | <p>This Act specifically applies to national departments, national public entities and national public enterprises. If aspects of the Act were to have an impact on language policy and practice in the Western Cape, the WCLC would have a mandate to play a role.</p> |
| Western Cape Provincial Languages Act | Act 13 of 1998 | <p>The WCLC must, among other things:</p> <ul style="list-style-type: none"> monitor the use of Afrikaans, English and isiXhosa by the Western Cape Government; make recommendations to the MEC (Member of the Executive Council) and the Provincial Parliament on any proposed or existing legislation, practice and policy affecting language in the Western Cape; actively promote the principle of multilingualism; actively promote the development of previously marginalised indigenous languages; advise the MEC and the Western Cape Cultural Commission on language matters in the Province; and advise PanSALB on language matters in the Western Cape. |
| Preferential Procurement Policy Framework Act, 2000 | Act 5 of 2000 | <p>To give effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution.</p> |

7.3 Policy mandates

| Policy | Description |
|---|---|
| National Language Policy Framework (2003) | This policy provides a national framework for the application of the provisions of the Constitution and legislative mandates to all organs of state, including the WCLC. It also sets out principles and implementation strategies to be followed. |
| Western Cape Language Policy (published in the Provincial Gazette as PN 369/2001 of 27 November 2001) | The WCLC is obliged to monitor the implementation of this policy. |
| Financial Delegations | Delegations of power issued by the Accounting Authority in terms of section 44(1) and 44(2) of the Public Finance Management Act, 1999. |
| Supply Chain Management Delegations | Delegations of power issued by the Accounting Authority in terms of section 44(1) and 44(2) of the Public Finance Management Act, 1999. |
| Materiality Framework | The Accounting Authority is required to develop and agree on a framework of acceptable levels of materiality and significance with the Executive Authority in consultation with external auditors. |
| Remuneration of Members | To facilitate payment to members of the WCLC nominated to attend conferences, projects, meetings, and workshops on behalf of the Entity. |
| Enterprise Risk Management | To give effect to the requirements of the Public Finance Management Act, Act 1 of 1999, Section 51(1)(a)(i) which states that the Accounting Authority must ensure that the Entity has and maintains an effective, efficient, and transparent system of financial and risk management and internal control. |
| Supply Chain Management Policy | To regulate supply chain management within the entity. |

8. ORGANISATIONAL STRUCTURE



**Ms V Reyneke resigned on 30 September 2022

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary procedures on the performance information to report on the material findings.

Refer to page 40 for the Report of the Auditor-General, published in Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service delivery environment

The Committee continued to advance the significant status of language by raising awareness, ensuring the implementation of the Western Cape Language Policy and advocating the importance of indigenous languages and South African Sign Language. The Committee's principles of engagements were embedded in a managed network approach, characterised by collaborations with other organisations in the Western Cape language promotion sector. These engagements allowed for leveraging of collective resources and expertise with the aim of striving towards a more sustainable and coherent impact on the provincial language landscape.

The Committee convened six meetings and had one awareness campaign that monitored the implementation of the Western Cape Language Policy as well as three projects that promoted indigenous languages. The project targets were exceeded as a result of the above-mentioned managed network approach.

The Committee sustained a good working relationship with the provincial office of the PanSALB to ensure a collaborative approach to language matters in the Western Cape.

2.2. Organisational environment

The Committee is established in terms of Section 6 of the Western Cape Provincial Languages Act, No. 13 of 1998. According to the Act, Members of the Committee are appointed for a three-year term. A maximum of 11 members may be appointed to the Committee. Members of the Committee are appointed through a public nomination and shortlisting process, facilitated by the relevant Committee in the Legislature, followed by appointment by the Provincial Minister. The current Committee was established on 1 February 2022 and its term will end on 31 January 2025.

The Committee is the Accounting Authority of the Entity and is responsible for all governance-related matters in terms of Sections 49 to 57 of the Public Finance Management Act, 1999. A decision was taken on 10 February 2022 that the Chairperson, in terms of Section 56 of the PFMA, would fulfil the responsibility of the Accounting Authority, on behalf of the Public Entity.

In terms of section 17 of the Western Cape Provincial Languages Act, 1998, officials in the Language Services component of DCAS provide administrative support to the WCLC. The administrative work entail providing content and procedural support and managing all arrangements necessary for the effective functioning of the Committee. Financial management support functions are performed by staff in the DCAS Finance Public Entity Support component.

All administrative-related documents of the WCLC are maintained at the Language Services Unit and financial-related documents are with the Finance component. Documents are saved to the online Enterprise Content Management (ECM) system, for safekeeping, easy retrieval, and institutional memory.

Committee members are not full-time office bearers and this together with the Committee's small operational budget placed limitations on the number of projects the Committee could focus on and complete. The resignation of the deaf member from the Committee also created a void. These challenges were mitigated through collaborations with and support from the Language Services Unit at DCAS and other language organisations, thus enabling the Committee to achieve its mandate.

2.3. Key policy developments and legislative changes

The Constitution Eighteenth Amendment Bill [B1 - 2023] was passed by Parliament in May 2023 and submitted to the President for assent. The Bill amends Section 6(1) of the Constitution of South Africa, 1996, allowing for the recognition of SASL as one of the official languages of the country. It will create standard conditions for the advancement of SASL and raising awareness around the needs of the deaf. This landmark decision will align with the Committee’s active promotion of SASL and the needs of the deaf in its existing programmes.

2.4. Progress towards achievement of institutional impacts and outcomes

The Committee’s planned outcomes as per its Strategic Plan are reflected below, indicating progress made towards the achievement of the Committee’s impact statement.

Impact statement: The Western Cape Language Committee through its activities, endeavours to empower individuals through language and create inclusive and cohesive communities.

| | |
|--------------------------|--|
| Outcome 1 | Empowered citizens and inclusive and cohesive communities |
| Outcome Indicator | Promotion and development of the languages of the Western Cape and marginalised indigenous languages |

During 2022/23, the Committee contributed to the National Outcomes of the Medium-Term Strategic Framework (MTSF) 2019-2024 as follows:

| MTSF Priority | Committee contribution |
|--|--|
| Priority 3: Education, skills and health | <p>Promoted the principle of multilingualism in the Western Cape through forged partnerships.</p> <p>Improved its working relationship with PanSALB and other language bodies and institutions.</p> <p>Promoted the development and advancement of previously marginalised indigenous languages and South African Sign Language in order to increase awareness and encourage communication in these languages among the residents of the Western Cape.</p> <p>Advised the Minister and PanSALB on language matters affecting the Western Cape.</p> <p>Consulted relevant stakeholders and remained abreast of relevant research relating to language matters affecting the province.</p> |
| Priority 6: Social cohesion and safe communities | In order to increase awareness and use of the three official languages and South African Sign Language among the residents of the Western Cape, the Committee promoted social cohesion and safe communities by promoting multilingualism, marginalised indigenous languages and South African Sign Language through its programmes. |
| Priority 7: A better Africa and World | In support of regional and continental integration, the Committee celebrated and promoted select national and international dates of significance to foster social inclusion. |

The Committee’s outcome indicator is linked to the services and programmes of the Department of Cultural Affairs and Sport, which in turn is linked to the Western Cape Government’s Provincial Strategic Plan (PSP) Vision-Inspired Priorities (VIPs), particularly relating to VIP 1: Safe and Cohesive Communities and VIP 3: Empowering People.

The Western Cape Government’s Recovery Plan focuses on jobs, safety and wellbeing. Safety and well-being are particularly relevant to the work of the Committee. Through mother tongue language promotion and empowerment, the Committee contributed towards opportunities for residents of the Western Cape to shape their lives and the lives of others, to ensure a meaningful and dignified life, which in turn would create socially cohesive communities.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme: Western Cape Language Committee

The purpose of the Western Cape Language Committee is to monitor the use of the three official languages of the Western Cape; to monitor the implementation of the Western Cape Language Policy and to advise the Minister tasked with language matters and PanSALB on language matters in or affecting the Province.

The Committee hosted a Youth Day event on 16 June 2022 in collaboration with DCAS and Iziko Museums of South Africa. The event celebrated youth under the theme “Promoting sustainable livelihoods and resilience of young people for a better tomorrow”. Young people from Scalabrini Lawrence House, Dewandre Fritz Foundation, pupils and teachers from the Noluthando School for the Deaf in Khayelitsha, and members of the public attended the event. Ms Stevlyn Vermeulen attended the planning meetings and the event on behalf of the Committee.

The Committee, in partnership with DCAS, Iziko Museums of South Africa, the National Institute for the Deaf (NID) and PanSALB celebrated Deaf Awareness Month through the launch of the first bilingual SASL Dictionary on 1 September 2022. Among the attendees were the Western Cape Minister for Cultural Affairs and Sport, Anroux Marais, former Minister for Sports, Arts and Culture, Nathi Mthethwa, and top officials of the Western Cape Government, including Mr Lance Schultz, Chief Executive Officer of PanSALB, and Ms Rooksana Omar, Chief Executive Officer of Iziko Museums of South Africa, who expressed their support. This bilingual SASL Dictionary, developed by the NID, consists of over 3000 signs and 2500 English words, which will facilitate language learning and teaching. Ms Stevlyn Vermeulen and Ms Laurian Lesch attended the event on behalf of the Committee.

On 23 September 2022, the Committee, in collaboration with DCAS, Afrikaanse Taalraad, Cape Peninsula University of Technology, City of Cape Town Central Library, Indigenous Languages Action Forum, Iziko Museums of South Africa, National Library of South Africa - Centre for the Book and PanSALB celebrated Heritage Day. The theme of the event was “The Conservation of Legacy Through Storytelling”. Discussion focused on the importance of mother tongue languages and the promotion of reading and publishing more books in languages other than English. Ms Stevlyn Vermeulen attended the planning meetings and the event on behalf of the Committee.

During the second quarter, the Chairperson, Ms Genevieve Lentz was invited on behalf of the Committee to be an adjudicator at the Regional Funda Mzantsi championships. This is a programme that is facilitated by the National Library of South Africa and the Department of Correctional Services, who recognised the role that reading played in the rehabilitation of offenders. This programme thus promotes multilingualism and encourages offenders to read, write and value the ideas and thoughts of others.

Mr Riaan Baartman attended the School Governing Bodies’ (SGBs) ‘Training in Language Education’ event, which was facilitated by PanSALB and which took place on 26 November 2022. The focus of the event was to empower SGBs around language-related challenges in schools and the application of existing policies.

On 28 November 2022, Ms Genevieve Lentz, Ms Stevlyn Vermeulen and Ms Laurian Lesch attended a DCAS event where Minister Anroux Marais and Head of Department, Guy Redman handed over copies of the first translated isiXhosa Boxing Rules booklet to boxing structures in the province. The rule book was translated through the work of the Language Services Unit at DCAS, in consultation with PanSALB and other expert stakeholders in terminology development to ensure that the translations were complete and correct. In addition to the foreword by Minister Marais, the Committee provided the introduction to the rule book. The development of translated rule books ensured the promotion of multilingualism in the sport environment.

The Committee, in partnership with DCAS, Cape Peninsula University of Technology, Indigenous Languages Action Forum, Iziko Museums of South Africa, PanSALB and the Western Cape Education Department, hosted a Grade 4 isiXhosa Spelling Bee Competition on 25 February 2023. The event was hosted in commemoration of International Mother Language Day under the theme “Multilingual education – a necessity to transform education in a multilingual world”. Ms Stevlyn Vermeulen and Ms Laurian Lesch attended the event on behalf of the Committee.

The Committee had previously developed and printed a ‘Teach Yourself Nama’ booklet with audio files saved to CD. Copies of the booklet and CD were circulated to departments, universities and other stakeholders. As a result of further demand, the Committee, in collaboration with DCAS reprinted additional copies of the ‘Teach Yourself Nama’ booklet and saved the audio files to USB.

3.2 Outcomes, outputs, output indicators, targets and actual achievement

| Outcome | Output | Output indicator | Audited actual performance | Audited actual performance | Planned annual target | Actual achievement | Deviation from planned target to actual achievement | Reasons on deviations |
|---|---|--|----------------------------|----------------------------|-----------------------|--------------------|---|--|
| | | | 2020/21 | 2021/22 | 2022/23 | 2022/23 | 2022/23 | |
| Empowered citizens and inclusive and cohesive communities | Language Policy implementation surveys or questionnaires or awareness campaigns or follow-up projects completed | Number of activities that monitor the implementation of the Western Cape Language Policy | 2 | 2 | 1 | 2 | +1 | The execution of additional projects was possible as a result of collaborative strategies with other entities, which required pooling of and hence limited resources to execute |
| | Indigenous language promotion projects completed | Number of projects that promote indigenous languages | 1 | 2 | 1 | 3 | +2 | The execution of additional projects was possible as a result of collaborative strategies with other entities, which required pooling of and hence limited resources to execute. |
| | Formal engagements to implement the WC Language Policy | Number of formal engagements to implement the WC Language Policy | 6 | 6 | 6 | 6 | - | |

Linking performance with budgets

The WCLC has aligned the key performance areas with the budget transferred by the Department of Cultural Affairs and Sport for the financial year under review.

Strategy to overcome areas of under performance

All planned targets as reflected in the 2022/23 Annual Performance Plan were achieved.

4. REVENUE COLLECTION

| Source of Income | 2022/23 | | | 2021/22 | | |
|------------------------|------------|-------------------------|--------------------------|------------|-------------------------|--------------------------|
| | Estimate | Actual Amount collected | (Over)/ under collection | Estimate | Actual Amount collected | (Over)/ under collection |
| | R`000 | R`000 | R`000 | R`000 | R`000 | R`000 |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer Payment | 439 | 439 | 0 | 279 | 279 | 0 |
| Interest Income | 15 | 28 | *(13) | 15 | 12 | 3 |
| Total | 454 | 467 | (13) | 294 | 291 | 3 |

* Interest received on the current bank account increased due to the increase in the interest rate, for the year under review.

| Programme | 2022/23 | | | 2021/22 | | |
|--------------------|------------|--------------------|---------------------------|------------|--------------------|---------------------------|
| | 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 | 454 | 427 | 27 | 179 | 164 | 15 |
| Total | 454 | 427 | *27 | 179 | 164 | 15 |

* Audit fees decreased due to a change in the composition of the audit team for the year under review.

5. CAPITAL INVESTMENT

Not applicable

PART C: GOVERNANCE

1. INTRODUCTION

Governance, risk management and compliance are three pillars that work together for the purpose of assuring that the Entity meets its objectives. Compliance with the Entity’s policies and procedures, laws and regulations that translate into strong and efficient governance is considered key to the Entity’s success. This report provides an overview of the governance embedded in the Entity.

2. PORTFOLIO COMMITTEES

The Standing Committee on Community Safety, Cultural Affairs and Sport and the Standing Committee on Public Accounts (SCOPA) have an oversight responsibility over the work of the Committee. The following hearings took place in 2022/23:

| Standing Committee on Community Safety, Cultural Affairs and Sport | |
|--|---|
| Date of meeting | Matter under consideration |
| 27 October 2022 | Discussion on the 2021/22 Annual Reports of the Department of Cultural Affairs and Sport and its entities: Heritage Western Cape, the Western Cape Cultural Commission and the Western Cape Language Committee. |
| 28 November 2022 | Deliberation on Vote 13: Cultural Affairs and Sport in the Schedule to the Western Cape Adjustments Appropriation Bill, 2022. |
| 16 March 2023 | Discussion of Vote 13: Cultural Affairs and Sport, in the Schedule to the Western Cape Appropriation Bill, 2023. |

| Standing Committee on Public Accounts (SCOPA) | |
|---|---|
| Date of meeting | Matter under consideration |
| 27 October 2022 | Deliberation on the 2021/22 Annual Report for the Department of Cultural Affairs and Sport and its Entities, Western Cape Language Committee, Western Cape Cultural Commission and Heritage Western Cape. |

SCOPA Resolutions

No resolutions were published for the Western Cape Language Committee.

3. EXECUTIVE AUTHORITY

The Executive Authority executed 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 2022, 31 October 2022, 31 January 2023 and 30 April 2023 |
| In-year Monitoring Report | 31 July 2022, 31 October 2022, 31 January 2023 and 30 April 2023 |

4. THE WESTERN CAPE LANGUAGE COMMITTEE

4.1 Introduction

The WCLC is established in terms of the Western Cape Provincial Languages Act, 1998.

4.2 The role of the Committee

The Western Cape Provincial Languages Act, 1998, provides that the WCLC must, amongst other things:

- monitor the use of Afrikaans, English and isiXhosa by the Western Cape Government;
- make recommendations to the Provincial Minister and the Provincial Parliament on proposed or existing legislation, practice and policy dealing directly or indirectly with language in the Western Cape;
- actively promote the principle of multilingualism;
- actively promote the development of previously marginalised indigenous languages;
- advise the Provincial Minister and the Western Cape Cultural Commission on language matters in the Province; and
- advise PanSALB on language matters in the Western Cape.

4.3 Committee charter

The Western Cape Language Committee does not have a formal charter but is guided by the Western Cape Provincial Languages Act.

Composition of the Committee for the period 1 April 2022 to 31 March 2023

| Name | Designation (in terms of the Public Entity structure) | Date appointed | Date resigned | Qualifications | Area of expertise | Board directorships (List the entities) | Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team) | No. of meetings attended |
|----------------------------|---|-----------------|---------------|--|---|---|--|--------------------------|
| Mr Riaan Shane Baartman | Member | 1 February 2022 | N/A | Trainer of trainers (various ETDP Learning Programmes); Skills Facilitator; ETDP Assessor; Moderator; and Learning Programme Development | Khoekhoegowab | N/A | N/A | 4 |
| Dr Gregory Allen Grootboom | Deputy Chairperson (As at 10 February 2022) | 1 February 2022 | N/A | BA (Afrikaans and Psychology); HED; B Ed (Psych), M Ed (Psych); and PhD in Educational Psychology | Language education; Previous member of Parliamentary Committee on Arts and Culture | N/A | N/A | 6 |
| Mr Zukile Jama | Member | 1 February 2022 | N/A | BA (History, English and isiXhosa); BA Honours (African Languages); and MA in African Languages (with specialisation in isiXhosa) | Language trainer; Translation and proofreading isiZulu, isiXhosa; and Kiswahili technical/legal documents | N/A | N/A | 4 |
| Ms Genevieve Suzann Lentz | Chairperson (As at 10 February 2022) | 1 February 2022 | N/A | BA Language and Communication; BA Hons (English); Post Graduate Certificate in Education B-Tech Public Relations; and MEd Education | Language education; Plan, organise and implement appropriate language Instructional programme in a learning environment | N/A | N/A | 3 |
| Ms Laurian Teslyne Lesch | Member | 1 February 2022 | N/A | BA Language and Culture; BA (Hons) African Languages; and Masters in African Languages | Language planning and policy; Second language acquisition; Editing and lexicography | N/A | N/A | 5 |

| Name | Designation (in terms of the Public Entity structure) | Date appointed | Date resigned | Qualifications | Area of expertise | Board directorships (List the entities) | Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team) | No. of meetings attended |
|----------------------------|---|-----------------|----------------|---|---|---|--|--------------------------|
| Ms Sisipho Makambi | Member | 1 August 2022 | N/A | Bachelor of Social Science; BA (Hons) African Languages; | Advancement of marginalised languages | | | 1 |
| Mr Micarolo Malan | Member | 1 February 2022 | N/A | Practical labour law course; Office administration diploma | Advancement of marginalised languages | N/A | N/A | 4 |
| Mr Kwanda Regent Mkhize | Member | 1 February 2022 | N/A | Courses towards a Bachelor of Administration degree | Parliamentary monitor and gender equity unit | N/A | N/A | 3 |
| Ms Vanessa Reyneke | Member | 1 February 2022 | 30 August 2022 | Project Management course; Language literature (General Linguistics) NQF 8 | South African Sign Language learning and teaching | N/A | N/A | 1 |
| Ms Stevlyn Diane Vermeulen | Member | 1 February 2022 | N/A | BA Language and Culture; and Postgraduate short course in editing methodology | Language development; and Editor | N/A | N/A | 6 |
| Dr Esau Willemse | Member | 1 February 2022 | N/A | Dip. Theology; Honours Theology; Masters in Theology; Doctor of Philosophy | English and Afrikaans Author | N/A | N/A | 5 |

Remuneration of Committee 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 R475.00 per hour, the Deputy Chairperson's rate is R321.00 per hour, and the rate for members is R272.00 per hour.

| Name | Remuneration R`000 | Other allowance (T&S) R`000* | Total R`000 |
|------------------------|-----------------------|---------------------------------|----------------|
| Ms Lentz (Chairperson) | 6 | 1 | 7 |
| Mr Baartman | 2 | 0 | 2 |
| Dr Grootboom (Deputy) | 4 | **11 | 15 |
| Mr Jama | 3 | 1 | 4 |
| Ms Lesch | 5 | 2 | 7 |
| Mr Malan | 2 | 1 | 3 |
| Ms Makambi | 1 | 0 | 1 |
| Mr Mkhize | 2 | 0 | 2 |
| Ms Reyneke | 1 | 1 | 2 |
| Ms Vermeulen | 6 | 2 | 8 |
| Dr Willemse | 3 | 4 | 7 |
| Total | 35 | 23 | 58 |

*Other allowances include travel and subsistence claimed by members for the attendance of face-to-face meetings.

**The member travels from George to attend face-to-face meetings.

Remuneration includes attendance of committee meetings, events, transport and accommodation, where applicable. For further detail please refer to the financial statements note 9 and 10 on page 55-56.

5. RISK MANAGEMENT

The Western Cape Language Committee participates in the Enterprise Risk Management and Ethics Committee (ERMECO) of the Department of Cultural Affairs and Sport to assist the Accounting Authority in executing its responsibilities relating to risk management.

Enterprise Risk Management Policy and Strategy

The Department adopted an Enterprise Risk Management Policy on 12 April 2021 for the 2021/22 – 2024/25 financial years. This policy articulates the risk management philosophy and captures, on a high-level, the roles and responsibilities of the different role players. It provides the basis for the risk management process which is supplemented with the detail in the strategy.

The Enterprise Risk Management (ERM) strategy and implementation plan outlines how the Public Entity will go about implementing the ERM Policy adopted by the Accounting Authority (AA). This ERM strategy is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS) as well as its own ERM Policy and risk profile.

ERMECO Responsibility

The ERMECO reports that it has complied with its responsibilities arising from Section 51 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMECO also reports that it has adopted the appropriate formal Terms of Reference (approved by the ERMECO chairperson on 24 May 2022) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

ERMECO Members

The ERMECO comprises of the Accounting Officer (AO) of the Department and selected members of the Department of Cultural Affairs and Sport's management team and is chaired by the Accounting Officer of the Department of Cultural Affairs and Sport. The Director: Arts, Culture and Language represents the entity on the ERMECO of the Department. As per its Terms of Reference, the ERMECO met four times (quarterly oversight and reporting) during the year under review. Most meetings were attended by all members or his/her representative.

The table below discloses relevant information on ERMECO members:

| Member | Position | Attended | Date Appointed |
|-------------------------|---|----------|----------------|
| Mr G Redman | Accounting Officer (Chairperson) | 4 | 21/08/2021 |
| Ms B Rutgers | Director: Financial Management (CFO) | 4 | 01/04/2019 |
| Ms C van Wyk | Chief Director: Cultural Affairs | 3 | 08/07/2022 |
| Ms C Sani | Director: Library Service | 4 | 01/04/2019 |
| Mr D Esau | Deputy Director: Internal Control (Risk Champion) | 4 | 01/04/2019 |
| Mr D Flandorp | Deputy Director: Corporate Relations Unit (Ethics Officer) | 3* | 01/04/2019 |
| Ms J Boulle | Head Youth and After-School Programme | 4 | 01/04/2019 |
| Ms J Moleleki | Director: Arts, Culture and Language | 3* | 01/04/2019 |
| Mr M Janse van Rensburg | Director: Museums, Heritage and Geographical Names Services | 3* | 29/10/2021 |
| Dr L Bouah | Chief Director: Sport and Recreation | 4 | 01/04/2019 |
| Ms N Dingayo | Director: Provincial Archive Service | 3* | 12/03/2019 |
| Mr S Julie | Director: Strategic and Operational Management Support | 2* | 01/04/2019 |
| Mr K Blacker | Director: Enterprise Content Management | 1* | 08/07/2022 |
| Mr T Tutu | Director: Sport Promotion | 4 | 01/04/2019 |
| Mr P Hendricks | Director: Sport Development | 2* | 01/04/2019 |

*There has always been representation of the unit when the members were unable to attend the meeting.

The following is an indication of other officials who attended the ERMECO meetings for the year under review:

| Other Attendees | Position | Attended |
|------------------|--|----------|
| Ms A Haq | Director: Enterprise Risk Management | 4 |
| Ms C Cochrane | Chief Risk Adviser: Enterprise Risk Management | 2 |
| Mr P De Villiers | Deputy Director: Internal Audit | 4 |
| Mr P Swartbooi | Director: Internal Audit | 1 |
| Ms M Natesan | Deputy Director: Provincial Forensic Services | 4 |
| Mr E Peters | IT Risk Practitioner: IT Governance | 1 |

ERMECO key activities

The AO of the Department is the Chairperson of the ERMECO and the Deputy Director: Internal Control is the Risk Champion of the Department. In executing its function, the ERMECO performed the following key activities during the year:

- Reviewed the ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the AO and AA;
- Monitored and reviewed risks in set grouped categories of appetite ranges; reviewed and applied appropriate risk appetite and tolerances guided by the PERMPS adopted by Provincial Top Management;
- Reported to the AA any material changes to the risk profile;
- Confirmed the citizen-centric strategic risks. This illustrates the efforts in addressing the contributing factors and impacts that relate directly to the citizen;
- Received and considered risk intelligence and trend reports;
- Identified emerging risks;
- Reviewed risks that are outside the tolerance levels for further action / attention;
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan;
- Monitored the implementation of the ERM Policy, Strategy and Implementation Plan;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks; and
- Provided oversight on ethics management in the department.

Key risks considered and addressed during the year

The risk “**The WC Language Policy is not fully implemented by certain Provincial departments**” was identified because the Committee does not have control over the execution of the language policy in other Western Cape Government Departments. The Department of Cultural Affairs and Sport, in collaboration with the Committee and PanSALB, embarked on a bi-annual project to compare WCG departmental records and adherence to the Language Policy.

The risk is currently residually managed below tolerance.

Management of risks

Risk assessments are conducted to determine the effectiveness of the Entity’s risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each risk was deliberated and debated during the year and presented at the quarterly ERMECO meetings. Senior managers were required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. ERMECO also referred risks back to the Entity that should be analysed more extensively and recommended additional mitigations or actions to manage risks. Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The ERM Policy and Strategy are circulated to all officials on an annual basis for all levels of staff to stay abreast of enhancements that have been effected and as a means of embedding risk management. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements to aid risk management maturity. Activities detailed in the implementation plan are perpetually monitored and periodically reported on, in the same way that APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

The Social Cluster Audit Committee provided independent oversight of the system of risk management. The Audit Committee was furnished with quarterly ERM progress reports and risk registers to execute their independent oversight role.

Key emerging risks for the following financial year

The Entity is acutely aware of the economic realities and shrinking budget envelope versus societal exigencies. These potential risks are watched with an eagle's eye and are monitored, discussed, and managed.

Conclusion

There has been significant progress with the management of risks during the 2022/23 financial year. Good progress was made in embedding risk management and raising the risk maturity level within the Public Entity which has contributed to favourable Public Entity performance. The improvement can be attributed to continued risk awareness and training programmes provided to officials in the Public Entity.

The increased risk maturity within the Public Entity has led to improved risk response strategies for risks identified.

6. INTERNAL CONTROL UNIT

It is the responsibility of the Accounting Authority to continually assess and evaluate internal controls to ensure that control activities in place are effective, efficient, and transparent and that they are improved when required. To achieve this, quarterly financial management improvement plan and key control meetings are held with the Auditor-General, programme managers of the Public Entity and the Minister. This is an ongoing process to ensure that the Committee maintains its clean audit outcomes.

An Internal Control Strategy and Plan, that is also applicable to the Public Entity, has been devised, that outlines a high-level plan on the implementation of internal control within its core functions.

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 department'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.

Internal Audit work completed during the year under review for the Department and Entity included six assurance engagements, two transversal engagements and three follow up audits. Details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department and Entity, which include oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Entity Accounting and reporting;
- Entity Accounting Policies;
- AGSA management and audit report;
- Entity In-year Monitoring;

- Entity Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics, Fraud and Corruption

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 Pieter Strauss (Chairperson) | BCom Accounting; BCompt Honours; CA (SA) | External | N/a | 1 January 2022 (2 nd term) | N/A | 7 |
| Mr Ebrahim Abrahams | BCom Accounting Honours | External | N/a | 1 January 2022 (2 nd term) | N/A | 7 |
| Ms Annelise Cilliers | BCompt Honours; CA (SA) | External | N/a | 1 January 2022 (2 nd term) | N/A | 7 |
| Ms Fayruz Mohamed | BCompt Honours; CA (SA) | External | N/a | 1 January 2022 (1 st term) | N/A | 6 |

8. COMPLIANCE WITH LAWS AND REGULATIONS

The entity has systems, policies, and processes in place to ensure compliance with laws and regulations. If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. 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 to the South African Police Services.

9. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Entity’s assets and can negatively impact on service delivery efficiency and the Entity’s reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the Province’s zero-tolerance stance towards fraud, theft and corruption. In line with this strategy the Public Entity is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

The Entity has an approved Fraud and Corruption Prevention Plan and a concomitant Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) 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 Department and to generate statistics for the WCG and the Department.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements of the Protected Disclosures Act, No. 26 of 2000 e.g. if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to

employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. 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.

If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. 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 to the South African Police Service.

10. MINIMISING CONFLICT OF INTEREST

To ensure that there are no conflicts of interest in respect of Committee Members, all members sign a declaration of interest form and this is a standing agenda item at all Committee meetings, where members have to indicate declare any conflict. If a conflict of interest should arise for a member, he or she is required to withdraw from the process.

11. CODE OF CONDUCT

Members are issued with a code of conduct which guides exemplary behaviour.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

DCAS provides the Western Cape Language Committee with office space.

13. COMPANY/BOARD SECRETARY (IF APPLICABLE)

Not applicable

14. SOCIAL RESPONSIBILITY

Not applicable

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The Entity is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Entity, facilitated by Internal Audit, who is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

- DPSC Delegations Framework
- Initiation Practices
- WC Archives and Record Service
- Internal Control Unit Review
- Conditional Grants – Sport
- Transfer Payments – Libraries

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by Management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Authority of the Entity in terms of the National Treasury Regulations and the Division of Revenue Act.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the AGSA's Management Report and management's response thereto;

- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements
- Reviewed material adjustments resulting from the audit of the Entity.

Compliance

The Audit Committee has reviewed the Entity's processes for compliance with legal and regulatory provisions.

Performance Information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

Report of the Auditor-General South Africa

The Audit Committee have on a quarterly basis reviewed the Entity's implementation plan for audit issues raised in the prior year. We have met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's conclusion regarding the Annual Financial Statements and proposes that these Audited Statements be accepted and read together with their report.



Mr Pieter Strauss
Chairperson of the Social Cluster Audit Committee
Date: 11/8/2023

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

| Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 - 8) with regards to the following: | | |
|---|----------------------|--|
| Criteria | Response Yes / No | Discussion (include a discussion on your response and indicate what measures have been taken to comply) |
| Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law? | No | The Entity does not issue licenses, concessions, or other authorisations in respect of economic activity in terms of any law |
| Developing and implementing a preferential procurement policy? | Yes | The SCM policy of the Entity makes provision for the implementation of preferential procurement |
| Determining qualification criteria for the sale of state-owned enterprises? | No | The Entity does not engage in the sale of state-owned enterprises. |
| Developing criteria for entering into partnerships with the private sector? | No | The Entity does not participate in partnerships with the private sector |
| Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment? | No | The Entity is not involved in the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment. |

PART D: HUMAN RESOURCE MANAGEMENT

1. HUMAN RESOURCE OVERSIGHT STATISTICS

1. INTRODUCTION

Staff are employed by the Department of Cultural Affairs and Sport.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

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

PART E: PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

| Description | 2022/23 | 2021/2022 |
|---|----------|-----------|
| | R'000 | R'000 |
| Opening balance | - | - |
| Add: Irregular expenditure confirmed | - | - |
| Less: Irregular expenditure condoned | - | - |
| Less: Irregular expenditure not condoned and removed | - | - |
| Less: Irregular expenditure recoverable | - | - |
| Less: Irregular expenditure not recovered and written off | - | - |
| Closing balance | 0 | 0 |

Reconciling notes

| Description | 2022/23 | 2021/2022 |
|---|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure that was under assessment in 2021/22 | - | - |
| Irregular expenditure that relates to 2021/22 and identified in 2022/23 | - | - |
| Irregular expenditure for the current year | - | - |
| Total | 0 | 0 |

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

| Description | 2022/23 | 2021/2022 |
|---|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure under assessment | - | - |
| Irregular expenditure under determination | - | - |
| Irregular expenditure under investigation | - | - |
| Total | 0 | 0 |

c) Details of current and previous year irregular expenditure condoned

| Description | 2022/23 | 2021/2022 |
|--------------------------------|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure condoned | - | - |
| Total | 0 | 0 |

d) Details of current and previous year irregular expenditure removed - (not condoned)

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure NOT condoned and removed | - | - |
| Total | 0 | 0 |

e) Details of current and previous year irregular expenditure recovered

| Description | 2022/23 | 2021/2022 |
|---------------------------------|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure recovered | - | - |
| Total | 0 | 0 |

f) Details of current and previous year irregular expenditure written off (irrecoverable)

| Description | 2022/23 | 2021/2022 |
|-----------------------------------|----------|-----------|
| | R'000 | R'000 |
| Irregular expenditure written off | - | - |
| Total | 0 | 0 |

Additional disclosure relating to Inter-Institutional Arrangements

 g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

| Description |
|----------------|
| Not applicable |

 h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

| Description | 2022/23 | 2021/2022 |
|----------------|----------|-----------|
| | R'000 | R'000 |
| Not applicable | - | - |
| Total | 0 | 0 |

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

| Disciplinary steps taken |
|--------------------------|
| Not applicable |

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Opening balance | - | - |
| Add: Fruitless and wasteful expenditure confirmed | - | - |
| Less: Fruitless and wasteful expenditure written off | - | - |
| Less: Fruitless and wasteful expenditure recoverable | - | - |
| Closing balance | 0 | 0 |

Reconciling notes

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure that was under assessment in 2021/22 | - | - |
| Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23 | - | - |
| Fruitless and wasteful expenditure for the current year | - | - |
| Total | 0 | 0 |

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure under assessment | - | - |
| Fruitless and wasteful expenditure under determination | - | - |
| Fruitless and wasteful expenditure under investigation | - | - |
| Total | 0 | 0 |

c) Details of current and previous year fruitless and wasteful expenditure recovered

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure recovered | - | - |
| Total | 0 | 0 |

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

| Description | 2022/23 | 2021/2022 |
|--|----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure written off | - | - |
| Total | 0 | 0 |

- e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

| Disciplinary steps taken |
|--------------------------|
| None |

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2) (b)(i) &(iii)

- a) Details of current and previous year material losses through criminal conduct

| Description | 2022/23 | 2021/2022 |
|-------------------------------------|----------|-----------|
| | R'000 | R'000 |
| Theft | - | - |
| Other material losses | - | - |
| Less: Recovered | - | - |
| Less: Not recovered and written off | - | - |
| Total | 0 | 0 |

- b) Details of other material losses

| Nature of other material losses | 2022/23 | 2021/2022 |
|---------------------------------|----------|-----------|
| | R'000 | R'000 |
| Not applicable | - | - |
| Total | 0 | 0 |

- c) Other material losses recovered

| Nature of losses | 2022/23 | 2021/2022 |
|------------------|----------|-----------|
| | R'000 | R'000 |
| | - | - |
| Total | 0 | 0 |

- d) Other material losses written off

| Nature of losses | 2022/23 | 2021/2022 |
|------------------|----------|-----------|
| | R'000 | R'000 |
| | - | - |
| Total | 0 | 0 |

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

| Description | Number of invoices | Consolidated Value |
|--|--------------------|--------------------|
| | R'000 | R'000 |
| Valid invoices received | 0 | 0 |
| Invoices paid within 30 days or agreed period | 0 | 0 |
| Invoices paid after 30 days or agreed period | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and without dispute) | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and in dispute) | 0 | 0 |

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract |
|--|------------------|------------------------------------|-----------------|-------------------|
| The annual license renewal of the Caseware software. | *Adapt IT (Pty) | Limited Bid | WCLC0001 | R25 282.23 |
| Total | | | | R25 282.23 |

* The supplier is the sole provider for the Caseware software which is used for the compilation of the Annual Financial Statements.

3.2 Contract variations and expansion

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---------------------|------------------|---|-----------------|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| None | | | | | | |
| Total: 0 | | | | | | |

Report of the auditor-general to Western Cape Provincial Parliament on Western Cape Language Committee

Report on the financial statements

1. I have reviewed the financial statements of the Western Cape Language Committee set out on pages 41 to 59, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Western Cape Language Committee as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Other matter

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

National Treasury Instruction Note No.4 of 2022-23: PFMA Compliance and Reporting Framework

4. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a)p and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures should be disclosed in a note to the financial statements, if UIFW was incurred. Furthermore the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Western Cape Language Committee. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of Western Cape Language Committee. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

5. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the PFMA 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.
6. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether

Report of the External Auditor

anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.

8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to Programme: Western Cape Language Committee presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - 1.1 Number of activities that monitor the implementation of the Western Cape Language Policy.
 - 1.2 Number of projects that promote indigenous languages
 - 1.3 Number of formal engagement to implement the Western Cape Language Policy
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures for the purpose of reporting material findings only.
15. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Report of the External Auditor

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

22. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

23. I did not identify any significant deficiencies in internal control.

Professional ethics and quality control

24. I am independent of the Western Cape Language Committee in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

25. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor General

Cape Town
31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the External Auditor

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|--|--|
| Public Finance Management Act 1 of 1999 (PFMA) | Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 56(2); 57(b) |
| Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR) | Regulation 8.2.1; 8.2.2; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 33.1.1; 33.1.3 |
| Public service regulation | Public service regulation 13(c); 18; 18 (1) and (2) |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA) | Section 29 Section 34(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Section 1(i) Section 2.1(a); 2.1(b); 2.1(f) |
| Preferential Procurement Regulation 2017 | Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1; 12.2 |
| Preferential Procurement Regulation 2022 | Paragraph 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4 |
| PFMA SCM Instruction no. 09 of 2022/2023 | Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6 |
| National Treasury Instruction No.1 of 2015/16 | Paragraph 3.1; 4.1; 4.2 |
| National Treasury SCM Instruction Note 03 2021/22 | Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6; 5.4; 7.2; 7.6 |
| National Treasury SCM Instruction 4A of 2016/17 | Paragraph 6 |
| National Treasury SCM Instruction Note 03 2019/20 | Paragraph 5.5.1(vi); 5.5.1(x); |
| National Treasury SCM Instruction Note 11 2020/21 | Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7 |
| National Treasury SCM Instruction note 2 of 2021/22 | Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2; 4.1 |
| PFMA SCM Instruction 04 of 2022/23 | Paragraph 4(1); 4(2); 4(4) |
| Practice Note 5 of 2009/10 | Paragraph 3.3 |
| PFMA SCM instruction 08 of 2022/23 | Paragraph 3.2; 4.3.2; 4.3.3 |
| Competition Act | Section 4(1)(b)(ii) |
| National Treasury instruction note 4 of 2015/16 | Paragraph 3.4 |
| National Treasury instruction 3 of 2019/20 - Annexure A | Section 5.5.1 (iv) and (x) |
| Second amendment of National Treasury instruction note 05 of 2020/21 | Paragraph 4.8; 4.9 Paragraph 5.1; 5.3 |
| Erratum National Treasury instruction note 5 of 202/21 | Paragraph 1 |
| Erratum National Treasury instruction note 5 of 202/21 | Paragraph 2 |
| Practice note 7 of 2009/10 | Paragraph 4.1.2 |
| Practice note 11 of 2008/9 | Paragraph 3.1; 3.1 (b) |
| National Treasury instruction note 1 of 2021/22 | Paragraph 4.1 |
| Public Service Act | Section 30 (1) |

Statement of Financial Position

| Figures in Rand thousand | Note(s) | 2023 R'000 | 2022 R'000 |
|-------------------------------------|---------|---------------|---------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 446 | 424 |
| Total Assets | | 446 | 424 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables from exchange transactions | 4 | - | 9 |
| Total Liabilities | | - | 9 |
| Net Assets | | 446 | 415 |
| Accumulated surplus | | 446 | 415 |
| Total Net Assets | | 446 | 415 |

Statement of Financial Performance

| Figures in Rand thousand | Note(s) | 2023 R'000 | 2022 R'000 |
|---|---------|----------------|---------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Interest income | 5 | 28 | 12 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Other income from non-exchange transactions | 6 | 674 | 618 |
| Transfers and subsidies received | 7 | 439 | 279 |
| Total revenue from non-exchange transactions | | 1,113 | 897 |
| Total revenue | | 1,141 | 909 |
| Expenditure | | | |
| Audit Fees | 8 | (49) | (68) |
| General Expenses | 9 | (1,026) | (713) |
| Members' fees | 10 | (35) | (30) |
| Total expenditure | | (1,110) | (811) |
| Surplus for the year | | 31 | 98 |

Statement of Changes in Net Assets

| Figures in Rand thousand | Accumulated surplus R '000 | Total net assets R '000 |
|---------------------------------|----------------------------------|-------------------------------|
| Balance at April 1, 2021 | 317 | 317 |
| Changes in net assets | 98 | 98 |
| Surplus | 98 | 98 |
| Total changes | 98 | 98 |
| Balance at April 1, 2022 | 415 | 415 |
| Changes in net assets | 31 | 31 |
| Surplus for the year | 31 | 31 |
| Total changes | 31 | 31 |
| Balance at 31 March 2023 | 446 | 446 |

Cash Flow Statement

| | Note(s) | 2023 R'000 | 2022 R'000 |
|---|-----------|---------------|---------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Cash receipts | | 439 | 279 |
| Interest income | | 28 | 12 |
| | | 467 | 291 |
| Payments | | | |
| Cash paid | | (445) | (184) |
| Net cash flows from operating activities | 11 | 22 | 107 |
| Net increase in cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the year | | 424 | 317 |
| Cash and cash equivalents at the end of the year | 3 | 446 | 424 |



Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand thousand | Approved budget | Adjust- ments | Final budget | Actual amounts on com- parable basis | Difference between final budget and actual | Refe- rence |
|--------------------------|--------------------|------------------|-----------------|--|--|----------------|
|--------------------------|--------------------|------------------|-----------------|--|--|----------------|

Statement of Financial Performance

Revenue

Non-tax revenue

| | | | | | | |
|---------------------------------|------------|------------|------------|------------|-----------|------|
| Entity revenue other than sales | 15 | - | 15 | 28 | 13 | 14.1 |
| Transfers received | 290 | 149 | 439 | 439 | - | |
| Total revenue | 305 | 149 | 454 | 467 | 13 | |

Expenditure

Current payments

| | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|-----------|------|
| Goods and services | (305) | (149) | (454) | (427) | 27 | 14.2 |
| Total expenditure | (305) | (149) | (454) | (427) | 27 | |

| | | | | | | |
|--|----------|----------|----------|-----------|-----------|--|
| Surplus | - | - | - | 40 | 40 | |
| Actual amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | - | - | - | 40 | 40 | |

Reconciliation

Basis difference

| | |
|--|-------|
| Other non-tax revenue (Services in-kind) | 674 |
| Goods and services | (9) |
| Goods and services (Services in-kind) | (674) |

Timing difference

Entity difference

| | |
|-----------|---|
| Operating | - |
|-----------|---|

| | |
|--|-----------|
| Actual amount in the Statement of Financial Performance | 31 |
|--|-----------|

Note:

The layout and format of the Statement of Comparison of Budget and Actual Expenditure was amended to conform to the GRAP 24 Accounting Standard which requires the Budget format and layout to be consistent with the Approved Budget as published in the Estimates of Provincial Revenue and Expenditure.

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

All figures have been rounded to the nearest thousand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Material variances of 5% and above is explained in the notes to the Annual Financial Statements.

1.3 Significant judgements and sources of estimation uncertainty

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. Estimates and judgements 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Accounting Policies

Allowance for impairment

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.

1.4 Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-------------------------------------|--|
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Class | Category |
| Payables from exchange transactions | Financial liability measured at amortised cost |

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all other financial assets and financial liabilities initially at fair value.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

Accounting Policies

All financial assets measured at amortised cost or cost, are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility in the case of a financial asset.

1.4 Financial instruments

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment

Accounting Policies

loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Accounting Policies

1.5 Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.6 Revenue from exchange transactions

Recognition

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.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable. The amount is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved.

Interest, royalties and dividends

Interest is recognised in surplus or deficit, using the effective interest rate method.

1.7 Revenue from non-exchange transactions

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

Accounting Policies

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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 periods in which the expenses are recognised.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Service in-kind

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives. The related revenue is recognised when it is probable that the future economic benefits or service potential will flow to the entity and can be measured reliably. An expense in equal value is immediately recognised for the consumption of the service.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

Service in-kind are services provided by individuals to entities, without charge, but may be subject to stipulations. Public entity financial management staff provide valuable support to the entity in achieving its objectives. The service provided can be measured reliably and therefore it is recognised in the statement of financial performance and disclosed in the notes to the financial statements.

1.8 Translation of foreign currencies Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

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.

1.9 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Accounting Policies

1.10 Expenditure

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 authorisation has been granted for the recognition thereof.

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.

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.

Transfers and subsidies

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

1.11 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.12 Budget information

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives. GRAP 24 requires the budget statement to be disclosed on a comparable basis to the Approved Budget inclusive of the budget classification as published.

The approved budget covers the fiscal period from 4/1/2022 to 3/31/2023.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual amounts.

Material variances of 5% and above is explained in the notes to the Annual Financial Statements.

1.13 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Accounting Policies

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.14 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.15 Value-added Tax (VAT)

The entity is exempt from VAT registration. However, if any funding is received that requires the entity to register as a VAT Vendor, such application will be lodged.

Notes to the Annual Financial Statements

2. Standards and interpretations

2.1 Standards and interpretations effective in the current year

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 (ASB).

For the year under review, the following standards were effective. GRAP 1 and GRAP 104 was revised in 2019 with future effective dates as indicated.

Standard/ Interpretation:

- GRAP 1: Presentation of Financial Statements (Revised standard will be effective from 1 April 2023)
- GRAP 2: Cash Flow Statement
- GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 9: Revenue from Exchanges Transactions
- GRAP 14: Events After the Reporting Date
- GRAP 17: Property, Plant and Equipment
- GRAP 19: Provisions , Contingent Liabilities and Contingent Assets
- GRAP 20: Related Parties
- GRAP 23: Revenue from Non-Exchange Transactions
- GRAP 24: Presentation of Budget Information in Financial Statements
- GRAP 104: Financial Instruments (Revised standard will be effective from 1 April 2025)
- GRAP 108: Statutory Receivables

Notes to the Annual Financial Statements



| Figures in Rand thousand | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| 3. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Bank balances | 446 | 424 |
| 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 | | |
| 4. Payables from exchange transactions | | |
| Trade payables | - | 9 |
| Payables are classified at amortised cost. The carrying amount of payables transactions approximates their fair value. | | |
| 5. Interest income | | |
| Interest received | 28 | 12 |
| Interest received increased year-on-year mainly due to the increase in the interest rate. | | |
| 6. Other income from non-exchange transactions | | |
| Donation: Service in-kind | 674 | 618 |
| For the detail on the Donation: Services in-kind, refer to the narrative in note 9. | | |
| 7. Transfers and subsidies received | | |
| Departmental transfer received | 439 | 279 |
| The increase is due to an additional transfer payment received from the Department of Cultural Affairs and Sport to contribute to the printing of Nama Booklets during the year under review. | | |
| 8. Audit fees | | |
| External audit | 49 | 68 |
| Audit fees decreased due to a change in the composition of the audit team. | | |
| 9. General expenses | | |
| Bank charges | - | 2 |
| Catering | 9 | 5 |
| Consulting and outsourced services | 5 | 9 |
| Employee: Services in-kind | 674 | 618 |
| Printing and publication | 279 | 41 |
| Software expenses | 25 | 24 |
| Travel and subsistence | 34 | 14 |
| | 1,026 | 713 |

Notes to the Annual Financial Statements

| Figures in Rand thousand | 2023 R'000 | 2022 R'000 |
|--------------------------|---------------|---------------|
|--------------------------|---------------|---------------|

9. General expenses (continued)

Catering

During the year under review, more face-to-face meetings were held for which catering was provided.

Printing and publication

The increase is due to Nama booklets printed during the year under review.

Travel and subsistence

More face-to-face meetings were held during the year under review.

Employee cost: Service in-kind:

Officials of the Department of Cultural Affairs and Sport fulfil the executive and administrative functions associated with the Western Cape Language Committee. Departmental staff that supports the Public Entity includes the Chief Financial Officer (CFO), Director: Arts, Culture and Language Services, line function in the aforementioned Directorate as well as a dedicated Financial Management team that supports the CFO. Whilst line function staff and Senior Managers fulfil a dual role, the financial management team is dedicated to the Public Entity. Due to dual roles performed by most of the aforementioned staff, it is difficult to apportion the time spent on the operations of the Public Entity. The Services in-kind related to their salaries cannot be measured reliably. The recognition therefore relates only to the dedicated finance team who supports the CFO in the execution of her role as CFO to the Public Entity and the Department. The amount disclosed therefore represents the Services in-kind provided by the finance team only.

10. Members' fees

| | | |
|--------------------|-----------|-----------|
| Baartman, R | 2 | 3 |
| Willemse, E | 3 | 1 |
| Grootboom, G | 4 | 1 |
| Humphries-Heyns, A | - | 2 |
| Jama, Z | 3 | 1 |
| Lentz, G | 6 | 3 |
| Lesch, L | 5 | 3 |
| Malan, M | 2 | 3 |
| Mkhize, K | 2 | 4 |
| Nokwaza, L | - | 2 |
| Nyembezi, N | - | 3 |
| Reyneke, V | 1 | - |
| Vermeulen, S | 6 | 4 |
| Makambi, S | 1 | - |
| | 35 | 30 |

11. Cash used in operations

| | | |
|-------------------------------------|-----------|------------|
| Surplus | 31 | 98 |
| Changes in working capital: | | |
| Payables from exchange transactions | (9) | 9 |
| | 22 | 107 |

Notes to the Annual Financial Statements



| Figures in Rand thousand | 2023 R'000 | 2022 R'000 |
|--------------------------|---------------|---------------|
|--------------------------|---------------|---------------|

12. Related parties

Relationships

| | |
|-------------------|--|
| Primary funder | Department of Cultural Affairs and Sport |
| Strategic partner | Heritage Western Cape |
| Strategic partner | Western Cape Cultural Commission |

The Department of Cultural Affairs and Sport provides accommodation to Western Cape Language Committee to execute their administrative and financial operations.

The Minister of the Department of Cultural Affairs and Sport as the Executive Authority is a related person of Western Cape Language Committee.

The members of Western Cape Language Committee and the entity as disclosed in note 10 are related parties in terms of GRAP 20.

Related party transactions

Income received from related parties

| | | |
|--|-----|-----|
| Department of Cultural Affairs and Sport | 439 | 279 |
|--|-----|-----|

13. Risk management

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.

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 2023, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, surplus for the year would have been R4 458 higher / lower.

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 period, 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.

Market 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.

Notes to the Annual Financial Statements

Figures in Rand thousand

13. Risk management (continued)

Interest rate risk

The entity's risk profile consists of fixed and floating rate loans, bank balances which exposes the entity to fair value interest rate risk and cash flow interest rate risk which can be summarized 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.

Cash flow interest rate risk

| Financial instrument | 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 five years |
|--------------------------------------|------------------------------------|----------------------------------|------------------------------------|-------------------------------------|-------------------------------|
| Normal credit terms | 446 | - | - | - | - |
| Cash in current banking institutions | | | | | |
| Payables - Extended credit terms | - | - | - | - | - |
| Net amount | 446 | - | - | - | - |
| Past due but not provided for | - | - | - | - | - |

Notes to the Annual Financial Statements

14. Budget variances

Material variances between budget and actual amounts

Budget adjustment

During the 2022/23 financial year the budget was adjusted by R149 000, from an original budget of R305 000 to an adjusted budget of R454 000. An additional transfer payment of R149 000 was received from the Department of Cultural Affairs and Sport to contribute to the printing of Nama Booklets during the year under review.

14.1 Entity revenue other than sales

Interest received increased year-on-year mainly due to the increase in the interest rate.

14.2 Current payments

Audit fees decreased due to a change in the composition of the audit team.

15. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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