



Western Cape
Government

Cultural Affairs and Sport

BETTER TOGETHER.



WES-KAAPSE KULTUURKOMMISSIE
WESTERN CAPE CULTURAL COMMISSION
IKHOMISHONI YENKCUBEKO YENTSHONA KOLONI



Annual Report
2013/2014
Western Cape
Cultural Commission

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PART A: GENERAL INFORMATION

1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Western Cape Cultural Commission
LEGAL ENTITY	Public Entity
REGISTRATION NUMBER	n/a
NATURE OF BUSINESS AND PUBLIC ACTIVITIES	The preservation, promotion and development of arts and culture in the Western Cape
MEMBERS	Council and Committee members
PHYSICAL ADDRESS	3rd floor, Protea Assurance Building Greenmarket Square Cape Town 8001
POSTAL ADDRESS	Private Bag X9067 Cape Town 8000
TELEPHONE NUMBER/S	0860 142 142
FAX NUMBER	021 483 9711
EMAIL ADDRESS	Wayne.Coenraad@westerncape.gov.za
WEBSITE ADDRESS	www.westerncape.gov.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank
COMPANY/ BOARD SECRETARY	n/a

2 LIST OF ABBREVIATIONS/ ACRONYMS

AFS	Annual Financial Statements
DCAS	Department of Cultural Affairs and Sport
D: ERM	Directorate Enterprise Risk Management, Department of the Premier
ERM	Enterprise risk management
ERMCOM	Enterprise Risk Management Committee
GRAP	Generally Recognised Accounting Practice
King III	King Report on Corporate Governance, 2009
MEC	Member of the (Provincial) Executive Council
NTPSRMF	National Treasury Public Sector Risk Management Framework
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act, 1999
RWOPS	Remunerative Work Outside the Public Service
SCOPA	Standing Committee on Public Accounts
WCG	Western Cape Government
WCCC	Western Cape Cultural Commission

3 FOREWORD BY THE CHAIRPERSON



Mr Mervyn Smith

As reported last year, the Western Cape Cultural Commission (WCCC) has embraced the vision of the member of the Provincial Executive Committee (MEC) for Cultural Affairs and Sport, Dr Ivan Meyer, of promoting cultural warmth among the various cultural communities of the Western Cape.

We have fully committed ourselves to this work and do it through three subcommittees.

The Commission has been professionally and ably supported by all the staff members of the Department of Cultural Affairs and Sport (DCAS) who are tasked with assisting and working with us. Our sincere thanks to Ms Jane Moleleki, Ms Nerine Jeaven and the WCCC's secretary, Mr Clement Williams.

With the assistance of DCAS, the Research and Analysis committee designed a medium-term project focusing on rites of passage, to be phased in using different genres. The Department commissioned the Baxter Theatre and the Magnet Theatre to develop *Passage*, a well-received drama about what it means to be a good man in today's world. The production was performed at the Baxter and other venues. The play challenges audience members to think critically about a variety of important issues and to reconsider misconceptions they may be holding.

After visiting the seven cultural facilities for which the WCCC is responsible, the Cultural Facilities committee noted that the facilities located in rural areas (Koekenaap and Schoemanspoort) are underutilised. Workshops were held with surrounding communities to stimulate their interest and to gather their views on how to these facilities could be more fully utilised. Moreover, the interaction helped to forge relations and mutual understanding between the Commission and the communities it serves.

All registered cultural councils who applied for funding received financial assistance to organise events and conferences. Three commission members have resigned, so we have to make do with the minimum number.

I extend the thanks of the Commission to Dr Ivan Meyer, whose call for the commission to create "cultural warmth" in the Western Cape forms a key part of our overall goal.

In spite of the challenges we face, the Commission and the Department have worked together as a team dedicated towards realising our shared mandate.



Mervyn Smith
Chairperson:
Western Cape Cultural Commission
31 May 2014



Jane Moleleki

The work of the Western Cape Cultural Commission for the 2013/14 financial year was premised on a participatory approach to ensure the initiatives remain relevant within the changing environment. The WCCC is committed to improving service delivery in arts and culture by ensuring optimal allocation and utilisation of available resources. In line with its mandate, the WCCC is responsible for the management of the cultural facilities placed under its supervision by the MEC, including making recommendations on how these facilities can be maintained at the highest possible standards and be made accessible to all the communities of the Western Cape.

The maintenance and operational expenditure of the facilities exceeds the income they are able to generate. This could be attributed to the fact that tariffs are below market rates.

During the year under review, interactive sessions took place with rural communities to seek ways of ensuring that the facilities are optimally utilised. An interactive session was also held with traditional/cultural community leaders to improve relationships with key stakeholders to advance the preservation, promotion and development of culture in the province.

In 2013/14, seven community cultural councils received funding from the WCCC to fund their projects, conferences and research.

Because it is committed to enhancing social inclusion, the WCCC constantly reviews its policies and operations. A challenge in this regard is that no members of the Commission represent the Central Karoo, Overstrand or West Coast districts. Most members live in the City of Cape Town metropolitan district. DCAS is also unsure about whether the members of the WCCC adequately represent the interests of their constituents.

In spite of present challenges, the Commission is determined to deliver services which are relevant and in keeping with meeting the needs and demands of communities in the Western Cape.

A handwritten signature in purple ink, which appears to read 'Jane Moleleki'. The signature is written in a cursive style.

Jane Moleleki
Accounting Authority:
Western Cape Cultural Commission
30 May 2014

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

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

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

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

Yours faithfully



Jane Moleleki
Accounting Authority:
Western Cape Cultural Commission
31 May 2014



Mervyn Smith
Chairperson:
Western Cape Cultural Commission
31 May 2014

6 STRATEGIC OVERVIEW

6.1 Vision

To effectively contribute to the growth and development of a dynamic cultural environment in a unified Western Cape.

6.2 Mission

To preserve, promote and develop culture in the Western Cape through:

- registering and de-registering cultural councils;
- providing financial assistance to registered cultural councils;
- the control, management, development and maintenance of moveable and immovable property placed under its supervision by the Provincial Minister;
- the performance of other tasks and functions assigned by the Provincial Minister; and
- advising the Provincial Minister on policy.

6.3 Values

Integrity, accountability, competence, responsiveness and caring.

7 LEGISLATIVE AND OTHER MANDATES

The Western Cape Cultural Commission was established by the Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act 14 of 1998). The WCCC was listed as a Schedule 3, part C provincial public entity on 1 June 2001 in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

Constitutional mandates

Section	Direct Responsibility of the Western Cape Cultural Commission
Constitution of the Republic of South Africa, 1996	
Section 30: Language and culture	The WCCC 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 WCCC 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 WCCC cooperates with all spheres of government in the execution of its mandate.
Schedule 4: Functional Areas of Concurrent National and Provincial Legislative Competence	Cultural matters: <ul style="list-style-type: none"> • The WCCC works closely with the national Department of Arts and Culture and associated organs of state regarding concurrent arts, culture and heritage matters.
Section 81	The WCCC must adopt and implement policies actively to promote and maintain the welfare of the people of the Western Cape, including policies aimed at achieving: <ul style="list-style-type: none"> • the promotion of respect for the rights of cultural, religious and linguistic communities in the Western Cape; and • the protection and conservation of the natural historical, cultural historical, archaeological and architectural heritage of the Western Cape for the benefit of present and future generations. The WCCC ensures that DCAS provides for the cultural needs of communities in the Western Cape as prescribed by legislation.

Section	Direct Responsibility of the Western Cape Cultural Commission
Section 195: Basic values and principles governing public administration	Department of Cultural Affairs and Sport officials must adhere to the provisions of section 195, which provides a description of the democratic values and principles governing public administration. Section 195(1)(b) requires the promotion of the efficient, economic and effective use of resources. This implies that programmes undertaken in the public sector should yield maximum benefits at the lowest possible cost.
Constitution of the Western Cape, 1997 (Act 1 of 1998)	
Section 70	Provincial legislation must provide for the establishment and reasonable funding, within the Western Cape Government's available resources, of a cultural council or councils for a community or communities in the province which share a common cultural and language heritage. Registration of and support to cultural councils: <ul style="list-style-type: none"> The Western Cape Cultural Commission is tasked with the registration of, and support to, registered cultural councils. DCAS has oversight of the WCCC and provides the Commission with administrative and financial support.

Legislative mandates

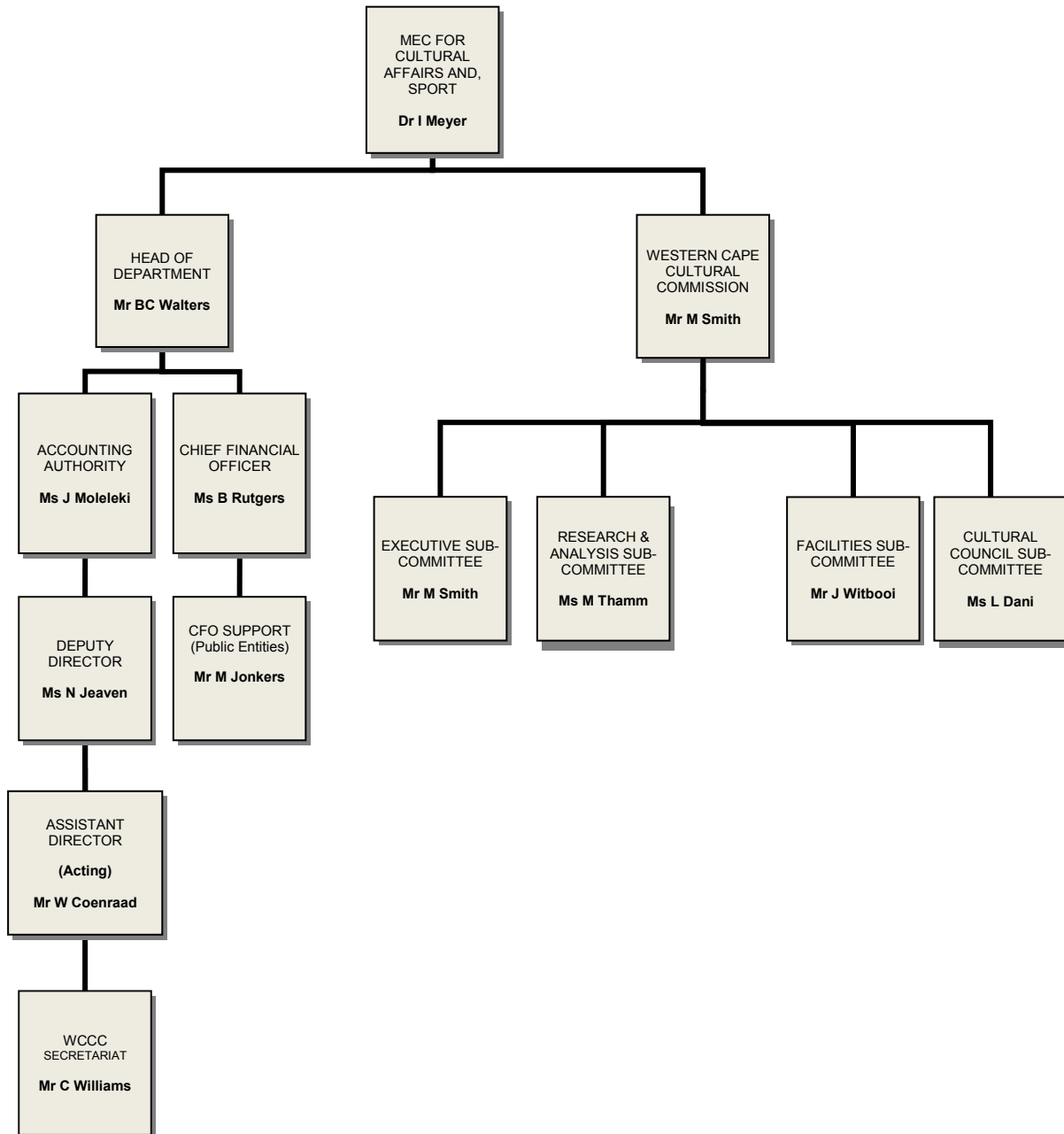
Legislation	Reference	Key Responsibilities of the WCCC
Public Finance Management Act, 1999	Act 1 of 1999	The WCCC submits quarterly and annual reports on its performance delivery and audited financial statements based on the strategic objective annual targets for each financial year.
Western Cape Cultural Commission and Cultural Councils Act, 1998	Act 14 of 1998	The aims of the Western Cape Cultural Commission are to preserve, promote and develop culture in the Western Cape, in accordance with a policy determined by the MEC (member of the [provincial] Executive Committee). The mandate of the WCCC is to advise the MEC on the preservation, promotion and development of arts and culture in the Western Cape.

Policy mandates

The Investment Framework Policy and Guidelines provide the WCCC with a sound investment framework that supports an efficient and effective cash management system. Other policies which guide operations are described in the table below.

Policy	Description
Code of Conduct for WCCC Members	The primary purpose of the Code is to promote exemplary conduct amongst members in order to give the WCCC institutional credibility.
Registration and Deregistration of Cultural Councils Policy	This policy provides for the registration of cultural councils to represent people sharing a common cultural or language heritage. It gives effect to the principle of respecting, nurturing, upholding and protecting cultural diversity in the Western Cape and South Africa as a whole. The policy enables the WCCC to deregister cultural councils when there are good grounds to do so.
Revenue and Utilisation Policy	To provide a framework for the Accounting Authority of the WCCC to manage revenue economically and effectively and to promote the full utilisation of assets under the Commission's control.
WCCC 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.
Fraud Prevention Plan	The policy provides response mechanisms to report investigate and resolve incidents of fraud which impact on the WCCC.
Debtors' Management	The accounting authority must control debtors for the utilisation of cultural facilities.
Remuneration of Members	To facilitate payment to members of the WCCC nominated to attend conferences, projects, meetings and workshops on behalf of the Commission.

8 ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 30 of the Auditor's Report, published as Part E: Financial Information.

2 SITUATIONAL ANALYSIS

2.1 Service delivery environment

The WCCC is committed to the preservation, promotion and development of arts and culture in the Western Cape. To achieving this end, the Commission embarked on a process to improve communication between itself and community organisations in order to ensure more effective service delivery.

During the year under review, the Commission introduced a new focus in line with the recognition of the need for research-based programming and linking this with DCAS initiatives.

The current situation in respect of the utilisation of the seven cultural facilities reflects is that there is a high demand for most of the cultural facilities in the City of Cape Town metropolitan district whilst those in the rural areas are underutilised. This is to be addressed in the 2014/15 financial year. A total of 23 applications were received for the registration of new cultural councils. The applications were noted by the WCCC but these could not be processed because the MEC had placed a moratorium on the registration of new cultural councils. There are 24 registered cultural councils. The list is dominated by organisations from the Khoisan culture, meaning that other cultures are under-represented. Registered cultural councils may apply for financial support to fund their cultural projects, conferences and research. So far only a few benefit from the financial assistance on offer because most cultural councils did not apply for funding in the year under review. The WCCC will address this issue during the 2014/15 financial year.

2.2 Organisational environment

The organisational environment has steered the WCCC to adopt a wider view of arts and culture in order to have a better impact on communities. This has necessitated that the Commission goes beyond an operational task focus through strategic planning which has clear objectives and deliverables. Consultation takes place on projects before they are implemented.

With the assistance of DCAS, the WCCC commissioned the Baxter Theatre and the Magnet Theatre to develop a play to assist members of the public to better understand initiation rites of passage. The play Passage was staged in Robertson and in various parts of the Metro, including the Baxter Theatre.

During the year under review, three members of the WCCC resigned for personal reasons. A request for new members to be appointed was sent to the MEC.

2.3 Key policy developments and legislative changes

Changes in the environment necessitated a review of the implementation of operational policy frameworks to advance service delivery within communities. Community workshops were successfully held to engage communities on aspects of WCCC service delivery.

2.4 Strategic outcome-oriented goals

- The promotion, development and transformation of cultural activities in the Western Cape through: encouraging more diverse groups to utilise WCCC facilities;
- facilitating cultural warmth through the registration of diverse cultural councils; and
- ensuring socially inclusive programmes.

Strategic Outcome-Orientated Goal 1	Fully functional, safe and accessible facilities.
Goal Statement	To ensure access, consistent maintenance and utilisation of the facilities.

Strategic Outcome-Orientated Goal 2	Promoting social dialogue and appreciation amongst diverse cultural councils/ groups.
Goal Statement	To promote respect for, and appreciation of, cultural diversity.

Strategic Outcome-Orientated Goal 3	Creating an environment conducive to social inclusion through diverse art forms.
Goal Statement	To ensure the promotion, development and preservation of arts and culture.

3 PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

Strategic objective

Strategic Objective	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviation
To preserve, promote and develop arts and culture through the registration and deregistration of cultural councils, the management of cultural facilities, research and analysis	25	28	27	1	The MEC's moratorium on the registration of new cultural councils meant an underperformance of 2 in that indicator. An additional event was held, which meant an over-performance of 1 in that indicator. The net under-performance across all indicators was 1.

Key performance indicators, planned targets and actual achievements

Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviations
Number of events improve access, and to promote network, social inclusion and cultural warmth	1	2	3	1	An additional event was arranged with traditional/ cultural leaders
Number of new cultural councils registered	0	2	0	-2	The MEC placed a moratorium on the registration of new cultural councils
Number of facilities upgraded and maintained to ensure suitability and safety for users	7	7	7	-	

Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement for 2013/14	Comment on Deviations
Number of plenary, subcommittee, executive and strategic meetings to advise the Minister	4 Plenary meetings	4 Plenary meetings	4 Plenary meetings	-	
	4 Research and Analysis subcommittee meetings	4 Research and Analysis subcommittee meetings	4 Research and Analysis subcommittee meetings		
	4 Cultural Councils subcommittee meetings	4 Cultural Councils subcommittee meetings	4 Cultural Councils subcommittee meetings		
	4 Cultural Facilities subcommittee meetings	4 Cultural Facilities subcommittee meetings	4 Cultural Facilities subcommittee meetings		
	1 strategic planning meetings	1 strategic planning meetings	1 strategic planning meetings		

Strategy to overcome areas of under performance

Due to a review of public entities that has not yet been concluded, the MEC placed a moratorium on the registration of new cultural councils. Because this moratorium remains in place, this performance measure has been omitted for the 2014/15 financial year.

Changes to planned targets

No changes were made during the period under review.

Linking performance with budgets

Programme/ activity/ objective	2013/14			2012/13		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	2 937	2 673	264	2 855	2 890	35
Total	2 937	2 673	264	2 855	2 890	35

4 REVENUE COLLECTION

Sources of Revenue	2013/14			2012/13		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Rental Income	2 349	1 907	(442)	2 287	1 629	658
Transfer	250	250		200	325	(125)
Other Income	338	248	(90)	368	261	107
Total	2 937	2 405	(532)	2 855	2 215	640

4.1 Capital investment

Maintenance and upgrading was done as per the approved Maintenance and Development Plan for 2013/14.

PART C: GOVERNANCE

1 INTRODUCTION

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

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

2 PORTFOLIO COMMITTEES

The committees of the Provincial Parliament that have oversight of the WCCC are the Standing Committee on Community Safety, Cultural Affairs and Sport, and the Standing Committee on Public Accounts (SCOPA).

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

3 EXECUTIVE AUTHORITY

Required reports on financial and non-financial information were submitted to the Executive Authority during the year under review.

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

4 THE WESTERN CAPE CULTURAL COMMISSION

Importance and purpose

The aims of the WCCC are to preserve, promote and develop culture in the Western Cape, in accordance with a policy determined by the Provincial Minister.

Role

In order to achieve the aims for which the Commission was established, the WCCC must:

- consider the registration and deregistration of cultural councils;
- control, manage, develop and maintain movable or immovable property placed under its supervision; and
- perform such other functions as the Provincial Minister may assign to the Commission.

The WCCC may, of its own accord or at the request of the Provincial Minister or at the request of a cultural council or councils, make recommendations on how the aims of the Commission can best be achieved with respect to inter alia the following areas:

- the visual, performing and literary arts;
- the natural and human sciences;
- cultural-historical fields; and
- youth's cultural awareness and involvement.

Board charter

Not applicable.

Composition of the Western Cape Cultural Commission

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Dr Willem Andreas Boezak	Deputy Chairperson	15 April 2012	n/a	Dipl. Social Work; Licentiate in Theology; Master's Degree in Theology; Th. Drs (Social Ethics)	Performing arts; literary arts; humanities (history, art and cultural history); involvement of youth in culture; cultural industries (cultural tourism, visual arts and crafts); music, communication and storytelling		None	11
Lizo Cecil Dani	Chairperson: Cultural Councils Committee	15 April 2012	n/a	Labour relations; project management	Literary arts humanities (history, art and cultural history); involvement of youth in culture; cultural industries (cultural tourism, visual arts and crafts); cultural/ traditional museums		None	8
Johann du Plessis	Member: Research and Analysis Committee	15 April 2012	15 May 2013	BA (FA and HED)	Cultural industries (cultural tourism, visual arts and crafts); curator; consultant, educator		None	None
Adv. Jacques du Preez	Deputy Chairperson: Cultural Facilities Committee	15 April 2012	n/a	LLB, LLM, Cert. SA Tax Law	Humanities (history, arts and cultural history), language and education		None	5
Anthony le Fleur	Member: Cultural Facilities Committee	15 April 2012	n/a	Chairperson: Griqua National Conference of SA, 1989; Executive Member: National Khoi and San Council, 1999; Deputy Chairperson: Southern Cape Khoi Council, 2010	Performing arts; humanities (history, art and cultural history); involvement of youth in culture		None	7
Linda Marques	Member: Cultural Councils Committee	15 April 2012	n/a	Dipl. (General Business Practice/ Public Relations); Arts development manager, KKNAF	Performing arts; involvement of youth in culture; cultural industries (cultural tourism, visual arts and crafts)		Member: National Arts Council	7

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Janene Mostert	Member: Research and Analysis Committee	15 April 2012	n/a	Dipl. Fine Arts; Dipl. Higher Education	Humanities (history, art and cultural history) cultural industries (cultural tourism, visual arts and crafts)		None	5
Wandisile Mlulami Ngeyi	Member: Cultural Facilities Committee	15 April 2012	n/a	BA; Dipl. History and Xhosa Methods; Cert. Sports Leader, National Sports Council; Cert. Whole School Management; Dipl. Labour Law; Dipl. Industrial Relations; Dipl. Personnel and Training	Performing arts humanities (history, art and cultural history)		None	1
Mervyn Smith	Chairperson	15 April 2012	n/a	Lawyer; Board member and Chairperson/ Director: Artscape; Former President: Cape Law Society; Former President: SA Jewish Board of Deputies; Chairperson: Board of Trustees, SA Holocaust and Genocide Foundation; Life President: Bellville Cricket Club; Friend: South African National Gallery	Performing arts		None	6
Mr. Sibongile Somdaka	Member: Cultural Councils Committee	15 April 2012	30 May 2013	Nat. Dipl. Public Relations Management; media coordinator: World Cup 2010 fundraising gala event; media coordinator: FIFA Mandela 89 th birthday match at Newlands; promotion and marketing of associations, SAFA Western Province; business development manager; marketing and advertising executive	Involvement of youth in culture		None	None
Marianne Thamm	Member: Research and Analysis Committee	15 April 2012	1 January 2014	Dipl. Journalism; arts critic/ columnist/ editor and cultural activist	Performing arts; literary arts		None	4

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Riaan Narshall Visman	Member / Chairperson (from 1 January 2014); Research and Analysis Committee	15 April 2012	n/a	B Drama; freelance artist; writer of drama; arts development practitioner; educator	Performing arts; involvement of youth in culture; management of cultural facilities		None	4
John Cornelius Witbooi	Chairperson: Cultural Facilities Committee	15 April 2012	n/a	Dipl. General Business Practice/ Public Relations; arts development manager: KKNAF	Performing arts; involvement of youth in culture; cultural industries (cultural tourism, visual arts and crafts)		None	6

Committees

Committee	No. of Meetings Held	No. of Members	Names of Members
Cultural Councils Committee	4	3	L.Dani L.Wilson W.Boezak
Cultural Facilities Committee	4	4	J.Witbooi J.Du Preez A.Le Fleur W.Ngeyi
Research and Analysis Committee	4	6	M.Smith W.Boezak RN Visman J.Witbooi M.Thamm J Mostert
Executive Committee	0	5	M.Smith W.Boezak L.Dani J.Witbooi M.Thamm

Remuneration of WCCC members

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

Name	Remuneration	Other disbursements	Total
Boezak, WA	9 460.62	416.00	9 876.62
Dani, L	8 613.54	34 942.06	43 555.60
Du Plessis, J	0.00	0.00	0.00
Du Preez, J	3 951.72	1 627.79	5 579.51
Le Fleur, A	5 038.02	56 503.30	61 541.32
Mostert, J	4 347.72	718.27	5 065.99
Ngeyi, VWN	1 890.72	534.02	2 424.74
Smith, MM	7 090.56	0.00	7 090.56
Somdaka, S	0.00	0.00	0.00
Thamm, M	3 568.50	844.72	4 413.22
Visman, RN	3 406.50	0.00	3 406.50
Wilson, LM	6 726.54	27 714.77	34 441.31
Witbooi, JC	4 820.22	5 141.64	9 961.86

5 RISK MANAGEMENT

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

and to further embed risk management within the Entity, the Western Cape Government (WCG) has adopted an ERM Policy which sets out the WCG's overall intention with regard to ERM.

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

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

Fraud and Risk Management Committee (FARMCO)

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

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

Risk management process

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

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

6 INTERNAL CONTROL UNIT

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

7 INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

Details of the Audit Committee, 2013/14						
Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Ronnie Kingwill	CA (SA)	External	n/a	1 January 2013	n/a	8
Mr Mervyn Burton	CA (SA)	External	n/a	1 January 2012	n/a	8
Ms Judy Gunther	CIA; AGA; CRMA; MCA; BCompt	External	n/a	1 January 2013	n/a	8
Mr Louw van der Merwe	CA (SA); ACMA; CIA; CISA; CRMA	External	n/a	1 January 2013	n/a	8
Mr Francois Barnard	MComm (Tax); CA(SA) BProc	External	n/a	1 January 2013	n/a	8

8 COMPLIANCE WITH LAWS AND REGULATIONS

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

9 FRAUD AND CORRUPTION

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

Various channels for reporting allegations of fraud and corruption exist and these are described in detail in the Provincial Anti-Corruption Strategy and the Entities Fraud Prevention Plan. Each allegation received by the Forensic Investigation Unit is recorded in a Case Management System

which is used as a management tool to report on progress made with cases relating to the Entity and generating statistics for the Province and the Entity. We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

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

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

10 MINIMISING CONFLICTS OF INTEREST

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

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

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

11 CODE OF CONDUCT

The policy implemented by DCAS incorporates the WCCC. The purpose of the Code of Conduct is to promote a high standard of professional ethics in the workplace. The WCCC strives to adhere and comply with the content of the Code. Employees are made aware of the content of the Code of Conduct through, among other things, the compulsory induction of all newly appointed employees. The Code was distributed to all employees as a reminder to continue promoting high standards of professional ethics in the workplace. If and when the content of the code is

breached, managers make use of progressive discipline as necessary. More serious offences are referred to the Corporate Services Centre (Directorate Employee Relations) for formal disciplinary procedures.

12 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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

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

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

13 COMPANY/ BOARD SECRETARY

Not applicable to this entity.

14 SOCIAL RESPONSIBILITY

Not applicable to this entity.

15 AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

In-Year Management and Quarterly Performance Reports

The Entity has reported monthly and quarterly to the Provincial Treasury as is required by the PFMA. The Audit Committee is satisfied with the content and quality of the quarterly financial and performance reports prepared and issued by the Accounting Authority of the Entity during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

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

Internal Audit

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

There were no unresolved internal audit findings

Risk Management

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

Auditor-General of South Africa's Report

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

Appreciation

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



Mr Ronnie Kingwill

Chairperson of the Social Cluster Audit Committee

Western Cape Cultural Commission

14 August 2014

PART D: HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

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

2 HUMAN RESOURCE OVERSIGHT STATISTICS

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

PART E: FINANCIAL INFORMATION

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Cultural Commission set out on pages 32 to 49, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and section 15(6) of the Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act No. 14 of 1998) (WCCCA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Cultural Commission as at 31 March 2014,

and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA and the WCCCA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the public entity for the year ended 31 March 2014:
 - To preserve, promote and develop arts and culture through the registration and deregistration of cultural councils, the management of cultural facilities, research and analysis (on pages 12 to 13).
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objective.

Additional matter

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

Achievement of planned targets

14. Refer to the annual performance report on pages 12 to 13 for information on the achievement of the planned targets for the year.

Compliance with legislation

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

Internal control

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

Auditor - general

Cape Town

30 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

WESTERN CAPE CULTURAL COMMISSION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

STATEMENT OF FINANCIAL POSITION as at 31 March 2014

Figures in Rand	NOTES	2014 R'000	2013 R'000
ASSETS			
Current Assets			
Cash and cash equivalents	2	4,928	5,135
Receivables from exchange transactions	3	13	49
TOTAL ASSETS		4,941	5,184
LIABILITIES			
Current liabilities			
Payables from exchange transactions	4	116	209
Income received in advance	4	428	310
TOTAL LIABILITIES		544	519
NET ASSETS			
Accumulated surplus		4,397	4,665
TOTAL NET ASSETS		4,941	5,184

WESTERN CAPE CULTURAL COMMISSION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2014

Figures in Rand	NOTES	2014 R'000	2013 R'000
REVENUE			
Revenue from non-exchange transactions	5.1	2,157	1,954
Revenue from exchange transactions	5.2	248	261
TOTAL REVENUE		2,405	2,215
EXPENDITURE			
Audit fees	6	(203)	(206)
Members fees	8	(59)	(85)
Administrative expenses	9	(138)	(76)
Transfers and subsidies: expenses	10	(210)	(766)
Other operating expenses	11	(2,063)	(1,757)
TOTAL EXPENDITURE		(2,673)	(2,890)
DEFICIT FOR THE YEAR		(268)	(675)

WESTERN CAPE CULTURAL COMMISSION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R'000	Total Equity R'000
Balance at 01 April 2012	5,340	5,340
Deficit for the year	(675)	(675)
Balance at 01 April 2013	4,665	4,665
Deficit for the year	(268)	(268)
Balance at 31 March 2014	4,397	4,397

WESTERN CAPE CULTURAL COMMISSION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

CASH FLOW STATEMENT

Figures in Rand	NOTES	2014 R'000	2013 R'000
Cash flows from operating activities			
Cash receipts		2,291	2,186
Cash paid		(2,750)	(2,634)
Cash used in operations	7	(459)	(448)
Interest received		252	261
Net decrease in cash and cash equivalents		(207)	(187)
		5,135	5,322
Cash and cash equivalents at the beginning of the year			
Total cash and cash equivalents at the end of the year	2	4,928	5,135

WESTERN CAPE CULTURAL COMMISSION
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Description	Approved budget R,000's	Adjustments R,000's	Final budget R,000s	Actual amounts on comparable basis R,000's	Difference between final budget and actual R,000's	Difference %	Explanation of significant variances (greater than 5%) versus budget
REVENUE							
Transfers & subsidies	250		250	250	-	-	
Other operating income	1,785	564	2,349	2,041	(308)	(13)	Due to their location, certain facilities were not as productive as expected.
Interest income	338		338	252	(86)	(25)	Transfers from investments to current account affected interest income.
TOTAL REVENUE	2,373	564	2,937	2,543	(394)	(13)	
EXPENDITURE							
Members fees	100		100	66	34	34	Meetings are budgeted for a full day but only lasted a few hours.
Administration expenses	116		116	141	(25)	(22)	Extra seminars held to promote the facilities.
Audit fees	265		265	220	45	17	Time spent on audit was less than expected.
Transfers and subsidies: expenses	250		250	210	40	16	There were fewer applications for financial assistance.
Other operating expenses	1,642	564	2,206	2,113	93	4	Member's travelling and accommodation was much less than the amounts budgeted.
TOTAL EXPENDITURE	2,373	564	2,937	2,750	187	6	
NET EFFECT	-	-	-	(207)	(207)		

**WESTERN CAPE CULTURAL COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

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

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

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

Description	Operating R'000	Total R'000
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-
Basis differences	(207)	(207)
Timing differences	-	-
Entity differences	-	-
Actual amount in the cash flow statement	(207)	(207)

**WESTERN CAPE CULTURAL COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

1. ACCOUNTING POLICIES

1.1 PRESENTATION OF FINANCIAL STATEMENTS

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

1.1.1 Basis of preparation

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

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

Standards of GRAP effective for the reporting period:

GRAP No.	Description	GRAP No.	Description
GRAP 1*	Presentation of Financial Statements	GRAP 16*	Investment Property
GRAP 2*	Cash Flow Statements	GRAP 17*	Property, Plant and Equipment
GRAP 3*	Accounting Policies, Changes in Accounting Estimates and Errors	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 4*	The effects of Changes in Foreign Exchange Rates	GRAP 21	Impairment of Non-cash-generating Assets
GRAP 5	Borrowing Costs	GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 6	Consolidated and Separate Financial Statements	GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 7	Investments in Associates	GRAP 25	Employee benefits
GRAP 8	Interests in Joint Ventures	GRAP 26	Impairment of Cash-generating Assets
GRAP 9*	Revenue from Exchange Transactions	GRAP 27	Agriculture (replaced GRAP 101)
GRAP 10*	Financial Reporting in Hyperinflationary Economies	GRAP 31	Intangible Assets (replaced GRAP 102)
GRAP 11*	Construction Contracts	GRAP 100*	Non-current Assets Held for Sale and Discontinued Operations
GRAP 12*	Inventories	GRAP 103	Heritage Assets
GRAP 13*	Leases	GRAP 104	Financial Instruments
GRAP 14*	Events after the Reporting Date	GRAP 104	

*As revised in 2012

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

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

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

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

GRAP No.	Description
GRAP 20	Related Party Disclosure*

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

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

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

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

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

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

1.3 PRESENTATION CURRENCY

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

1.4. GOING CONCERN ASSUMPTION

These annual financial statements are prepared on a going concern basis.

1.5. REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and when the amount of revenue can be reliably measured, and specific criteria have been met for the Entity's activities. Revenue from the rendering of services is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The amount is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved.

1.5.1 Revenue from non-exchange transactions

1.5.1.1 Unconditional grants

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

1.5.1.2 Conditional grants and receipts

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

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

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

1.5.1.3 Services in-kind

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

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

1.5.2 Revenue from exchange transactions

Revenue received from interest on investments and current bank account.

1.6 FOREIGN CURRENCIES

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

1.7 EXPENDITURE

1.7.1 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and /or under spending of appropriated funds. The write off occurs at year end or when funds are available.

No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note. All other losses are recognised when authorisation has been granted for the recognition thereof.

1.7.2 Fruitless and wasteful expenditure

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

1.7.3 Irregular expenditure

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

1.7.4 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).

1.8 FINANCIAL INSTRUMENTS

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

1.8.1 Financial assets

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

- Trade and other receivables
- Cash and cash equivalents

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

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

1.8.1.1 Loans and receivables

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition, financial assets are measured at amortised cost, using the effective interest method less an allowance for impairment. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

1.8.2 Financial liabilities

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

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

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

Financial liabilities that are measured at fair value through surplus or deficit are stated at fair value, with any resulted gain or loss recognised in the statement of financial performance. Any other financial liability should be classified as financial liabilities that are not measured at fair value through surplus or deficit and are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.9 PROPERTY, PLANT AND EQUIPMENT

1.9.1 Recognition and measurement

All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Items of plant and equipment acquired at no or a nominal cost are initially recognised at fair value at the date of acquisition and are subsequently carried at the initial determined fair value less accumulated depreciation and impairment losses. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of an item of plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs incurred in the acquisition, establishment and installation of such assets so as to bring them to a working condition for their intended use.

This excludes assets funded from government grants. The cost price of assets funded from government grants are reduced by the government grant relating to that asset.

1.9.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the statement of financial performance during the financial year in which they are incurred.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

1.9.3 Depreciation

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful life of each part of an item of plant and equipment at the following rates:

Depreciation rates used are:	Per annum
Computers and computer software	33.3%
Vehicles	20%
Equipment	25%

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with GRAP 100.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

1.9.4 Asset useful lives and residual values

Plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1.9.5 Derecognition

An item of plant and equipment is derecognised on disposal or when no future economic benefits or service potential are expected from its continued use or disposal. The carrying amounts of assets are written off on disposal (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognised.)

1.10 IMPAIRMENT OF ASSETS

The assets are considered for impairment if there is a reason to believe that impairment may be necessary. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ('cash-generating units'). Assets that have been identified as being impaired are reviewed at each reporting date.

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Figures in Rand

2014
R'000

2013
R'000

1.11 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

1.11.1 Provision for impairment of receivables

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

1.12 VAT & POSSIBLE EXEMPTIONS

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.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balance	689	288
Short-term deposits	4,239	4,847
	4,928	5,135

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 significant interest rate risk. The carrying amount of these assets approximates to their fair value.

3. Receivables from exchange transactions

Trade and other receivables	4	36
Accrued interest	9	13
	13	49

Trade and other receivables are classified as loans and other receivables. The fair value of trade and other receivables transactions approximate their fair value.

4. Payables from exchange transactions

Trade payables	116	189
Income received in advance	428	310
Refunds: Rental Income	-	20
	544	519

Trade and other payables are classified as a financial liability. The fair value of trade and other payables transactions approximate their fair value.

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Figures in Rand	2014 R'000	2013 R'000
5. Revenue		
Revenue from Non-exchange transactions		
Transfers and Subsidies received	250	325
Fees from facilities	1,871	1,629
Other operating income	36	-
Revenue from Exchange transactions		
Interest income	248	261
	2,405	2,215
6. Audit fees		
External Audit	203	206
	203	206
7. Cash generated (used in) operations		
Deficit before taxation	(268)	(675)
Adjustment for:		
Interest received	(248)	(261)
Changes in working capital:		
Trade and other receivables	36	232
Provision for doubtful debt	-	-
Trade and other payables	25	256
	(455)	(448)
8. Members fees		
Commission members		
Boezak WA	9	8
Dani LC	9	7
Du Preez	4	6
Jacobs L	-	3
Le Fleur A	5	5
Mostert J	4	8
Ngeyi WM	2	6
Smith MM	7	7
Somdaka SA	-	8
Thamm M	4	7
Visman RN	3	5
Wilson LM	7	5
Witbooi JC	5	10
	59	85

WESTERN CAPE CULTURAL COMMISSION

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

Figures in Rand	2014 R'000	2013 R'000
9. Administrative expenses		
Bank charges	6	7
Entertainment	72	23
Stationery & Printing	60	46
	138	76
10. Transfers and subsidies		
Cultural Councils	210	466
Cape Minstrels	-	300
	210	766
11. Other operating expenses		
Advertising	2	2
Bad debts	-	15
Consulting, contractors & specialised services	55	48
Courier and delivery services	2	1
Donations (Assets)	49	66
Equipment less than R5 000	5	2
Maintenance, repairs & running costs	383	396
Property expenses*	1,235	878
Seminars and symposiums	12	-
Staff training	9	-
Stores / Consumables	164	216
Travel & subsistence	147	133
	2,063	1,757
* Certain facilities were retiled, carpeted and painted.		
* A long outstanding sewerage account originally billed to public works was settled.		
12. Property plant and equipment		
Plant and Equipment		
Additions	49	66
Disposal of Assets	(49)	(66)
Carrying Value	-	-

To ensure effective asset management, this function is centralised within the Department. For the year under review, as compared to the previous year, assets were transferred to the Department of Cultural Affairs and Sport. Grap 17, Property, plant and equipment (derecognition of assets) was applied to account for the effect of the donation at carrying value as at 31 March 2014. The effect of the donated assets is included in the deficit.

WESTERN CAPE CULTURAL COMMISSION

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Figures in Rand

2014
R'000

2013
R'000

13. Related parties

Relationships

Primary funder

Strategic partner

Strategic partner

Department of Cultural Affairs and Sport

Heritage Western Cape

Western Cape Language Committee

Nature of relationship

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

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

Related party balances

Related party transactions:

Income received from related parties

Department of Cultural Affairs and Sport	250	325
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14. Risk Management

Market risk

The entity's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

The entity is not exposed to market risk, due to it being required to settle creditors within 30 days of receiving an invoice as required by the treasury regulations and the PFMA.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. In terms of its borrowing requirements, the entity ensures that adequate funds are available to meet its expected and unexpected financial commitments. All outstanding accounts payable balances are due within 30 days of the reporting date.

Sensitivity analysis

At 31 March 2014, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, post-tax surplus for the year would have been R49,584 higher/lower.

Interest rate risk

The entity's risk profile consists of fixed and floating rate loans and bank balances which exposes the entity to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

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

Figures in Rand		2014	2013			
		R'000	R'000			
Financial Assets						
Trade and other receivables are at a fixed rate of interest. 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	Current	Due 1-30 days	Due 31-60 days	Due 61- 90 days	Due 91+ days	Total
2014 Trade and other receivables – normal credit terms	13	-	-	-	-	13
Provision for bad debts	-	-	-	-	-	-
Net amount	13	-	-	-	-	13
Past due but not provided for	-	-	-	-	-	-
2013 Trade and other receivables – normal credit terms	-	15	3	-	18	37
Provision for bad debts	-	-	-	-	-	-
Net amount	-	15	3	-	18	37
Past due but not provided for	-	-	-	-	-	-
Financial Instrument	Current	Due in less than one year	Due in one to two years	Due in two to three years	Due in three to four years	Due after four years
Cash in current Banking institutions	-	4,928	-	-	-	-
Trade and other Payables – extended Credit terms	-	(544)	-	-	-	-
Net amount		4,384				
Past due but not provided for	-	-	-	-	-	-

Credit risk

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

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties.

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Figures in Rand	2014 R'000	2013 R'000
Maximum exposure to Credit Risk		
Financial Assets		
The entity's exposure to credit risk with regards to loans and receivables is limited to the amounts on the balance sheet.		
5. Irregular Expenditure		
Reconciliation of irregular expenditure		
Opening balance		
Irregular expenditure – Current	0	1
Irregular expenditure – Condoned	0	(1)
Transfer to receivables for recovery	0	
<hr/> Irregular expenditure awaiting condonement <hr/>		