



**Western Cape  
Government**

Cultural Affairs and Sport



Western Cape Cultural Commission  
Wes-Kaapse Kultuurkommissie  
Ikhomishoni yeNkcubeko YeNtshona Koloni



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**Annual Report**  
2018/2019

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## PART A: GENERAL INFORMATION

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## 1. PUBLIC ENTITY'S GENERAL INFORMATION

<b>REGISTERED NAME:</b>	Western Cape Cultural Commission
<b>REGISTRATION NUMBER (if applicable):</b>	Not applicable
<b>PHYSICAL ADDRESS:</b>	3 <sup>rd</sup> Floor, Protea Assurance Building Greenmarket Square Cape Town, 8001
<b>POSTAL ADDRESS:</b>	P. O. Box 1775 Cape Town 8001
<b>WCCC SECRETARIAT</b>	Mr Thandwa Ntshona
<b>TELEPHONE NUMBER/S:</b>	+27 21 483 9714/9672
<b>FAX NUMBER:</b>	+27 21 483 9711
<b>EMAIL ADDRESS:</b>	Thandwa.Ntshona@westerncape.gov.za
<b>WEBSITE ADDRESS:</b>	<a href="http://www.westerncape.gov.za">www.westerncape.gov.za</a>
<b>EXTERNAL AUDITORS:</b>	Auditor-General South Africa Century City, Cape Town, 8000
<b>BANKERS:</b>	Nedbank 5 <sup>th</sup> Floor Nedbank Clock Tower V&A Waterfront Cape Town 8001

## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
AA	Accounting Authority
D: ERM	Directorate Enterprise Risk Management, Department of the Premier
DCAS	Department of Cultural Affairs and Sport
WCCC	Western Cape Cultural Commission
PAA	Public Audit Act
FMPPI	Framework for Managing Programme Performance Information
DTPW	Department of Transport and Public Works
ERM	Enterprise Risk Management
ERMECO	Enterprise Risk Management and Ethics Committee
Cel	Centre for e-Innovation
WOSA	Whole of Society Approach
DoCS	Department of Community Safety

### 3. FOREWORD BY THE CHAIRPERSON



It gives me great pleasure to present the Western Cape Cultural Commission's Annual Report for 2018/19. The Commission's mandate is prescribed by the Western Cape Cultural Commission and Cultural Councils Act, 1998. The service which the Commission is mandated to perform is that of a statutory body that advises the Minister on the preservation, promotion and development of the arts and culture in the communities it represents.

Arts and culture has a wider more measurable impact on our economy, wellbeing, society and education. We need to acknowledge this impact in order to help people to see arts and culture for what it is: a natural resource. Arts and culture is the natural way in which we create relationships in the world and also where we build life experiences. The responsibility of an artist is to consciously bring about change within us.

The Commission has always and still is, honouring its mandate and achieved all its targets. This included the hosting of the capacity building workshop and a Heritage Day event, which was attended by the registered Cultural Councils. During the year under review, the Commission also funded 5 Cultural Councils and there were no new registrations. The Commission made recommendations for a new section into the Code of Conduct that would deal with the attendance of members of the Commission to Plenary and sub-Committee meetings, as well as the allowance of an additional member from the Commission to serve on the Initiation Reference sub-Committee.

The Cultural Councils Committee sought the review of the current policy that governs the registration and deregistration of cultural councils. The review of the policy seeks to align the policy with the development of arts and culture in the societies that we represent. The Initiation Reference sub-Committee hosted the Programme Review Session, which was also attended by the Provincial Coordination Committee and the Traditional Surgeons. The aim of the session was to create uniformity and put systems in place that would help mitigate the risks faced by the initiates.


The Commission also bid farewell to members who served on the previous term of the Commission. As Chairperson, I would like to tender my sincere appreciation to the members for their invaluable contribution to the Commission and their dedicated service in assisting the Commission in achieving its mandate. On 15 November 2018 a newly appointed Commission was inducted for a period of three (3) years. The Commission would also like to congratulate Ms Madre Loubser who has been nominated to represent the Western Cape at the National Arts Council.

The budget of the Commission is limited, however the ongoing interactions with DTPW has resulted in upgrades at the facilities. The Commission continues to build on its previous relationship building exercise and enjoys partnerships with the Department of Cultural Affairs and Sport, and the Department of Transport and Public Works, which is responsible for the maintenance of the cultural facilities. The Commission also intends to further collaborate with Cape Nature, who has committed to provide the Commission with environmental training programmes for initiation, and the Department of Health who assists with medical screening of the initiates. In our mandate to preserve culture the Commission will seek to facilitate the

registration of Traditional Surgeons and the appointment of Carers. The Commission will work on improving its visibility within new communities and stakeholders. The visibility of the Commission, especially in new communities, is imperative for developing and sustaining arts and culture and breaking new ground where opportunities were not found before. The Commission is aware of its financial constraints; as such it seeks to further build relationships with other funding bodies.

I hereby acknowledge the assistance and tender the Commission's sincere gratitude to Ms Jane Moleleki, for her guidance and support, the officials of the Department of Cultural Affairs and Sport for their diligent execution of their duties and my fellow members of the Commission for their support and professional manner of conducting business who together have contributed immensely to the success achieved by the Western Cape Cultural Commission.

I am pleased to announce that the Commission has delivered on its mandate while at the same time, making considerable improvements in promoting and preserving arts and culture in the Western Cape.



**Chuma Fani**  
Chairperson  
Western Cape Cultural Commission  
**31 May 2019**



## 4. ACCOUNTING AUTHORITY OVERVIEW



The Western Cape Cultural Commission (WCCC) is a schedule 3 public entity and operates within the parameters of the Western Cape Cultural Commission and Cultural Councils Act, Act 14 of 1998. It is a statutory body and resides within the Department of Cultural Affairs and Sport.

The aims of the WCCC are to preserve, promote and develop culture in the Western Cape, in accordance with a policy determined by the MEC. Its operations are aligned to its five-year strategic plan as well as its annual performance plan.

The mission of the WCCC is to provide an enabling environment that allows communities an opportunity to share, practice and exhibit their cultural capital. The purpose of this report is to communicate the activities of the WCCC for the financial year 2018/19.

### General financial review

During the year under review the staff complement at the facilities was finalised with the appointment of permanent staff and additional EPWP beneficiaries.

Due to crime, the facilities were forced to increase security measures which placed a strain on the budget of the WCCC. To further mitigate these challenges, a local intervention structure consisting of departments, municipality and public entities have formalised to share resources and reduce the financial burdens.

### Spending trends

Programme/ activity/objective	2018/2019			2017/2018		
	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	4 265	4803	(538)	4 186	4713	(527)
<b>Total</b>	<b>4 265</b>	<b>4803</b>	<b>*(538)</b>	<b>4186</b>	<b>4713</b>	<b>(527)</b>

*\*The over expenditure relates to GRAP 23: Services in Kind adjustment made for salaries of R590 000 related to the financial management staff of the Public Entity. Further detail is explained in the Annual Financial Statements of the WCCC, Note 13.*

### Capacity constraints and challenges facing the public entity

The ownership of Okkie Jooste Cultural Facility remains a challenge and the matter has been referred to legal services.

### **Supply chain management**

No unsolicited bid proposals were entered into for the year under review.

SCM processes and systems are in place to ensure compliance to laws and regulations.

### **Challenges and resolution**

To mitigate safety challenges at the facilities, the Commission installed alarm systems with armed response services, visible security and automated gates with intercom systems.

### **Addressing financial challenges**

The online booking system and the restructuring of the billing system have contributed to an increase in revenue for the year. The financial strain on the coffers of the Commission was eased by the active involvement of the DTPW with regards to maintenance and upgrades at the facilities.

### **Appreciation**

Finally, I would like to express my sincere gratitude to the members of the previous commission for their insight and contribution to furthering the aims of the WCCC. Furthermore, I wish to acknowledge the support and guidance of Minister Anroux Marais.



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Jane Moleleki  
Accounting Authority  
Western Cape Cultural Commission  
**31 May 2019**

## 5. Statement of Responsibility and Confirmation of Accuracy

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 issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999) section 55(1) (d) and section 28.2 of the National Treasury regulations standards applicable to the public entity.

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.

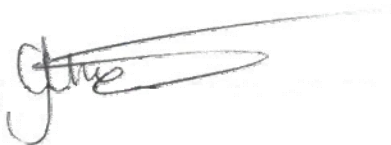
The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, and the financial affairs of the public entity for the financial year ended **31 March 2019**.

Yours faithfully



Jane Moleleki  
Accounting Authority  
Western Cape Cultural Commission  
**31 May 2019**



Chuma Fani  
Chairperson  
Western Cape Cultural Commission  
**31 May 2019**

## **6. STRATEGIC OVERVIEW**

### **6.1. Vision**

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:

- registration and de-registration of cultural councils;
- the provision of 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;
- performing other tasks and functions assigned by the Provincial Minister; and
- advising the Provincial Minister on policy.

### **6.3. Values**

Integrity, Accountability, Competence, Responsiveness, Innovation 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).

### 7.1. Constitutional mandates

Section	Description
<b>Constitution of the Republic of South Africa, 1996</b>	
Section 6 (3), (4) and (5): Language	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, in collaboration with the Department of Cultural Affairs and Sport (DCAS), is responsible for monitoring and evaluating the implementation of the Western Cape Provincial Language Policy, adopted in 2005, 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.
Section 30: Language and culture	The Western Cape Cultural Commission (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	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 195: Basic values and principles governing public administration	The Department of Cultural Affairs and Sport (DCAS) officials who are responsible for executing the mandate of the WCCC 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.
<b>Constitution of the Western Cape, 1997 (Act 1 of 1998)</b>	
Section 70	Provincial legislation must provide for the establishment and reasonable funding, within the Province's available resources, of a cultural council or councils for a community or communities in the Western Cape sharing a common cultural and language heritage. DCAS has oversight of the WCCC regarding the implementation of the legislation that was promulgated for this purpose.  The Western Cape Cultural Commission, one of the provincial public entities for which DCAS is responsible, is tasked with the registration of, and support to, registered cultural councils.

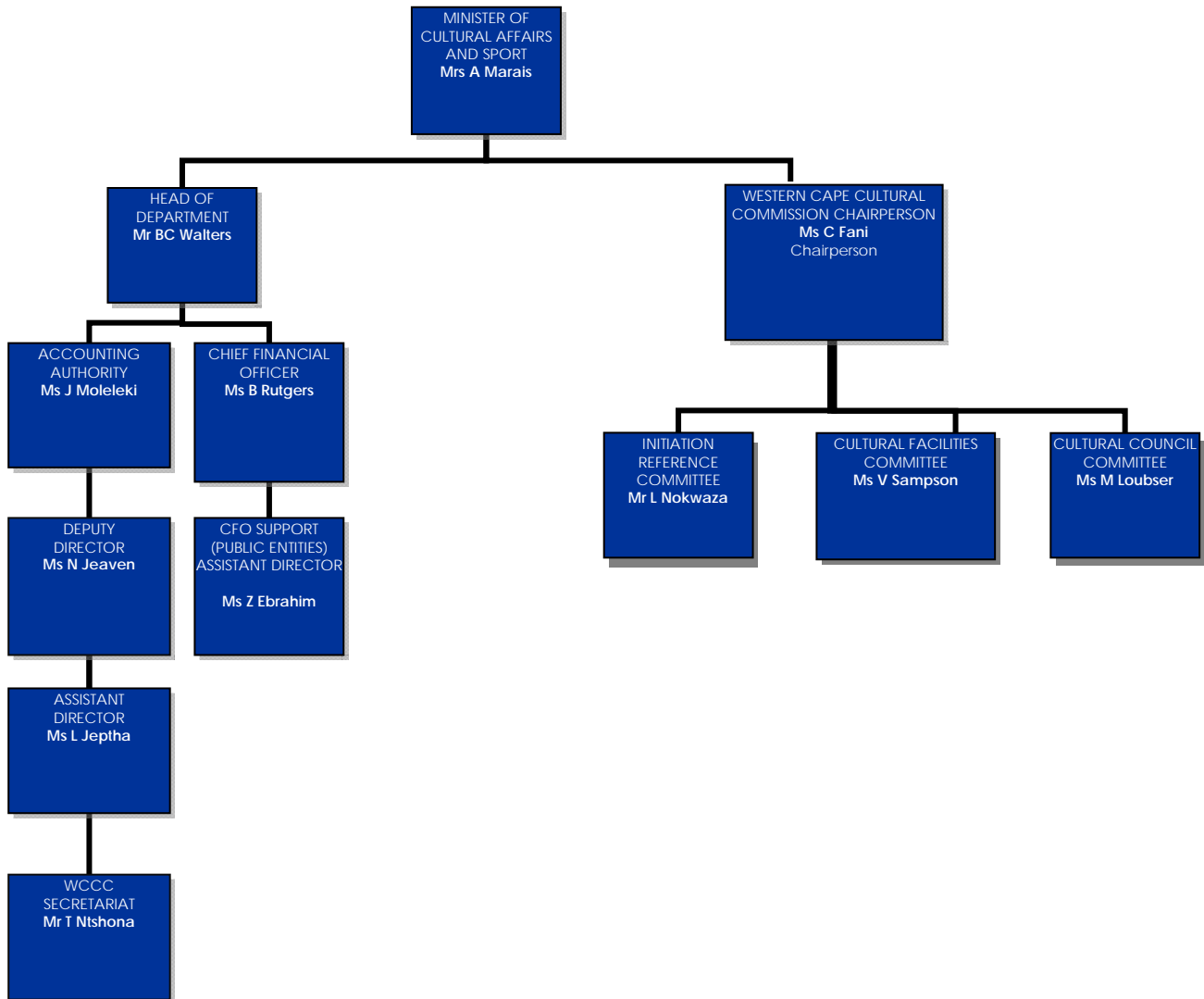
## 7.2 Legislative mandates

Legislation	Reference	Key Responsibilities of the WCCC
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 – provincial Minister]. The mandate of the WCCC is to advise the MEC on the preservation, promotion and development of arts and culture in the Western Cape.
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.
Promotion of Administrative Justice, 2000	Act 3 of 2000	This Act: <ul style="list-style-type: none"> <li>• sets out the rules and guidelines that administrators must follow when making decisions;</li> <li>• requires administrators to inform people about their right to review or appeal and their right to request reasons;</li> <li>• requires administrators to give reasons for their decisions; and</li> <li>• gives members of the public the right to challenge the decisions of administrators in court.</li> </ul>
Promotion of Access to Information Act, 2000	Act 2 of 2000	This Act gives effect to the right to have access to records held by the state, government institutions and private bodies. Among other things, DCAS and every other public and private body must: <ul style="list-style-type: none"> <li>• compile a manual that explains to members of the public how to lodge an application for access to the information that the body holds; and</li> <li>• appoint an information officer to consider requests for access to information held by the body.</li> </ul>
Protection of Personal Information Act, 2013	Act 4 of 2013	The Act promotes the protection of personal information processed by public and private bodies to introduce certain conditions 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.  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.

### 7.3 Policy mandates

Policies	Description
Code of Conduct for the WCCC Members	The primary purpose of the Code is to promote exemplary conduct so that the WCCC has credibility.
Registration and De-registration of Cultural Councils Policy	To give effect to the principle of respecting, nurturing, upholding and protecting cultural diversity in the Western Cape and South Africa as a whole by registering and deregistering cultural councils.
The Cultural Facilities Usage Policy	The Accounting Authority of the public entity must manage revenue economically and effectively by developing and implementing appropriate process to provide for the identification, collection, recording, reconciliation and safeguard information about revenue.
WCCC Delegations	Delegation of powers issued by the Accounting Officer in terms of section 44(1) and 44(2) of the Public Finance Management Act, 1999 (PFMA).
Materiality Framework	The Accounting Authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant Executive Authority in consultation with external auditors.
Fraud Prevention Plan	This policy provides response mechanisms to report investigate and resolve incidents of fraud.
Remuneration of members	To provide a framework for the payment of members of the Western Cape Cultural Commission nominated to attend conferences, events, meetings and workshops.
Initiation Framework and Protocol 2014	This framework provides guidance on the cultural practice of initiation to local cultural organisations, municipalities and other authorities

## 8. ORGANISATIONAL STRUCTURE





## PART B: PERFORMANCE INFORMATION

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## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain 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 reported under the Predetermined Objectives heading in the report on other legal and regulatory requirement section of the auditor's report.

Refer to page 51-55 for the report of the Auditor General, published as Part E: Financial Information of this Annual Report 2018/19

## 2. SITUATIONAL ANALYSIS

### 2.1. Service Delivery Environment

The Cultural facilities are cultural hubs for community organisations and government departments to roll out their respective programmes in an idyllic environment.

It is evident that there is a great appreciation by the users of our facilities; however, they are not exempt from the social challenges faced by communities. The current crime incidents experienced at the facilities commands that the WCCC prioritise the implementation and continuation of safety measures such as visible security and armed response at facilities.

The Department has nurtured a close working relationship with the DTPW which has yielded positive outcomes. The Okkie Jooste facility was closed for the financial year, due to the upgrades which were facilitated and paid for by DTPW. Maintenance work and upgrades have also commenced at the Schoemanspoort facility in Oudtshoorn as well as Bien Donne Manor House in Simondium and will be completed in the new financial year.

The advent of the electronic online booking system has resulted in an increase in revenue for the facilities. Income was estimated to be R1 431 000 for the financial year however R1 961 000 was generated for the financial year under review, despite the largest and most utilised facility (Okkie Jooste) being closed for the period.

To improve communication and as part of the business continuity plan at the outlying offices, Wi-Fi was installed at Melkbos Oppie See and Okkie Jooste cultural facility, respectively.

### 2.2 Organisational environment

In terms of section 13 of the Western Cape Cultural Commission and Cultural Councils Act, 1998, no 14 of 1998, staff members of the Department of Cultural Affairs and Sport are responsible for the administrative work of the WCCC. The Commission's Secretariat is located within the DCAS Arts and Culture component. CFO Support assist with procurement and payments related to members and activities of the WCCC.

The Minister of Cultural Affairs and Sport appointed 14 new members which ensured that the Commission operated as stipulated in the Western Cape Cultural Commission and Cultural Councils Act, no 14 of 1998. The three-year term of the newly appointed Commission, commenced on 15 October 2018 and ends on 14 October 2021.

An induction session was held with members to introduce them to the functioning and responsibilities of the WCCC as well as the legislative requirements. They were also given an overview by the Minister and senior managers of the mandate of the Department and how the WCCC assists in achieving it.

As stipulated in the Annual Performance Plan of the WCCC, the plenary meetings take place on a quarterly basis while the meetings of the Cultural Council Committee and the Cultural Facilities Committee are held biannually.

In order to give effect to the mandate of the WCCC, the committees are responsible for various aspects assigned to the WCCC. The committees include the Cultural Facilities Committee, the Cultural Council Committee as well as the Initiation Committee which consists of members of the WCCC as well as members of the Initiation Reference group that advises the Minister on issues related to the Initiation Programme.

The WCCC has no permanent staff and the administrative tasks are being performed by staff within the Department.

**2.3 Key policy developments and legislative changes**

n/a

**2.4 Strategic Outcome Oriented Goals**

Strategic Goal	To promote, develop and transform cultural activities in the Western Cape
Goal Statement	<ul style="list-style-type: none"> <li>• Increase utilisation of cultural facilities by citizens of the Western Cape</li> <li>• Promote cultural connectedness through dialogue with cultural councils and;</li> <li>• To promote social inclusivity.</li> </ul>

### 3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/ OBJECTIVE

#### PROGRAMME: WESTERN CAPE CULTURAL COMMISSION

The purpose of the Western Cape Cultural Commission is to advise the Minister on how best to implement the mandate of the WCCC according to the Western Cape Cultural Commission and Cultural Councils Act, No. 14 of 1998.

#### DESCRIPTION

The Western Cape Cultural Commission has three performance areas as prescribed by the Western Cape Cultural Commission and Cultural Councils Act, No. 14 of 1998. These areas determine the functions of the Commission namely:

- control, manage, develop and maintain movable and immovable property including the management of the seven cultural facilities;
- manage the registration and deregistration of cultural councils; and
- advise the MEC on how best to achieve the mandate of the Commission.

#### Maintenance at the facilities

There has been an increased focus on improving the facilities in order to transform them from buildings being rented to interactive spaces for communities. They remain a vehicle for communities to experience growth and self-development in a positive and calming environment. There has been a remarkable increase in the number of disabled and vulnerable groups utilising the facilities. Programmes presented by clients have become very diverse and outcome focussed.

The closer working with DTPW has led to a condition assessment being completed for the facilities. This has resulted in much needed upgrades being done. Improvements at the facilities have not only been aesthetic but also functional. The upgrades at Melkbos included lights being installed which have become a deterrent for abalone poachers who used the facilities as a thoroughfare. The monitoring of water usage at the Groot Drakenstein facility proved challenging and resulted in water meters being installed by DTPW to assist in monitoring usage in order to determine cost. This became urgent as the department was being billed by the ARC, without having accurate readings of water utilised. Health and safety remains a priority at the facilities and therefore an automated gate with an intercom system was installed at the Schoemanspoort facility.

Okkie Jooste had a complete revamp which commenced with the installation of solar panels for both the kitchen and ablution areas. In the kitchen ceiling boards and fans were installed, thus making it more hygienic and cooler in summer. Further the floor was retiled and an effective drainage system was installed as well as the electricity supply was rewired. The ablution facilities were fully upgraded and the geysers are now all solar powered.

At Koekenaap the water tank was upgraded and enclosed to protect it from the elements and vandalism. Further to note that the Bien Donne Manor House, which has heritage significance, is in the process of being restored.

The upkeep of the facilities, as per the Maintenance Plan of the WCCC, included the painting and refitting of new curtains at Melkbos Cultural Centre as well as a new office being equipped at Melkbos Oppie See to ensure that staff is in close proximity to monitor activities at both centres. Daily maintenance continues at all the facilities to ensure that the facilities remain in an acceptable condition for users.

The Department is committed to reducing unemployment and has consciously created opportunities for youth from surrounding areas to access employment through the EPWP and Young Patriots Programme. This affords youth an opportunity to acquire work exposure and marketable skills and simultaneously created an income for many households in dire need of financial resources.

### **Cultural Councils**

The Cultural Council committee facilitated two activities to give expression to cultural diversity and promote their cultural capital as a tool to benefit them economically and intellectually.

The event in Khayelitsha focussed on interaction and sharing of cultural products amongst a diverse audience and highlighting similarities shared. The day was about demonstrating that heritage is priceless and should be embraced and preserved for future generations.

The second event focussed on best practice models and afforded structures an opportunity to share and learn from one another. Presentations focussed on building organisations using that which is inherent to them and their cultural products and practices. The presentations focused on Cultural and Artistic Products and business models and were presented by the Griqua National Conference of South Africa, Women Unite and the Rainbow Arts Academy.

Transfer payments were made to five of the nine registered Cultural Councils who had applied for funding. Funding was disbursed towards a festival in Paarl and cultural projects at Oude Molen, Strandfontein, Tokai and Robertson.

### **Initiation Reference Committee**

The current Initiation Reference Committee was appointed in March 2019 and had an induction meeting on 12 March 2019 at Groot Drakenstein Cultural Facility, Paarl. The Initiation Reference Committee plays a critical role in support of the Department's Initiation Programme. It serves as an advisory body pertaining to the initiation practice, identifies challenges and advises on the development of strategies and mechanisms to address these challenges. Furthermore, it identifies aspects of culture to deepen current knowledge. The Initiation Reference Committee assists in strengthening Initiation Forums where necessary. The Initiation Reference Committee held an annual meeting where they reported on the outcomes of the past summer season and planned for the winter initiation season.

## **3.1 Strategic objectives**

**Strategic Objective:** The preservation, promotion and development of arts and culture through cultural councils, management of cultural facilities and the initiation reference committee.

PROGRAMME /ACTIVITY /OBJECTIVE					
Strategic Objectives Indicator	Actual Achievement 2017/18	Planned Target for 2018/19	Actual Achievement for 18/19	Deviation from planned target to actual achievement for 2018/19	Comments on Deviation
To advise on preservation, promotion and development of arts and culture through plenary meetings and activities to enhance social inclusion.	20	18	18	-	n/a

### 3.2. Key performance indicators, planned targets and actual achievements

Programme/activity / objective							
Performance Indicator	Audited/Actual Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18				
Number of events to prove access and promote networking, social inclusion and cultural connectedness	3	3	3	2	2	-	n/a
Number of facilities upgraded and maintained to ensure suitability and safety for users	7	7	7	7	7	-	n/a
Number of plenary, subcommittee and strategic meetings to advise the Minister	14	8	10	9	9	-	n/a

## Strategy to overcome areas of under performance

All planned targets were achieved as set out for the 2018/19 financial year.

## Changes to planned targets

None

## Linking performance with budgets

### Spending trends

Programme/activity/objective	2018/2019			2017/2018		
	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	4 265	4803	(538)	4 186	4713	(527)
Total	4 265	4803	(538)*	4186	4713	(527)

\*The over expenditure relates to GRAP 23: Services in Kind adjustment made for salaries of R590 000 related to the financial management staff of the Public Entity. Further detail is explained in the Annual Financial Statements of the WCCC, Note 13.

## 4. Revenue collection

Sources of revenue	2018/2019			2017/2018		
	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	2 659	3 716	(1 173)	2 823	2 467	356
Transfer	1 506	1 506	0	1183	1 183	
Interest	100	129	(29)	180	180	
Total	4 265	5 351	(1 086)*	4 186	3 830	356

\*The over collection relates to GRAP 23: Services In-Kind adjustment made for salaries of R590 000 related to the financial management staff of the Public Entity. Further detail is explained in the Annual Financial Statements of the WCCC, Note 13

\*The over collection in revenue mainly relates to insurance claims received for the arson attack at the Okkie Jooste cultural facility. Further detail is explained in the Annual Financial Statements of the WCCC.

### 4.1. Capital investment

Not Applicable

## PART C: GOVERNANCE

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## 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 and the Companies Act, cooperate governance with regard to public entities is applied through the prescripts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King III report on Corporate Governance.

This report provides an overview of the governance embedded in the entity.

## 2. PORTFOLIO COMMITTEES

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

Standing Committee on Cultural Affairs and Sport and Public Accounts Committee	
Date of Hearing	Matter Under Consideration
2 May 2018	Briefing by the Department of Cultural Affairs and Sport and its entity on the first, second and third Quarterly Performance Reports for 2017/18
16 October 2018	Discussion on the Department of Cultural Affairs and Sport's 2017/2018 Annual Report, as well as the Western Cape Cultural Commission
23 November 2018	DCAS Vote 13: WC Adjustment Appropriation
12 March 2019	DCAS Vote 13: WC Appropriation

## 3. EXECUTIVE AUTHORITY

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

Quarterly Performance Report	31 July 2018, 31 Oct 2018, 31 Jan 2019, 30 April 2019
In-year Monitoring Report	31 July 2018, 31 Oct 2018, 31 Jan 2019, 30 April 2019

## 4. THE WESTERN CAPE CULTURAL COMMISSION

### The importance and purpose of the Commission

The legislative mandate of the Western Cape Cultural Commission is to preserve, promote and develop culture in the Western Cape, in accordance with the Western Cape Cultural Commission and Cultural Councils Act, Act 14 of 1998.

**The WCCC amongst others:**

- a) considers the registration and deregistration of cultural councils;
- b) controls, manages, develops and maintains movable or immovable property placed under its supervision; and
- c) performs such other functions as the Provincial Minister may assign to the Commission.

**The role of the Commission is as follows:**

The Cultural Commission may give assistance within its available resources, to a cultural council or councils as established under the Act, by

- a) subsidising culturally related projects, research and conferences as from time to time determined by the Provincial Minister, and for which a cultural council or council have applied;
- b) promoting and co-ordinating national and international intercultural contact; and
- c) providing information to preserve, promote and develop culture.

## Board Charter

The Western Cape Cultural Commission does not have a formal charter but is guided by the Western Cape Cultural Commission and Cultural Councils Act 14 of 1998.

Composition of the Commission as appointed for the term: **September 2015 – September 2018**

Name	Designation (in terms of the Public Entity Board 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
Basse Bulelwa	Chairperson	30 September 2015	n/a	Computer literacy	Performing Arts; Literary Arts; Humanities (History, Art, cultural history, culture). Involvement of youth in culture	None	None	8
Crous Johann	Deputy Chairperson (elected on 23 August 2017 at Plenary meeting)  Member: Cultural Council Committee	30 September 2015	n/a	Higher Diploma in Education of Arts. Diploma in Dramatic Arts. Diploma in Textile Design. 1 yr. Business Studies Course. Photography	Literary Arts; Humanities (History, Art, cultural history, culture). Involvement of youth in culture. Fundraising for cultural programmes	None	None	6
Fani Chuma	Chairperson: Cultural Council Committee	30 September 2015	n/a	B Admin Public Admin (Honours)	Performing Arts; Involvement of youth in culture; Promotion of culture through media	None	None	6
Fefeza Patrick Zoyisile	Chairperson: Initiation Reference Committee	30 September 2015	n/a	BA (History Anthropology) Post Grad. Diploma (Museums/ Heritage Studies (UWC)	Literary Arts; Humanities (History, Art, cultural history, culture). Involvement of youth in culture Cultural Industries.	None	None	5
Kindo Wilma Josephine	Member: Cultural Council Committee	30 September 2015	n/a	Diploma, Library and Information Science (UWC)	Literary Arts Humanities (History, Art, cultural history, culture). Involvement of youth in culture.	None	None	5

Name	Designation (in terms of the Public Entity Board 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
Le Fleur Anthony	Member: Cultural Facility Committee	30 September 2015	n/a	President of Griqua National Conference. President of Choir Association. Board member of NKC	Humanities (History, Art, cultural history, culture). Involvement of youth in culture; Cultural Industries; Performing Arts	None	None	6
Witbooi John Cornelius	Member: Cultural Facility Committee	30 September 2015	n/a	Educator; National leader of Witbooi Nama clan. National chairperson of the working committee for the Khoe and the Bushman	Humanities (History, Art, cultural history, culture). Involvement of youth in culture. Management of cultural facilities. Nama culture	None	None	2
Kamaldien Yazeed	Chairperson: Cultural Facility Committee	17 May 2017	n/a	Degree in Journalism (CPUT), Post Grad Dipl: Media Management (Rhodes), Film making and Photography Course	Freelance journalist, documentary and photo exhibition producer, production manager, radio presenter	Member of the International Association of Religion Journalists, Board member of the Association for Visual Arts, writing about culture, heritage and the arts		5
Mobbs John Bernard	Member: Cultural Council Committee	17 May 2017	n/a	BA, Secondary Teacher's Dip. (UWC), B.Ed.(UNISA), M.Ed. Cum Laude(UPE), Teacher's Higher Bilingual Certificate, D.Ed.(UPE), Certificate in Marketing and Marketing Research(UNISA), Project Management	Performing Arts, Literary Arts, involvement in youth culture, cultural industries, enhancement of multi-culturalism in South Africa	DD Health, CEO DP Marais TB Hospital, Consultant Educational Research, Vice Rector of Southern Cape Teacher's Training College, Chairperson of		6

Name	Designation (in terms of the Public Entity Board 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
				(UCT)		SANTA Provincial and National.		
Le Roux Daniel Stephanus	Member: Cultural Facility Committee	17 May 2017	n/a	D Tech Drama (Technikon Pretoria), MA Drama (UP), Higher Diploma Ed (US), Hons B Drama (US)	Performing Arts, Literary Arts, Humanities, involvement of youth in culture, cultural industries, visual arts	Member of the WC Language Committee, WC Provincial Geographical Place Name Committee, Heritage WC. Afrikaans Language Board		6
Beukes Edwill Roland	WCCC Member  The member withdrew his appointment acceptance	17 May 2017	May 2017	Nat Diploma: Financial Management (N6)	Accountant  Involvement in youth in culture	Various executive member roles on the Griqua Christian Youth Society		n/a
<b>THE FOLLOWING PERSONS SERVED ON THE INITIATION REFERENCE COMMITTEE TO THE WCCC, TOGETHER WITH THE WCCC MEMBERS</b>								
Dani Lizo	Member: Initiation Committee	1 July 2016	n/a	NTC (Mechanical Engineering). Apprenticeship Trade Diploma. Certificate in Training Instructor. Computer Theory. Project management	Cultural Development (Initiation) Costume Making Project coordination	None	None	n/a
Jama Zukile	Member: Initiation Committee	1 July 2016	n/a	PhD Linguistics, UCT, 2007. MA in African Languages, UCT, 1995 BA Honours in African Languages, Unisa 1998 BA majoring in History	Language and Culture Career oriented language teaching. Second language teaching Social research	None	None	n/a

Name	Designation (in terms of the Public Entity Board 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
				Vista University PE 1985	African Literature			
Mazinyo Mbombi	Member: Initiation Committee	1 July 2016	n/a	First Aid Training Fire management training	Traditional leadership	None	None	n/a
Nongalaza Mzwandile	Member: Initiation Committee	1 July 2016	n/a	First Aid Training Fire management training	Traditional leadership	None	None	n/a
Ponoane Neho	Member: Initiation Committee	1 July 2016	n/a	Community worker	Community liaison officer	None	None	n/a
Sebetoane Thabang	Member: Initiation Committee	1 July 2016	n/a	Matric 1998	Sotho traditional leadership	None	None	n/a

Composition of the Commission as appointed for the term: **October 2018 – October 2021.**

Name	Designation (in terms of the Public Entity Board 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
Fani Chuma	Chairperson	15 October 2018	n/a	B Admin Public Admin (Hons)	Performing Arts; Involvement of youth in Culture. Promotion of culture through media.	None	None	3
Zukile Jama	Deputy Chairperson (elected on 29 November 2018 at Plenary meeting.  Member: Cultural Council Committee	15 October 2018	n/a	B.A Hons in African Languages MA in African Languages BA Degree	Humanities (History, Art, cultural history, culture). Cultural industries. Languages	None	None	3

Name	Designation (in terms of the Public Entity Board 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
Baard Petronel	Member: Cultural Council Committee	15 October 2018	n/a	Drama Degree BA Drama Hons	Chairperson of Mosselbay Creative Cultures Association. Community involvement in Arts and Culture programs in Music and Theatre.	None	None	3
Fefeza Patrick Zoyisile	Member: Cultural Facilities Committee	15 October 2018	n/a	BA (History Anthropology) Post Grad. Diploma (Museum/ Heritage Studies (UWC))	Literary Arts; Performing Arts, Humanities (History, Art, Cultural history, culture). Involvement of youth in culture	None	None	4
Benjamin Herschelle	Member: Cultural Council Committee	15 October 2018	n/a	BA Arts (Drama and Theatre) BA Hons (Drama and Theatre studies) MA Drama and Theatre studies (TANS)	Literary Arts Humanities (History, Art, cultural history, culture). Involvement of youth in culture. Literary arts	None	None	3
Nokwaza Lungelo	Chairperson: Initiation Reference Committee	15 October 2015	n/a	Bachelor of Arts Higher Diploma in Education Advanced Diploma for Educators of Adults Honours in Bachelor of Administration Philosophy Degree Postgraduate Diploma in Law	Policy Formulation. Literary Arts. Humanities (history, art, cultural history, involvement of youth in culture, Cultural industries (cultural tourism; craft, design)	None	None	4

Name	Designation (in terms of the Public Entity Board 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
				Master of Arts School of Public Leadership				
Witbooi John Cornelius	Member: Cultural Facility Committee	15 October 2018	n/a	Educator; National leader of Witbooi Nama clan. National chairperson of the working committee for the Khoe and the Bushman	Humanities (History, Art, cultural history, culture). Involvement of youth in culture. Management of cultural facilities. Nama culture.	None	None	1
Sampson Vicky	Chairperson: Cultural Facility Committee	15 October 2018	n/a	Grade 10 (Standard 8)	Performing Arts; Involvement of youth in culture; Cultural industries (cultural tourism, craft, design)	None	None	4
Prince Joko	Member: Initiation Reference Committee	15 October 2018	n/a	B. Tech in HR Degree in Management	Humanities (History, Arts Cultural history) Involvement in youth culture.	None.	Gugulethu Initiation Forum	4
Joubert Jurie	Member: Cultural Councils Committee	15 October 2018	n/a	Primary Teachers Diploma BA Hons in History (Free State University) MA in writing history Contribution to party politics	Creation of a balanced history of Western Cape; preservation of Khoi history; Support to youth; Teaching illiterate people.	None	None	2
Loubser Madre'	Chairperson: Cultural Councils Committee	15 October 2018	n/a	Bachelor of Music (M. Music) Performance Diploma in Music Certificate in Music	Performing and Literary Arts. Qualified Musician.	None	None	3



Name	Designation (in terms of the Public Entity Board 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
Nongalaza John	Member: Cultural Councils Committee	15 October 2018	n/a	Bachelor of Law (B Yuris) Master of Philosophy (Applied Theology)	Regulation and control of initiation.	None	None	3
Rall Medee	Member: Cultural Councils Committee	15 October 2018	n/a	Bachelor of Arts Diploma for Educators of Adults Master's Degree in Education PhD candidate	Literary Arts. Humanities (history, art, cultural history, culture). Museums and Heritage.	None	None	3
Ryke Elizabeth	Member: Cultural Facilities Committee	15 October 2018	n/a	B Music Public Relations course; Christian Counseling course; Marimba Training course; and Project Management course.	Performing Arts. Humanities (history, art, cultural history, culture); Involvement of youth in culture; Cultural industries (cultural tourism, craft, design)	None	None	3

**Committees:**

Committee	No. of meetings held	Number of members	Appointment Date	Name of members
Plenary Session	5 (inclusive of Induction meeting)	10	30 September 2015	Basse Bulelwa Crous Johann Fani Chuma Fefeza Patrick Zoyisile Le Fleur Anthony Witbooi John Cornelius Kindo Wilma Josephine Kamaldien Yazeed Mobbs John Bernard Le Roux Daniel Stephanus
		14	15 October 2019	Fani Chuma Jama Zukile Sampson Vicky Loubser Madre' Lungelo Nokwaza Ntsikelelo Nongalaza Joubert Jurie Rall Medee Joko Prince Ryke Elizabeth Witbooi John Fefeza Zoyisile Lungelo Nokwaza Herschelle Benjamin
Cultural Councils	1	5	30 September 2015	Fani Chuma

Committee	No. of meetings held	Number of members	Appointment Date	Name of members
		8	15 October 2018	Crous Johann Kindo Wilma Josephine Basse Bulelwa Mobbs John Bernard  Fani Chuma Ntsikelelo Nongalaza Joubert Jurie Loubser Madre' JamaZukile Baard Petronel Herschelle Benjamin Rall Medee

Committee	No. of meetings held	Number of members	Appointment Date	Name of members
Cultural Facilities	2	5	30 September 2015	Kamaldien Yazeed Basse Bulelwa Le Fleur Anthony Witbooi John Cornelius Le Roux Daniel Stephanus
		4	15 October 2018	Sampson Vicky Ryke Elizabeth Witbooi John Fefeza Zoyisile
Initiation Reference Committee to the WCCC	1	6	30 September 2015	Duly elected WCCC member: Fefeza Zoyisile Patrick Members co-opted onto the Initiation reference committee: Jama Zukile Nongalaza Mzwandile Sebetoane Thabang Mazinyo Mbombi Ponoane Neho
		8	15 October 2018	Duly elected WCCC member/s: Nokwaza Lungelo Joko Prince Members co-opted onto the Initiation reference committee:

Committee	No. of meetings held	Number of members	Appointment Date	Name of members
				Gincana Mzwandile Nongwe Toto Blaai Mlungisi Lekena David Malamlela Muzi Fonk S Bonisile

## Remuneration of Commission 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 R486.00 per hour, the Deputy Chairperson's rate is R342.00 per hour and the rate for members is R298.00 per hour.

Name	Remuneration (R'000)	Other allowance (R'000)	Other re-imbursments	Total (R'000)
Basse Bulelwa	6	1	-	7
Crous Johann	3	1	-	4
Fani Chuma	6	2	-	8
Fefeza Patrick Zoyisile	5	-	-	5
Kindo Wilma Josephine	3	-	-	3
Le Fleur Anthony *	3	17	-	20
Witbooi John Cornelius	3	3	-	6
Kamaldien Yazeed	-	-	-	-
Mobbs John Bernard	2	-	-	2
le Roux Daniel Stephanus	3	1	-	4
Lungelo Nokwaza	3	1	-	4
Baard Petronel *	2	13	-	15
Ryke Elizabeth	2	1	-	3
Herschelle Benjamin	3	-	-	3
Joubert Jurie	2	1	-	3
Ntsikelelo Nongalaza	2	1	-	3
Loubser Madre'	2	-	-	2
Joko Prince	3	-	-	3
Sampson Victoria	3	-	-	3
Zukile Jama	2	-	-	2
Rall Medee	2	-	-	2
<b>Sub total</b>	<b>60</b>	<b>42</b>	<b>-</b>	<b>102</b>
<b>REFERENCE COMMITTEE TO THE WCCC ON INITIATION:</b>				
Sebetoane Thabang	-	-	-	-
Nongalaza Mzwandile	-	-	-	-
Mazinyo Mbombi	-	-	-	-
Dani Lizo	-	-	-	-
Ponoane Neho	-	-	-	-
Jama Zukile	-	-	-	-
Mzwandile Gincana	1	-	-	1
Mlungisi Blaai	1	-	-	1
Muzi Malamlela	1	-	-	1
<b>Sub total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Total</b>	<b>63</b>	<b>42</b>	<b>-</b>	<b>105</b>

*Other allowances include accommodation and travelling costs.*

*\*The WCCC members resides in the Eden region, therefore, travelling and accommodation costs are comparatively higher.*

## 5. RISK MANAGEMENT

The Entity forms part of the Department's established Enterprise Risk Management and Ethics Committee (ERMECO) to assist the Accounting Authority in executing her responsibilities relating to risk management.

## ERMECO RESPONSIBILITY

The Enterprise Risk Management and Ethics Committee (ERMECO) reports that it has complied with its responsibilities arising from Section 55 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 27.2.1 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 31 March 2017) 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 selected members of the Department's management team. The Accounting Authority is part of the committee. Aspects pertaining to the Western Cape Cultural Commission are discussed in this forum. As per its Terms of Reference, the ERMECO met at least four times (quarterly) during the year under review.

The table below discloses relevant information on ERMECO members:

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED	DATE APPOINTED
Mr B Walters	Accounting Officer (ERMECO Chairperson)	4	4	31/03/2017
Ms B Rutgers	Director: Financial Management – (CFO)	4	4	31/03/2017
Ms C Sani	Director: Library Service	4	3 (a representative attended one meeting during Ms Sani's absence)	31/03/2017
Mr D Esau	Deputy Director: Internal Control (Risk Champion)	4	3	31/03/2017
Mr D Flandorp	Deputy Director: Corporate Relations Unit (Ethics Officer)	4	3	31/03/2017
Mr G Mohamed	Deputy Director: Enterprise Content Management	4	1	31/03/2017
Mr G Redman	CD: Cultural Affairs	4	4	31/03/2017
Ms J Boule	CD: After-School Game Changer	4	2	31/03/2017
Ms J Moleleki	Director: Arts, Culture and Language AA: WCLC AA: WCCC	4	4	31/03/2017
Dr L Bouah	CD: Sport and Recreation	4	4	31/03/2017

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED	DATE APPOINTED
Dr M Dlamuka	Director: Museums, Heritage and Geographical Names Services AA: HWC	4	2 (a representative attended one meeting during Dr Dlamuka's absence)	31/03/2017
Ms N Momoti	Director: Provincial Archive Service	4	1	31/03/2017
Ms N Dingayo	Director: Provincial Archive Service	4	1	12/03/2019
Mr S Julie	Director: Strategic and Operational Management Support	4	3	31/03/2017
Mr T Tutu	Director: Sport Promotion	4	3(a representative attended one meeting during Mr Tutu's absence)	31/03/2017
Mr P Hendricks	Director: Sport Development	4	4	31/03/2017

OTHER ATTENDEES	POSITION	SCHEDULED MEETINGS	ATTENDED
Ms A Haq	Director: Enterprise Risk Management (DotP)	4	3
Mr D Micketts	Chief Risk Advisor: Enterprise Risk Management (DotP)	4	4
Ms M Natesan	Deputy Director: Provincial Forensic Services (DotP)	4	3 (a representative attended one meeting during Ms Natesan's absence)



## **ERMECO KEY ACTIVITIES**

The Accounting Officer is the chairperson of the ERMECO and the Deputy Director: Internal Control is the Risk Champion of the department. The Accounting Authority represents WCCC at ERMECO.

In executing its function, the ERMECO performed the following key activities during the year:

- Reviewed the Public Entity's Risk Management Policy, Strategy and Implementation Plan; for recommendation by the Audit Committee and approval by the Accounting Officer;
- Set, reviewed and applied appropriate risk appetite and tolerances, and recommended same for approval by the Accounting Authority;
- Reported to the Accounting Authority any material changes to the risk profile of the Public Entity;
- Identified emerging risks;
- Reviewed the Fraud Prevention Plan (Strategy, Policy and Implementation Plan) and recommended for approval by the Accounting Authority;
- Evaluated the extent and effectiveness of integration of risk management within the department and Public Entity;
- Assessed the implementation of the Public Entity Risk Management Policy, Strategy and Implementation Plan;
- Assessed the implementation of the public entity Ethics Management approach;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks;
- Provided oversight on ethics management for the public entity.

## **KEY RISKS CONSIDERED AND ADDRESSED DURING THE YEAR**

The following are the key risks that were considered and addressed during the year:

- A newly elected committee which may lack the required competencies in terms of their mandate
- Inadequate safeguarding of cultural/facilities' infrastructure
- Insufficient rental income to cover expenditure on maintenance for the facilities.

Other risks were deliberated/debated 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 that should be analysed more extensively and recommended additional mitigations or actions to manage risks.

## **KEY EMERGING RISKS FOR THE FOLLOWING FINANCIAL YEAR**

The Committee acknowledged that additional risks will be discussed and considered during the next financial year.

## **CONCLUSION**

There has been significant progress with the management of risks during the 2018/19 financial year. Good progress was made in embedding risk management and raising the risk maturity level within the entity which has contributed to favourable departmental performance.

## **6. INTERNAL CONTROL UNIT**

It is the responsibility of the Accounting Authority to continually assess and evaluate internal controls to ensure that the control activities in place are effective, efficient and transparent and that they are improved when necessary. To achieve this, quarterly key control meetings were held with the Auditor-General and the Minister. This is an ongoing process to ensure that WCCC obtains clean audit outcomes. The entity has devised an Internal Control Strategy and Plan 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 the Accounting Authority with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department and entity. It should assist the Department and 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 Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency; and
- developing recommendations for enhancement or improvement.

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

- Internal Audit function
- External Audit function (Auditor General of South Africa - AGSA)
- Departmental Accounting and reporting
- Departmental Accounting Policies
- AGSA management and audit report
- Departmental In year Monitoring
- Departmental Risk Management
- Internal Control
- Pre-determined objectives
- Ethics and Forensic Investigations

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

Name	Qualifications	Internal or External	If internal, position in the Department	Date Appointed	Date Resigned	No of Meetings attended
Mr Ameen Amod	MBA; CIA; CGAP; CRMA; BCOM	External	N/a	01 January 2019 (2 <sup>nd</sup> term)	N/a	7
Ms Judy Gunther	CIA; AGA; CRMA; Masters in Cost Accounting; BCompt	External	N/a	01 January 2016 (2 <sup>nd</sup> term)	2 <sup>nd</sup> term expired 31 December 2018	5
Mr Francois Barnard	MComm (Tax); CA(SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc	External	N/a	01 January 2016 (2 <sup>nd</sup> term)	2 <sup>nd</sup> term expired 31 December 2018	5
Mr Kerry Larkin	B Compt; ND FIS; FIIASA CIA; CRMA; CCSA	External	N/a	01 January 2018 (1 <sup>st</sup> term)	31 August 2018	3
Mr Ebrahim Abrahams	B Com Hons	External	N/a	1 January 2019	N/a	2
Mr Pieter Strauss	B Acc; B Com Hons; CA (SA)	External	N/a	1 January 2019	N/a	2
Ms Annelise Cilliers	B Compt Hons CA (SA)	External	N/a	1 January 2019	N/a	2

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

The Entity has systems, policies and processes in place to ensure compliance with laws and regulations.

## 9. FRAUD AND CORRUPTION

The relevant information is reported on in the Departmental annual report.

## 10. MINIMISING CONFLICT OF INTEREST

To ensure that there are no conflicts of interest in respect of commission members, all members signs a declaration of interest form prior to any meeting. 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. The policy implemented by DCAS incorporates the WCCC.

**12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

Occupational Health and Safety Awareness sessions are conducted annually, at the facilities in liaison with Community Safety. Annual fire drills have been conducted at offices at the facilities in collaboration with the Department of Community Safety that monitor and comment in respect of all processes.

**13. COMPANY/BOARD SECRETARY (IF APPLICABLE)**

n/a

**14. SOCIAL RESPONSIBILITY**

n/a

## 15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

### **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 (PFMA) and National Treasury Regulations 27.1**. The Audit Committee also reports that it has adopted an appropriate formal 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**

In line with the PFMA and the King IV Report on Corporate Governance requirements, 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:

#### **Assurance Engagements:**

- DPSA Directive Delegations
- Archives Management – Preservation and Conservation
- Cultural Organisations
- Management of Public Entities
- Transfer Payments – Museums

#### **Follow-ups:**

- Performance Monitoring and Reporting
- Heritage Western Cape
- Initiation Practices

The internal audit plan was completed for the year. The areas for improvements, as noted by internal audit during performance of their work, were agreed to by management. The Audit committee continues to monitor the actions on an on-going 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 Officer of the Entity in terms of the 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, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- Reviewed the AGSA's Management Report and Management's responses thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed material adjustments resulting from the audit of the Department.

### **Compliance**

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

### **Provincial Forensics Services**

The Provincial Forensic Services presented us with statistics. The Audit Committee Monitors the progress of the PFS reports on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

### **Performance Information**

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

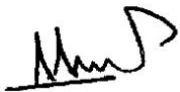
### **Report of the Auditor-General South Africa**

The Audit Committee has, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has 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 opinion regarding the Annual Financial Statements and proposes that these audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for maintaining an unqualified audit opinion with no material findings.

The Audit Committee wishes to express their appreciation to the management of the Department, the AGSA and the WCG Corporate Assurance Branch for the co-operation and information they have provided to enable us to compile this report.



**Mr Ameen Amod**

**Chairperson of the Social Cluster Audit Committee**

**Department of Cultural Affairs and Sport**

**31 July 2019**

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## PART D: HUMAN RESOURCE MANAGEMENT

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## **1. HUMAN RESOURCE OVERSIGHT STATISTICS**

### **1. INTRODUCTION**

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

### **2. HUMAN RESOURCE OVERSIGHT STATISTICS**

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

## PART E: FINANCIAL INFORMATION

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## Report of the auditor-general to Western Cape Provincial Parliament on the Western Cape Cultural Commission

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Western Cape Cultural Commission set out on pages 3 to 30, which comprise statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year ended 31 March 2019, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2019, and its financial performance and cash flows for the year then ended in accordance with 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(5) of the Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act No.14 of 1998) (WCCCA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of 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.

7. In preparing the financial statements, the accounting authority is responsible for assessing the Western Cape Cultural Commission'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.

### **Auditor-general's responsibilities for the audit of the financial statements**

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Report on the audit of the annual performance report**

#### **Introduction and scope**

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic objective presented in the annual performance report of the entity for the year ended 31 March 2019:

Strategic Objective	Pages in the annual performance report
The preservation, promotion and development of arts and culture through cultural councils, management of cultural facilities, and the initiation reference committee	22

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for this strategic objective:

The preservation, promotion and development of arts and culture through cultural councils, management of cultural facilities, and the initiation reference committee

### Other matter

15. I draw attention to the matter below.

### Achievement of planned targets

16. Refer to the annual performance report on pages 22 for information on the achievement of planned targets for the year.

## Report on the audit of compliance with legislation

### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the foreword by

the chairperson and the accounting authority's overview. The other information does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported in this auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Internal control deficiencies

22. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town

31 July 2019



AUDITOR GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected strategic objective and on the entity’s compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

obtain an understanding of internal control relevant to the audit 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

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority

conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Western Cape Cultural Commission’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause an entity to cease continuing as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Statement of Financial Position as at 31 March 2019

		2019	2018
	Note(s)	R '000	R '000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	2 751	1 831
Receivables from exchange transactions	4	242	127
		<b>2 993</b>	<b>1 958</b>
<b>Total Assets</b>		<b>2 993</b>	<b>1 958</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	5	1 183	696
<b>Total Liabilities</b>		<b>1 183</b>	<b>696</b>
<b>Net Assets</b>		<b>1 810</b>	<b>1 262</b>
Accumulated surplus		1 810	1 262



# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Statement of Financial Performance

		2019	2018
	Note(s)	R '000	R '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Fees from facilities	6	1 961	1 786
Interest income	7	129	180
Other income from exchange transactions	8	1 165	135
<b>Total revenue from exchange transactions</b>		<b>3 255</b>	<b>2 101</b>
<b>Revenue from non-exchange transactions</b>			
Other income from non - exchange transactions	9	590	546
Transfers and subsidies received	10	1 506	1 183
<b>Total revenue from non-exchange transactions</b>		<b>2 096</b>	<b>1 729</b>
<b>Total revenue</b>		<b>5 351</b>	<b>3 830</b>
<b>Expenditure</b>			
Audit fees	12	(94)	(153)
General expenses	13	(4 496)	(4 468)
Members fees	14	(63)	(62)
Transfers and subsidies paid	15	(150)	(30)
<b>Total expenditure</b>		<b>(4 803)</b>	<b>(4 713)</b>
<b>Surplus (deficit) for the year</b>		<b>548</b>	<b>(883)</b>

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
<b>Balance at 01 April 2017</b>	<b>2 145</b>	<b>2 145</b>
Changes in net assets		
Deficit for the year	(883)	(883)
Total changes	(883)	(883)
<b>Balance at 01 April 2018</b>	<b>1 262</b>	<b>1 262</b>
Changes in net assets		
Surplus for the year	548	548
Total changes	548	548
<b>Balance at 31 March 2019</b>	<b>1 810</b>	<b>1 810</b>

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Cash Flow Statement

		2019	2018
	Note(s)	R '000	R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts		4 494	3 077
Interest income		128	180
		<u>4 622</u>	<u>3 257</u>
<b>Payments</b>			
Cash paid		<u>(3 702)</u>	<u>(4 331)</u>
<b>Net cash flows from operating activities</b>	16	<u>920</u>	<u>(1 074)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>920</b>	<b>(1 074)</b>
Cash and cash equivalents at the beginning of the year		<u>1 831</u>	<u>2 905</u>
<b>Cash and cash equivalents at the end of the year</b>	3	<u>2 751</u>	<u>1 831</u>

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Fees from facilities	1 431	-	1 431	1 961	530	20.1
Interest income	100	-	100	129	29	20.2
Other income from exchange transactions	-	-	-	1 165	1 165	20.3
Other income -Investment Acc	1 228	-	1 228	-	(1 228)	20.4
<b>Total revenue from exchange transactions</b>	<b>2 759</b>	<b>-</b>	<b>2 759</b>	<b>3 255</b>	<b>496</b>	
<b>Revenue from non-exchange transactions</b>						
Transfers and subsidies received	1 506	-	1 506	1 506	-	
Other income from non-exchange transactions	-	-	-	590	590	20.5
<b>Total revenue from non-exchange transactions</b>	<b>1 506</b>	<b>-</b>	<b>1 506</b>	<b>2 096</b>	<b>590</b>	
<b>Total revenue</b>	<b>4 265</b>	<b>-</b>	<b>4 265</b>	<b>5 351</b>	<b>1 086</b>	
<b>Expenditure</b>						
Members fees	(68)	-	(68)	(63)	5	
Transfer and subsidies paid	(150)	-	(150)	(150)	-	
Audit fees	(92)	-	(92)	(94)	(2)	
General expenses	(3 955)	-	(3 955)	(4 496)	(541)	20.6
<b>Total expenditure</b>	<b>(4 265)</b>	<b>-</b>	<b>(4 265)</b>	<b>(4 803)</b>	<b>(538)</b>	
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548</b>	<b>-</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548</b>	<b>548</b>	

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
<b>Reconciliation (must be disclosed if actuals not on comparable basis to budget)</b>						
<b>Timing difference</b>						
Operating				548		
<b>Entity difference</b>						
Operating				-		
<b>Actual Amount in the Statement of Financial Performance</b>				<b>548</b>		

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 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.

#### 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 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 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 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.

#### 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.

#### 1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.3 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Subsequent to initial measurement property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Motor vehicles	20%

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.3 Property, plant and equipment (continued)

Equipment	25%
Computer software	33,3%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate; unless expectations differ from the previous estimate.

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

The depreciation charge for each period is recognised in surplus or deficit; unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such a difference is recognised in surplus or deficit when the item is derecognised.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 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.



# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.4 Financial instruments (continued)

#### 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:

<b>Class</b>	<b>Category</b>
Receivable from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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

<b>Class</b>	<b>Category</b>
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 measures 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.

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.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

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## 1.4 Financial instruments (continued)

### 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 uncollectibility 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 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:

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.4 Financial instruments (continued)

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.

#### Derecognition

##### 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).

### 1.5 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.5 Commitments (continued)

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 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.

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.

#### 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 shall be 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.

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.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.7 Revenue from non-exchange transactions (continued)

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.

#### Services in-kind

Services 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.

### 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).

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 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.

The approved budget covers the fiscal period from 2018/04/01 to 2019/03/31.

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.

### 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).

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:

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.14 Events after reporting date (continued)

- 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.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000

### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (as amended 2018): Presentation of Financial Statements	01 April 2018	The impact of the amendment is not material.
• GRAP 2 (as amended 2018): Cash Flow Statements	01 April 2018	The impact of the amendment is not material.
• GRAP 3 (as amended 2018): Accounting Policies, Change in Accounting Estimates and Errors	01 April 2018	The impact of the amendment is not material.
• GRAP 9 (as amended 2018): Revenue from Exchange Transactions	01 April 2018	The impact of the amendment is not material.
• GRAP 12 (as amended 2018): Inventories	01 April 2018	The impact of the amendment is not material.
• GRAP 14 (as amended 2018): Events after the reporting Period	01 April 2018	The impact of the amendment is not material.
• GRAP 19 (as amended 2018): Provisions, Contingent Liabilities and Contingent Assets	01 April 2018	The impact of the amendment is not material.
• GRAP 23 (as amended 2018): Revenue from Non-exchange Transactions	01 April 2018	The impact of the amendment is not material.
• GRAP 24 (as amended 2018): Presentation of Budget Information in Financial Statements	01 April 2018	The impact of the amendment is not material.
• GRAP 104 (as amended 2018): Financial Instruments	01 April 2018	The impact of the amendment is not material.
• GRAP 17 (as amended 2018): Property, Plant and Equipment	01 April 2018	The impact of the amendment is not material.



# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

#### 2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2019 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	Unlikely there will be a material impact
• GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact
• GRAP 109: Accounting by Principals and Agents	01 April 2019	Unlikely there will be a material impact

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 751	1 831
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#### 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.:

### 4. Receivables from exchange transactions

Receivables	239	137
Accrued interest	3	2
Allowance for doubtful debt	-	(12)
	<u>242</u>	<u>127</u>

Receivables are classified at amortised cost. The fair value of receivables transactions approximates their fair value.

### 5. Payables from exchange transactions

Trade payables	2	13
Income received in advanced	977	683
Accrued expense	85	-
Customer refundable Deposits	119	-
	<u>1 183</u>	<u>696</u>

Payables are classified at amortised cost. The fair value of payables transactions approximates their fair value

### 6. Fees from facilities

Rental income	1 961	1 786
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The increase in rental income is due to the new online booking system, the change in the billing system and tariff charged for the usage of the facilities as well as increased marketing of the facilities to communities via various channels. In addition to this, the Western Cape Government Departments opted for the facilities as meeting or strategic planning venues due to the cost containment measures issued by National Treasury.

### 7. Interest income

Interest received	129	180
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The decrease is due to less reserves available in the year under review.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000
<b>8. Other income from exchange transactions</b>		
Bad debt recovered	6	1
Insurance claims	1 039	18
Rental income- Damages	1	-
Rental income: Staff accommodation	119	116
	<u>1 165</u>	<u>135</u>

### Insurance claim:

More claims were instituted compared to the previous financial year, due to arson attacks at the Okkie Jooste cultural facility.

### 9. Other income from non-exchange transactions

Donation: Services in-kind	<u>590</u>	<u>546</u>
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For the detail on the Donation: Services in-kind refer to the narrative on note 14

### 10. Transfers and subsidies received

Transfer received	<u>1 506</u>	<u>1 183</u>
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Transfer payment received from the Department of Cultural Affairs and Sport.

### 11. Property Plant and Equipment

Additions	-	146
Disposals	-	(146)
	<u>-</u>	<u>-</u>

To ensure effective asset management, this function is centralised within the department (DCAS). Grap 17, Property plant and equipment (derecognition of assets), was applied to account for the effect of the donation at carrying value as at the 31 March 2019. The effect of the donated assets is included in the deficit for the 2017/18 financial year.

For the year under review, no assets were transferred to the Department of Cultural Affairs and Sport.

### 12. Audit fees

External audit	<u>94</u>	<u>153</u>
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The variance is mainly due to the new audit approach of the AGSA.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000
<b>13. General expenses</b>		
Bad debts written off	24	-
Bank charges	8	8
Consulting and Outsourced services	4	-
Consumable stores	58	132
Courier and delivery services	1	1
Donations	-	146
Employee costs: Services in-kind	590	546
Entertainment	51	47
Equipment less than R5000	7	2
Linen and soft furnishing	48	263
Maintenance, repairs and running costs	295	228
Printing, stationery and publications	48	39
Property expense	3 263	2 914
Software licence renewal	18	17
Travel and subsistence	51	93
Uniforms and protective clothing	30	32
	<u>4 496</u>	<u>4 468</u>

### Consultants and Outsourced services:

During the year under review, facilitators were appointed to run the Best Practice Model workshop for the registered Cultural Councils.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000

### 13. General expenses (continued)

#### Consumable stores

The decrease is due to less gas purchased at the cultural facilities as one facility was closed during the year under review.

#### Bad debts written off:

Irrecoverable debt written off.

#### Donations:

During the 2017/18 financial year assets were donated to the department.

#### Employee costs: Services in-kind:

Officials of the Department of Cultural Affairs and Sport fulfil the executive and administrative functions associated with the Western Cape Cultural Commission. Departmental staff that supports the Public Entity includes the Chief Financial Officer, Director: Arts, Culture and Language Services, line function in the aforementioned Directorate as well as a dedicated Financial Management team that supports the Chief Financial Officer. Whilst line function staff and Senior Managers fulfil a dual role, the financial management team is dedicated to the Public Entity. Due to the dual role performed by most of the aforementioned staff, it is difficult to apportion the time spent with the Public Entities. The service 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 amounts disclosed therefore represent the services in kind provided by the finance team only.

#### Linen and soft Furnishing:

During the 2017/18 financial year the entity purchased curtains for various facilities.

#### Property Expense:

The increase is mainly due to the increase in the water tariff charged by the municipality for the usage of water.

#### Travel and subsistence:

2017/18 financial year includes travelling cost of two members who travelled from George. Their term ended in September 2018.

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000
<b>14. Members fees</b>		
Baard, P	2	-
Basse, B	6	9
Blaai, M	1	-
Crous, J	3	6
Fani, C	6	6
Fefeza, P	5	6
Gingcana, M	1	-
Herschelle, B	3	-
Jama, Z	2	2
Joko, P	3	-
Joubert, J	2	-
Kamaldien, Y	-	3
Kindo, W	3	5
Le Fleur, A	3	6
Le Roux, N	3	5
Loubser, H	2	-
Malamlela, M	1	-
Mazinyo, M	-	2
Mobbs, JB	2	4
Nokwaza, L	3	-
Nongalaza, MG	2	2
Ponoane, NG	-	2
Rall, M	2	-
Ryke, E	2	-
Sampson, V	3	-
Sebgoane, A	-	2
Witbooi, J	3	2
	<u>63</u>	<u>62</u>
<b>15. Transfers and subsidies</b>		
Cultural Councils	<u>150</u>	<u>30</u>
Increase in number of applications received from cultural councils during the year under review.		
<b>16. Cash generated from (used in) operations</b>		
Surplus (deficit)	548	(883)
<b>Adjustments for:</b>		
Movements in accruals	85	-
Bad debt written off	24	-
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(127)	(27)
Other receivables from non-exchange transactions	(12)	-
Payables from exchange transactions	402	(164)
	<u>920</u>	<u>(1 074)</u>

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

	2019	2018
	R '000	R '000
<b>17. Commitments</b>		
<b>Authorised operational expenditure</b>		
<b>Approved and contracted</b>		
• Groot Drakenstein: Distinctive Choice Security	-	159
• Okkie Jooste: Distinctive Choice Security	-	160
• Bien Donne Manor House: Paarl AC Rottweiler	-	4
• Melkbos Cultural Centre: ADT Security	5	4
• Melkbos Oppieesee: ADT Security	5	4
	<u>10</u>	<u>331</u>
<b>Approved not yet contracted</b>		
• Groot Drakenstein: Distinctive Choice Security	40	-
• Okkie Jooste: Distinctive Choice Security	41	-
	<u>81</u>	<u>-</u>
<b>Total operational commitments</b>		
Approved and contracted	10	331
Approved not yet contracted	81	-
	<u>91</u>	<u>331</u>
<b>This expenditure will be financed from</b>		
<b>Total commitments</b>		
Authorised operational expenditure	<u>91</u>	<u>331</u>

## 18. Related parties

Relationships

- Primary Funder	Department of Cultural Affairs and Sport
- Strategic Funder	Western Cape Language Committee
- Strategic Funder	Heritage Western Cape

The Department of Cultural Affairs and Sport (DCAS) provides accommodation to Western Cape Cultural Commission to execute their administrative and financial operations.

## Related party transactions

### Income received from related parties

Department of Cultural Affairs and Sport	1 506	1 183
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# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

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Figures in Rand thousand

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### 19. 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 2019, 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 R 21 016 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 counter-party.

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.

#### 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 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.



# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

Figures in Rand thousand

### 19. Risk management (continued)

#### 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 Cash in current banking institutions	2 751	-	-	-	-
Payables - Extended credit terms	(87)	-	-	-	-
Net amount	2 664	-	-	-	-
Past due but not provided for	-	-	-	-	-

Financial instrument 032019	Current	Due in 1-30 days	Due in 31-60 days	Due in 61-90 days	Due in 90+ days	Total
Trade and other receivables - normal credit terms	44	14	50	48	83	239
	44	14	50	48	83	239

Financial instrument 032018	Current	Due in 1-30 days	Due in 31-60 days	Due in 61-90 days	Due in 90+ days	Total
Trade and other receivables	45	3	3	20	66	137
	45	3	3	20	66	137

# Western Cape Cultural Commission

Annual Financial Statements for the year ended 31 March 2019

## Notes to the Annual Financial Statements

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	2019	2018
	R '000	R '000

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### 20. Budget variances

#### Material variances between budget and actual amounts

##### 20.1 Fees from Facilities

The variance is mainly due to the change in the tariffs charged for the usage of the cultural facilities.

##### 20.2 Interest Income

The variance is due to more interest derived as a result of the revised tariffs implemented for the usage of the cultural facilities.

##### 20.3 Other income from exchange transactions

Other income not budgeted for was mainly received from Insurance claims due to the arson attack at the Okkie Jooste Cultural facility.

##### 20.4 Other income - Investment account

Other income: Cash reserves included in the budget to fund repairs and maintenance of the cultural facilities.

##### 20.5 Other income from non - exchange transactions

Non-exchange transactions: GRAP 23 donation/employee cost adjustment made for services in-kind received from the Department of Cultural Affairs and Sport. Refer to note 13 for detail.

##### 20.6 General expense

The over expenditure is due to a non-cash adjustment for Employee Cost: Service in-kind.