

CONTENTS

1. GENERAL INFORMATION	3
1.1 Vision, Mission and Values	3
1.2 Organisational Structure	5
1.3 Legislative Mandate	6
1.4 Submission of the Annual Report to the Executive Authority	7
1.5 Chairperson's Foreword	8
1.6 Core Objectives	9
1.7 Statement of Responsibility	9
1.8 Basis for Preparation of the Annual Financial Statements	9
2. INFORMATION ON PREDETERMINED OBJECTIVES	
2.1 Overall Performance	10
2.1.1 Voted Funds	10
2.1.2 Strategic Outcome Oriented Goals	10
2.1.3 Overview of the Service Delivery Environment	10
2.1.4 Overview of the Organisational Environment	14
2.1.5 Key Policy Development and Legislative changes	17
2.1.6 Revenue and Expenditure	18
2.2 Programme Performance	20
2.3 Other Reportable Activities	22
3. ANNUAL FINANCIAL STATEMENTS	
3.1 Report of the Audit Committee	25
3.2 Accounting Authority Report	28
3.3 Report of the Auditor-General	33
3.4 Annual Financial Statement	36
4. HUMAN RESOURCE MANAGEMENT	
4.1 Meetings of Heritage Western Cape	52
4.2 Execution of Work	52
5. OTHER INFORMATION	
5.1 Acronyms	53
5.2 List of Contact details	53
5.3 Additional Information	53

1. GENERAL INFORMATION

1.1 Vision, Mission and Values

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

Mission

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

Principles and Values

HWC works within the three-sphere system in South Africa for heritage resources management, in which national-level functions are the responsibility of SAHRA, provincial functions are the responsibility of provincial heritage resources authorities and local functions are the responsibility of municipalities. HWC recognises that it is accountable for its actions and decisions and the performance of functions allocated to it under this system.

HWC also functions in terms of priorities identified in the province's development framework and the "Opportunities for All" policy of the provincial government. As such it plays a key role in the building of social and human capital.

Principles

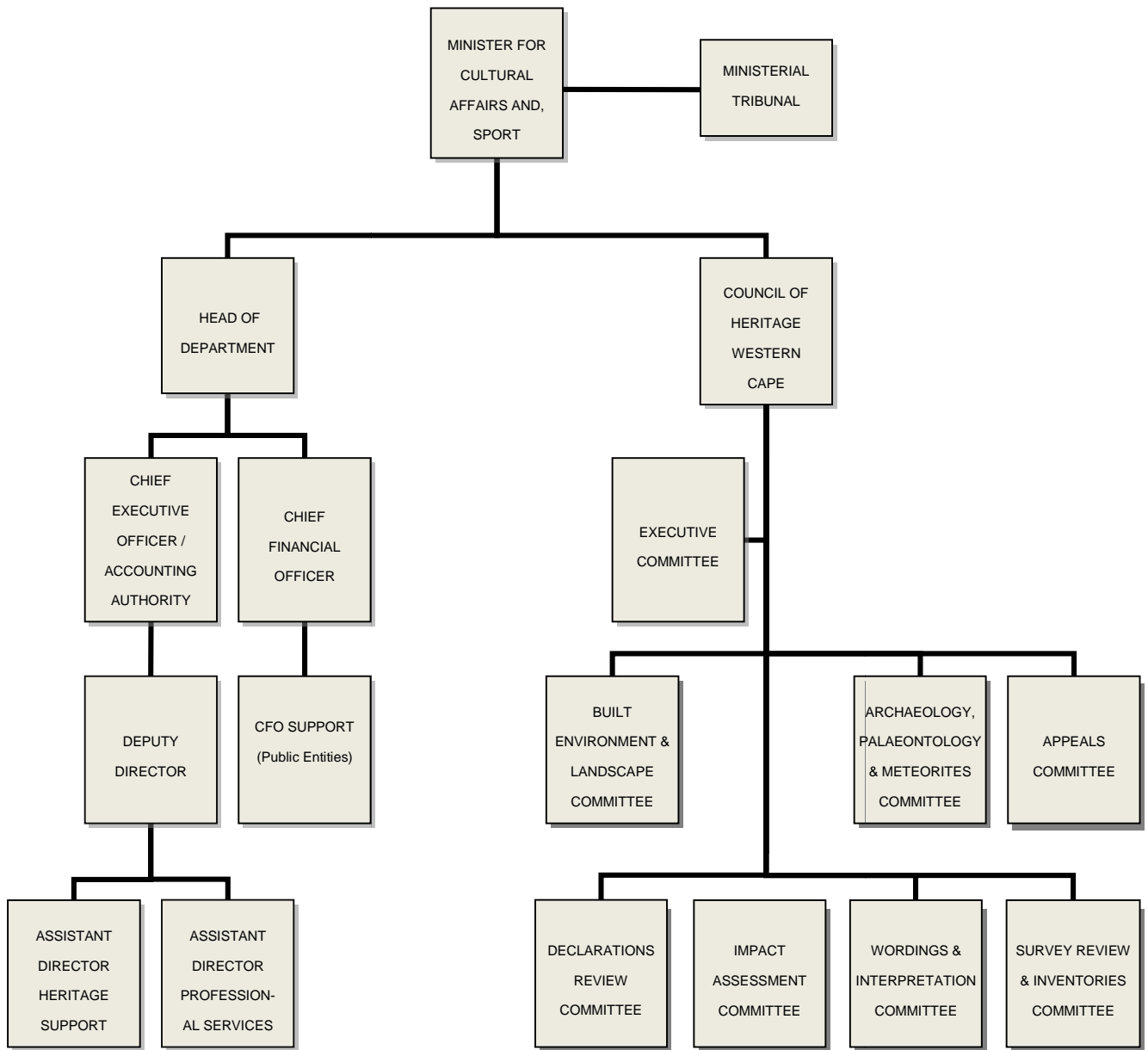
- Respect for diversity in a multi-cultural and democratic community is achieved by creating the appropriate climate for understanding, spiritual well-being and nation-building through the preservation, conservation, promotion and enjoyment of the heritage of all the cultures that shape the character of the province.
- Assessment of the significance of a heritage resource is based on thorough research and documentation, including utilising oral history and intangible heritage to identify both rural and urban heritage resources.
- Since our heritage resources are unique and cannot be re-created once they have been damaged or destroyed, their conservation has implications for the manner in which economic and infrastructure planning and development takes place.
- The process of identification, assessment, conservation and management of heritage resources must involve public participation as stipulated in the NHRA.
- Decision-making concerning the assessment of significance of heritage resources is undertaken by HWC's Council and committees, in a spirit of cooperation, coordination, communication and integration with other provincial departments and local authorities.

Values

- A holistic and comprehensive approach to heritage resources management that promotes coordination, communication and integration
- Effective, competent and socially responsible service delivery through partnerships and cooperative governance
- Public consultation through networks, partnerships and cooperative governance
- Creativity, commitment and dedication to finding solutions to conservation and management problems through human resource development
- Accountability and transparency
- Responsibility, concern and enthusiasm for the heritage resources of all communities, particularly with regard to the development of social capital

1.2 Organisational Structure

Heritage Western Cape was established in October 2002 in terms of section 23 of the National Heritage Resources Act (No. 25 of 1999) and the regulations promulgated in terms of Provincial Notice 336 and published in *Provincial Gazette* 5937 dated 25 October 2002.



1.3 Legislative Mandate

National Legislation

Constitution of the Republic of South Africa	Act 108 of 1996
Cultural Institutions Act	Act of 119 of 1998
Cultural Promotion Act	Act 35 of 1983
Cultural, Religious & Linguistic Communities Act	Act 19 of 2002
Electronic Communications & Transactions Act	Act 25 of 2002
Intergovernmental Relations Framework Act	Act 13 of 2005
National Archives of South Africa Act	Act 65 of 1989
National Heritage Council Act	Act 11 of 1999
National Heritage Resources Act	No. 25 of 1999
National Treasury Regulations	Gazette 27388 of 15 March 2005
Promotion of Access to Information Act	Act 2 of 2000
Promotion of Administrative Justice Act	Act 3 of 2000
Public Finance Management Act	Act 1 of 1999
South African Geographical Names Council Act	Act 118 of 1998
World Heritage Convention Act	Act 49 of 1999

Provincial Legislation

Constitution of the Western Cape	Act 108 of 1996
Western Cape Cultural Commission & Cultural Council Act, 1998	Act 1 of 1998
Western Cape Heritage Resource Management Regulations	PN 336 of 25 October 2002 PN 298 of 29 August 2003 PN 212 of 10 November 2004 PN 106 of 31 March 2005

1.4 Submission of the Annual Report to the Executive Authority

In accordance with section 55(1) (d) of the Public Finance Management Act, 1999 (Act 1 of 1999) and section 28(2) of the National Treasury Regulations, I submit the annual report on the activities of Heritage Western Cape and the audited financial statements for the 2011/12 financial year to the Minister for Cultural Affairs, Sport and Recreation, Dr Ivan Meyer, and the Provincial Parliament of the Western Cape.

Heritage Western Cape was established as a provincial heritage resources authority on 25 October 2002 (See Provincial Notice 336 of that date published in terms of section 23 of the NHRA). In this year it hence celebrates its first decade of service to the people of the Western Cape.

During this time it has successfully implemented its mandate to provide for the identification, promotion, protection, conservation and management of heritage resources in the province. Its Council and staff have firmly established frameworks that ensure that this is the case and have made the organisation one that is recognised as a pace-setter in its sector. While the core business of the organisation is and should remain conservation of the national estate in the province, Heritage Western Cape also contributes to the tourism industry through ensuring that heritage resources are there for visitors to see and appreciate. It also sees its work in safeguarding that which is important to communities as a contributor to social stability, giving it the potential to play a role in the social inclusion programmes of the provincial government.

The 2011/12 financial year has been a year of review and change that has seen reform of the working methods of both the staff and committees of the Council. This has been driven by the introduction of new or revised policies and procedures designed to ensure that the organisation better serves the public through working more credibly and efficiently.

The successes of the year, detailed in the body of this report, could not have been achieved, or the challenges encountered overcome without the support of a hardworking staff, a Council and members of its committees that so willingly offer their time and expertise, and a mother department, in particular the CFO and her staff, and the Minister who provides enthusiastic support. My thanks go to all these and the many others who made 2011/12 what it was.

We look forward to our second decade of service.



ANDREW HALL
Chief Executive Officer and Accounting Authority
Heritage Western Cape

1.5 Chairperson's Foreword

During the course of the 2011/12 financial year the Council and CEO of Heritage Western Cape both completed their first year in office. It has been one of significant achievement in terms of policy and administrative change intended to make the organisation an efficient and effective servant of the public.

The operational systems of the organisation have been overhauled, in line with an agenda set by the Council in the second half of the previous financial year and which has enabled HWC to provide a better service to communities who value their heritage and those applying to it for consent to work on sites that have heritage value. In doing so the Council has shown its commitment to creating greater opportunity for consultation around the future of heritage resources and to ensuring that the applications made to the organisation are processed with efficiency. In general, the time between submission of an application and the conveying of decisions by committees are faster and more predictable. The aim of greater public participation was furthered by the Western Cape Heritage Resources Summit held in July 2011 at the initiative of the Minister of Cultural Affairs, Sport and Recreation, Dr Ivan Meyer.

In the policy development area much progress has been made. The Council used the year to establish frameworks for the operations of both it and its committees by approving a Code of Conduct and establishing rules of order and conduct for meetings. In similar vein a protocol for the operations of staff has been developed by management and staff, setting out the manner the staff of the organisation deals with applications. These measures are fundamental for the establishment of a clear modus operandi for organs of the HWC and they lay the foundation for policy development in other areas.

Another important development has been the creation of clear and regular communications with SAHRA through the establishment of a forum of senior staff and council members of both organisations. This has enabled the two organisations to discuss and resolve matters of mutual concern and has been particularly useful in creating clarity for the public in areas where jurisdictions were not certain. I take this opportunity to thank the CEO of SAHRA for her willingness to engage with HWC and its issues.

I thank the CEO of HWC, Mr Andrew Hall and his staff for their dedicated work, fellow members of the Council and its committees as well as our Minister, Dr Ivan Meyer, for his valuable support of all matters pertaining to heritage resources.



ADV. RONÉE ROBINSON
Chairperson, Heritage Western Cape

1.6 Core Objectives

1. Advise the Minister on the implementation of the National Heritage Resources Act, No. 25 of 1999, and related provincial and local legislation. Annually submit a report to the Minister regarding HWC's activities during the year.
2. Promote systematic identification, recording and assessment of heritage resources and heritage objects that form part of the national estate in the province.
3. Promote cooperative governance for heritage resources management at provincial and local level.
4. Protect and manage heritage resources in the province that fulfil the assessment criteria prescribed under section 7(1) for Grade 2 status.
5. Empower and encourage communities and civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations.
6. Establish policy, objectives and strategic plans for heritage resources management in the province.
7. Set norms and standards and take steps for the maintenance and management of heritage resources in the province.
8. Maintain databases on heritage resources in accordance with national standards and, at regular intervals, furnish the South African Heritage Resources Agency (SAHRA) with such data.
9. Determine the competence of local authorities to manage heritage resources in accordance with the national system for the heritage grading of local authorities prescribed under section 8(6).
10. Co-ordinate and monitor the performance of local authorities in the implementation of their responsibilities in terms of the National Heritage Resources Act, No. 25 of 1999 and provincial heritage legislation.

1.7 Statement of Responsibility

The Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) requires that the Accounting Authority keep full and proper records of the organisation's financial affairs. The annual financial statements must fairly present, in terms of Generally Recognised Accounting Practice (GRAP), the state of affairs at HWC, its business, financial results, performance against predetermined objectives and financial position at the end of the financial year.

1.8 Basis for preparation of the Annual Financial Statements

The basis for preparation of HWC's annual financial statements is set out in the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999), National Treasury Regulations and in relevant legislation regarding appropriate internal controls to limit and detect material misstatements and losses

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spend R'000	Over/Under Expenditure R'000
2 028		914	1 114
Responsible Minister MEC	MINISTER OF CULTURAL AFFAIRS AND SPORT Dr Ivan Meyer		
Administering Dept.	CFO SUPPORT		
Accounting Authority	Mr A Hall		

2.1.2 Strategic Outcome Oriented Goals

Strategic Goals of the Heritage Western Cape

Strategic Goal	To protect, conserve and manage the heritage resources of the Western Cape.
Goal statement	To protect, conserve and manage the heritage resources of the Western Cape for the present and future generations
Justification	HWC as public entity is bound by the National Heritage Resources Act (Act 25 of 1999) to advise the Minister on the management, conservation and protection of heritage resources.
Links	Parent department: Promotion of development and transformation of cultural activities in order to contribute towards nation-building; good governance , social and human capital development; and sustainable economic growth and opportunities

2.1.3 Overview of the Service Delivery Environment

NUMBER OF RECORDS OF DECISION ISSUED:

During the 2011/12 financial year 1 832 records of decision (RoDs) were issued. This represent an increase of 11.2% over the 1 647 issued in the previous year. Of particular interest is a 22.3% increase in the number of applications made under Section 38 of the NHRA which deals with impact assessment. The latter growth is attributed to greater awareness and to larger construction projects being undertaken due to the stabilisation of the economy. The overall increase is also probably an indicator of the improved economic situation, but may also result from better record keeping by HWC. There is now in place a system for allocation of case numbers to each application and a means to track them through the system via a database.

The breakdown of RoDs is as follows:

NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BUILT ENVIRONMENT & LANDSCAPES COMMITTEE (BELCom)													
Section 27 Provincial Heritage Sites	5	3	14	14	21	10	9	9	11	4	3	15	118
Section 29 Provisional Protection	0	0	0	0	0	0	0	0	0	0	1	0	1
Section 31 Heritage Areas	0	1	0	2	1	0	0	0	3	0	2	0	9
Section 34 Alterations and Additions	14	22	17	17	9	15	1	3	2	5	9	6	121
Section 34 Total Demolition	14	1	6	12	4	7	4	3	3	3	0	4	61
TOTAL	33	27	37	45	36	32	14	15	19	12	15	25	310
IMPACT ASSESSMENT REVIEW COMMITTEE (IARCom)													
Section 38(1)	7	7	4	1	1	1	1	2	2	2	0	0	28
Section 38(4)	5	4	24	0	2	2	0	2	6	1	5	4	55
Section 38(8)	25	20	32	10	15	15	17	3	20	6	2	15	170
TOTAL	37	31	60	11	18	18	18	7	28	9	7	19	263
ARCHAEOLOGY, PALAEOLOGY & METEORITES COMMITTEE (APM)													
Section 27 Provincial Heritage Sites	0	0	0	4	4	8	1	0	0	0	0	0	17
Section 35 Archaeology Permits	14	0	3	1	1	1	4	5	10	3	3	3	48
Total	14	0	3	5	5	9	5	5	10	3	3	3	65
APEALS COMMITTEE													
All Sections	2	2	0	2	3	2	1	3	2	2	5	4	28

PERMITS ISSUED UNDER STAFF DELEGATIONS FOR ALTERATIONS AND ADDITIONS													
Section 27 Provincial Heritage Sites	0	0	0	0	4	4	1	0	0	0	3	3	15
Section 34 Alterations and Additions	35	27	23	51	110	117	91	40	66	66	52	95	773
Section 34 Total Demolition	0	0	9	8	16	9	0	2	9	9	9	2	73
Section 38 (NIDs) Development	0	0	17	48	23	29	22	24	46	31	40	25	305
TOTAL	35	27	49	107	153	159	114	66	121	106	104	125	1166
TOTAL NUMBER OF PERMITS AND RECORDS OF DECISION ISSUED													
All Sections	121	87	149	170	215	220	152	96	180	132	134	176	1832

Databases

Heritage Western Cape has for the past three years used a database that was developed for internal use and has primarily been used for storage of information on archaeological and paleontological sites.

With a view to expanding the amount of data readily available on the database, HWC has over the course of the year participated in an Expanded Public Works Programme of the Department of Cultural Affairs and Sport to digitise heritage material. This project employed three workers to digitise the records for all sites with which HWC and its predecessors have dealt in the Western Cape since the inception of a national heritage resources conservation framework in the 1920's. HWC currently has in its possession 15 576 site records of which the first 1 112 were digitised between January and March 2012. This project creates the potential to make detailed information on the heritage resources of the province easily available to researchers and the general public in the future.

Early in the year there were discussions with the City of Cape Town to allow HWC to use its standard for management of its heritage data and geographical information on heritage resources as the basis for development of a new provincial database. However, this idea has been replaced by a very welcome initiative on the part of SAHRA, HWC's sister body at national level, to develop a national database that will be accessible on the Internet to heritage resources authorities and the public. By close of the financial year the project had made major progress and HWC staff were assisting SAHRA with the testing of a trial version of the system.

Communications

Two circulars clarifying various procedural issues were circulated in May 2011 and March 2012. These are principally aimed at professionals working in the heritage sector and are intended to assist them in their work with HWC.

During the course of the year HWC has started to put its website to better use as a communication tool and the documents available on the internet have been updated. In addition to this, prior to meetings all agendas are now placed on the website. This has provided the general public with a source of information on matters raised by committees, providing an opportunity for them to exercise their right to make inputs at meetings where decisions are made. Within a few days of each meeting a list of decisions taken is now placed on the website, enabling the public to exercise their right to appeal. Once approved, full minutes are placed on the website.

Review of Application Forms

From 1 July 2011 a new Notice of Intent to Develop (NID) form was implemented, following a workshop on the matter and a trial period of a draft. An undertaking was given that early in the new year the form would be reviewed.

A workshop was held on redrafting of the form for built environment applications under Section 27 and 34 of the NHRA. This form is Annexure A to the HWC regulations published as Provincial Notice 298 of 29 August 2003 (English) and Provincial Notice 212 of 10 November 2004 (Afrikaans and isiXhosa).

These initiatives are the start of a review process for all application forms contained in the annexures to the regulations.

Appeals

The Appeals Committee met 11 times in the course of the year to hear 14 appeals made on the 1 832 applications decided upon by HWC in the course of the year.

No new appeals were lodged in the months of May, June, August, October and February.

Appeals per quarter:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1	3	2	5

An interesting trend over the course of the year was an initial decrease in the number of appeals as tighter administrative control made it difficult to appeal on the basis of process. Appeals decreased to the extent that over the course of the twelve months of 2011 no new cases were brought before the Minister of Cultural Affairs, Sport and Recreation's Tribunal.

Conversely in the latter half of 2011 and first quarter of 2012 there was an increase in the number of appeals lodged by registered conservation bodies and the general public. This is seen as the result of greater public access to decisions of HWC through the internet. A similar trend was noticed in the number of public representations made to committees, since the agendas were published.

These trends are welcome, because they allow the public to participate in discussions around the future of heritage resources which they value. They also give effect to an important aspect of the spirit of the NHRA, which is to place heritage resources authorities in the role of arbiter between community interests and applicants.

Review of Inventories

During the course of the year the Surveys and Inventories Review Committee was asked to review inventories of heritage resources submitted by the Swartland and Overstrand Municipalities. There was also interaction with both the Prince Albert Cultural Foundation and Simonstown Historical Society concerning surveys they are conducting with a view to submitting inventories in the future.

Promotion of Heritage Resources Conservation

The CEO was invited to speak on heritage matters at the AGMs of the Heritage Mossel Bay, the Velddrift Heritage Foundation and Friends of the Montagu Museum. The Assistant-Director Professional Services delivered similar addresses to the Elim community and an architect delivered a talk at a gathering of various organisations at George Museum on Heritage Day, 24 September.

On World Monuments Day, 18 April 2012, HWC partnered with the Worcester Museum in a programme for learners involving the historical irrigation furrows that flow through the town. After a talk on the heritage of water in Worcester, the children made paper boats which they then raced through the furrow system.

Meetings were held with the Mossel Bay, Beaufort West, Swartland, Cape Town, Overstrand and Knysna Municipalities concerning a variety of heritage resources related matters.

Declaration of Provincial Heritage Sites

Two new provincial heritage sites, Ratelgat near Vanrhynsdorp and De Hel Forest in Constantia Cape Town were declared. The area protected at the West Coast Fossil Park provincial heritage site was expanded to approximately 14 times its previous size.

During the course of the year a project to identify and protect sites in Cape Town associated with the Liberation Struggle was commenced and it is expected that several new provincial heritage sites in this category will be declared in coming years.

Legal Proceedings

HWC was a co-respondent in a case concerning a Ministerial Tribunal decision on the Stellenbosch Hotel which was taken to the High Court on review. The organisation did not contest the application and the matter was referred back to the Tribunal for reprocessing.

Charges laid in 2010 concerning the demolition of a part of a provincial heritage site in Mamre were heard in the Atlantis Magistrate's Court in March 2012. The case was postponed to April.

Charges were laid in a case concerning work done at the Klein Constantia provincial heritage site in Paarl. By year-end the case remained unresolved.

Conservation Management Frameworks

The CMF for De Hel Forest provincial heritage site drafted in the previous financial year was approved by the Council.

A tender for the drafting of a CMF for the Baboon Point provincial heritage site was prepared and ready to be advertised by the financial year-end.

2.1.4 Overview of the Organisational Environment

Reassessment of Capacity

In terms of Section 8(6) of the NHRA the capacity of provincial heritage resources authorities must be assessed every two years by the South African Heritage Resources Agency, SAHRA, in order to determine compliance with minimum standards set out in regulations. During the second quarter HWC was reassessed and found to be competent in all areas for which it applied for competence. The only potential competence with which it does not presently deal remains Section 36 of the NHRA, 'Burial Grounds and Graves'.

Quarterly Meetings with SAHRA

A system of quarterly meetings with the national heritage resources authority, SAHRA, has been instituted since July 2011. Regular meetings between senior management and Council members of the two organisations provide opportunity for discussion and resolution of issues of mutual concern.

The major issue for discussion has been the uncertainty around who is responsible for matters concerning Grade 1 sites that are not yet protected as national heritage sites. It has been agreed that a memorandum of understanding will be developed to resolve this matter.

Provincial Heritage Resources Summit

On 15 July 2011 the Minister of Cultural Affairs and Sport, Dr Ivan Meyer and the HWC convened a Western Cape Heritage Resources Summit at the Provincial Parliament. The summit involved a range of stakeholders including municipalities, conservation and professional bodies and representatives of HWC's Council and committees and staff. More than 80 people attended.

Topics discussed included deficiencies in the implementation of the NHRA, norms, standards and guidelines for heritage conservation, systems for the identification and documentation of heritage resources, transformation programmes in the sector and the role of local government and civil society in heritage conservation.

The summit produced a set of outcomes which have and will continue to influence directions taken by HWC. The report of the summit is available on the HWC website.

Committee Procedures

In addition to the policies affecting committees as set out elsewhere in this report, the workings of committees have also been the subject of review. Since March 2011 staff have made formal presentations to committees following discussion of applications made by their teams. These conclude with a recommendation which then forms the basis for discussion by the committee. This has improved the operations of committees and the time taken to consider applications, thus reducing the duration of meetings, in particular the number of times meetings run over to a second day. This also led to a reduction of costs of meetings.

Committee decisions are now projected in meeting venues rather than recorded in writing by the secretariat after a meeting. This enables committees to see and approve all decisions taken, greatly reducing the amount of time before decisions can be conveyed to applicants.

Establishment of a Team System for Organisation of Staff

With effect from 1 March 2011 the staff of HWC have been organised into two teams. Each team contains a skills set consisting of an architect, planner, archaeologist, social scientist and administrative clerk. Applications handled by individual Heritage Officers are now discussed by the team which formulates recommendations to committees. This allows a wider range of skills to be applied to the work of the organisation than was previously the case.

Review of Delegations

The delegations of powers to the staff of HWC to handle certain types of application were reviewed in August 2011. The delegations to Heritage Officers to make decisions on applications and to issue permits and other RoDs have been withdrawn and replaced with delegations to staff teams with only the senior management having a right to sign an RoD.

These measures reduce opportunities for corruption and enable the staff to handle a larger number of applications. This provides committees with more time to consider complex matters.

Impact assessment Committee

At its meeting on 3 August 2011 the Council resolved to retain the Impact Assessment Review Committee pending implementation of devolution of powers to the City of Cape Town at which time it is expected that the number of applications will drop significantly. The name of the committee was changed to 'Impact Assessment Committee'.

Membership of Committees

There have been several changes to membership of committees of the Council:

- 4 May: Melanie Attwell was appointed a member of the BELCom, following the resignation of Ziyanda Manzana.
- 3 Aug: Richard Summers was appointed a member of the IACom, following the resignation of Magnus Steenkamp.
- 10 Nov: Quinton Lawson was appointed a member of the IACom, following the resignation of John Almond.
- 29 Feb: Collette Scheermeyer was appointed a member of the APM, following the resignation of Nonofu Nodobochni.

As at 31 March 2012 membership of the Council and its committees were as follows:

COMMITTEE	CHAIR	MEMBERS					
COUNCIL	Ronèe Robinson	Mary Leslie	Laura Robinson	Stephen Townsend	Matilda Burden	Sarah Winter	Sharon De Gois
		Maureen Wolters	Roger Joshua	Ziyanda Manzana	Floris Brown	Patrick Fefeza	Magnus Steenkamp
EXCO	Ronèe Robinson	Mary Leslie	Laura Robinson	Stephen Townsend	Matilda Burden	Sarah Winter	
APPEALS	Laura Robinson	Matilda Burden	Sharon De Gois	Antonia Malan	Nicolas Baumann		
BELCOM	Sarah Winter	Patrick Fefeza	Maureen Wolters	Melanie Attwell	Roger Joshua	Stephen Townsend	Tim Hart
		Trevor Thorold					

APM	Mary Leslie	John Almond	Dave Halkett	John Pether	Janette Deacon	Judy Sealy	Shadreck Chirikure
		Colette Scheermeyer					
IACOM	Stephen Townsend	Mary Leslie	Sharon De Gois	Quinton Lawson	Roger Joshua	Sarah Winter	Piet Louw
		David Halkett	Richard Summers	David Hart			
DRCOM	Matilda Burden	Laura Robinson	Mary Leslie	Patrick Fefeza			
SURVEYS REVIEW	Sharon De Gois	Stephen Townsend	Matilda Burden	Ziyanda Manzana			
WORDINGS & INTERPRETATION	Patrick Fefeza	Floris Brown					

2.1.5 Key Policy Development and Legislative Changes

During 2011/12 there was a considerable review of and creation of new policies and related documents:

A Code of Conduct and a set of rules of procedure for meetings were developed and approved by the Council. These were subsequently signed off by all members of the Council and its committees. It is intended that the rules of procedure will in the future be published in the Provincial Gazette.

New regulations for the registration of conservation bodies in terms of Section 25(1)(b) of the NHRA were drafted, following two workshops with interested and affected parties. The period for comment on the final draft closed at the end of March and publication of the regulation is expected in the new financial year.

Section 38 of the NHRA has presented several challenges in terms of interpretation. Over the course of several meetings, commencing around mid-year, the Council and Executive Committee discussed and resolved on positions with regard to several areas of contention concerning Section 38. These have been conveyed to the public, in particular professionals working in the heritage sector, and have been helpful in clarifying approaches to impact assessment. On the strength of this it is proposed to develop a regulation to clarify Section 38.

An operational protocol setting norms and standards for the management of applications processes in terms of Chapter II of the NHRA was developed over the course of the year. This sets out the system, timeframes and responsibility of staff members for each step in the processing of applications and commits staff to performing them. The protocol is being implemented on trial and will be reviewed in the New Year; however, its effect has been to create a more efficient organisation in which applicants have relative assurance of the dates on which responses to applications can be expected.

A policy on the appointment of heritage inspectors was developed and approved and 32 inspectors appointed thereafter. They are the professional staff and management of HWC and heritage and environmental officials at the City of Cape Town.

Heritage inspectors are issued with an identification card and are vested with considerable powers to ensure implementation of the NHRA. The first time appointments provide a very real presence for HWC on the ground, and it is hoped to expand the programme to include other municipal areas.

2.1.6 Revenue and Expenditure

Programme	Audited outcomes			Actual	Medium-term expenditure estimate		
	2009	2010	2011	Expenditure 2012	2013	2014	2015
R'000							
1 Heritage Western Cape	1119	994	455	1502	1528	1604	1685
Subtotal	1119	994	455	1502	1528	1604	1685
Current payments	1361	1546	998	914	1528	1604	1685
Compensation of employees	594	714	557	567	873	917	962
Goods and services of which:							
Communication	0	19	10	0	58	63	66
Computer services							
Consultants, contractors and special services	42	104	48	4	397	418	439
Inventory	30	22	9		3	3	3
Maintenance repair and running cost							
Operating leases							
Travel and subsistence	282	252	77	58	60	63	66
Audit Fees	177	80	108	150	58	61	64
Advertising	5	30	36	35	20	21	22
Other	231	325	153	100	59	40	40
Interest and rent on land							
Financial transactions in assets and liabilities							
Transfers and subsidies to:	-	-	-	-	-	-	-
Provinces and municipalities							
Departmental agencies and accounts							

Universities and technical universities							
Public corporations and private enterprises							
Foreign governments and international organisations							
Non-profit institutions							
Households							
Payments for capital assets	-	-	-	-	-	-	-
Buildings and other fixed structures							
Machinery and equipment							
Cultivated assets							
Software and other intangible assets							
Land and subsoil assets							
of which: Capitalised compensation	-	-	-	-	-	-	-
Total	1361	1546	998	914	1528	1604	1685

2.2 Programme Performance

Table 2.1 Attainment of strategic objectives during the 2011/2012 financial year

Strategic Objectives	Performance Indicator	Target	Actual	Variance
Establishment and maintenance of an integrated heritage resources management system in the Western Cape that will ensure the systematic identification, conservation, protection and promotion of heritage resources for all our communities and for present and future generations and to promote good governance at all levels	Implementation of the National Heritage Resources Act ; via number of scheduled meetings of the: Council, and	8	7	1
	Committee's	56	54	2
	To publish an Annual Report for Heritage Western Cape	1	1	0
	To approve the draft delegations and implement an approved policy on delegation of powers to local authorities to promote good governance for heritage resources	1	0	1
	To commission a survey to determine boundaries and beacons to protect declared provincial heritage sites	1	0	1

		To produce promotional material and programmes in order to promote management of heritage resources in the Western Cape.	50 Production of HWC badges for the identification and marking of provincial heritage sites 250	250	200
			3 Production of pamphlets on the declared heritage sites, with 200 copies distributed	3	0
			2 Promotional programmes 200 copies each 2	2	0
		To register conservation bodies to aid in the conservation of heritage resources in the Western Cape	15	0	15
		To draft a policy , norms and standards for the management of Heritage resources	1	0	1

The Annual Performance Plan contained inconsistencies as a result of typing errors in the section 4.1. Strategic Objective Annual Targets for 2011, 4.2. Programme Performance Indicators and Annual Targets and 4.3. Quarterly Targets. The programme performance indicator on the appointment of a new Council for HWC does not apply to the 2011-12 financial year, and the target set should therefore be zero.

2.3 Other Reportable Activities

Narrative on Programme Performance

Reason for Major Variances

Implementation of the National Heritage Resources Act, 25 of 1999 through the number of scheduled HWC meetings

Implementation of the National Heritage Resources Act, 25 of 1999 via the number of Scheduled Meetings of Heritage Western Cape Council and its Committees

Actual Meetings held:

Council Meetings

Meetings	Number of meetings	Number of additional meetings
Council	4	
ExCo	3	
	7	0

A meeting went over to another day as the agenda was not finished. One set of minutes was done hence there was no need for a 8th meeting.

Subcommittee Meetings

Meetings	Number of meetings	Number of additional meetings
APM	12	0
Belcom	12	2
IACom	12	
Appeals	8	2
Survey	2	
DRCOM	2	
Baboon Point	2	
Total	50	4

Meetings had been cancelled and other additional subcommittee meetings had been held.

Publish an Annual Report for Heritage Western Cape

The Annual Report was compiled and submitted to the Provincial Treasury and the Standing Committee on Cultural Affairs and Sport at the end of August 2011.

Approve the Draft Delegations and Implement Approved Policy on Delegation of Powers to Local Authorities to Promote Good Governance for Heritage Resources

Negotiations with the City of Cape Town advanced to a stage where in July 2011 the City undertook to compile a draft agreement following a two day workshop on the contents thereof. This task proved more difficult and time consuming than anticipated. A non-legal draft was received shortly after the end of the financial year.

The possibility of delegating powers to the City of Cape Town holds many advantages. It would allow Grade III heritage resources to be integrated into and managed in terms of the planning system as is intended by the NHRA and is considered best practice throughout the world. It would also remove duplication of services where City heritage officials presently process the same applications as those handled by HWC. In reducing the number of applications processed by HWC, it would free up staff to attend to responsibilities under the NHRA that the organisation is not yet fully able to deal with.

To Commission a Survey to Determine the Boundaries and Beacons to Protect a Declared Provincial Heritage Site

For these purposes GPS technology has largely replaced the need to employ a surveyor and the only site dealt with in the course of the financial year that required mapping in this way was well suited to generation of a map by GPS. Being by far the cheaper option, since it can be compiled by staff, this was opted for in the case of Kasteelberg, a site on the Vredenburg Peninsula that was ultimately not declared due to objections of the owner which arose at a late stage in the process.

Produce Promotional Material and Programmes in order to Promote Management of Heritage Resources in the Western Cape

Production of badges to mark provincial heritage sites:

The previous Council approved production of an aluminium badge. However, this material is subject to theft and is easily vandalised, being of a relatively soft metal. It was hence resolved to go with a ceramic badge in accordance with widespread international practice. Ceramics are far cheaper than metal products; are easy to attach using tile cement and are not subject to theft as they break easily. They can be replaced at relatively low cost if vandalised or broken.

An initial order of 250 badges was processed on the basis of a three year fixed price tender. Badges will be applied to newly declared sites and existing provincial heritage sites as they are regarded in terms of the present legislation.

The Council further resolved to permit owners to retain the old, bronze national monument badges if they so wished.

Production of pamphlets on the Declared Heritage Sites with 200 copies distributed:

The following three pamphlets were produced over the course of the year:

- Slave memorials in the WC
- Repairing Plaster on Old Buildings
- Heritage Western Cape: Its Functions and Committees

In addition to the above and in conjunction with the World Monuments Day programme held in Worcester on 18 April 2011 a pamphlet was produced on the water furrows of the town.

Promotional Programmes, 200 copies each:

A programme was organised to commemorate the emancipation of slaves on 1 December 1834. Events were organised at Pniel, Elim and the site of the Slave Tree on Spin Street in Cape Town. In addition to these events churches, schools and other institutions were encouraged to ring their bells at 12:00. It is hoped that the latter part of the programme will become an annual event involving increasing numbers of institutions.

On 3 December 2011 a workshop for representatives of the Griqua community was held at Ratelgat, following its declaration as a provincial heritage site. The event focussed on the site's significance and its conservation under the provisions of the NHRA. The event took place at the site on the farm Luiperskop near Vanrhynsdorp.

Register Conservation Bodies to aid in the Conservation of Heritage Resources in the Western Cape

Over the course of the year new and more comprehensive regulations concerning the registration of conservation bodies was developed through a process of consultation with such bodies, including two workshops and several circulations of draft documents. By the end of the financial year the draft regulations were ready for referral to the legal advisers following a final round of consultation that ended in March.

It was decided not to consider the registration of new bodies under the present regulations. A substantially different system is envisaged under the new regulations, and they would again have to go through the process when the new regulations are published.

Nevertheless, seven organisations did request registration and given the circumstances have been treated as if they were registered. These organisations are:

- Belvedere Civic Association
- Bo-Kaap Civic Association
- Blouberg Strand Residents Association
- City Bowl Ratepayers and Residents Association
- Old Wynberg Heritage Society
- Vernacular Architecture Society of South Africa
- Victoria and Alfred Marina Residential Home Owners Association

Draft Policy, Norms and Standards for the Management of Heritage Resources

Most countries or provinces with credible heritage resources programmes have produced norms and standards governing work on heritage sites. HWC is keen to produce such a document and the matter was an area of major discussion at the Western Cape Heritage Summit in July 2011. However, there is no precedent in South Africa for the production of such norms and standards and it was realised that international assistance would be required in order to ensure success. Since this was not budgeted for, attempts were made through the good offices of the Minister of Cultural Affairs Sport and Recreation to solicit funding from a foreign government to secure the support of an international specialist.

3 ANNUAL FINANCIAL STATEMENTS

3.1 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, The Heritage Western Cape is served by the Social Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the current year 7 meetings were held.

Name of Member	Number of Meetings Attended
Mr R Kingwill (Chairperson)	7
Mr Z Hoosain	7
Mr L van der Merwe	6
Adv M Mdludlu (Contract expired 31 December 2011)	6
Ms A Jones (Contract expired 31 December 2011)	5
Mr M Burton (Appointed 1 January 2012)	1

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 51(1) (a) of the PFMA and Treasury Regulation 27.1**. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit and Management Reports and the matters highlighted below, no material deficiencies in the system of internal control were noted:

Areas highlighted by Internal Audit for improvement

During the year, key control deficiencies were noted by Internal Audit in the following areas:

- Programme Performance

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

Effectiveness and efficiency of risk management

Enterprise Risk Management for the entity continues to be driven by the parent Department of Cultural Affairs and Sport.

The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act

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

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Authority;
- reviewed the Auditor-General's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the entities' processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed and where appropriate, recommended changes to the interim financial statements as presented by the Entity for the six months ending 30 September 2011; and
- reviewed adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee reports that the entity is serviced by the Department of Cultural Affairs and Sport and the internal control deficiencies are reported at the departmental level.

Auditor-General of South Africa

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will continue to be monitored by the Audit Committee on a quarterly basis.

Appreciation

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



Chairperson of the Social Cluster Audit Committee
Date: 14 August 2012

3.2 Accounting Authority Report

The Management Report

Report by the Accounting Authority to the Western Cape Parliament

General review of the state of affairs

The year ending 31 March 2012 saw the ninth full year of activities since the establishment of Heritage Western Cape in October 2002.

Services rendered by the Public Entity

Based on its strategic objectives, Heritage Western Cape undertook a wide range of actions during the financial year that could be categorised under the following headings:

Advise the Minister on the implementation of the Act and related national, provincial and local legislation

- Promote good governance for heritage resources management at provincial and local level
- Protect and manage heritage resources in the Western Cape
- Empower and encourage communities and civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations
- Promote, co-ordinate and monitor the systematic identification, recording and assessment of provincial and local heritage resources
- Set norms and standards and take steps for the maintenance and management of heritage resources in the Western Cape
- Notify the South African Heritage Resources Agency of the presence of potential Grade 1 heritage resources and nominate such resources
- Develop policy on the promotion and management of provincial heritage resources; and
- Maintain data bases on heritage resources

Each of these strategic objectives is linked to the powers and duties set out for Heritage Western Cape in the National Heritage Resources Act, 1999. The legal implications of these powers and duties, especially the formal protection measures of heritage resources, are significant and therefore Heritage Western Cape is cautious in dealing with the formal protection of heritage resources in the Western Cape.

A detailed report on the activities of Heritage Western Cape is included in the section Programme Information (see 2 in the Annual Report).

Tariff policy

Heritage Western Cape did not charge any tariffs during the 2011/2012 financial year, although it has the option to determine application fees for permits in terms of section 48(1) of the National Heritage Resources Act, 1999 (Act 25 of 1999) and Regulation 2 of the Provincial Notice 298 dated 29 August 2003 and published in the Provincial Gazette No 6061 dated 29 August 2003. Heritage Western Cape has not yet considered a tariff policy for its services, due to capacity constraints.

Capacity constraints

Heritage Resources Management is viewed as a scarce skill and therefore periodically encountered challenges in attracting and retaining suitably qualified candidates for the posts.

Utilisation of donor funds

Not applicable.

Business address

Heritage Western Cape's registered business address is:
Protea Assurance House
Greenmarket Square
CAPE TOWN
8000

Controlled entities and Public entities

Not applicable.

Other organisations to who transfer payments have been made

No transfer payments were made to other organisations by Heritage Western Cape during the 2011 /2012 financial year.

Public private partnerships (PPP)

Not applicable.

Corporate Governance Arrangements

Fraud and Risk Management

The Entity has an active Fraud and Risk Management Committee that is representative of all the Senior Managers of the Entity. The Fraud Prevention Plan was reviewed and approved by the Minister. Fraud, theft and corruption awareness campaigns were embarked upon to foster the understanding in and awareness of fraud, theft and corruption. All employees signed a code of conduct which is enforced on an on-going basis.

Enterprise Risk Management (ERM) is centralised provincially within the Department of the Premier. The Provincial Enterprise Risk Management Unit (PERMU) assisted the Department with facilitation pertaining to risk register reviews and updates. An implementation plan was signed with PERMU to ensure that risks are continuously managed and mitigated.

Internal Audit and Audit Committee

The activities of the Entity are scrutinised by the Shared Social Cluster Audit Committee of the Province. The committee approved the internal audit plan for the 2011/12 financial year. All planned internal audits were conducted for the period under review. The Internal audit coverage was based on the Department's strategic risk register.

The Entity had an effective Audit Committee that operated in terms of an approved Terms of Reference. It met on several occasions during the course of the financial year to review the effectiveness of internal control systems, the internal audit function, and the risk areas of the Department.

Internal Control

It is the responsibility of the accounting officer to continually assess and evaluate internal controls to assure that the control activities in place are effective, efficient and transparent and updated when necessary. To achieve this, quarterly key control meetings were held with the Auditor-General, Programme Managers of the Entity and the Minister. This is an on-going process to ensure that the Entity obtain clean audits.

Disaster Recovery and Business Continuity Plans

Disaster Recovery and Business Continuity Plans were developed and approved for all offices of DCAS to outline the general procedures to be taken in the event of a serious disruption (or the treatment thereof) affecting the operations of the department.

Responsibilities of Accounting Authority

The Entity has implemented policy and procedures to assist the Accounting Officer to comply with Sections 38, 39 and 40 of the Public Finance Management Act (PFMA).

Discontinued Activities / Activities to Be discontinued

No services or activities were discontinued during the financial year.

Discontinued Activities/Activities to be discontinued

No services or activities were discontinued during the financial year.

New/Proposed Activities

The Council of Heritage Western Cape met in July 2011 to discuss the Annual Performance Plan for 2011/2012. The Annual Performance Plan for 2011/2012 was submitted via the Accounting Officer of the Department of Cultural Affairs and Sport to the Executive Authority for approval.

Events after the Balance Sheet date

None

Performance Information

The performance information is provided in Section 2 of the Annual Report

SCOPA RESOLUTIONS

Background and SCOPA concern	SCOPA recommendation	Actions taken to date to address resolutions
	1.1 The Committee raised the following concerns:	
	(a) The Committee expressed its disappointment regarding the regression of the Entity from a financially unqualified audit opinion with no findings on predetermined objectives and compliance with laws and regulations, to a financially unqualified audit opinion with findings on predetermined objectives and compliance with laws and regulations;	The regression was due to the noncompliance to a Practice Note whereby Awards were made to suppliers who did not submit a declaration on whether they are employed by the State or connected to any person employed by the State. The Department is now in full compliance of the Practice Note.
	(b) The Committee expressed its concern that an appropriate disaster plan for the ISA was not in place. The Master file amendments were not approved by the appropriate level of management. Verification procedures were not in place to ensure that the changes made were correct and in accordance with input forms.	As part of the MTEF process a policy option for additional funds was submitted to Provincial Treasury by the Department of the Premier the custodian of the Internal Audit function. This was not approved and no additional funds were received. The Chief Directorate is again attempting to obtain additional funds in order to capacitate the Internal Audit function.
	The Committee acknowledges the Entity on obtaining the financially unqualified audit opinion with findings on predetermined objectives and/or compliance with laws and regulations.	

Approval

The annual financial statements set out on the pages 36 to 51 have been approved by the Accounting Authority.



Mr Andrew Hall

**CHIEF EXECUTIVE OFFICER and ACCOUNTING AUTHORITY
HERITAGE WESTERN CAPE**

3.3 Report of the Auditor-General to the Western Cape Provincial Parliament on Heritage Western Cape

Report on the financial statements

Introduction

1. I have audited the financial statements of Heritage Western Cape set out on pages 36 to 51, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with 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 regulation 3(2) of the Provincial Heritage Resources Authority Regulations, 2002 (Provincial Notice No. 336 of 2002) (Regulations) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Heritage Western Cape as at 31 March 2012, and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA and the Regulations.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 12 to the financial statements, the corresponding figures for 31 March 2011 have been restated as a result of errors discovered during the 2011-12 financial year in the financial statements of Heritage Western Cape at, and for the year ended 31 March 2011.

Report on other legal and regulatory requirements

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 20 to 24 of the annual report.
11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and timebound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

12. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

13. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the matter below:

Achievement of planned targets

14. Of the total number of planned targets, only four were achieved during the year under review. This represents 60% of the planned targets that were not achieved during the year under review.
15. This was mainly due to the fact that operational changes resulted in a different mix of required meetings from those planned. The unavailability of information required to produce policies also impacted the achievements. One indicator was rendered superfluous when a better alternative to achieve the required outcome became available, while for another the decision was taken to delay the process due to a possible future change in regulations.

Compliance with laws and regulations

16. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.
17. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.
18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations.

Internal control

19. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor - General

Cape Town

31 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

STATEMENT OF FINANCIAL POSITION as at 31 March 2012

Figures in Rand	<i>Notes</i>	2012 R'000	2011 R'000
ASSETS			
<i>Current assets</i>			
Trade and other receivables	2	31	-
Cash and cash equivalents	3	1,239	714
TOTAL ASSETS		1,270	714
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	4	22	54
TOTAL LIABILITIES		22	54
NET ASSETS			
Accumulated surplus		1,248	660
TOTAL NET ASSETS		1,270	714

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2012

Figures in Rand	<i>Notes</i>	2012 R'000	2011 R'000
REVENUE			
Transfers and Subsidies received	5	1,380	400
Other operating income	5	75	-
Interest Income	5	47	55
TOTAL REVENUE		1,502	455
EXPENDITURE			
Members fees	9	(567)	(557)
Administration expenses	8	(56)	(72)
Audit fees	6	(150)	(99)
Other operating expenses	10	(141)	(263)
TOTAL EXPENDITURE		(914)	(991)
SURPLUS/(DEFICIT) FOR THE YEAR		588	(536)

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2012

Figures in Rand	Accumulated surplus R'000	Total Net assets R'000
Balance at 1 April 2010	1,203	1,203
Correction of Error	(7)	(7)
As restated	1,196	1,196
Deficit for the year	(536)	(536)
Total changes	(536)	(536)
Balance at 01 April 2011	660	660
Surplus for the year	588	588
Total changes	588	588
Balance at 31 March 2012	1,248	1,248

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

CASH FLOW STATEMENT for the year ended 31 March 2012

Figures in Rand	<i>Notes</i>	2012 R'000	2011 R'000
Cash flows from operating activities			
Cash received		1,424	400
Cash paid to suppliers and employees		(946)	(1,005)
Cash generated/(used) in operations	7	478	(605)
Interest received		47	55
Net cash inflows/(outflows) from operating activities		525	(550)
Net increase/(decrease) in cash and cash equivalents		525	(550)
Cash and cash equivalents at the beginning of the year		714	1,264
Total cash and cash equivalents at the end of the year	2	1,239	714

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

1. ACCOUNTING POLICIES

1.1 PRESENTATION OF FINANCIAL STATEMENTS

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

1.1.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise stated. Standards of GRAP that is effective for the period under review:

GRAP No.	Description	GRAP No.	Description
GRAP 1	Presentation of Financial Statements	GRAP 11	Construction Contracts (as revised in 2010)
GRAP 2	Cash Flow Statements	GRAP 12	Inventories (as revised in 2010)
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors	GRAP 13	Leases (as revised)
GRAP 4	The effects of Changes in Foreign Exchange Rates	GRAP 14	Events after the Reporting Date
GRAP 5	Borrowing Costs	GRAP 16	Investment Property (as revised in 2010)
GRAP 6	Consolidated and Separate Financial Statements	GRAP 17	Property, Plant and Equipment
GRAP 7	Investments in Associates	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 8	Interests in Joint Ventures	GRAP 100	Non-current Assets Held for Sale and Discontinued Operations (as revised in 2010)
GRAP 9	Revenue from Exchange Transactions	GRAP 101	Agriculture
GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2010)	GRAP 102	Intangible Assets

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

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

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

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

1.2.1 Standards not yet effective for the reporting period

Standards of GRAP that may be early adopted:

GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23 *	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of Cash-generating Assets
GRAP 103	Heritage Assets

***GRAP 23 was early adopted.**

Standards of GRAP that may be used in developing an accounting policy:

GRAP 25	Employee Benefits
GRAP 104	Financial Instruments
GRAP 105	Transfers of functions between entities under common control
GRAP 106	Transfers of functions between entities not under common control
GRAP 107:	Mergers

Approved Standards of GRAP that entities are not required to apply:

- **GRAP 18:** Segment reporting

Management anticipates that the impact of implementing these standards would not have any material impact on the entity.

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

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

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

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

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

These annual financial statements are prepared on a going concern basis

1.4 FOREIGN CURRENCIES

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

1.5 REVENUE

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

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

1.5.1 Revenue from non-exchange transactions

1.5.1.1 Unconditional grants

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

1.5.1.2 Conditional grants and receipts

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

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

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

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

1.5.1.3 Services in-kind

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

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

1.5.2 Revenue from exchange transactions

Revenue received from interest on investments and current bank account.

1.6 EXPENDITURE

1.6.1 Financial transactions in assets and liabilities

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

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

1.6.2 Fruitless and wasteful expenditure

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

1.6.3 Irregular expenditure

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

1.6.4 Transfers and subsidies

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

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

1.7 ASSETS

1.7.1. Financial instruments

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

1.7.1.1 Financial assets

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

- Trade and other receivables
- Cash and cash equivalents

In accordance with IAS 39.09, the financial assets of the entity are classified as follows into the categories allowed by this standard:

Type of financial Asset	Classification in terms of IAS 39.09
Trade and other receivables	Loans and receivables
Cash and cash equivalents	Loans and receivables

1.7.1.2 Loans and receivables

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

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

1.7.2 Financial liabilities

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

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

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

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

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

1.8 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

1.8.1 Provision for impairment of receivables

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

1.8.2 Contingent Liabilities

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

1.9 VAT & POSSIBLE EXEMPTIONS

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

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

Figures in Rand 2012
R'000 2011
R'000

2. Trade and other receivables

Trade and other receivables	31	-
	31	-

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

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,239	714
	1,239	714

Credit quality of cash at bank and short term deposits, excluding cash on hand

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

4. Trade and other payables

Trade payables	-	1
Accruals	22	53
	22	54

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

5. Revenue

Revenue from Non-exchange transactions

Transfers and Subsidies received	1,380	400
Other operating income – Rebates: Audit fees	75	-

Revenue from Exchange transactions

Interest income	47	55
	1,502	455

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For year ended March 2012**

Figures in Rand	2012 R'000	2011 R'000
6. Audit fees		
External Audit	150	99
	150	99
7. Cash generated from/(used in) operations		
Surplus/(Deficit) before taxation	588	(536)
Adjustment for:		
Interest received	(47)	(55)
Changes in working capital		
Trade and other receivables	(31)	-
Trade and other payables	(32)	(14)
	478	(605)
8. Administrative expenses		
Entertainment	47	62
Stationery and Printing	8	9
Bank charges	1	1
	56	72
9. Members' Fees		
Dr J Almond	9	14
Ms M Attwell	19	6
Dr N Baumann	9	14
Mr F Brown	3	7
Dr M Burden	19	18
Dr S Chickure	3	3
Dr P Classen	-	14
Ms S De Gois	42	30
Ms J Deacon	8	17
Mr D Der Heever	-	19
Mr P Fefeza	27	21
Mr A Gierdien	-	20
Mr D Grootboom	-	12
Dr M Guma	-	10
Mr D Halkett	16	17
Mr D Hart	-	1

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For year ended March 2012**

Figures in Rand	2012 R'000	2011 R'000
Mr T Hart	17	5
Mr R Joshua	54	32
Mr S Joyi	-	9
Mr C le Fleur	-	12
Ms M Leslie	51	12
Mr P Louw	17	13
Mr R Summers	14	-
Dr A Malan	8	18
Ms Z Manzana	9	14
Ms N Mkunqwana	-	10
Dr P Pether	2	5
Mr Q Lawson	7	-
Mr L Raymond	-	19
Ms L Robinson	22	16
Mr R Robinson	16	11
Prof J Sealy	5	5
Ms M Steenkamp	10	20
Mr T Thorold	23	36
Ms S Townsend	66	43
Ms S Winter	65	33
Ms M Wolters	26	21
	567	557
10. Other operating expenses		
Travel and subsistence	58	77
Consultants, contractors and special leave	4	48
Advertising costs	35	36
Publications	30	15
Translations and transcription	-	4
Courier services	5	11
Maintenance material	-	-
Equipment less than R5000	-	4
Legal fees	9	68
	141	263

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

Figures in Rand	2012 R'000	2011 R'000
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11. Related parties

Relationships

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

Nature of relationship

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

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

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

Related party transactions

Income received from related parties

Department of Cultural Affairs and Sport	1,380	400
National Treasury	75	-

12. Prior year errors

The prior year errors were restated and resulted from new information obtained and taken into account in the preparation and presentation of the 2010/11 financial statements. The restatement of the prior year errors resulted in the following adjustments:

Items affected in the Statement of Financial Performance:

	2010/11	Restated	Effective change
Decrease in Expenses	998	991	(7)

Items affected in the Statement of Financial Position:

	2010/11	Restated	Effective change
Decrease in Accounts Payable	61	54	(7)

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

13. Risk Management

Market risk

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

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

Liquidity risk

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

Sensitivity analysis

At 31 March 2011, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, post tax surplus for the year would have been R12,390 higher/lower.

Interest rate risk

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

Financial Assets

Trade and other receivables at a fixed rate. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans.

Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.

**HERITAGE WESTERN CAPE
ANNUAL FINANCIAL STATEMENT
For the year ended March 2012**

Cash flow interest rate risk

Financial Instrument	Current	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after four years
Cash in current Banking institutions	-	1,239	-	-	-	-
Trade and other Payables – extended Credit terms	-	(22)	-	-	-	-
Net amount	-	1,217	-	-	-	-
Past due but not provided for	-	-	-	-	-	-

Credit risk

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

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

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

14. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities

Description	Operating R'000	Financing R'000	Investing R'000	Total R'000
Actual amount as presented in the budget statement	-	-	-	-
Basis differences	(1)	-	-	(1)
Timing differences	526	-	-	526
Actual amount in the cash flow statement	525	-	-	525

4. HUMAN RESOURCES MANAGEMENT

4.1 Meetings of Heritage Western Cape Council and Committees

Heritage Western Cape Council

Heritage Western Cape's present Council was appointed by the Minister of Cultural Affairs, Sport and Recreation for a three-year term, with effect from the 5 August 2010. This followed a process of public nominations in terms of the provision of the Act. August 2011 hence saw the commencement of the Council's second year in office.

4.2 Execution of Work

The executive and administrative functions of the Council of Heritage Western Cape are performed by designated officials in the employ of the Western Cape Department of Cultural Affairs and Sport, as mutually agreed to between the Council of Heritage Western Cape and the MEC, as set out in Regulation 10 in the Provincial Notice 336 and published in *Provincial Gazette* 5937 dated 23 October 2002. The functions to be performed include, but are not limited to:

- (a) identification of and research into heritage and heritage resources;
- (b) strategic management;
- (c) protection and management of heritage resources;
- (d) management of permit applications;
- (e) financial and administrative support;
- (f) secretarial services to the Council of Heritage Western Cape and its committees; and
- (g) establishment and maintenance of data bases and other resources.

The approved staff establishment for these functions consists of sixteen (16) approved posts. By the end of the financial year, fourteen (14) of the approved posts were filled by full-time staff and two by contract workers.

The responsibilities in terms of the financial management of Heritage Western Cape rest with its Chief Financial Officer, whom it shares with two other public entities (Western Cape Cultural Commission and Western Cape Language Committee) and the Department of Cultural Affairs and Sport. A dedicated component for Public Entities Support reports directly to the Chief Financial Officer.

5 OTHER INFORMATION

5.1. Acronyms

The following acronyms are used in this report:

APM	Archaeology, Palaeontology and Meteorites Committee
BELCom	Built Environment and Landscapes Committee
CEO	Chief Executive Officer / Accounting Authority
CMF	Conservation Management Framework
DRCom	Declarations Review Committee
ExCo	Executive Committee
HWC	Heritage Western Cape
IACom	Impact Assessment Committee
NHRA	National Heritage Resources Act (Act 25 of 1999)
RoD	Record of Decision
SAHRA	South African Heritage resources Agency
SRCCom	Surveys Review Committee

Since its inception in October 2002, Heritage Western Cape has made significant progress towards effective implementation of the National Heritage Resources Act. Its primary responsibility remains the processing of applications in terms of various sections of Chapter II of the Act. As far as resources permit it also institutes new protections and works towards identification and management of Grade III heritage resources in cooperation with municipalities and conservation bodies. To a limited degree it also attempts to promote heritage conservation and particular provincial heritage sites.

5.2 List of Contacts Details

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5.3 Additional Information

None