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# 1. General Information

## 1.1 Vision, Mission and Values

### ***Vision***

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

The vision encapsulates:

- the identification and assistance for groups to achieve artistic growth;
- development of new talent, including indigenous art forms;
- the support of emerging art companies and youth development; and
- the support of training, education and audience development projects.

### ***Mission***

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

- registration and deregistration of cultural councils and financial assistance to registered cultural councils;
- control, management, development and maintenance of movable and immovable property placed under the Western Cape Cultural Commission's supervision by the Provincial Minister; and
- performance of other tasks and functions as assigned by the Provincial Minister and advising the Provincial Minister on policy related to the arts and culture.

### ***Values***

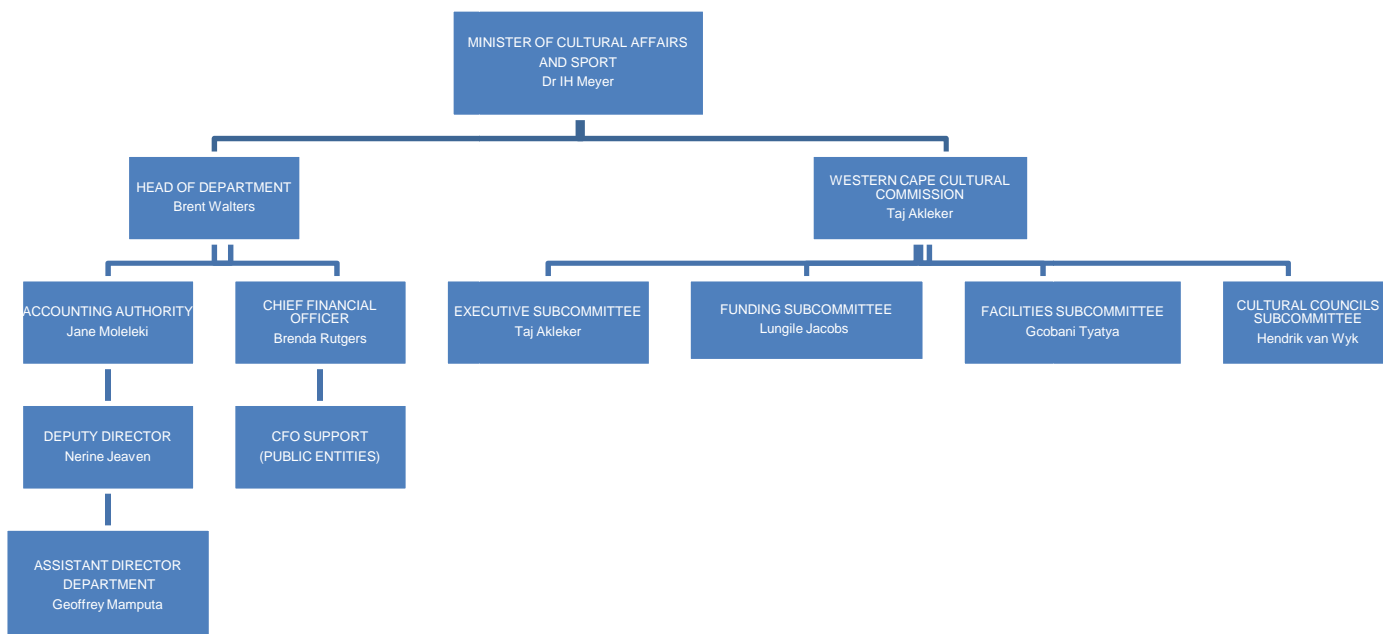
- Integrity;
- Accountability;
- Competence;
- Responsiveness; and
- Caring.

### ***Principles***

The Western Cape Cultural Commission's functions are based on the following principles:

- A multicultural and truly democratic community respects cultural diversity and creates an enabling environment for the effective preservation, promotion and extension of culture.
- The importance of a rich cultural diversity in the Western Cape should be preserved, supported and promoted in such a way that it will lead to a better inter-cultural understanding and create mutual trust amongst various cultural groups.

## 1.2 Organisational Structure



### 1.3 Legislative Mandate

Provision for the legislative mandate of the Western Cape Cultural Commission ("the Commission") is made in legislation and policies applicable to culture in the Western Cape and is approved by the Minister responsible for Cultural Affairs in the Western Cape, as the Executive Authority.

These include:

- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).
- Constitution of the Western Cape, 1998 (Act 1 of 1998).
- Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act 14 of 1998).
- Cultural Affairs Act, 1989 (Act 65 of 1989).
- Cultural Promotion Act, 1993 (Act 35 of 1993).
- Regulation R. 38 (Assignment of the Cultural Affairs Act (House of Assembly), 1989, to the Province under section 235 (8) of the Constitution of the Republic of South Africa, 1993, and published in the Government Gazette No. 16363 dated 13 April 1995).
- Western Cape Provincial Language Act, 1998 (Act 13 of 1998).
- Public Finance Management Act, 1999 (Act 1 of 1999).
- National Treasury Regulations, of 25 May 2002.
- Preferential Procurement Policy Framework Act of 2000 (Act 5 of 2000).
- Promotion of Access to Information Act, 2000 (Act 2 of 2000).
- Occupational Health and Safety Act, 1993 (Act 85 of 1993).

In executing its mandate, the Commission also takes cognisance of national legislative mandates and policies. These include the National Arts Council Act, 1997 (Act 56 of 1997) and the National White Paper on Arts, Culture and Heritage, 1996.

The Western Cape Cultural Commission provides a focused direction and promotes strategic and equitable distribution of resources to ensure maximum impact within communities. The commission empowers rural communities, and supports sustainable arts and culture activities and programmes.

### 1.4 Submission of Annual Report to the Executive Authority

In terms of 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 hereby submit the annual report on the activities of the Western Cape Cultural Commission and its audited financial statements for the 2011/12 financial year.

During the 2011/12 financial year the commission gave effect to the principles as described in the Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act 14 of 1998) through the activities specified in the Strategic Plan of the financial year under review. In keeping with the objective of inclusive society, the WCCC has through its activities encouraged communication and interaction amongst communities in a manner that encourages and promotes inclusivity.

In line with its mandate, the WCCC is responsible for the management of the seven cultural facilities placed under its supervision by the Minister and for making recommendations on how these facilities can be maintained at the highest possible standards and yet be accessible to all the communities of the Western Cape.

As the term of the current Commission has now ended, we honour the efforts that the outgoing members have made towards the realisation of its mandate.



**Jane Moleleki**

**ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION**

**31 MAY 2012**

## 1.5 Chairperson's Foreword

It is with pleasure that I forward these reflective thoughts and notes as part of the Annual Report of the Western Cape Cultural Commission for the period under review. An integral growth trajectory of any values-based society and community lies in its expression of respect, honour and dignity for its embracing humanity, and in its recognition of our rich heritage and cultural diversity. In its attempts to meet its mandate, the Western Cape Cultural Commission seeks to provide fertile ground for fulfilling this all important facet of our interconnected co-existence.

The outgoing Western Cape Cultural Commission has, over its period of incumbency, made great progress. The Commission's sub-committees (funding, cultural councils and facilities) have been consistent in providing insightful guidance and insight in executing their mandates. Ongoing engagement with communities has refined the Commission's community engagement methodology.

The cultural facilities under the management of the WCCC are well maintained and almost fully booked for utilisation by schools and cultural communities. Endeavours to introduce the facilities to marginalised communities have achieved good results. The facilities provide excellent development opportunities for our young thought leaders from all communities and backgrounds.

Funding remains a constant challenge. The funding of programmes and projects of smaller cultural organisations doing sterling work remains a key focus area. An appropriate amount of time has been consistently allocated to funding applications and monitoring the outcomes of funded programmes and projects.

The drafting of the Cultural Councils Handbook in an easy to understand format has proven to be invaluable. We note with pride the Commission's track record of effectively facilitating interactive dialogues with cultural councils and registering new councils.

As the current term of the WCCC comes to an end it has been a privilege to provide leadership for such a dedicated group of cultural and community activists, all specialists in their fields of learning. My sincere thanks go to all the WCCC members for sharing their knowledge and wide experience.

Appreciation and thanks to Dr Ivan Meyer for his deep insight and guidance and all the leadership in the Department of Cultural Affairs and Sport which has created spaces to work as an interconnected team in the interests of communities who are the unsung heroes in promoting their cultural traditions with commitment and enthusiasm.

Appreciation and thanks to all members of the WCCC and chairs of sub-committees, for sharing their lifelong learning and knowledge. There is no doubt that the outgoing Commission has provided a firm foundation for the new WCCC to build on.

Thank you



**CHAIRPERSON: WESTERN CAPE CULTURAL COMMISSION**  
**31 MAY 2012**

## 1.6 Core objectives

1. a) The Western Cape Cultural Commission provides a focused direction and promotes strategic and equitable distribution of resources to ensure maximum impact within communities. The Commission empowers rural communities, and supports sustainable arts and culture activities and programmes.

b) As part of its transformative approach, the WCCC identified the following key interventions:

- To support developmental initiatives;
- To develop relationships with strategic partners;
- To develop marginalised art forms;
- To encourage cultural interaction between communities in the Western Cape;
- To promote involvement of youth in cultural activities;
- To improve the utilisation of rural facilities by the surrounding communities;
- To continue to provide quality services to stakeholders by maintaining a database of cultural practitioners, resources and projects; and
- To identify approaches for nurturing and developing talent within communities.

## 1.7 Statement of responsibility

The annual financial statements fairly present the state of affairs of the Western Cape Cultural Commission, its business, financial results, performance against predetermined objectives and its financial position as at the end of the financial year. These have been presented in terms of generally recognised accounting practice (GRAP). This is in line with the Public Finance Management Act, 1999 (Act 1 of 1999) which requires the accounting authority to keep full and proper records of the financial affairs of the Western Cape Cultural Commission.

## 1.8 The basis used to prepare the annual financial statements

The basis used to prepare the annual financial statements of the Western Cape Cultural Commission is set out in the Public Finance Management Act, 1999 (Act 1 of 1999) and the National Treasury Regulations, and the appropriate and necessary internal controls to limit and detect material misstatements and losses are in place to comply with the relevant legislation.

## 2. Information on predetermined objectives

### 2.1 Overall performance

- a. The Western Cape Cultural Commission embarked on a new path of developing and growing the arts through initiatives that are informed by research. This approach ensures that initiatives address the diverse art and cultural needs of the communities of the province in a manner that is appropriate and relevant. To this end, the Western Cape Cultural Commission supported the Central Karoo Arts initiative which led to the identification of latent local talent. The work done in the Central Karoo has generated much interest in arts and culture and resulted in a sound working relationship amongst communities as well as collaboration and cooperation between the corporate sector and community organisations.
- b. The Commission constantly strives to provide the highest level of quality of service to those utilising the cultural facilities of the entity. This is done through on-going maintenance of the facilities. During the period under review noticeable improvements were made in terms of the facilities.
- c. Diverse groups have utilised the facilities. This could be attributed to the improved revenue and utilisation policy as well as the open day at Koekenaap which enabled the surrounding communities to visit the facility and interact with officials and members of the Commission. A marked increase in utilisation was observed at this facility since the open day.

#### 2.1.1 Voted funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spend R'000	Over/Under Expenditure R'000
6 445	417	6 854	4
<b>Responsible Minister MEC</b>	MINISTER OF CULTURAL AFFAIRS AND SPORT Dr Ivan Meyer		
<b>Administering Dept.</b>	CFO SUPPORT		
<b>Accounting Authority</b>	Ms J Moleleki		

#### 2.1.2 Strategic Outcome Oriented Goals

<b>Strategic Goal</b>	The promotion, development and preservation of arts and culture in the Western Cape in order to contribute towards good governance, social and human capital development; social cohesion and sustainable economic growth and opportunities.
<b>Goal statement</b>	To advise the Minister on how the mandate of the Cultural Commission could best be achieved through the preservation, promotion and development of the visual, performing, literary arts, natural sciences and the humanities, cultural historical fields and the youths cultural awareness in order to contribute towards good governance,



	social and human capital development; social cohesion and sustainable economic growth and opportunities
<b>Justification</b>	The WCCC has a legislative mandate to advise and execute duties as assigned by the MEC.
<b>Links</b>	<p>The promotion of rural development (Western Cape Cabinet Objective and National Government Priority Area):</p> <p>Increase access to opportunities for all the people of the Western Cape (Western Cape Cabinet Objective/National Government Cabinet Objective)</p> <p>Improve efficiency and effectiveness in the well-being Cape (Western Cape Cabinet Objective/National Government Cabinet Objective).</p> <p>Human capital development to focus, amongst others, on social development and the extent of social cohesion (South African Vision 2025, Western Cape Provincial Government Strategic Plan) and the improving the skills base and quality education (National Government Cabinet Objectives and priority area).</p> <p>The strategic plan of the Commission is aligned with the departmental strategic plan.</p>

### 2.1.3 Overview of the service delivery environment

Five applications for registration as cultural councils were received and all the applications were assessed by an independent individual. This was done to verify the existence and membership and capacity of each applicant and whether it satisfies the criteria as a cultural council. Three of these organisations were recommended by the cultural councils subcommittee. The Griqua National Conference of SA requested assistance for the annual Ratelgat Fees and the Commission approved the application.

The review on public entities and the moratorium on the registration of new cultural councils prevented the Commission from finalising the registration of the three recommended cultural councils before the end of its term.

### 2.1.4 Overview of the organisational environment for 2011/12

The inaugural open day at the Koekenaap Facility enabled local communities to provide input into how the facility could be better utilised. This event also provided an opportunity for networking and interaction amongst organisations from the area. It also provided an opportunity to showcase local talent and craft.

The decision to develop brochures about the facilities has result in an increase in enquiries about the facilities and also a more diverse user group which is representative of all communities in the Western Cape.

### 2.1.5 Key policy developments and legislative changes

There were no relevant policy developments or legislative changes in the year under review.

## 2.1.6 Revenue, Expenditure

Programme	Audited outcomes			Actual	Medium-term expenditure estimate		
	2009	2010	2011	Expenditure	2013	2014	2015
R thousand							
1. Western Cape Cultural Commission	4147	3929	3382	2261	2805	2899	3078
<b>Total</b>	<b>4147</b>	<b>3929</b>	<b>3382</b>	<b>2261</b>	<b>2805</b>	<b>2899</b>	<b>3078</b>

### Economic classification

Current payments	3329	3177	6836	2354	2555	2708	2828
Compensation of employees	29	261	141	46	137	144	151
Goods and services							
of which:							
Communication	5	6	12	13	37	39	41
Computer services							
Consultants, contractors and special services	532	776	439	129	111	117	122
Inventory	439	500	275		806	846	889
Maintenance repair and running cost	371	399	210	252	450	473	398
Property owned and leasehold Expenditure							
Travel and subsistence	4	141	134	69	125	131	138
Audit Fees	219	353	201	250	225	236	248
Advertisement	178	48	90	1			
Other	829	3069	2079	1379	664	663	841
Interest and rent on land							
Financial transactions in assets and liabilities							
<b>Transfers and subsidies to:</b>	<b>0</b>	<b>539</b>	<b>3255</b>	<b>4715</b>	<b>250</b>	<b>250</b>	<b>250</b>

Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions	0	539	255	465	250	250	250	
Households			3000	4250				
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
of which: Capitalised compensation								
<b>Total</b>	<b>3329</b>	<b>3716</b>	<b>6836</b>	<b>6854</b>	<b>2805</b>	<b>2899</b>	<b>3078</b>	

## 2.2 Programme performance

Strategic objective	Performance indicator	Target	Actual
Consider the registration and de-registration of cultural councils and provide assistance, including financial assistance for projects, research and conferences of registered cultural councils at the four subcommittee meetings scheduled for the year.	Facilitate a conference for cultural councils to improve networking and encourage the registration of Cultural Councils from diverse of the communities	1	0
	Registration of new cultural councils to encourage and ensure diversity amongst cultural groups	2	4
Manage movable and immovable property placed under the supervision of the WCCC by the Minister to be facilitated through four subcommittee meetings.	Implement a maintenance framework at facilities to maintain the facilities at a standard which is safe for users	1	1
	Upgrading of cultural facilities to maintain their suitability and safety for users	3	4
	Develop a promotion and marketing strategy to create awareness and improve utilisation and access amongst communities	1	1
	Number of advisory and adjudication committee meetings to oversee funding process	3	3
	Do research into accredited arts and culture training opportunities in order to encourage communities to pursue the arts as a career and as part of a lifelong learning	1 (implement)	1
	Develop a framework for identifying and nurturing of individual potential as to encourage excellence within the arts	1 (implement)	1

Develop, promote and preserve arts and culture in the Western Cape through the strategic planning session and four funding subcommittee meetings	Number of scheduled advisory meetings for the plenary and sub-committee's to advise the Minister on cultural related matters.		
	Plenary Session	4	3
	Executive Council	2	0
	Funding Subcommittee	4	3
	Cultural Councils Subcommittee	4	3
	Cultural Facilities Subcommittee	4	3
	Strategic Planning	1	1

### **Reasons for major variances**

#### **Facilitate a conference for cultural councils**

Arrangements for the cultural dialogue (as it is called now) were made but, due to a directive from the Minister, this was postponed until further notice. The postponement was due to the review process of public entities that is still in progress.

#### **Register new cultural councils**

There were more applications for registration received than anticipated.

#### **Upgrading of cultural facilities**

One extra cultural facility was upgraded during the financial year under review.

Four facilities were upgraded during the financial year instead of three (as per the Annual Performance Plan). The cultural facilities which were upgraded were: Melkbos Cultural Centre, Melkbos Oppiesee, Groot Drakenstein and Koekenaap.

#### **Scheduled advisory meetings for the plenary and sub-committees**

No meetings were held during the last quarter, as a new Commission had not appointed by then.

#### **Funding sub-committee**

Fewer meetings were held as an independent panel reviewed applications together with the Department rather than with the sub-committee.

## **2.3 Other reportable activities**

The Western Cape Cultural Commission consists of three sub-committees that assist in the fulfilment of its mandate, namely, Facilities, Funding (Renamed to Research and Analysis), and Cultural Councils. Each committee has a chairperson who plays a facilitation role. The chairperson of each subcommittee together with the chair and deputy chairperson of the plenary form the executive subcommittee. The term of the past Commission expired on 24 November 2011. No meetings were conducted during the last quarter of the financial year, as a new Commission had not been appointed by the conclusion of the financial year.

Composition of the subcommittees:

<b>Cultural Councils Subcommittee</b>	<b>Facilities Subcommittee</b>	<b>Funding Subcommittee</b>
Mr Hendrik van Wyk (chairperson)	Mr Gcobani Tyatya (chairperson)	Mr Lungile Jacobs (chairperson)
Mr Patrick Blaauw	Mr Taj Akleker	Mr Xolani May
Mr Christo van der Rheede	Mr Johannes du Plessis	Ms Thandi Swartboo
Prof. Sandile Gxilishe		
Ms Helen van Coller		

The following persons resigned from the WCCC during their term of office: Leanne Göhse; Eric Tshandu and Undré Deglon.

### **Appointment of Western Cape Cultural Commission**

The term of the Commission expired on 24 November 2011. An advertisement and shortlisting process took place and was administered by the Provincial Standing Committee on Education, Arts and Culture. No appointments had been confirmed by the end of the financial year.

### **Sub-committees**

#### *The control, management, development and maintenance of cultural facilities*

To improve accessibility and ensure effective financial management, development and maintenance of facilities, various initiatives and policies were implemented. The aim was to ensure consistency and ensure that facilities meet the demands of their users.

The year under review saw the development of a utilisation policy and procedure guideline that ensured new users be given preference. The document included adjusted rental and utilisation rates, a new application form and a description of the application process.

Security is an on-going challenge at the facilities and the establishment of a task team comprising of the neighbourhood watch, local police and the local security company have done much toward creating a sense of security at the Melkbos facilities.

A new service provider has been appointed to insure facilities. It will provide the same level of cover at a reduced cost to the Department.

Tariffs for the facilities have been standardised with the amounts being R35 per person per day for overnight users and, R11 per person per day for daytime usage.

The Maintenance and Development Plan was accepted by the Facilities Committee as a framework for the maintenance and development of cultural facilities to ensure effective planning and utilisation of resources. The framework assists in the planning of maintenance as well as the upgrading of the facilities. This has resulted in the facilities being improved aesthetically, in terms of security, functionality and accessibility for the disabled. All construction at the facilities has been done in collaboration with the

Department of Public Works which provides technical expertise and advice to the Department of Cultural Affairs and Sport, as needed.

Upgrading and maintenance included paving of access roads, upgrading of ablution facilities, and painting of the main buildings at Groot Drakenstein, Bien Donne Manor House, Koekenaap, Melkbos Cultural Centre and Melkbos Oppiesee.

An open day at Koekenaap increased the utilisation of the facility by local community groups and schools. The findings of a questionnaire circulated to schools and community organisations in the surrounding areas will be used to inform future maintenance and upgrading of the facility in order to ensure that the needs of the users are effectively addressed.

### Cultural Councils Sub-committee

The role of the Cultural Councils Sub-committee is the registration and de-registration of cultural councils. The sub-committee considers applications received for projects, research and conferences from registered councils for funding. In the 2011/12 financial year the subcommittee was fully operational.

Approximately 15 new applications from cultural organisations were received. Only four new cultural councils were registered during the financial year, namely, Basotho Bakae Cultural Council (C13/1/2/2/E25), Cape Khoi Cultural Council (C13/1/2/2/E26), First Indigenous Women Cultural Council (C13/1/2/2/E27) and Intsika Yamanyange Cultural Council (C13/1/2/2/E28). Although only four were registered, there was an increase in the number of groups applying and enquiring about registering as cultural councils.

During the latter part of the financial year, a moratorium was placed by the Minister on the registration of new cultural councils. This was due to the review of public entities that had been put in motion.

The Vlaamse SA Kultuurstigting (C13/1/2/2/E16), a registered cultural council, wrote a letter to the Western Cape Cultural Commission requesting to be removed from the database. The cultural councils subcommittee agreed and requested the secretariat to remove its name from the list and, write them a letter of acknowledgement.

There are 24 registered cultural councils whose contact details have been updated and verified by the secretariat. The list of registered cultural councils is dominated by the Khoisan cultural groupings. This prompted the subcommittee to initiate an intervention to attract other cultural groupings of the Western Cape, especially from the isiXhosa-speaking communities.

A number of applications for funding were received and one was approved.

<b>Cultural Council</b>	<b>Amount approved</b>
Griqua National Conference of SA (C13/1/2/2/E1)	R30 000

### Funding Sub-committee

The funding subcommittee assisted with the annual Arts and Culture funding process. Members of the funding subcommittee assisted staff with the drafting and finalisation of criteria against which proposals were evaluated. Given their understanding and insight of the arts and culture sector, their input proved invaluable to the process.

## 3 Annual financial statements

### 3.1 Audit Committee Report

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 Western Cape Cultural Commission 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's report**

### ***The Management Report***

Report by the Accounting Authority to the Executive Authority and the Western Cape Parliament.

### ***General Review of the State of Affairs***

The Commission functioned optimally over the review period, 1 April 2011 to 24 November 2011. After the expiration of its term, a process of advertisement and shortlisting was done for a new Commission. By the end of the last quarter of the financial year, no appointments had yet been made so no Commission meetings took place in the final quarter.

### ***Service rendered by the Western Cape Cultural Commission***

The function of the Western Cape Cultural Commission is prescribed in the Western Cape Cultural Commission and Cultural Councils Act – to advise the Minister on the preservation, promotion, and development of culture in the province through the following:

1. Registration and deregistration of cultural councils and financial assistance to registered councils;
2. Control, manage, development and maintenance of movable and/ or immovable property placed under its supervision by the Provincial Minister;
3. Performance of other functions and tasks assigned by the Provincial Minister; and advising the Minister on policy matters.

### ***Policy for registration and de-registration of cultural councils***

A policy for the registration and de-registration of cultural councils was accepted during this period. It lists the requirements for indigenous cultural groups to be registered as cultural councils. The Western Cape Cultural Commission agreed that the policy should be printed in a booklet format and distributed at public libraries and museums.

### ***Utilization Hiring Rental Policy***

The Revenue and Utilization Policies were consolidated to form the Utilization Hiring Rental Policy and this was accepted and implemented by the Western Cape Cultural Commission.

### ***Capacity constraints***

The Western Cape Cultural Commission does not have employees of its own and a departmental official is assigned with the administrative responsibility of the Commission.

### ***Utilisation of donor funds***

This was not applicable in the period under review.

## **Business Address**

Western Cape Cultural Commission  
3<sup>rd</sup> Floor, Protea Assurance Building  
Greenmarket Square  
CAPE TOWN, 8001

## **Controlled entities and public entities**

This was not applicable in the period under review.

## **Other organisations to which transfer payments have been made**

The following transfer payments were done during the period under review:

<b>Organisation</b>	<b>Amount Transferred</b>
Department of Cultural Affairs & Sport	R4 250 000
South African Christmas Bands Board	R49 544
Kaapse Klopse Karnaval Association	R290 508
One City Events Company	R50 000
Cape Metro Minstrel Association	R45 040
Griqua National Conference of SA (C13/1/2/2/E1)	R30 000
<b>Total</b>	<b>R4 715 092</b>

## **Public private partnerships (PPPs)**

There were no PPPs in the period under review.

## **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. 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 of Cultural Affairs and Sport's strategic risk register.

The entity had an effective Audit Committee that operated in terms of 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 obtains clean audits in future.

## **Disaster Recovery and Business Continuity Plans**

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

## **Responsibilities of Accounting Authority**

The entity has implemented policy and procedures to assist the Accounting Authority to comply with sections 51, 52 and 54 of the Public Finance Management Act (PFMA).

## **Discontinued Activities/ Activities to be discontinued**

No activities or services were discontinued during the financial year.

## **New/ Proposed Activities**

The Western Cape Cultural Commission met to discuss an Annual Performance Plan in line with the Department of Cultural Affairs and Sport's strategic direction. The Annual Performance Plan was submitted via the Accounting Authority of the entity to the Executive Authority for consideration. The Executive Authority approved the Annual Performance Plan for the Western Cape Cultural Commission. The activities and targets listed in the Annual Performance Plan are to fulfil the legal mandate of the Western Cape Cultural Commission.

## **Events after the balance sheet date**

There were no such events in the year under review.

## **Performance Information**

The performance information is provided in Part 2 of the Annual Report.

## Scopa Resolution: Western Cape Cultural Commission

Resolution/ Concerns	Actions
The Committee raised a concern on the regression of the Entity from a financially unqualified audit opinion with no findings to financially unqualified audit opinion with findings;	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.
Management did not design adequate controls to mitigate the risk of non-compliance with Supply Chain Management Regulations, therefore not following the Practice Note as per Treasury Regulations; and	The Auditor-General's recommendation was implemented on 1 August 2011. Declarations from service providers with whom the department had dealings for the period 1 April 2011 to 31 July 2011 were gathered to align compliance with the requirements of Treasury Regulation and Practice Note.
There was no disaster recovery plan in place and 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.	The disaster recovery plan was approved and implemented on 5 April 2011.  Verification procedures were implemented from 1 April 2011.
The Committee acknowledged the Entity's efforts for obtaining a financially unqualified audit opinion with findings on predetermined objectives and compliance with laws and regulations.	

### Other

None

### Approval

The annual financial statements set out in Part 3 from page 26 to 42 have been approved by the Accounting Authority.



**Jane Moleleki**

**ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION**

**31 MAY 2012**

### **3.3 REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE WESTERN CAPE CULTURAL COMMISSION**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Introduction**

1. I have audited the financial statements of the Western Cape Cultural Commission set out on page 26 to 42, 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 section 15(6) of the Western Cape Cultural Commission and Cultural Councils Act, 1998 (Act No. 14 of 1998) (WCCCA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### **Auditor-General's responsibility**

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

##### **Opinion**

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

### **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 14 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 the Western Cape Cultural Commission 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 26 to 42 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 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 time bound) 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 eight were achieved during the year under review. This represents 43% of the planned targets that were not achieved during the year under review.
15. This was mainly due to the fact that a new committee was not appointed and therefore the planned meetings could not be held.

## 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.

## Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations.
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*

**WESTERN CAPE CULTURAL COMMISSION**  
**3.4 ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

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**General Information**

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<b>Country of Incorporation and domicile</b>	South Africa
<b>Registered office</b>	Protea Assurance Building Greenmarket Square Cape Town 8000
<b>Business address</b>	Protea Assurance Building Greenmarket Square Cape Town 8000
<b>Postal Address</b>	Private Bag X9067 Cape Town 8000

**WESTERN CAPE CULTURAL COMMISSION**  
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for the year ended 31 March 2012

**3.5 STATEMENT OF FINANCIAL POSITION as at 31 March 2012**

Figures in Rand	NOTES	2012 R'000	2011 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade and other receivables	2	281	496
Cash and cash equivalents	3	5,322	9,759
<b>Non-current assets</b>			
Property, plant and equipment	12	-	30
<b>TOTAL ASSETS</b>		<b>5,603</b>	10,285
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4	91	125
Income received in advance	4	172	227
<b>TOTAL LIABILITIES</b>		<b>263</b>	352
<b>NET ASSETS</b>			
Accumulated surplus		5,340	9,933
<b>TOTAL NET ASSETS</b>		<b>5,603</b>	10,285

**WESTERN CAPE CULTURAL COMMISSION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

**3.6 STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2012**

Figures in Rand	NOTES	2012 R'000	2011 R'000
<b>Revenue</b>			
Transfers and Subsidies received	5	150	1,011
Other operating Income	5	1,658	1,765
Interest Income	5	453	589
<b>TOTAL REVENUE</b>		<b>2,261</b>	<b>3,365</b>
<b>EXPENDITURE</b>			
Members fees	8	(46)	(141)
Administrative expenses	9	(67)	(117)
Audit fees	6	(250)	(168)
Transfers and subsidies: expenses	10	(4,715)	(3,255)
Other operating expenses	11	(1,776)	(2,775)
<b>TOTAL EXPENDITURE</b>		<b>(6,854)</b>	<b>(6,456)</b>
<b>DEFICIT FOR THE YEAR</b>		<b>(4,593)</b>	<b>(3,091)</b>

**WESTERN CAPE CULTURAL COMMISSION**  
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**3.7 STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2012**

	<b>Accumulated surplus R'000</b>	<b>Total Equity R'000</b>
<b>Balance as originally stated</b>	<b>13,387</b>	13,387
Correction of prior year errors	<b>(363)</b>	(363)
<b>Restated balance at 01 April 2010</b>	<b>13,024</b>	13,024
Deficit for the year	<b>(3,091)</b>	(3,091)
<b>Restated balance at 01 April 2011</b>	<b>9,933</b>	9,933
<b>As restated</b>	<b>9,933</b>	9,933
Deficit for the year	<b>(4,593)</b>	(4,601)
<b>Balance at 31 March 2012</b>	<b>5,340</b>	5,332

**WESTERN CAPE CULTURAL COMMISSION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

**3.8 CASH FLOW STATEMENT for the year ended 31 March 2012**

Figures in Rand	NOTES	2012 R'000	2011 R'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		<b>2,023</b>	2,780
Cash paid to suppliers		<b>(6,913)</b>	(7,476)
Cash used in operations	7	<b>(4,890)</b>	(4,696)
Interest received		<b>453</b>	589
Net cash outflows from operating activities		<b>(4,437)</b>	(4,107)
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	(7)
Net cash outflows from investing activities		-	(7)
<b>Net decrease in cash and cash equivalents</b>		<b>(4,437)</b>	(4,114)
Cash and cash equivalents at the beginning of the year		<b>9,759</b>	13,873
<b>Total cash and cash equivalents at the end of the year</b>	3	<b>5,322</b>	9,759

## WESTERN CAPE CULTURAL COMMISSION

### ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

#### 3.9 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:

### 1.2 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

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.

**WESTERN CAPE CULTURAL COMMISSION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

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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:

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

#### **\*GRAP 23 was early adopted.**

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

<b>GRAP 25</b>	Employee Benefits
<b>GRAP 104</b>	Financial Instruments
<b>GRAP 105</b>	Transfers of functions between entities under common control
<b>GRAP 106</b>	Transfers of functions between entities not under common control
<b>GRAP 107:</b>	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.

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

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

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

### **1.3 PRESENTATION CURRENCY**

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

### **1.4. GOING CONCERN ASSUMPTION**

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



## **1.5. REVENUE**

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

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

### **1.5.1 Revenue from non-exchange transactions**

#### **1.5.1.1 Unconditional grants**

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

#### **1.5.1.2 Conditional grants and receipts**

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

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

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

#### **1.5.1.3 Services in-kind**

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

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

### **1.5.2 Revenue from exchange transactions**

Revenue received from interest on investments and current bank account.

## **1.6 FOREIGN CURRENCIES**

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

## **1.7 EXPENDITURE**

### **1.7.1 Financial transactions in assets and liabilities**

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

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

### **1.7.2 Fruitless and wasteful expenditure**

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

### **1.7.3 Irregular expenditure**

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

### **1.7.4 Transfers and subsidies**

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

## **1.8 FINANCIAL INSTRUMENTS**

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

### **1.8.1 Financial assets**

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

- Trade and other receivables
- Cash and cash equivalents

In accordance with 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

#### **1.8.1.1 Loans and receivables**

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

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

### **1.8.2 Financial liabilities**

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

**WESTERN CAPE CULTURAL COMMISSION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

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

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

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

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

## **1.9 PROPERTY, PLANT AND EQUIPMENT**

### **1.9.1 Recognition and measurement**

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

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

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

### **1.9.2 Subsequent costs**

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

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

### **1.9.3 Depreciation**

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

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

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

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

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

#### **1.9.4 Asset useful lives and residual values**

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

#### **1.9.5 Derecognition**

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

#### **1.10 IMPAIRMENT OF ASSETS**

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

#### **1.11 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

##### **1.11.1 Provision for impairment of receivables**

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

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**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

Figures in Rand	<b>2012</b> <b>R'000</b>	2011 R'000
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**1.12 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.

**2. Trade and other receivables**

Provision for bad debts	-	(322)
Trade and other receivables	<b>274</b>	818
Accrued interest	<b>7</b>	-
	<b>281</b>	496

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

**3. Cash and cash equivalents**

Cash and cash equivalents consist of:

Bank balances	<b>706</b>	1,415
Short-term deposits	<b>4,616</b>	8,344
	<b>5,322</b>	9,759

**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. Trade and other payables**

Trade payables	-	1
Accrued Expense	<b>36</b>	56
Income received in advance	<b>172</b>	227
Refunds: Rental Income	<b>55</b>	59
Unidentified Rental Income	-	9
	<b>263</b>	352

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

**5. Revenue**

**Revenue from Non-exchange transactions**

Transfers and Subsidies received	<b>150</b>	1,011
	<b>2,261</b>	3,365

**6. Audit fees**

External Audit	<b>250</b>	168
	<b>250</b>	168

**WESTERN CAPE CULTURAL COMMISSION**  
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**for the year ended 31 March 2012**

Figures in Rand

**2012**  
**R'000**

2011  
R'000

Adjustment for:		
Interest received	<b>(453)</b>	(589)
Loss on disposal of assets	<b>30</b>	

**Changes in working capital:**

Depreciation	-	8
Trade and other receivables	<b>537</b>	(88)
Trade and other receivables: Related Parties	-	1
Provision for doubtful debt	<b>(322)</b>	92
Trade and other payables	<b>(89)</b>	(1,029)

**(4,890)** (4,696)

**8. Members fees**

Commission members

T. Akleker	<b>7</b>	17
P. Blaauw	<b>5</b>	12
U. Deglon	-	7
L. Goshe	-	2
S. Gxilishe	<b>5</b>	12
T. Swartbooi	<b>2</b>	11
C. Van der Rhee	<b>3</b>	7
H. Van Wyk	<b>5</b>	13
G. Tyatya	<b>5</b>	10
E. Tshandu	<b>4</b>	3
X. May	<b>4</b>	16
J. Du Plessis	<b>3</b>	10
L. Jacobs	<b>2</b>	11
HM Van Coller	<b>1</b>	10

**46** 141

**9. Administrative expenses**

Entertainment	<b>18</b>	59
Stationery & Printing	<b>44</b>	51
Bank charges	<b>5</b>	7

**67** 117

**10. Transfers and subsidies**

Professional organisations/NPO	<b>50</b>	195
Cultural Councils	<b>370</b>	60
Minstrels	<b>45</b>	-
Department of Cultural Affairs & Sport	<b>4,250</b>	3,000

**4,715** 3,255

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<b>11. Other operating expenses</b>		
Consulting, contractors & specialised services	129	439
Depreciation	-	8
Advertising	1	-
Bad debts	-	91
Equipment less than R5000	104	185
Stores / Consumables	126	162
Travel & subsistence	69	134
Property expense	932	1,695
Communication costs	13	10
Write off	-	1
Maintenance repairs & running costs	252	48
Courier and delivery services	2	2
Legal Fees	80	-
Donations (Assets)	68	-
	<b>1,776</b>	<b>2,775</b>

**12. Property plant and equipment**

**Plant and Equipment**

Cost/Valuation	42	35
Additions		7
Accumulated depreciation	(12)	(4)
Depreciation	-	(8)
Disposal of Assets	(30)	
<b>Carrying Value</b>	<b>-</b>	<b>30</b>

For the period under review, all assets were transferred to the Department of Cultural Affairs and Sport to ensure the effective management of all assets. Grap 17, Property, plant and equipment (derecognition of assets) was applied to account for the effect of the donation at carrying value as at 31 March 2011 and at cost as at 31 March 2012. The effect of the donated assets is included in the deficit.

**13. Related parties**

**Relationships**

Primary funder	Department of Cultural Affairs and Sport
Strategic partner	Heritage Western Cape
Strategic partner	Western Cape Language Committee

**Nature of relationship**

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

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

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**Related party balances**

**Related party transactions:**

**Income received from related parties**

	<b>2012</b>	<b>2011</b>
Department of Cultural Affairs and Sport	150	100
Department of Cultural Affairs and Sport	-	911

**Income paid to related parties**

	<b>2012</b>	<b>2011</b>
Department of Cultural Affairs and Sport	(4,250)	(3,000)

**14. 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:**

	<b>2010/11</b>	<b>Restated</b>	<b>Effective change</b>
Decrease in Expenses	6,836	6,455	(381)
Decrease in Revenue	2,793	2,775	18

**Items affected in the Statement of Financial Position:**

	<b>2010/11</b>	<b>Restated</b>	<b>Effective change</b>
Decrease in Accounts Payable	445	352	93
Decrease in Accounts Receivable	834	818	(16)
Decrease in Provision for doubtful debt	608	322	286

**15. 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 2012, 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 R97,590 higher/lower.



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**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 of interest. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.

<b>Cash flow interest rate risk</b>		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>Financial Instrument</b>	<b>Current</b>	<b>Due 1-30 days</b>	<b>Due 31-60 days</b>	<b>Due 61- 90 days</b>	<b>Due 91+ days</b>	<b>Total</b>
<b>2012 Trade and other receivables – normal credit terms</b>	<b>43</b>	<b>14</b>	<b>9</b>	<b>(65)</b>	<b>273</b>	<b>274</b>
<b>Provision for bad debts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net amount</b>	<b>43</b>	<b>14</b>	<b>9</b>	<b>(65)</b>	<b>273</b>	<b>274</b>
<b>Past due but not provided for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2011 Trade and other receivables – normal credit terms</b>	<b>68</b>	<b>50</b>	<b>94</b>	<b>4</b>	<b>602</b>	<b>818</b>
<b>Provision for bad debts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(322)</b>	<b>(322)</b>
<b>Net amount</b>	<b>68</b>	<b>50</b>	<b>94</b>	<b>4</b>	<b>280</b>	<b>496</b>
<b>Past due but not provided for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Instrument</b>	<b>Current</b>	<b>Due in less than a year</b>	<b>Due in one to two years</b>	<b>Due in two to three years</b>	<b>Due in three to four years</b>	<b>Due after four years</b>
<b>Cash in current Banking institutions</b>	<b>-</b>	<b>5,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade and other Payables – extended Credit terms</b>	<b>-</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net amount</b>		<b>5,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Past due but not provided for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**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.

**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. **(Refer to Trade and Receivables note)**

**16. 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
	<b>BUDGET</b>			
Actual amount as presented in the budget statement	-	-	-	-
Basis differences	156	-	-	<b>156</b>
Timing differences	(4,593)	-	-	<b>(4,593)</b>
Actual amount in the cash flow statement	(4,437)	-	-	<b>( 4,437)</b>

**18. Irregular Expenditure**

**2012**  
**R'000**

2011  
R'000

**Reconciliation of Irregular expenditure**

**Opening balance**

Irregular expenditure – Current	-	278
Irregular expenditure – Condoned	-	278
Transfer to receivables for recovery		

**Irregular expenditure awaiting condonement**

-

-

## 4 Human resource management

### 4.1 Meeting

MEETING/ COMMITTEE	CHAIRPERSON	VENUE	TIME	2011												2012		
				April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March			
WCCC Plenary	Mr. Taj Akleker	1st Floor	10h00			09			08		24							
Facilities	Mr. Gcobani Tyatya	3 <sup>rd</sup> Floor	10h00		24			16		27								
Cultural Councils	Mr. Hendrik van Wyk	3 <sup>rd</sup> Floor	10h00		12		21			20								
Funding	Mr. Lungile Jacobs	3 <sup>rd</sup> Floor	10h00	14														
Exco	Mr. Taj Akleker	3 <sup>rd</sup> Floor	10h00															
Cultural Councils Conferen ce	Mr. Hendrik van Wyk	Okkie Jooste	18h00/ 08h00															
WCCC Stratplan	Mr. Taj Akleker	Bien Donne	09h00					16										

## 4.2 Execution of work

In terms of Section 13 of the Western Cape Cultural Commission and Cultural Councils Act (Act 14 of 1998) staff of the Department of Cultural Affairs and Sport is responsible for the administrative work of the Cultural Commission. The Commission has a secretariat seated within the culture component. Minutes taken in the sub-committees and plenary meetings are forwarded quarterly to the Minister. Quarterly performance reports as well as the annual report are compiled by the secretariat in consultation with management. The secretariat liaises with cultural councils and also renders administrative support to the members of the Western Cape Cultural Commission.

Each sub-committee meets prior to the Plenary and recommendations are forwarded to the Minister after approval at plenary sessions.

## 5 Other information

### 5.1 Acronyms

None.

### 5.2 List of contact details

The following persons may be contacted for any enquiry relating to the information provided to this document:

Accounting Authority: Western Cape Cultural Commission

Ms Jane Moleleki

Tel. 021 483 9671/2

E-mail: [Jane.Moleleki@westerncape.gov.za](mailto:Jane.Moleleki@westerncape.gov.za)

Deputy Director: Arts and Culture Component

Ms Nerine Jeaven

Tel. 021 483 9713

E-mail: [Nerine.Jeaven@westerncape.gov.za](mailto:Nerine.Jeaven@westerncape.gov.za)

Assistant Director: Arts and Culture Component

Mr. Geoffrey Mamputa

Tel. 021 483 9710

E-mail: [Geoffrey.Mamputa@westerncape.gov.za](mailto:Geoffrey.Mamputa@westerncape.gov.za)

Secretariat: Western Cape Cultural Commission

Mr. Clement Williams

Tel. 021 483 9717

Fax 021 483 9711

E-mail: [Clement.Williams@westerncape.gov.za](mailto:Clement.Williams@westerncape.gov.za)

## 5.3 Additional information

### CULTURAL FACILITIES CONTACT DETAILS & BOOKING INFORMATION

The WCCC Cultural Facilities are ideal venues for school and other cultural programmes. Take this opportunity to book one of the 7 facilities for your workshop by contacting us:

**Bookings Contact Person:**

Ms Ntomboxolo (Ntombie) Yokwana

Tel 021 483 9727

Fax 021 483 9711

E-mail: [Ntomboxolo.Yokwana@westerncape.gov.za](mailto:Ntomboxolo.Yokwana@westerncape.gov.za)

**General Information of each facility:**

Cultural Facility	Contact Number	Manager
Bien Donné Paarl	Tel 021 874 2101	Ms Tania le Roux
Groot – Drakenstein	Tel 021 874 140	Ms Esmeralda Giffellin
Koekenaap, Vredendal	Tel 027 217 1349	Ms Mandy Magerman
Melkbos and Oppiesee	Tel 021 553 2581	Mr. Andrew Julies
Okkie Jooste	Tel 021 866 1510	Mr. Justin Jumat
Schoemanspoort	Tel 044 279 2670	Mr. Sias Gelant