

HERITAGE WESTERN CAPE

**Annual Report
2012/2013**

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Cover photograph: McLean Observatory Cape Town (1897)
Photographer: Wim Filmalter
Winning photograph in the South African round of the
Wiki Loves Monuments photographic competition of which
Heritage Western Cape was a sponsor
Photo courtesy of Wiki Commons, <http://commons.wikimedia.org>

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PART A: GENERAL INFORMATION

1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Heritage Western Cape
PHYSICAL ADDRESS	3 rd Floor, Protea Assurance Building Greenmarket Square Cape Town 8001
POSTAL ADDRESS	Private Bag X9067 Cape Town 8000
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BANKERS	Nedbank

2 LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APM	HWC Archaeology, Palaeontology and Meteorites Committee
APP	Annual Performance Plan
BAR	Basic Assessment Report
BELCom	Built Environment and Landscapes Committee
BID	Basic Information Document
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMF	Conservation Management Framework
CMP	Conservation Management Plan
D: ERM	Directorate Enterprise Risk Management, Department of the Premier
DCAS	Department of Cultural Affairs and Sport
EIA	Environmental impact assessment
EPWP	Expanded Public Works Programme
ERM	Enterprise risk management
ERMCOM	Enterprise Risk Management Committee
EXCO	Executive Committee
HIA	Heritage impact assessment
HWC	Heritage Western Cape
IACom	HWC Impact Assessment Committee

IGIC	HWC Inventories, Grading and Interpretation Committee
King III	King Report on Corporate Governance, 2009
LUPO	Land Use Planning Ordinance
MEC	Member of [the Provincial] Executive Council
NHRA	National Heritage Resources Act, 1999 (Act 25 of 1999)
NID	Notice of Intent to Develop
PFMA	Public Finance Management Act
PFMA	Public Finance Management Act, 1999
PN	Provincial Notice
ROD	Record of Decision
SAHRA	South African Heritage Resources Agency
SAHRIS	South African Heritage Resources Information System
EIR	

3 STRATEGIC OVERVIEW

3.1 Vision

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 tangible and intangible heritage, particularly amongst the previously marginalised communities.

3.2 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.

3.3 Values

Inclusivity, accountability, transparency, enhancement of civic pride, excellence, ethics.

3.4 Strategic outcome orientated goals

To protect, conserve and manage the heritage resources of the Western Cape.

4 LEGISLATIVE AND OTHER MANDATES

Heritage Western Cape (HWC) was established on 5 October 2010 as a provincial heritage resources authority in terms of the National Heritage Resources Act, 1999

(Act 25 of 1999). It is subject to the National Treasury Regulations and is a Schedule 3C public entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

HWC is mandated to develop strategies and procedures for the implementation of the National Heritage Resources Act, 1999 (NHRA). These include identification, recording, protection, conservation, promotion and management of heritage in the Western Cape.

National legislation

Constitution of the Republic of South Africa, 1996	Act 108 of 1996
Cultural Institutions Act, 1998	Act 119 of 1998
Cultural Promotion Act, 1983	Act 35 of 1983
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act, 2002	Act 19 of 2002
Electronic Communications and Transactions Act	Act 25 of 2002
Intergovernmental Relations Framework Act	Act 13 of 2005
National Archives and Records Service of South Africa Act, 1996	Act 43 of 1996
National Heritage Council Act, 1999	Act 11 of 1999
National Heritage Resources Act, 1999	Act 25 of 1999
National Treasury Regulations	Government Gazette 27388, 15 March 2005
Promotion of Access to Information Act, 2000	Act 2 of 2000
Promotion of Administrative Justice Act, 2000	Act 3 of 2000
Public Finance Management Act, 1999	Act 1 of 1999
South African Geographical Names Council Act, 1998	Act 118 of 1998
World Heritage Convention Act	Act 49 of 1999

Provincial legislation

Constitution of the Western Cape, 1997	Act 1 of 1998
Western Cape Cultural Commission and Cultural Councils Act, 1998	Act 14 of 1998 (Western Cape)
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

Key constitutional mandates (Constitution of the Republic of South Africa, 1996)

Section 24(b) (ii): Environment: Heritage Western Cape must, by legislative and other measures, regulate and monitor the promotion of conservation of the heritage environment in the Western Cape. This may not be exercised in a manner inconsistent with any provision of the Bill of Rights. Annual Reports on this mandate must be submitted to the Western Cape Provincial Legislature.

Section 31: Cultural, religious and linguistic communities: Heritage Western Cape must ensure that its programmes and projects take into account the cultural diversity of the population of the Western Cape.

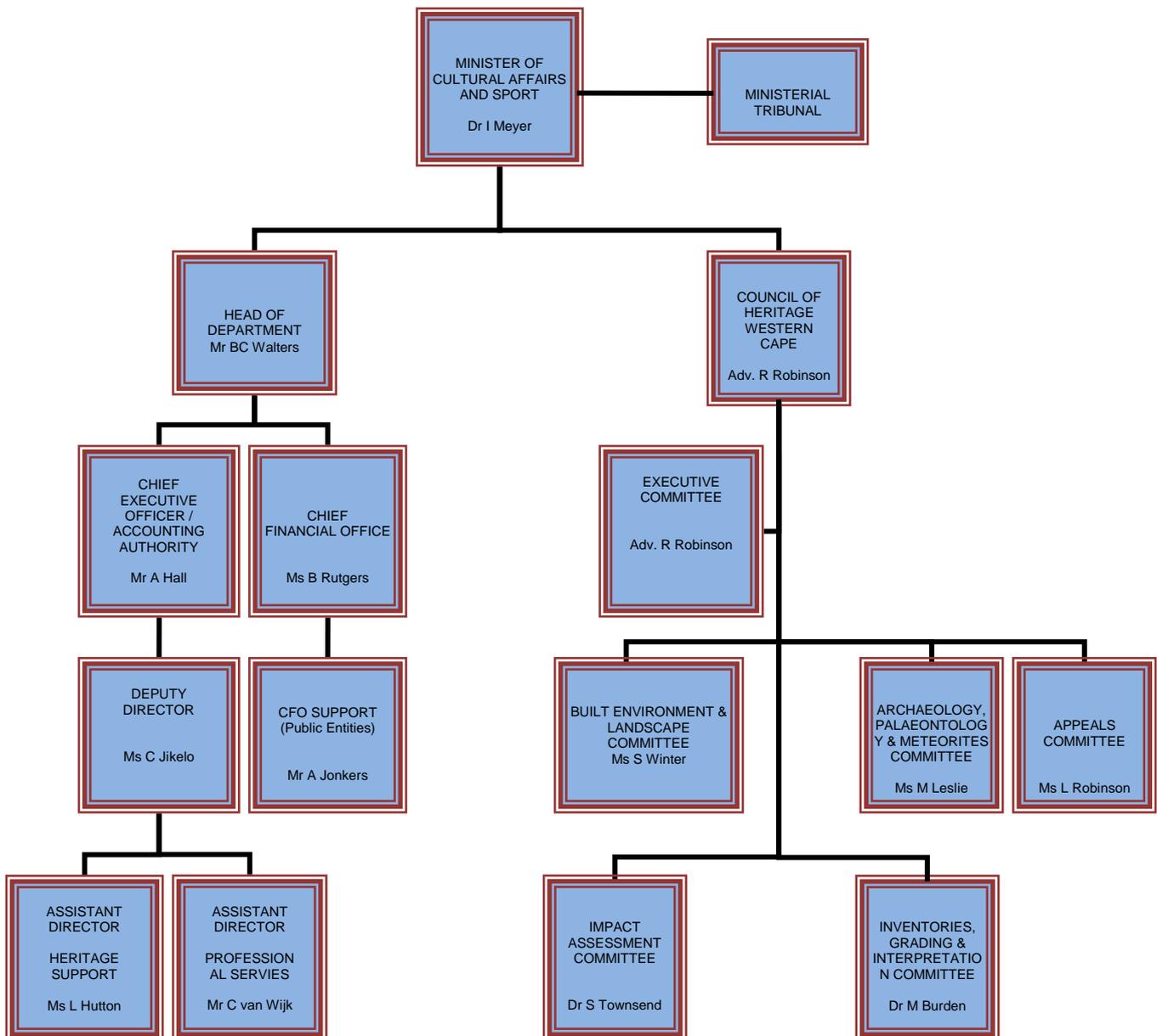
Section 41: Principles of co-operative government and intergovernmental relations: Heritage Western Cape cooperates with all spheres of government. In terms of its mandates Heritage Western Cape works in close cooperation with the Department of Cultural Affairs and Sport, the South African Heritage Resources Agency and municipalities in the Western Cape.

Schedule 5: Functional Areas of Exclusive Provincial Legislative Competence: Heritage Western Cape, the provincial heritage resources authority, is provided with personnel and other shared financial and administrative support to execute and administer its legal mandate by the Department of Cultural Affairs and Sport. The MEC also has certain legal powers and is the authority of final appeal under the terms of the NHRA.

Constitution of the Western Cape, 1997

Section 81: Heritage Western Cape must implement policies to actively promote and maintain the welfare of the people of the Western Cape, specifically with regard to the protection and conservation of the natural historical, cultural historical, archaeological and architectural heritage of the Western Cape for the benefit of present and future generations. Heritage Western Cape must implement specific policies in this regard.

5 ORGANISATIONAL STRUCTURE



6 FOREWORD BY THE CHAIRPERSON



The year 2012/13 was the last full financial year of the term of office of the present Council of Heritage Western Cape. It was also the year in which the organisation celebrated its first decade of service to the province. This annual report therefore presents an opportunity to reflect upon what has been achieved under both the present Council and the organisation since its inception in 2002.

From humble beginnings with a council and staff of two, Heritage Western Cape is presently served by the members of five standing committees and a staff of 17. Together the committees and staff bring to the organisation the wide variety of skills and disciplines required by the many issues raised by the heritage field and to administer efficiently its responsibilities. Over the past year these individuals have, between them, processed over 2 000 applications under the National Heritage Resources Act and pride themselves in having dealt with the bulk of these within 14 days of submission.

Particularly during the term of office of the present Council, attention has been given to policy development, which has created far greater clarity, both for the organisation and for those whom it serves, and which has significantly assisted to raise the quality of the applications received and the efficiency with which they are processed. Whilst there is still some way to go in creating an environment where applicants and others with whom the organisation works have the greatest possible clarity as to how the organisation will view and treat matters before it, work in the areas of greatest challenge has now been dealt with.

With greater efficiency has come opportunity for the organisation to begin to use its resources better to explore some of its areas of jurisdiction that go beyond merely reacting to the applications it receives. In this regard, during the present term of office, much work has been done to encourage municipalities to become more actively involved in management of heritage resources at local level. Since 2010, inventories of the national estate have been submitted for six municipalities and a seventh is being finalised. In addition, major progress was made with the devolution of powers to the City of Cape Town, which became the first local authority to be formally assessed as competent to deal with heritage resources. At the conclusion of the financial year, an agreement on delegation of powers to the City to implement the National Heritage Resources Act was close to finalisation.

The achievements outlined above would not have been possible without great dedication on the part of the members of Council and its five standing committees as well as the support and encouragement of our many partners over the past decade. I thank them all, as well as the CEO and his staff; the Department of Cultural Affairs and Sport and our MEC, Dr Ivan Meyer.

A handwritten signature in black ink, appearing to read 'Ronée Robinson'. The signature is fluid and cursive, with a long horizontal stroke at the end.

ADV. RONÉE ROBINSON
Chairperson: Heritage Western Cape
20 May 2013

7 CHIEF EXECUTIVE OFFICER'S OVERVIEW



In this financial year the number of applications received by Heritage Western Cape surpassed 2 000 for the first time. This is a major milestone for an area of operations that comprises more than 90% of the workload of the organisation. The additional applications amount to an annual increase of 14.2% and, whilst perhaps indicating a renewal of activity in the construction sector of the economy, they are also a result of the success of efforts to ensure a higher level of compliance with the National Heritage Resources Act.

The year under review was also the year in which HWC commenced the task of grading the 2 500 former national monuments in the Western Cape. A total of 242 sites were evaluated and those graded at level II became the first to receive the new provincial heritage site badge. This and other markers indicative of status under the NHRA will gradually replace the old national monuments badges, in so doing firmly establishing the identity of Heritage Western Cape as the custodian of heritage sites in the province.

A highlight of the year was HWC's participation as a co-sponsor of the South African leg of the Wiki Loves Monuments cultural heritage photo competition during September 2012.¹ This international Wikipedia project was our focus for Heritage Month and was important in that it brought together technology (digital devices) and heritage through the medium of photography. In so doing it provided heritage authorities around the world with a visual record of 350 000 heritage sites and a forum for youth in particular to use their cell phone cameras to participate in a major international heritage project through the Internet. Given the success of the 2012 project, in which photographs from the Western Cape placed first and third in the South African competition, the Council of HWC resolved to commit itself to a three-year association with Wikipedia.

HWC's major challenge remains pressure to process applications efficiently and timeously. The high workload means that there is very little time and space to effectively attend to the many other responsibilities of a provincial heritage resources authority in a sustained way. The pending delegation of powers to the City of Cape Town should provide some relief and new opportunities for the organisation to begin to branch out into other areas of service delivery.

In conclusion, I take this opportunity to thank our dedicated staff, committee and Council members for their continued commitment to the cause of heritage conservation. Without them and the support of our MEC, Dr Ivan Meyer, as well as the administrative and financial support provided by our colleagues in the Department of Cultural Affairs and Sport, HWC would not over the decade of its existence be the organisation that it is today. My thanks to them all.



ANDREW HALL

Chief Executive Officer, Heritage Western Cape

21 May 2013

¹ See <http://www.wikilovesmonuments.org/> for more information.

PART B: PERFORMANCE INFORMATION

1 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

In terms of the Public Finance Management Act, 1999 (PFMA), the Accounting Authority keeps full and audited records of the organisation's financial affairs. The annual financial statements must reflect, as per the Generally Recognised Accounting Practice (GRAP), the state of affairs at Heritage Western Cape, its core business, financial results, performance against predetermined objectives and financial position at the end of the financial year

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of HWC for the financial year ended 31 March 2013.

Heritage Western Cape performance information for the year ended 31 March 2013 has been examined by the external auditors whose report is presented on page 43 to page 45.

The performance information of the entity set out from page 13 to page 25 was approved by the HWC Council.



Andrew Hall

Chief Executive Officer

24 May 2013

2 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to pages 43 to 45 of the Report of the Auditor-General, published as Part E: Financial Information.

3 OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

3.1 Service delivery environment

The offices of HWC are situated on the 3rd Floor, Protea Assurance Building, Greenmarket Square in Cape Town in the offices of the Department of Cultural Affairs and Sport. Centrally situated in Cape Town, the office provides an easily accessible front desk for clients who hand in applications there and receive advice and other information from professional staff.

HWC is made up of a staff complement of 17 with a diverse set of skills that provide the professional and administrative expertise to run the organisation from day to day. Staff members receive ongoing support in their work from committees of Council who are senior professionals in the heritage conservation sector. Financial support services are provided to the entity by staff of the Department of Cultural Affairs and Sport.

During the course of the year the organisation was assisted for four months by a volunteer, an architect seeking professional experience in the field of heritage conservation.

The functions of the organisation are overseen by a Council of 12 members who are specialists in architecture, town and regional planning, archaeology, social history and law. The terms of office of the present Council and its committees expire at the end of July 2013.

Processing of applications

Whilst the NHRA provides for a variety of activities to be undertaken by a provincial heritage resources authority, the bulk of the work of HWC still comprises the processing of applications under the terms of Chapter II of the Act. In 2012/13, the number of applications received totalled 2 092, exceeding 2 000 for the first time in the ten years that HWC has been in existence. A total of 260 more applications were received and processed than in 2011/12, indicating a year on year growth of 14.2%.

Total number of applications received and processed													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Section 27 Provincial Heritage Sites	3	14	5	4	8	3	5	3	1	1	4	4	55
Section 31 Heritage Areas	1	1	0	1	2	0	4	1	0	1	2	0	13
Section 34 Alterations and Additions	58	98	110	97	93	91	95	112	90	75	81	59	1 059
Section 34 Total Demolition	6	73	15	8	5	7	5	8	6	6	3	5	147
Section 38(1) NIDs	23	42	52	58	31	34	30	23	22	24	31	28	398
Section 38(8) HIAs	9	15	19	11	2	9	5	14	4	3	2	3	96
Section 38(8) BARs and BIDs	8	11	9	8	13	7	8	5	5	6	10	7	97

Total number of applications received and processed													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Section 38(8) EIRs / EIAs	3	5	2	5	2	6	3	6	7	1	1	1	42
Section 38(8) Mining	4	8	10	5	7	3	13	9	10	5	6	33	113
Section 38(8) LUPO	2	2	5	3	1	5	3	4	3	4	3	2	37
Archaeological Reports	1	0	5	1	1	3	1	2	0	1	1	0	16
CMPs	0	0	0	0	0	0	1	2	1	0	0	0	4
Heritage Statements	2	0	4	0	1	3	1	2	1	0	1	0	15
Total	120	269	236	201	166	171	174	191	150	127	145	142	2 092

Built Environment and Landscapes Committee (BELCom)													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Section 27 Provincial Heritage Sites	6	5	8	15	6	6	1	7	6	4	5	3	72
Section 34 Alterations and Additions	5	9	3	8	10	4	3	5	1	2	7	3	60
Section 34 Total Demolition	1	3	3	3	0	1	1	1	1	5	2	3	24
Total	12	17	14	26	16	11	5	13	8	11	14	9	156

Impact Assessment Review Committee (IACom)													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Section 38(1) NIDs	0	0	0	0	3	0	0	0	0	0	0	2	5
Section 38(4) RODs	3	1	3	4	1	3	5	11	3	2	1	3	40
Section 38(8) Comments	6	16	9	10	13	8	5	6	7	10	7	7	104
Total	9	17	12	14	17	11	10	17	10	12	8	12	149

Archaeology, Palaeontology and Meteorites Committee (APM)													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Section 27 Provincial Heritage Sites	3	5	4	2	4	5	7	8	5	4	4	4	55
Section 35 Archaeology Permits	7	7	3	0	7	8	5	7	8	4	8	9	73
Total	10	12	7	2	11	13	12	15	13	8	12	13	128

Appeals Committee													
NHRA Section	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
All sections	3	5	4	2	4	5	7	8	5	4	4	4	55

Appeals Cases

During the course of the year under review, nine appeals were heard by the Appeals Committee:

1. Proposed Wall of Remembrance, Erf 1586, Toringkerk Corner Main Road and Van der Lingen Streets, Paarl.
2. Proposed Total Demolition, Erf 412, Corner La Provence & Stiebeuel Streets, Groendal, Franschhoek.
3. Proposed Total Demolition, Erf 248, 10 Queens Road, Sea Point.
4. Proposed Renovation and Restoration, Erf 28002, The Old Miller's House, De Meule, Avenue Road, Mowbray.
5. Proposed Subdivision and Consolidation, Erf 9794 and Rem Erf 10829, Steenberg Farm, Constantia – Section 38.
6. Removal of Unauthorised Parasols to the front of Alphen Estate Manor House, Erf 337, Constantia – Section 27.
7. Proposed Additions Erf 162892, 18 Osborne Street, Zonnebloem.
8. Proposed Development, 5 Residential Units and 1 Industrial Facility on the Remainder of Erf 65 and Ptn 4 of the Farm Verlorenvlei No.8, Elands Bay.
9. Proposed Private Medical Facility, Erven 714 & 715, Corner of Barrie and Davidson Roads, George.

Consideration of inventories of the national estate

An area of growing importance in terms of operations is the consideration of inventories of the national estate. These are submitted by municipalities or other entities and consist of a survey of the heritage resources of a defined geographical area and type. To date the inventories received by HWC have looked mainly at architectural and scenic heritage and have been either for an entire municipal area or a town.

In August 2012 the inventory submitted by the Prince Albert Heritage Foundation, a survey of the architectural heritage of the village of Prince Albert, became the first to be accepted by HWC. The second was an inventory for the Overstrand Municipality.

Inventories were also submitted by the Drakenstein and George municipality on which comments were made and amendments are awaited. Amendments to the Swartland Municipal inventory, submitted in 2011, are also still awaited.

There has been much interaction with the City of Cape Town regarding the review of its inventory, specifically discussion of how gradings that precede the introduction of the present national standards should be applied. The City has embarked upon a three-year review programme for the approximately 25 000 sites already identified within its area of jurisdiction.

At the end of the year under review, the submission of an inventory from the Stellenbosch Municipality was awaited.

The submission of inventories is important for a number of reasons. They form the basis for identification of sites which require formal protection in terms of Part 1 of Chapter II of the NHRA and in grading sites. This assists HWC and local government authorities to understand the relative values of heritage resources. With regard to the latter, the submission of inventories has greatly assisted the organisation to meet its service delivery target for the grading of former national monuments and their subsequent marking with badges indicating their status as provincial heritage sites.

Above all, the purpose of an inventory shows the presence of heritage resources within physical space. This makes a significant contribution to reducing potential conflict between those planning development and the heritage resources authorities and assists planners to use heritage resources to the advantage of their projects where that is possible. Inventories are therefore invaluable for resolving tensions between the need for heritage conservation and the need for development.

Other activities involving local government

During the course of the year under review, major advances were made regarding the much-discussed devolution of powers under the NHRA to the City of Cape Town. These interactions included discussion of agreements on recognition of competency and delegation of powers as well as the ways in which the new municipal zoning scheme will address the responsibilities of a municipality to which these powers have been devolved in terms of the Act. On 28 February 2013, Cape Town became the first municipality to be recognised as competent to perform functions under the Act and an agreement on delegation of powers was nearing finalisation at the end of the financial year. Agreement was reached on how heritage resources matters would be addressed in the zoning scheme.

In February 2013 the Council also considered and commented on a draft of a proposed by-law for Knysna which included measures to allow the municipality to manage certain heritage resources. Informal preliminary discussions also took place with officials from the Overstrand and Drakenstein municipalities around how they might set about taking on powers to manage aspects of the national estate within their areas of jurisdiction.

Heritage Month – Wiki Loves Monuments project

As its project for Heritage Month, during the course of September 2012, HWC sponsored activities related to the Wiki Loves Monuments project in the Western Cape. This Wikipedia initiative has, over the three years it has been in existence, become the biggest photographic competition in the world with 350 000 photographs of heritage sites from across the world. Through use of the Internet and cell phone technology the competition is attractive to the youth and involves them in a project to record heritage sites that provides a record of heritage resources that is invaluable to heritage authorities. Photographs of two sites in the Western Cape came first and third in the South African leg of the competition.

The winning photograph by Western Cape-based amateur photographer Wim Filmalter is on the cover of this Annual Report and the photograph which was placed third was taken by former HWC staffer Chris Snelling, now a professional photographer.



Swartberg Pass Provincial Heritage Site (Photo: Chris Snelling)

Courtesy Wiki Commons

3.2 Organisational environment

Tenth Anniversary

During 2012/13, HWC celebrated the 10th anniversary of its existence. This took place during an early evening function at the Rust en Vreugd Provincial Heritage Site, courtesy of our sister organisation, Iziko Museums of Cape Town.

Digitisation

The ongoing Expanded Public Works Programme (EPWP)-funded project to digitise the records of HWC and its predecessors made steady progress with all incoming submissions that were not received in electronic form being digitised and 1 670 existing files being scanned. These records are not yet accessible as the resources to establish the database that is necessary for this purpose were not available in the period under review. HWC has discussed with SAHRA the possibility of participating in its 'SAHRIS' (South African Heritage Resources Information System) project, and at the end of the year under review, this possibility was still under consideration. That said, the idea of working on a system shared with the provincial Museum Service seemed more attractive and had been budgeted for in the New Year. Digitisation holds out the prospect of easy access to heritage site records, and would also remove the need to do in-house duplication of hard-copy documentation.

Website

At the present time HWC uses the website of the Department of Cultural Affairs and Sport. During the year under review, much has been done to make web content more useful and the organisation of minutes and agendas has been improved so that it is clear which material is relevant to which HWC organ. From January 2013, the weekly record of decisions

on applications made by staff in terms of delegations from the Council has also been placed on the website.

In March 2012 HWC registered its own website, www.hwc.org.za. At the moment, users going to this address are automatically redirected to the HWC page on the DCAS website. Plans are in place to establish a freestanding HWC website that provides access to more information than minutes of HWC meetings and policy documents.

HWC and the 'Green Economy'

The Council and staff of HWC have for some time wanted the organisation to move towards a more environmentally sustainable approach in its operations. The immediate concern has been the volume of paper received annually by the organisation (approximately one ton of paper a year) and its distribution to HWC members, often far distant from the offices of the organisation. From the middle of 2012, steps were initiated to move away from paper and towards distributing documentation in digital form. By the end of the year under review, the Council and all of its committees were receiving the bulk of documentation in this way. The movement towards more electronic documentation will reduce the amount of information that applicants are required to submit in hard copy.

Heritage Western Cape made a substantial contribution to the report of a multi-disciplinary team tasked with developing a Western Cape shale gas strategy. It made inputs on the likely heritage resource impacts of any decision to permit shale gas exploitation in the province.

Reorganisation of committees

During the course of the year the Council of Heritage Western Cape created a new committee, the Inventories, Gradings and Interpretations Committee which replaced three committees which conducted the functions of assessing inventories and surveys, making recommendations on institution of formal protections, and the interpretation of heritage resources. The committee is chaired by Dr Matilda Burden, former Chairperson of the Declarations Review Committee.

3.3 Key policy developments and legislative changes

Policy development:

The Council and CEO of HWC continue to see policy development as priority in order to ensure that there is as far as possible uniformity in application of the National Heritage Resources Act. Clear policy will provide some degree of predictability for applicants on how HWC is likely respond to applications. Several policy documents were developed during the course of the year under review.

Guidelines and Policy Statement for Grading of heritage resources

On 30 May 2012 the Council of HWC made a small but important amendment to the 'Guidelines for Grading', including in it a policy statement that requires all organs of the organisation to grade heritage resources before any decision is made concerning their future. The result is that gradings are being recorded as the basis for most decisions of HWC committees and provides conditions for heritage significance to be more central to discussion and debate around applications submitted to HWC.

Policy for Marking Protected Sites

On 29 August 2012 the Council adopted a policy for erection of badges marking sites that are formally protected. This was a precursor to the implementation of the new badges for the marking of provincial heritage sites as per the Annual Performance Plan.

Procedure for the Grading of Former National Monuments

Also on 29 August 2012, the Council approved a system for the grading of sites that were under previous legislation referred to as "national monuments" and which the present legislation requires to be graded and formally protected. The adoption of the procedure was necessary to the meeting of a target for grading set out in the Annual Performance Plan.

Policy on Setting of Professional Standards

On 28 February 2013, the Council approved a policy in respect of minimum standards of professional expertise required to projects involving heritage resources.

Amendment of delegations

On 29 August 2012, the Council amended its delegations to the staff of the organisation to allow them to process heritage impact assessments. This amendment was specifically made to allow staff to deal administratively with non-controversial studies relating to borrow pits for roads maintenance. Many such applications are submitted to HWC, and most are of a routine nature.

Legal matters

Whilst there were no amendments to legislation or regulations, several legal opinions were sought regarding interpretation of the NHRA. These opinions have helped HWC to clarify its approach to areas where there was uncertainty and have assisted applicants to prepare their submissions. On a number of occasions, HWC used its legal power to stop what it regarded as illegal work and some court cases were still in process at the end of the year under review. The major issues are discussed in greater detail below.

Legal opinion on ex post facto applications

Every year HWC receives a number of applications for *ex post facto* approval of work already underway or concluded. In June 2012 it was established that the applicable regulations under the NHRA do not permit Heritage Western Cape to consider such applications. The result has been that HWC now reviews such work and considers whether to take legal action in respect of illegal works.

Legal opinion on what matters can be appealed

Members of the public have challenged HWC on the right to make an appeal. These have involved various types of comments made in terms of the NHRA and the National Environmental Management Act, 1998 (Act 107 of 1998), and occasions when the organisation has been asked to offer an opinion. There was also uncertainty regarding the circumstances under which appeals could be made directly to the Minister of Cultural Affairs and Sport without going through the HWC Appeals Committee. A legal opinion requested in October 2012 established that comments by HWC cannot be appealed and that, in the case of Section 38 of the NHRA, an appeal lodged by an applicant goes directly to the MEC.

Period permissible for processing of an appeal

For some time there has been a debate around whether a provision in the regulations requiring HWC to "consider" an appeal within 21 working days meant that the appeals process must be concluded within that period. The matter was raised as a point *in limine* before a hearing of the Ministerial Tribunal, it being resolved that the intention was not that the appeal must be concluded within 21 working days.

Illegal demolition at Mamre Mission Station

This case was concluded with the owner being instructed to rebuild the demolished structure.

Klein Konstantia, Paarl

This matter concerns work conducted on a provincial heritage site allegedly in contravention of the provisions of the permit issued by HWC. The matter came before the Paarl Magistrates Court on 7 February 2013 and was postponed to April 2013.

Stop works orders

HWC has powers to stop work on a project in instances where it believes that work is proceeding outside what is permitted by the NHRA. Nine Stop Works Orders were issued in respect of work on a variety of sites during the course of the year under review.

3.4 Strategic Outcome Oriented Goals

Establishment and maintenance of an integrated heritage resources management system in the Western Cape.

4 PERFORMANCE INFORMATION

Strategic objective: Establishment and maintenance of an integrated heritage resources management system in the Western Cape.

Strategic Objectives	Actual Achievement 2011/ 2012	Planned Target 2012/ 2013	Actual Achievement 2012/ 2013	Deviation from planned target 2012/ 2013	Comment on deviation
Establishment and maintenance of an integrated heritage resources management system in the Western Cape	317	828	2 469	1 641	Refer to comments below

Key performance indicators, planned targets and actual achievements

Performance Indicator	Actual Achievement 2011/ 2012	Planned Target 2012/ 2013	Actual Achievement 2012/ 2013	Deviation from planned target for 2012/2013	Comment on Variances
Implement policy on the delegation of powers to local authorities (Monitor local authorities that have assumed powers)	-	1	1	-	-
Maintain and expand the provincial resources data base	-	1	1	-	-
Erect badges for identification of provincial heritage sites	-	50	51	1	An additional 1 was done at Leeuwenhof, the official residence of the Premier of the Western Cape.
Register conservation bodies	-	5	12	7	New applications were received for consideration by the HWC Council in November 2012
Process applications made in terms of the NHRA	-	500	2 092	1 592	The figure reflected in the APP as planned output was in anticipation that the devolution of powers to the City of Cape Town would have been finalised and the workload would be less
Implement the NHRA via scheduled meetings of the Council and its committees	64	64	64	-	-
Publish Annual Report for Heritage Western Cape	1	1	1	-	-

Performance Indicator	Actual Achievement 2011/ 2012	Planned Target 2012/ 2013	Actual Achievement 2012/ 2013	Deviation from planned target for 2012/2013	Comment on Variances
Regrade current provincial heritage sites	-	200	242	42	The Drakenstein survey was received with over 100 sites to be graded
Set minimum standards for heritage practitioners	-	1	1	-	-
Production of promotional materials and programmes to promote management of heritage resources		2	2	-	-
Pilot holiday programme at MOD centres		2	2	-	-
Publish regulation to clarify implementation of section 38 of the NHRA		1	0	1	Deferred to the next financial year

Implement policy on the delegation of powers to local authorities (Monitor local authorities that have assumed powers)

In 2009 HWC developed a policy on devolution of powers to local authorities. In terms of the NHRA, the process of devolution prescribes that local authorities should first be assessed for competence by the relevant heritage authority. A key area of assessment is the availability of professional, operational and other relevant resources and infrastructure to carry out the critical responsibility of managing heritage resources. The policy was distributed to all municipalities for consideration and implementation. The City of Cape Town was the first to request assessment by HWC and, since early 2011 HWC and the City of Cape Town have engaged in discussions around the process. The process has taken longer to finalise than predicted due to mainly to the fact that this is the first time that delegations to a municipality have been contemplated under the NHRA and there is no precedent to follow. By financial year-end, agreement had been reached on competency, the necessary first step towards delegation, and a draft agreement on delegation of powers was nearing finalisation.

In addition to Cape Town the inventories for the Drakenstein, Overstrand, Swartland, George and Prince Albert municipalities have been submitted to HWC for consideration. Submission of an inventory is a prerequisite for consideration of delegation.

Maintain and expand the provincial heritage resources database

At the beginning of 2012, HWC introduced a new protocol document to guide staff and provide a more systematic and efficient way to process applications. The purpose of this document was to encourage staff to work smarter and more efficiently to enhance service delivery. Part of this approach was to gradually move away from paper documentation and move towards more electronic documentation of heritage data. This is a professional heritage resources management tool and is in harmony with global trends. Electronic data is being retained so that it can be added into a database. The Expanded Public Works Programme has further enabled HWC to build up data with new and existing records being digitised and added to the database.

Erect badges for identification of provincial heritage sites

On 18 April 2012 HWC launched its new badge to mark provincial heritage sites. This was done at Leeuwenhof, the official residence of the Premier of the Western Cape. Thereafter a total of 51 badges were affixed on sites in Cape Town, Paarl and Prince Albert.

Register conservation bodies

Due to policy revisions, no new conservation bodies were registered in 2011/12. A decision was taken to recommence registrations despite the fact that new regulations for registration are not yet finalised. This was done under the existing regulatory framework. The following bodies were registered with HWC during 2012 /13:

- Duiwenhoks Conservancy;
- Muizenberg Historical Conservation Society;
- Tulbagh Heritage Foundation;
- City Bowl Ratepayers and Residents Association (CIBRA);
- Captrust;
- Habitat Council;
- V&A Marina Residential Home Owners Association;
- Docomomo South Africa;
- Oudtshoorn Heritage;
- Kommetjie Heritage Society;
- Kalk Bay and St James Ratepayers & Residents' Association; and
- Friends of the Constantia Valley Greenbelts.

Process applications made in terms of the National Heritage Resources Act

The figure of 500 indicated as a target in the Annual Performance Plan was presented in anticipation that the devolution of powers to the City of Cape Town would be finalised by June 2012 and that this would cause a significant reduction in the HWC workload. This assumption was informed by the level of progress made in 2011. Unfortunately, due to unforeseen but key technical issues the process was delayed and HWC continued to process applications from within the City of Cape Town for the entire financial year. In addition to natural growth and continuing revival of the construction industry as it emerges from recession, far higher applications were received than anticipated. (See detailed analysis on pages 12-14)

Implement the NHRA via scheduled meetings of the Council and its committees

A detailed table of the meetings is reflected under Committees on pages 31-32.

Publish Annual Report for Heritage Western Cape

The Annual Report for the 2011/12 financial year was compiled and submitted to the Provincial Treasury and the Standing Committee on Cultural Affairs and Sport at the end of August 2012.

Publish regulations to clarify implementation of Section 38 of the NHRA

HWC staff and committees have found it difficult to interpret and implement section 38 of the National Heritage Resources Act. HWC intends to remedy this by developing and publishing regulations to clarify the implementation of section 38. This is a large project and, as a result of staff and management continuing to be actively engaged in the processing of applications from the City of Cape Town and on-going and complex negotiations around devolution of powers to the City, there was no time to embark upon this project.

Regrade current provincial heritage sites

Grading of former national monuments, as required by the NHRA, proceeded successfully in the period under review. There are approximately 2 500 sites which require grading, of which 242 have been done. These are situated within the City of Cape Town and the Drakenstein, Overstrand, Cederberg and Prince Albert municipalities. The process involved site visits and desktop assessments of inventories.

Set minimum standards for heritage practitioners

Following a workshop with representatives of professional bodies in the heritage sector, a policy setting minimum standards under which HWC may require professional expertise to be applied to work on protected sites was developed and approved by the Council.

Production of promotional material and programmes to promote management of heritage resources

Promotional material in celebration of the tenth anniversary of HWC was produced and distributed to members of Council, conservation bodies and heritage stakeholders. These were in the form of branded rulers, flash drives, craft bags and tent-shaped calendars.

Pilot holiday programme at MOD centres

Archaeology and palaeontology still remain a scarce skill in heritage resources management and filling of posts in this field in compliance with employment equity prescripts is always a big challenge. Partly in the hope of interesting young people in these fields and also as a way of contributing to the Department of Cultural Affairs and Sport's after-school programme for learners known as the MOD [Mass participation; Opportunity and access; Development and Growth] Centre Programme, HWC initiated an outreach programme in archaeology and palaeontology for high school learners. Two pilot programmes were conducted at the MOD Centre at Hout Bay High School. The target group was the Grade 11 learners of 2012 who continued with the programme into Grade 12 in 2013. The highlight of the initiative was a graffiti removal workshop for a rock art site at Peer's Cave near Hout Bay. HWC wishes to thank all the archaeology and palaeontology professionals in Cape Town who voluntarily gave of their time to make this project an enriching one for the learners concerned.

Strategy to overcome areas of under performance

One performance target was not met, i.e. "Publish regulations to clarify implementation of section 38 of the NHRA". It is hoped that a start will be made on addressing the need identified by the target once powers are delegated to the City of Cape Town and staff and management have the time to address the issue concerned.

Changes to planned targets

No targets were changed in the course of the year.

Linking performance with budgets

In assessing the achievement of the outputs in comparison planned targets, are directly linked to the financial information as determined in APP 2012/2013.

5 SUMMARY OF FINANCIAL INFORMATION

Revenue Collection

Sources of revenue	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer payment	1 452	1 452	0	1 380	1 380	0
Other Income	76	126	(50)	648	122	(526)
Total	1 528	1 578	(50)	2 028	1 502	(526)

Payments Expenditure

Programme Name	2012/2013			2011/2012		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 528	1 005	523	2 028	879	1 149
Total	1 528	1 005	523	2 028	879	1 149

Capital investment, maintenance and asset management plan

Not applicable.

PART C: GOVERNANCE

1 INTRODUCTION

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

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

2 PORTFOLIO COMMITTEE

Not applicable

3 EXECUTIVE AUTHORITY

These reports are submitted quarterly to monitor financial and nonfinancial information for the period

- Quarterly Performance Report:
31 July 2012, 31 October 2012, 31 January 2013 and 30 April 2013
- In year Monitoring Report:
31 July 2012, 31 October 2012, 31 January 2013 and 30 April 2013

4 THE HERITAGE WESTERN CAPE COUNCIL

Introduction

The Council is established in terms of the National Heritage Resources Act, 1999 and regulations published as Provincial Notice 336 of 25 October 2002.

Role of the board is as follows

The Council is the decision making authority on matters of policy and all areas of decision making in terms of the NHRA that have not been delegated to its committees, staff or municipalities

Board Charter

Not Applicable

Composition of the Heritage Western Cape Council

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Adv. Roneé Robinson	Chairperson	August 2010	-	LLM (Intellectual Property) (University College, London & University of South Africa) (1997) BA Hons Phil, LLB, BA Law (University of Johannesburg) (1984-1988)	Heritage Law and Policy formulation	N/A	EXCO	8
Dr Stephen Townsend	Member	August 2010	-	B.ARCH. (University of Cape Town) (1978) Diploma in Study and Restoration of Monuments (Equivalent to Master's Degree) (University of Rome) (1985) PhD (University of Cape Town) (2003)	Heritage Law Policy Formulation, Architecture, Cultural Landscapes, Sites Related to Intangible Heritage, Documentation of Heritage and Database, Promotion, Interpretation and Education in Heritage Resources	N/A	EXCO, BELCOM, IACOM, IGIC and BABOON POINT	39

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Dr Matilda Burden	Member	August 2010	-	Diploma in Civil Defence, (SA Army Women's College (1973)B.A (Stellenbosch University) (1976)B.A-Honours (Stellenbosch University) (1977) Cum LaudeMA (Stellenbosch University) (1985) Cum LaudeN.D IN Archival Science(State Archive Services & Cape Town Technikon) (1987)D Phil (Stellenbosch University) (1991)	Architecture and Cultural Landscapes, Sites related into intangible heritage, Documentation of heritage and database and promotion interpretation and education of heritage resources	N/A	EXCO, APPEALS and IGIC	17
Ms Laura Robinson	Member	August 2010	-	Bachelor of Architecture (University of Cape Town) (1980)	Heritage and Policy Formulation, Architecture and Cultural Landscape, Town and Regional Planning, Site related to intangible Heritage	Cape Town Partnership	EXCO, APPEALS and IGIC	20
Ms Sarah Winter	Member	August 2010	-	B.A Archaeology, Anthropology (UCT) 1989 Masters in City and Regional Planning (UCT) 1995	Heritage Law and policy formulation , Cultural Landscapes, Town and Regional Planning, Archaeology, Sites related to intangible heritage, Documentation of heritage and database	N/A	EXCO, BELCOM, IACOM and BABOON POINT	37

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Ms Sharon de Gois	Member	August 2010	February 2013 (From IACOM)	Bachelor of Social Science (University of Free State, Bloemfontein) (1988) Honours - Psychology (1986) Master in Urban and Regional Planning (1988) Project Management (Executive Education accredited by Newport University) 1998 Housing Policy Development and Management (University of Witwatersrand) 1998	Town Regional Planning, Architecture and Cultural Landscape	CTHT	APPEALS, IACOM and IGIC	15
Ms Maureen Wolters	Member	August 2010	-	BA Architecture	Architecture, Documentation of heritage and database,	Charaprep Holdings	BELCOM	15
Mr Roger Joshua	Member	August 2010	-	B ARCH (University of Cape Town) (1995)	Architecture	Joshua Conrad Architects	BELCOM, IACOM and BABOON POINT	31
Mr Patrick Fefeza	Member	August 2010	-	Bachelor of Arts (University of the Western Cape) (1997) Diploma in Museum and Heritage Studies (UWC) (1999)	Sites related into intangible heritage, Promotion, Interpretation and Education in Heritage Resources	N/A	BELCOM and IGIC	18
Mr Floris Brown	Member	August 2010	-	Diploma in Teaching	Documentation of Heritage and database, Promotion, Interpretation and Education of Heritage Resources	N/A	IGIC	5

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Ms Mary Leslie	Member		-	Masters in Archaeology	Scientific and Natural Heritage, Heritage Law and Policy Formulation and Archaeology, Documentation of heritage and database	N/A	EXCO, APM, IACOM, IGIC and BABOON POINT	33
Mr Magnus Steenkamp	Member	August 2010	-	BA Law (University of Cape Town) LL.B , (University of Stellenbosch) LL. M, (University of Cape Town) Post graduate Diploma in Tax Law, (University of Stellenbosch)	Heritage Law and policy formulation, Town and Regional Planning	NA	-	3

Committees

Committee	No. of meetings held	No. of members	Name of members
Council	4	12	Adv. Roneé Robinson (Chairperson) Dr Stephen Townsend Dr Matilda Burden Ms Mary Leslie Ms Laura Robinson Ms Sarah Winter Ms Sharon de Gois Ms Maureen Wolters Mr Roger Joshua Mr Patrick Fefeza Mr Floris Brown Mr Magnus Steenkamp
EXCO	6	6	Adv. Roneé Robinson (Chairperson) Dr Matilda Burden Dr Stephen Townsend Ms Mary Leslie Ms Laura Robinson Ms Sarah Winter
BELCom	12	8	Ms Sarah Winter (Chairperson) Dr Stephen Townsend Ms Maureen Wolters Mr Roger Joshua Mr Patrick Fefeza Ms Melanie Attwell Mr Trevor Thorold Mr Tim Hart
IACom	12	9	Dr Stephen Townsend (Chairperson) Ms Sarah Winter Mr Roger Joshua Ms Mary Leslie Mr Quinton Lawson Mr Richard Summers Mr David Hart Mr Piet Louw Mr David Halkett
APM	12	8	Mrs Mary Leslie (Chairperson) Mr David Halkett Ms Claire Browning Dr Shadreck Chirikure Mrs Colette Scheermeyer Prof Judy Sealy Dr Janette Deacon Dr John Pether
Appeal	10	5	Ms Laura Robinson (Chairperson) Dr Matilda Burden Dr Nicolas Baumann Dr Antonia Malan Ms Sharon de Gois

Committee	No. of meetings held	No. of members	Name of members
IGIC	4	7	Dr Matilda Burden (Chairperson) Dr Stephen Townsend Ms Laura Robinson Ms Sharon de Gois Ms Marry Leslie Mr Patrick Fefeza Mr Floris Brown
Baboon Point	4	6	Dr Stephen Townsend (Chairperson) Ms Sarah Winter Mr Roger Joshua Prof Judy Sealy Dr Janette Deacon Ms Marry Leslie

Remuneration of Committee members

The service benefit packages for office-bearers of certain statutory and other institutions are defined by the Minister of Finance and described in a Provincial Treasury Circular. The Chairperson's rate is R341 per hour, the Deputy Chairperson's rate is R231 per hour and the rate for members is R195 per hour.

Name	Remuneration	Other allowance	Other reimbursements	Total
Ronée Robinson	17 439.49		0.00	17 439.49
Mary Leslie	36 638.06		8 413.44	45 051.50
Laura Robinson	22 496.68		544.43	23 041.11
Stephan Townsend	67 217.81		2 048.25	69 266.06
Matilda Burden	16 920.33		5 523.25	22 443.58
Sharon de Gois	24 655.89		5 854.12	30 510.01
Antonia Malan	7 432.06		530.64	7 962.70
Patrick Fefeza	26 286.12		0.00	26 286.12
Maureen Wolters	24 001.72		10 599.95	34 601.67
Sarah Winter	62 152.40		2 269.40	6 4421.80
Trevor Thorold	16 566.30		804.70	1 7371.00
Dave Halkett	16 520.21		90.75	16 610.96
John Pether	4 938.56		2 410.71	7 349.27
Janette Deacon	9 408.31		2 863.70	1 204.01
Judy Sealy	3 433.08		0.00	3 433.06
Shadrack Chirikure	2 032.52		0.00	2 032.52
Roger Joshua	51 058.45		2 223.93	53 282.38
Piet Louw	7 338.54		0.00	7 338.54
Tim Hart	12 223.84		1 811.36	14 035.20
Nicholas Baumann	6 723.52		797.17	7 520.69
Flori Brown	8 010.52		0.00	8 010.52
Richard Summer	14 537.30		378.13	14 915.43
Magnus Steenkamp	5 734.00		0.00	5 734.00
Quinton Lawson	21 976.92		4 346.36	26 323.28

Name	Remuneration	Other allowance	Other reimbursements	Total
Melanie Attwell	17 507.11		1 644.95	19 152.06

5 RISK MANAGEMENT

The Accounting Authority is accountable for enterprise risk management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework and with the support of the Directorate Enterprise Risk Management (D: ERM) in the Department of Premier. D: ERM provides a centralised strategic support service to Western Cape Government departments.

The Department of Cultural Affairs and Sport developed an Enterprise Risk Management Plan and an ERM Implementation Strategy which incorporates HWC. This will ultimately enable HWC to deliver on all its goals, objectives and indicators, enhance risk informed decision making, and optimise compliance with applicable legislation. The Plan and Strategy outlines the roles and responsibilities of managers and staff in respect of embedding risk management in HWC and defines the enabling legislation, standards, mechanisms, tools and resources to be used to realise the ERM Plan.

The members of top management in DCAS have been formally appointed as its Enterprise Risk Management Committee (ERMCOM). During the year under review, ERMCOM met once a quarter to monitor the risk profile and risk treatments of the Department.

Risk assessments are conducted on a strategic and operational level every quarter in order to review and update existing risks and identify emerging risks. Significant risks to the realisation of planned objectives are assessed in terms of their likelihood and impact; risk treatment plans with target dates are developed; and risk owners are identified and held responsible for the treatment of such risks.

D: ERM works closely with the appointed risk champions in DCAS to assist them to drive the ERM process in the Department.

6 INTERNAL CONTROL UNIT

It is the responsibility of the Accounting Authority to continually assess and evaluate internal controls to assure that the control activities in place are effective, efficient and transparent and that they are improved when necessary. To achieve this, quarterly key control meetings were held with the Auditor-General and the MEC. This is an on-going process to ensure that HWC obtains clean audits.

7 INTERNAL AUDIT AND THE AUDIT COMMITTEE

Internal audit continued to be offered independently by the shared Internal Audit Activity that was centralised in the Corporate Services Centre in the Department of the Premier.

In line with the PFMA and King III, the internal audit activity provides the Audit Committee and management with assurance that the internal controls relating to governance, risk management and control processes are adequate and effective. A risk-based Three-Year Rolling Strategic and Annual Operational Internal Audit Plan that is in alignment with the PFMA and King III were approved by the Audit Committee. The Audit Committee also monitored the execution of the operational plan and HWC management's implementation of corrective actions.

No further funding was made available for the increase of internal audit capacity and this year the focus was on the optimal utilisation of the existing audit resources.

Internal Audit continues to recognise the role played by other assurance providers and envisages a combined assurance approach for the forthcoming year which will ensure that internal audit resources are applied to the most relevant risk areas.

HWC is served by the Social Cluster Audit Committee, and all members are independent, appointed by the head of Provincial Treasury after consultation with the relevant executive authorities. The Audit Committee operates in terms of terms of reference approved on 18 July 2012.

The Audit Committee meets at least once a quarter to give effect to its responsibilities as per the approved terms of reference. The Audit Committee further meets privately with the Executive Authority and Accounting Authority to discuss matters of concern.

8 COMPLIANCE WITH LAWS AND REGULATIONS

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

9 FRAUD AND CORRUPTION

The policy implemented by DCAS incorporates the HWC.

The Western Cape Government adopted an Anti-Corruption Strategy which confirms the province's zero tolerance towards fraud and corruption. In addition, the Western Cape Language Committee has an approved Fraud Prevention Plan.

The shared Forensic Investigating Unit that was centralised in the Corporate Service Centre in the Department of the Premier provides forensic investigation capacity on request. Various channels for reporting allegations of fraud and corruption exist. These are described in detail in the Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Forensic Investigating Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases.

HWC protects employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption. Should they do so in person, their identities are kept confidential by the person to whom they are reporting their suspicions.

If, after an investigation is complete, fraud or corruption is confirmed, any implicated employee is subjected to a disciplinary hearing. In all such instances, the WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where there is prima facie evidence of criminal conduct, the matter is reported to the South African Police Service.

10 MINIMISING CONFLICTS OF INTEREST

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

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

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

11 CODE OF CONDUCT

The policy implemented by DCAS incorporates the HWC.

The purpose of the Code of Conduct is to promote a high standard of professional ethics in the workplace. DCAS strives to adhere and comply with the content of the Code. Employees are made aware of the content of the Code of Conduct, among other things, during the compulsory induction of all newly appointed employees. The Code was distributed to all employees as a reminder to continue promoting high standards of professional ethics in the workplace. If and when the content of the code is breached, managers make use of progressive discipline as necessary. More serious offences are referred to the Corporate Services Centre (Directorate Employee Relations) for formal disciplinary procedures.

In addition, the Council members of Heritage Western Cape are obliged to sign and adhere to a code of conduct pertaining to their area of responsibility.

12 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The policy implemented by DCAS incorporates the HWC.

Health and safety issues are addressed in DCAS by conducting monthly inspections at Head Office and annual audit inspections at all other offices of the Department. Contingency plans and business continuity plans have been compiled for all the offices. The managers at all offices have been appointed as Health and Safety Risk Coordinators. Safety Marshalls, First Aiders and Fire-Fighters have been trained and appointed at all offices.

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

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

The holding of annual health and safety awareness programmes has raised the level of awareness in DCAS considerably.

The Department has implemented a waste management programme. Waste paper is collected and disposed of every month.

13 COMPANY/ BOARD SECRETARY

Not applicable.

14 SOCIAL RESPONSIBILITY

All programmes of HWC are intended to address social responsibility concerns.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013.

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 financial year under review, 8 meetings were held.

<u>Name of Member</u>	<u>Number of Meetings Attended</u>
Mr R Kingwill (Chairperson)	8
Mr Z Hoosain (Resigned 30 November 2012)	6
Mr M Burton	8
Mr L van der Merwe	8
Ms J Gunther (Appointed 01 January 2013)	2
Mr F Barnard (Appointed 01 January 2013)	2

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

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 (AGSA); and noted significant control deficiencies that were highlighted in the internal audit report on heritage resource management.

Enterprise Risk Management for the entity continues to be driven by the parent Department of Cultural Affairs and Sport. The Audit Committee noted a number of emerging risks and will be monitoring these on a regular basis.

We have reviewed and concur with management's acceptance of the AGSA's management report. We can confirm there are no unresolved issues.

The Audit Committee is satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Authority of the Public Entity during the year under review.

We have fulfilled our mandate with regards to the annual financial statements as mentioned below.

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 AGSA and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;

- reviewed the Public Entity's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed material adjustments resulting from the audit of the Public Entity and
- reviewed and where appropriate recommended changes to the interim financial statements as presented by the Public Entity for the six months ending 30 September 2012.

The Audit Committee concurs and accepts the AGSA'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 AGSA.

Internal Audit

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

The 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 .

The Audit Committee remains concerned that further audit coverage is required to cover a significant percentage of high risk areas. The Audit Committee will encourage increased assurance over significant risks by overseeing the implementation of combined assurance principles.

Auditor-General's Report

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

Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Public Entity, the Auditor-General South Africa, Provincial Enterprise Risk Management Unit, Forensic and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr R Kingwill
Chairperson of the Social Cluster Audit Committee
16 August 2013

PART D: HUMAN RESOURCE MANAGEMENT

HWC staff is employed by the Department of Cultural Affairs and Sport

PART E: FINANCIAL INFORMATION

STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Authority is responsible for the preparation of the public entity's Annual Financial Statements (AFS) and for the judgements made in this information.

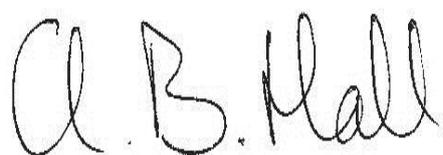
The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the AFS.

In my opinion, the Annual Financial Statements fairly reflect the operations of the Heritage Western Cape for the financial year ended 31 March 2013.

External auditors have been engaged to express an independent opinion on the AFS of the public entity.

The Heritage Western Cape annual financial statements for the year ended 31 March 2013 have been audited by the external auditors whose report is presented on pages 43 to page 45.

The Annual Financial Statements of the public entity set out on page 47 to page 63 have been approved.



Andrew Hall
Chief Executive Officer
Heritage Western Cape



Adv. Ronée Robinson
Chairperson of the Board
Heritage Western Cape

15 REPORT OF THE CHIEF EXECUTIVE OFFICER

The 2012/13 year was one in which the expenditure patterns of Heritage Western Cape remained largely unchanged from previous years. The major area of expenditure relates to the bulk of the work of the organisation, that being support of the system for processing of applications received in terms of the National Heritage Resources Act. In this regard major expenditure, over and above the staff provided by the Department of Cultural Affairs and Sport, is the costs of the meetings of the four committees that provide the specialist expertise necessary to the process.

During the course of the year the number of applications received by Heritage Western Cape surpassed 2 000 for the first time. This is a major milestone for an area of operations that is estimated to comprise more than 90% of the workload of the organisation and indicates a year-on-year increase of 14.2%. Given an 11.2% increase in the 2011/12 financial year, the organisation is now processing 27.4% more applications than it did two years ago and does so without increased financial or staff capacity.

The increase in workload places greater strain on the organisation, but this has been somewhat ameliorated by improved efficiency. However, efforts to improve all-round performance have naturally lead to higher levels of compliance with the legislation and it is this rather than any improvement in the construction sector of the economy that accounts for the increase in applications received. It is hoped that in the New Year powers will finally be delegated to the City of Cape Town, resulting in a significant reduction in this area of operations and in so doing allowing the organisation to begin to explore areas of its mandate which it has not been able to implement so far.

In the 2012/13 year, a start was made on expanding activities with the limited implementation of the new provincial heritage site badges and the grading of former national monuments. Given that there are approximately 2 500 sites that have to be graded and marked, this is an area that requires attention on a sustained basis for a lengthy period.

HWC expended the bulk of the transfer payment it received from the Department of Cultural Affairs and Sport and did so for the purposes set out in the budget. However, there are two areas of notable exception. One is a contract for a Conservation Management Plan the processes around which were not concluded due to the need for a greater degree of public consultation than was initially considered necessary. The second is that the organisation has not utilised most of the funds allocated to legal costs due to the absence of major legal action during the course of the year. The saving on legal costs will be added to a sum earmarked for investment and utilised in the future as a reserve against which, amongst other things, costs of future legal action can be drawn. This will eliminate the need to budget for an area of expenditure that is unpredictable.

During the course of the financial year the Council of Heritage Western Cape concluded an investigation into and consultation process around the charging of fees for applications. This could generate moderate income and allow some expansion of activities. By year end a submission for approval of a fees structure had been made.

In conclusion, I take this opportunity to thank our dedicated staff and committee and council members for their continued commitment to the cause of heritage conservation. Without them and the support of our Minister, Dr Ivan Meyer, and colleagues in the Department of Cultural Affairs and Sport who manage our finances and provide much-appreciated administrative support, HWC would not over the decade of its existence have come to be the organisation that it is today.

My thanks to them all.

Name: Andrew Hall

Chief Executive Officer

Date: 27 May 2013

Heritage Western Cape

16 Report of the external auditor

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 47 to 63, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, 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 2013, and its financial performance, cash flows and comparison of budget and actual amounts for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA and the regulations.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 14 to the financial statements, the corresponding figures for 31 March 2012 have been restated as a result of an error discovered during the 2012-13 financial year in the financial statements of Heritage Western Cape at, and for the year ended, 31 March 2012.

Material underspending of the budget

9. As disclosed in the statement of comparison of budget and actual amounts the entity has materially underspent its budget to the amount of R547 000. This did not have a negative impact on the entity's service delivery.
10. 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

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 21 to 24 of the annual report.
12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the objectives selected for auditing. 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 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).

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

Compliance with laws and regulations

14. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on 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, are as follows:

Annual financial statements

15. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Material misstatements of non-current assets and a disclosure item identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

16. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matter reported below under the

fundamentals of internal control is limited to the significant deficiency that resulted in the finding on compliance with laws and regulations included in this report.

Leadership

17. The review of the financial statements prior to submission thereof to the auditors was ineffective as it failed to reveal that the financial statements were materially misstated.

Auditor - general

Cape Town

31 July 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

The statements set out below comprise the annual financial statements:

Index	Page
Statement of Financial Position	47
Statement of Financial Performance	48
Statement of Changes in Net Assets	49
Cash Flow Statement	50
Statement of comparison of budget and actual amounts	51
Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements	52
Notes to the Financial Statements	53-63

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

STATEMENT OF FINANCIAL POSITION as at 31 March 2013

Figures in Rand	Notes	2013 R'000	2012 R'000
ASSETS			
Current assets			
Inventory	2	81	35
Trade and other receivables	3	7	31
Cash and cash equivalents	4	1,836	1,239
TOTAL ASSETS		1,924	1,305
LIABILITIES			
Current liabilities			
Trade and other payables	5	68	22
TOTAL LIABILITIES		68	22
NET ASSETS			
Accumulated surplus		1,856	1,283
TOTAL NET ASSETS		1,924	1,305

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2013

Figures in Rand	Notes	2013 R'000	2012 R'000
REVENUE			
Revenue from non-exchange transactions	6.1	1,502	1,455
Revenue from exchange transactions	6.2	76	47
TOTAL REVENUE		1,578	1,502
EXPENDITURE			
Members fees	10	(512)	(567)
Administration expenses	9	(76)	(56)
Audit fees	7	(125)	(150)
Other operating expenses	11	(292)	(106)
TOTAL EXPENDITURE		(1,005)	(879)
SURPLUS FOR THE YEAR		573	623

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus R'000	Total Net assets R'000
Balance at 1 April 2011	660	660
Surplus for the year	588	588
Balance at 01 April 2012	1,248	1,248
Correction of error	35	35
Restated balance at 01 April 2012	1,283	1,283
Surplus for the year	573	573
Balance at 31 March 2013	1,856	1,856

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

CASH FLOW STATEMENT for the year ended 31 March 2013

Figures in Rand	Notes	2013 R'000	2012 R'000
Cash flows from operating activities			
Cash received		1,452	1,424
Cash paid to suppliers and employees		(931)	(946)
Cash generated/(used) in operations	8	521	478
Interest received		76	47
Net cash inflows/(outflows) from operating activities		597	525
Net increase/(decrease) in cash and cash equivalents		597	525
Cash and cash equivalents at the beginning of the year		1,239	714
Total cash and cash equivalents at the end of the year	4	1,836	1,239

HERITAGE WESTERN CAPE

THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Description	Approved & Final Budget R,000s	Actual Amounts on a comparable basis R,000's	Difference between final budget & actual R,000's	Difference %	Explanation of significant differences (greater than 5%) versus budget
REVENUE					
Transfers & subsidies	1,452	1,452	-	-	
Other operating income	-	50	50	100%	Rebate on audit fee from Audit General not budgeted for.
Interest income	76	76	-	-	
TOTAL REVENUE	1,528	1,578	50	3%	
EXPENDITURE					
Members fees	873	486	387	44%	Less meetings were held.
Administration expenses	100	75	25	25%	The decrease in members and meetings directly affected the administration expenses.
Audit fees	58	111	(53)	(91%)	Audit fees were under budget.
Other operating expenses	497	309	188	38%	The decrease in members and meetings directly affected the operating expenses. Inventory expense removed from this item.
TOTAL EXPENDITURE	1,528	981	547	36%	
NET EFFECT	-	597	597		

The approved budget covers the period from 1 April 2012 to 31 March 2013. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis using the same classification.

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2013 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

HERITAGE WESTERN CAPE

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

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

Description	Operating R'000	Total R'000
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-
Basis differences	597	597
Timing differences	-	-
Entity differences	-	-
Actual amount in the cash flow statement	597	597

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

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 14	Events after the Reporting Date
GRAP 2	Cash Flow Statements	GRAP 16	Investment Property (as revised in 2010)
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors	GRAP 17	Property, Plant and Equipment
GRAP 4	The effects of Changes in Foreign Exchange Rates	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 5	Borrowing Costs	GRAP 21	Impairment of Non-cash-generating Assets
GRAP 6	Consolidated and Separate Financial Statements	GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 7	Investments in Associates	GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 8	Interests in Joint Ventures	GRAP 26	Impairment of Cash-generating Assets
GRAP 9	Revenue from Exchange Transactions	GRAP 100	Non-current Assets Held for Sale and Discontinued Operations (as revised in 2010)
GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2010)	GRAP 101	Agriculture
GRAP 11	Construction Contracts (as revised in 2010)	GRAP 102	Intangible Assets
GRAP 12	Inventories (as revised in 2010)	GRAP 103	Heritage Assets
GRAP 13	Leases (as revised)	GRAP 104	Financial Instruments

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

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.

1.1.2 Standards not yet effective for the reporting period

GRAP 18	Segment Reporting	GRAP 105	Transfers of functions between entities under common control
GRAP 20	Related Parties Disclosure	GRAP 106	Transfers of functions between entities not under common control
GRAP 25	Employee Benefits	GRAP 107	Mergers

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

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.

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

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.

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

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).

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 GRAP 104, the financial assets of the entity are classified as follows into the categories allowed by this standard:

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

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

1.7.1.2 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.

1.7.1.3 Inventory

Inventory consists of badges used to identify heritage sites. Inventory is distributed at no charge and is therefore valued at the lower of cost and current replacement cost.

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.

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.

HERITAGE WESTERN CAPE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

Figures in Rand	2013 R'000	2012 R'000
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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

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

2. Inventory

Inventory	81	35
	81	35

Inventory consists of ceramic tiles used to identify heritage sites. These tiles are distributed free of charge.

3. Trade and other receivables

Trade and other receivables	7	31
	7	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.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,836	1,239
	1,836	1,239

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.

5. Trade and other payables

Trade payables	68	22
	68	22

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

HERITAGE WESTERN CAPE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

Figures in Rand	2013 R'000	2012 R'000
6. Revenue		
6.1 Revenue from Non-exchange transactions		
Transfers and Subsidies received	1,452	1,380
Other operating income – Rebates: Audit fees	50	75
	1,502	1,455
6.2 Revenue from Exchange transactions		
Interest income	76	47
	1,578	1,502
7. Audit fees		
External Audit	125	150
	125	150
8. Cash generated from/(used in) operations		
Surplus before taxation	573	623
Adjustment for:		
Interest received	(76)	(47)
Changes in working capital		
Changes in inventory	(46)	(35)
Trade and other receivables	24	(31)
Trade and other payables	46	(32)
	521	478
9. Administrative expenses		
Entertainment	74	47
Stationery & Printing	1	8
Bank charges	1	1
	76	56

HERITAGE WESTERN CAPE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

Figures in Rand	2013 R'000	2012 R'000
10. Members Fees		
Almond J. Dr.	-	9
Attwell M. Ms.	18	19
Baumann N. Dr.	7	9
Brown F. Mr.	8	3
Burden M. Dr.	18	19
Chirkure S. Dr.	2	3
De Gois S. Ms.	26	42
Deacan J. Dr	9	8
Fefeza P. Mr.	26	27
Halkett D. Mr.	17	16
Hart T. Mr.	13	17
Joshua R. Mr.	53	54
Leslie M. Ms.	37	51
Louw P. Mr.	7	17
Summer R. Mr.	15	14
Malan A. Dr	8	8
Manzana Z. Ms.	-	9
Pether P. Dr.	5	2
Lawson Q. Mr.	23	7
Robinson L. Ms.	21	22
Robinson R. Mr.	17	16
Sealy J. Prof.	3	5
Steenkamp M. Mr.	5	10
Thorold T. Mr.	17	23
Townsend S. Dr	69	66
Winter S. Ms.	64	65
Wolters M. Ms.	24	26
	512	567

11. Other operating expenses

Travel & subsistence	55	58
Consultants, contractors & special leave *	154	4
Advertising costs	53	-
Publications**	23	30
Courier services	4	5
Equipment less than R5 000	3	-
Legal fees	-	9
	292	106

* Consultant expenses increased due to the Review and Rewriting of the Draft Conservation Management Plan (CMP) for Baboon Point Provincial Heritage Site (PHS).

** Advertising costs increased due to the celebrating of HWC's 10th anniversary (special flyers, folders and calendars were printed).

HERITAGE WESTERN CAPE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

Figures in Rand	2013 R'000	2012 R'000
12. 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 fulfill 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	1,452	1,380
National Treasury	50	75

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 2013, 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 R15, 323 higher/lower.

HERITAGE WESTERN CAPE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

Figures in Rand	2013 R'000	2012 R'000
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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 at a fixed rate. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.

Cash flow interest rate risk

Financial Instrument	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	-	1,836	-	-	-	-
Trade and other Payables – extended Credit terms	-	(68)	-	-	-	-
Net amount	-	1,768	-	-	-	-
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

Maximum exposure to Credit Risk

The entity was not exposed to credit risk with regards to loans and receivables for the period under review.

HERITAGE WESTERN CAPE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

14. Prior period errors

The prior period error was restated and resulted from new information obtained and taken into account in the preparation of the 2011/12 financial statements. The restatement of the prior period error resulted in the following adjustments:

Items affected in the Statement of Financial Performance:

	2011/12	Restated	Effective change
Decrease in expenses	914	879	(35)

Items affected in the Statement of Financial Position:

	2011/12	Restated	Effective change
Increase in inventory	-	35	35

15. Commitments

Review and Rewriting of the Draft Conservation Management Plan for Baboon Point Provincial Heritage Site.

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