



Western Cape  
Government



Heritage Western Cape

**Annual Report**  
2023/2024

The image contained on the cover of Heritage Western Cape's Annual Report 2023/2024:  
Mosterts Mill, Rhodes: Drive, Rhodes Ave, Bishopscourt, Cape Town (33.9521° S, 18.4662° E)

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**MOSTERT'S MILL FOLLOWING  
FIRE ON 18 APRIL 2021**

## PART A: GENERAL INFORMATION

### 1. PUBLIC ENTITY'S GENERAL INFORMATION

<b>REGISTERED NAME</b>	Heritage Western Cape
<b>LEGAL FORM OF ENTITY</b>	Public Entity
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	To identify, protect, conserve, manage and promote heritage resources in the Western Cape
<b>REGISTRATION NUMBER:</b>	N/A
<b>PHYSICAL ADDRESS:</b>	3rd Floor, Protea Assurance Building Greenmarket Square Cape Town 8000
<b>POSTAL ADDRESS:</b>	P. O. Box 1665 Cape Town 8000
<b>TELEPHONE NUMBER/S:</b>	+27 21 483 9598
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<b>EMAIL ADDRESS:</b>	ceoheritage@westerncape.gov.za
<b>WEBSITE ADDRESS:</b>	www.hwc.org.za
<b>EXTERNAL AUDITORS:</b>	Auditor General of South Africa 19 Park Ln Milnerton Cape Town 7441
<b>BANKERS:</b>	Nedbank: 85 St Georges Mall, Cape Town City Centre, Cape Town, 8001  Absa: Private Bag X9067 Corp Gauteng, Cape Town
<b>COMPANY/ BOARD SECRETARY</b>	N/A

## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor-General of South Africa
<b>APM</b>	Archaeology, Palaeontology and Meteorites Committee
<b>BAR</b>	Basic Assessment Report
<b>BELCOM</b>	Built Environment and Landscapes Committee
<b>BID</b>	Basic Information Document
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CMF</b>	Conservation Management Framework
<b>CMP</b>	Conservation Management Plan
<b>CoCT</b>	City of Cape Town
<b>DCAS</b>	Department of Cultural Affairs and Sport
<b>DERM</b>	Directorate Enterprise Risk Management, Department of the Premier
<b>EE</b>	Employment Equity
<b>EIA</b>	Environmental Impact Assessment
<b>EIR</b>	Environmental Impact Report
<b>EoDB</b>	Ease of Doing Business
<b>EPWP</b>	Expanded Public Works Programme
<b>ERM</b>	Enterprise Risk Management
<b>ERMECO</b>	Enterprise Risk Management and Ethics Committee
<b>EXCO</b>	Executive Committee
<b>FCPD</b>	Fixed Capital Property Development
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HIA</b>	Heritage Impact Assessment
<b>HWC</b>	Heritage Western Cape
<b>HOMS</b>	Heritage Officers Meetings
<b>IACOM</b>	Impact Assessment Committee
<b>IGIC</b>	Inventories, Grading and Interpretations Committee
<b>MEC</b>	Member of the (Provincial) Executive Council
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NBRBSA</b>	National Building Regulations and Building Standards Act
<b>NEMA</b>	National Environmental Management Act
<b>NHRA</b>	National Heritage Resources Act
<b>NID</b>	Notification of Intent to Develop
<b>NPA</b>	National Prosecuting Authority
<b>OSD</b>	Occupation Specific Dispensation
<b>PAIA</b>	Promotion of Access to Information Act
<b>PDIA</b>	Problem Driven Iterative Adaptation
<b>SAHRA</b>	South African Heritage Resources Agency
<b>SAHRIS</b>	South African Heritage Resources Information System

### 3. FOREWORD BY THE CHAIRPERSON

As Chairperson of Heritage Western Cape, it is my privilege to introduce the Annual Report for the year 2023/2024. This report reflects the collective efforts and achievements of our dedicated team in fulfilling our mission to preserve, protect, and promote the heritage of the Western Cape.

At Heritage Western Cape, our role is multifaceted. We serve as the provincial heritage resources authority, responsible for identifying, managing and safeguarding the diverse heritage resources of our province. Our mandate, derived from the Constitution of the Republic of South Africa, the Western Cape Provincial Constitution, and the National Heritage Resources Act, guides our actions in ensuring that our heritage is conserved for future generations.

The Council of Heritage Western Cape plays a vital role in overseeing the management and promotion of heritage resources. Comprised of passionate individuals with diverse expertise and backgrounds, the Council provides strategic direction, governance, and oversight to the entity. Through our collective efforts, we strive to make informed decisions that balance the preservation of heritage with the needs of our evolving society.

Throughout the year, our Council has worked tirelessly to address the challenges and opportunities that arise in heritage management. We have engaged with stakeholders, collaborated with partners, and implemented initiatives to enhance the efficiency and effectiveness of our operations and mandate. Our commitment to transparency, accountability, and stakeholder engagement remains unwavering as we continue to serve the people of the Western Cape.

Looking to the medium to long term, Heritage Western Cape is strategically focused on ensuring that heritage conservation and promotion contribute to the socio-economic development goals of the province. In line with the National Heritage Resources Act and the key provincial policies of the Western Cape Government, HWC aims to continue creating an enabling environment for such opportunities with a highly efficient and effective integrated heritage resources management system in place. This approach aims not only to ensure the preservation of our significant heritage resources in the province, which is paramount to the role of the provincial heritage resources authority, but also to contribute to building a more inclusive and economically vibrant society wherein our heritage is identified, promoted, and celebrated.

This Annual Report serves as a testament to our ongoing dedication and the progress we have made in fulfilling our mandate and strategy. It provides a comprehensive overview of our activities, achievements, challenges, and outlook. I am proud of the accomplishments highlighted in this report and grateful for the dedication of our Council and committee members, staff, partners, and stakeholders who have contributed to our success.

As we reflect on the past year and look to the future, I am confident that Heritage Western Cape will continue to play a pivotal role in preserving and celebrating the rich heritage of our province. Together, we will remain steadfast in our commitment to ensuring that our heritage resources are conserved and valued for generations to come.



A handwritten signature in black ink, appearing to read 'Reyhana Gani'.

**Chairperson of Council**

**Reyhana Gani**

**Date: 31 August 2024**



## 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

### Introduction

Heritage Western Cape (HWC) stands as the beacon of heritage preservation and promotion in the Western Cape, entrusted with the monumental task of safeguarding our cultural legacy. As the provincial heritage resources authority, our mission is deeply rooted in constitutional mandates and the National Heritage Resources Act (NHRA), guiding our efforts to manage and promote the diverse tapestry of heritage resources across our region. In this overview, we reflect on the strides taken and the challenges faced during the 2023/2024 financial year.



### Spending trends

Programme	2023/24			2022/23		
	Budget	Actual expenditure	(Over)/ under expenditure	Budget	Actual expenditure	(Over)/ under expenditure
	R`000	R`000	R`000	R`000	R`000	R`000
Goods and services	2 727	2 722	5	2 648	1 585	1 063
<b>Total</b>	<b>2 727</b>	<b>2 722</b>	<b>5</b>	<b>2 648</b>	<b>1 585</b>	<b>1 063</b>

### Capacity constraints challenges Facing the Public Entity

Amidst our endeavours, challenges have emerged, testing the resilience of our entity. The management of Grade III heritage resources, envisaged as the responsibility of local authorities in the NHRA, continues to demand considerable attention and resources from HWC.

Additionally, the pervasive impact of load shedding posed operational challenges concerning meeting schedules, as most meetings of Council and committees have been hosted online. While we've implemented business continuity measures to mitigate these challenges, the energy crisis remained an ever present concern, necessitating ongoing adaptation and resilience.

### Discontinued key activities/activities to be discontinued

As part of an ongoing strategic realignment, HWC has continued the process of transitioning the management of Grade III heritage resources to local authorities. This change reflects a concerted effort to enhance efficiency and ensure that heritage resources of local significance are managed more effectively at the local level. Grade III heritage resources, which are of local significance, have historically been managed by HWC. However, in line with the NHRA and to promote local efficiency, HWC has been working towards delegating these responsibilities to appropriate local authorities, especially the City of Cape Town.

### New proposed key activities

HWC is implementing QR codes at provincial heritage sites to provide visitors with easily accessible information about the historical and cultural significance of these locations. This technology driven initiative aims to improve public engagement and education by offering detailed narratives, historical data, and multimedia content directly through visitors' smartphones.

HWC representatives have joined the Provincial Ease of Doing Business (EoDB) Task Team, a group working to cut systemic constraints and reduce red tape within government and its agencies. This involvement is part of HWC's broader strategy to support economic growth and job creation by making heritage related processes more efficient.

### Supply Chain Management

HWC, with assistance from the Department of Cultural Affairs and Sport, has established robust Supply Chain Management (SCM) processes and systems to ensure transparency, efficiency, and accountability in its procurement and financial management activities. These systems are designed to align with the relevant legislative and regulatory frameworks, ensuring compliance and promoting best practices.

### All concluded unsolicited bid proposals for the year under review

None.

### Whether SCM processes and systems in place

HWC is able to manage resources effectively, mitigate risks, and maintain the integrity of its operations through its SCM processes. Regular audits and continuous improvements in the SCM process further underscore HWC's commitment to upholding high standards of governance and operational excellence.

### Challenges experienced

The retention of qualified staff emerged as a critical issue, exacerbated by competitive salaries offered by local and national government. To address this, we've begun prioritising the wellbeing of our team members and implementing non-monetary incentives aimed at fostering a supportive and fulfilling organisational culture.

### Audit report matters in the previous year and how would it be addressed

HWC received a clean audit for the previous financial year.

### Outlook/plans to address financial challenges

Looking ahead, HWC remains steadfast in its commitment to serving the public and advancing heritage preservation and promotion in the Western Cape. The demand for accessible services, economic growth, and social wellbeing underscores the continued relevance and importance of our work.

Our strategic objectives for the coming year remain clear: building an efficient heritage resources management system, identifying and declaring significant heritage resources as Provincial Heritage Sites, and strengthening collaborative partnerships with municipalities and conservation bodies. Through targeted outreach programmes and community engagement initiatives, we aim to underscore the positive impact of heritage in addressing social issues.

### Events after the reporting date

None.

### Economic viability

HWC economically viable and operationally stable through ongoing support from the Department of Cultural Affairs and Sport. This support is crucial in the form of an operational subsidy, which ensures that HWC can maintain its core functions and services effectively. Additionally, the secondment of staff from the department provides HWC's human resource capacity, allowing it to manage its workload and address heritage related matters efficiently.

### Achievements

Despite challenges, the resilience and dedication of the HWC team have yielded significant achievements throughout the year. Processing a total of 2 218 heritage applications underscores our commitment to efficient service

delivery. Through streamlined procedures and updated application forms, we have enhanced the accessibility and effectiveness of our review processes, ensuring timely responses to heritage related inquiries and initiatives.

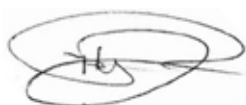
Our focus on site inspections, particularly of significant heritage sites, has yielded valuable insights and informed targeted conservation efforts. Collaborative engagements with property owners and government entities, including the Western Cape Department of Infrastructure, have facilitated proactive measures to preserve and protect these significant cultural assets.

Moreover, our partnership with the City of Cape Town has yielded promising results in the delegation of local heritage resource management. By working closely with municipal authorities, we have advanced initiatives aimed at enhancing efficiency in the management of Grade III heritage resources at the local government level.

Initiatives stemming from our participation in the Fixed Capital Property Development Team and Lean Management training have further bolstered our efforts. From processing exemptions for specific development areas to streamlining permit processes, these initiatives underscore our commitment to innovation and collaboration in heritage management.

### **Acknowledgement/s appreciations**

I extend my deepest gratitude to our stakeholders, partners, Council and committee members, and the dedicated team of staff at HWC for their unwavering commitment and tireless efforts. Together, we continue to preserve and celebrate the rich heritage of the Western Cape, striving for excellence and positive societal impact in all our endeavours.



**Chief Executive Officer**  
**Michael Janse van Rensburg**  
**Date: 31 August 2024**

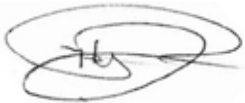
## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

In our conclusion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully



**Chief Executive Officer**  
**Michael Janse van Rensburg**  
**Date: 31 August 2024**



**Chairperson of Council**  
**Reyhana Gani**  
**Date: 31 August 2024**

## 6. STRATEGIC OVERVIEW

### 6.1. Vision

Inclusive, transformed, people-centred, sustainable management of heritage resources in the Western Cape.

### 6.2. Mission

Heritage Western Cape ensures and implements the inclusive identification, sustainable and integrated management, conservation and promotion of tangible and intangible heritage resources in order to contribute to transformation and nation building.

### 6.3. Values

Caring, Competence, Accountability, Integrity, Innovation, Responsiveness, Inclusivity and Respect.

## 7. LEGISLATIVE AND OTHER MANDATES

Heritage Western Cape as a schedule 3C Public Entity regards the legislative mandate on which its overall functioning is based as binding in terms of the following:

- To promote good governance at all levels;
- To empower communities to nurture and conserve heritage resources so that they may be bequeathed to future generations;
- To lay down general principles for governing heritage resources management throughout the Western Cape; and
- To introduce an integrated system for the identification, protection, conservation, management and promotion of heritage resources in the province in terms of the NHRA and its regulations

### 7.1 Constitutional mandates

Section	Direct Responsibility of Heritage Western Cape
<b>Constitution of the Republic of South Africa, 1996</b>	
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 Parliament.
Section 31: Cultural, religious and linguistic communities	Heritage Western Cape must ensure that its programmes and projects consider the cultural diversity of the population of the Western Cape.
Section 41: Principles of cooperative government and inter-governmental relations	Heritage Western Cape co-operates with all spheres of government. In terms of its mandates, HWC works in close co-operation with the Department of Cultural Affairs and Sport, the South African Heritage Resources Agency (SAHRA) and local authorities in the Western Cape.
Schedule 4A: Functional Areas of Concurrent National and Provincial Legislative Competence	Heritage Western Cape works closely with the South African Heritage Resources Agency regarding heritage matters especially National Heritage Sites that are located within the Western Cape.

Section	Direct Responsibility of Heritage Western Cape
<b>Constitution of the Republic of South Africa, 1996</b>	
Section 195: Basic values and principles governing public administration	Heritage Western Cape officials must adhere to the provisions of section 195, which provides a description of the democratic values and principles governing public administration. Section 195(1)(b) requires the promotion of the efficient, economic and effective use of resources. This implies that programmes undertaken in the public sector should yield maximum benefits at the lowest possible cost.
<b>Constitution of the Western Cape, 1997</b>	
Section 70	Provincial legislation must provide for the establishment and reasonable funding, within the province's available resources, of a cultural council or councils for a community or communities in the Western Cape, sharing a common cultural and language heritage.
Section 81	Heritage Western Cape must implement policies to actively promote and maintain the welfare of the people of the Western Cape, specifically regarding 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.

## 7.2 Legislative mandates

Legislation	Reference	Description
Public Finance Management Act, 1999	Act 1 of 1999	The Public Finance Management Act (PFMA): <ul style="list-style-type: none"> <li>regulates financial management in national and provincial governments, listed or unlisted public entities, constitutional institutions and provincial legislatures.</li> <li>ensures that all revenue, expenditure, assets and liabilities of these institutions are managed efficiently and effectively; and defines the responsibilities of persons entrusted with financial management in these bodies.</li> </ul>
Promotion of Access to Information Act, 2000	Act 2 of 2000	This Act gives effect to the right to have access to records held by the state and private bodies. Among other things, HWC and every other public and private body must: <ul style="list-style-type: none"> <li>compile a manual that explains to members of the public how to lodge an application for access to information that the body holds; and</li> <li>appoint an information officer to consider requests for access to information held by the body.</li> </ul>
Promotion of Administrative Justice Act, 2000	Act 3 of 2000	This Act: <ul style="list-style-type: none"> <li>sets out the rules and guidelines that administrators must follow when making decisions;</li> <li>requires administrators to inform people about their right to review or appeal and their right to request reasons;</li> <li>requires administrators to give reasons for their decisions; and</li> <li>gives members of the public guidance on the grounds to review the decisions of administrators in court.</li> </ul>

Legislation	Reference	Description
Protection of Personal Information Act, 2013	Act 4 of 2013	<p>This Act places a responsibility on institutions to ensure the following:</p> <ul style="list-style-type: none"> <li>To promote the protection of personal information processed by public and private bodies; and</li> <li>To introduce certain conditions to establish minimum requirements for the processing of personal information.</li> </ul> <p>As HWC collects personal information in the processing of applications, the POPI Act needs to be complied with.</p>
National Heritage Resources Act, 1999	Act 25 of 1999	<p>Heritage Western Cape derives its mandate from this legislation. Furthermore, the Act empowers HWC to perform the following:</p> <ul style="list-style-type: none"> <li>To identify, record and assess relevant heritage resources within Western Cape;</li> <li>To protect and manage heritage resources within the Western Cape; and</li> <li>To establish policies, objectives and strategic plans for heritage resources management.</li> </ul>
World Heritage Convention Act, 1999	Act 49 of 1999	<p>Heritage Western Cape, in compliance with this Act, ensures that sites that are nominated for World Heritage Site status must be formally protected and where necessary provide support with ongoing conservation and periodic reporting.</p>
Western Cape Heritage Resource Management Regulations	PN 336 of 25 October 2002, PN 298 of 29 August 2003, PN 212 of November 2004, PN 106 of 31 March 2005. PN 7497/2015 of September 2015.	<p>Regulations provide for the practical implementation of heritage management in the Western Cape.</p>

### 7.3 Polities

Policy	Description
Code of Conduct for HWC Members	The primary purpose of the Code is to promote exemplary conduct amongst members to give the HWC institutional credibility.
Financial Delegations	Delegations of power issued by the Accounting Authority in terms of section 44(1) and 44(2) of the Public Finance Management Act, 1999
SCM Delegation	Delegations of power issued by the Accounting Authority in terms of section 44(1) and 44(2) of the Public Finance Management Act, 1999
Materiality Framework	The Accounting Authority is required to develop and agree on a framework of acceptable levels of materiality and significance with the Executive Authority in consultation with external auditors.
Fraud Prevention Plan	The policy provides response mechanisms to report investigate and resolve incidents of fraud which impact on the Entity

Policy	Description
Enterprise Risk Management Strategy and Implementation Plan	To give effect to the requirements of the PFMA, Act 1 of 1999, section 51(1)(a)(i) which states that the accounting authority must ensure that the entity has and maintains an effective and efficient and transparent system of financial and risk management and internal control.
Remuneration of Members	To facilitate payment to members of the HWC nominated to attend conferences, projects, meetings, and workshops on behalf of the Entity.
Supply Chain Management Policy	To regulate supply chain management within the entity

## 7.4 Case law

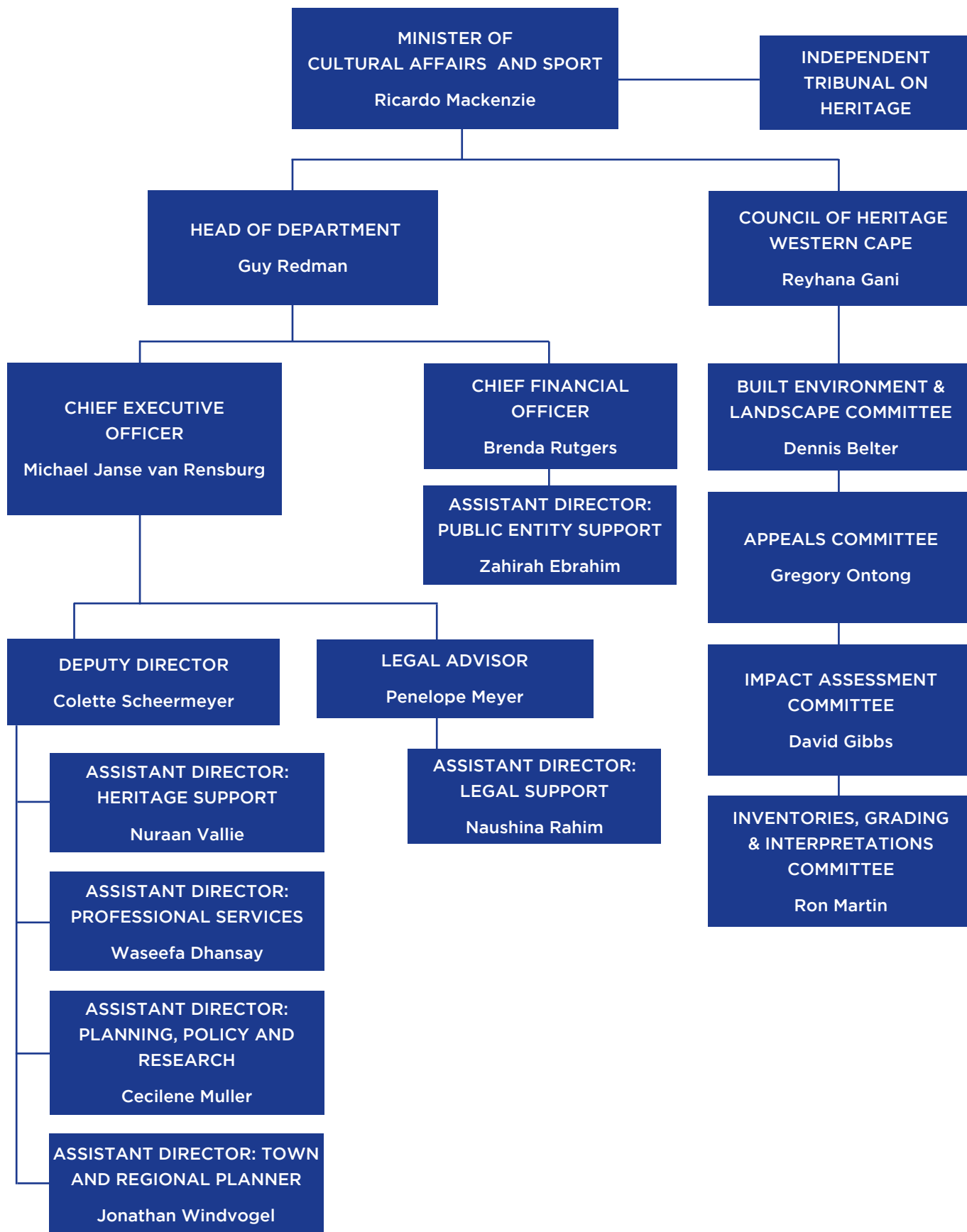
Court Case	Reference	Description
Louis Johannes Raubenheimer v the Trustees of the Hendrik Johannes Bredenkamp Trust and Others	Western Cape High Court, case no. 10228/2004	The judgment deals with what constitutes a 'bona fide interest' in a decision of a heritage authority which will convey locus standi to appeal in terms of the NHRA. The Court found that it had to be a real interest and not just a sentimental attachment to the heritage resource.
Top Performers (Pty) Ltd v Minister of Cultural Affairs and Recreation	Western Cape High Court, case no. 5591/2005	This judgment had a profound impact on the appeal processes of the tribunals appointed by the MEC in terms of section 49 of the National Heritage Resources Act, 1999, read with Regulation 12 of PN 336 of 2003. DCAS and the MEC took corrective steps to ensure fair administrative processes and make provision for the admission of new evidence into the record of a tribunal process, as well as better compliance with the rules of natural justice in terms of the audi alteram partem maxim.
The Chairpersons' Association v Minister of Arts and Culture	Supreme Court of Appeal, case no. 25/2006	This judgment sets out what constitutes adequate consultation with local communities and other stakeholders in respect of proposed changes to geographical names. DCAS and the Western Cape Provincial Geographical Names Committee established by the MEC are important role players in the implementation of the relevant legislation, especially with respect to the facilitation of consultation with stakeholders and communities. They must take this judgment into account in the processes and procedures they use to manage proposed changes to geographical names.
Qualidental Laboratories v Heritage Western Cape	Supreme Court of Appeal, case no. 647/2006	This judgment confirmed the powers conferred on the MEC and Heritage Western Cape to impose conditions on a development in terms of section 48 of the National Heritage Resources Act, 1999.
South African Heritage Resources Agency v the Arniston Hotel Property (Pty) Ltd and One Other	Western Cape High Court, case no. 5446/2006	The judgment deals with the matter of work approved under the National Building Regulations prior to the institution of a formal protection in terms of the NHRA and issues of validity of a notice of provisional protection.



Court Case	Reference	Description
Willows Properties (Pty) Ltd v Minister of Cultural Affairs and Sport	Western Cape High Court, case no. 13521/2008	The applicant filed an urgent application in the High Court to compel the MEC to make a decision or, alternatively, to issue the Record of Decision in respect of an appeal lodged with the MEC in terms of section 49 of the National Heritage Resources Act, 1999, read with regulation 12(7) of PN 336 of 2003. The impact of the judgment on DCAS is that it must ensure that tribunals issue Records of Decision in good time. Corrective measures have been implemented.
Waenhuiskrans Arniston Ratepayers Association and Another v Verreweide Eiensontwikkeling (Edms) Bpk and Others	Western Cape High Court, case no. 1926/2008	The Court considered whether the South African Heritage Resources Agency or Heritage Western Cape have jurisdiction in respect of sites that have been graded by SAHRA as Grade 1 sites in terms of sections 35 and 36 of the National Heritage Resources Act, 1999. The Court found that, in such cases, SAHRA has jurisdiction. The implication of this judgment for HWC is that the Department must provide legal assistance to Heritage Western Cape to interpret the legislation, and it must ensure that HWC acts within its legal mandate.
Peter Gees v the Provincial Minister of Cultural Affairs and Sport, Western Cape, the Chairperson, Independent Appeal Tribunal, Heritage Western Cape, the City of Cape Town, City Bowl Ratepayers; & Residents' Association	Western Cape High Court, case no: 6205/2015	The Court has confirmed that, despite the facts in this case are different than in the Qualidental case, the imposition of conditions is within the parameters of the National Heritage Resources Act, 1999 and are consistent with the overall scheme of the Act. Conditions can be imposed in a permit for demolition of an existing structure older than 60 years in terms of section 34(1) of the Act provided that they are imposed for a clear heritage purpose. In this particular case the condition that the heritage authority may control the replacement structure in a demolition was upheld. It also addressed the issue of whether the imposition of such a condition was a contravention of S25 of the Constitution (the property right) and held that it was not.
Piketberg Local Heritage Committee and Another v Liebco Vleishandelaars Edms Bpk and others (Heritage Western Cape 2nd Respondent)	Western Cape High Court, case no. 1103/ 2016	Application for review of a decision of HWC's Built Environment and Landscape Committee (BELCom). Permission was granted by BELCom to demolish a building on Erf 207 Piketberg. The Piketberg Heritage Committee applied to the High Court to review the decision as the provisions of PAJA were not complied with. The Court considered HWC's present policy of requiring consultation only with registered conservation bodies and held that, as the decisions taken had the potential to affect members of the general public, broader public consultation was required. This will mean that applicants will be required to advertise proposals for comment from the general public.

Court Case	Reference	Description
Bryer NO and others v HWC	Western Cape High Court, case no. 16392/2017	Application for review of a decision of HWC to impose a stop works order and a declaratory as to whether an application in terms of section 38 of the NHRA was necessary. This hinged on the definition of the trigger factor in S38(1) of a 'site greater than 5000m <sup>2</sup> '. Heritage Western Cape had consistently used the erf size as the trigger. The applicant argued that 'site' did not mean 'erf', and that in this specific case, the erf, although larger than 5000m <sup>2</sup> , it was notionally divisible into two separate sites. The court agreed with this argument. It is important to note that the court did not hold that the site was equivalent to the development footprint. The erf size may still be indicative of the site size, but a more nuanced approach is necessary.
Bo-Kaap Civic and Rate-payers Association v City of Cape Town	Western Cape High Court, case no, 7031/2017	Heritage Western Cape joined as an applicant in this application to review the decision of the City of Cape Town to permit the construction of a multi-storey development on this site, which is partially in an HPOZ, and borders on the historic Bo-Kaap. Heritage Western Cape argued that the proximity of the development to two Provincial Heritage Sites meant that it would "alter" the Provincial Heritage Sites and that a permit in terms of S27 of the NHRA should be obtained. The court did not accept this argument. It also declined to review the decision of the City of Cape Town.
Midnight Storm Investments 170 (Pty) Ltd v Minister of Finance and others	North Gauteng High Court Case no 46055/2015	The plaintiff in this case sought compensation from the State and HWC arising from the declaration of an area of their land as a PHS (The Baboon Point PHS at Elands Bay). The plaintiffs claimed that the declaration had effectively sterilised their rights to develop the land and that it amounted to either a constructive expropriation or an unlawful taking of their ownership rights as protected by S25 of the Constitution. Alternatively, they asked for a ruling that the NHRA was unconstitutional because it authorised the taking of ownership rights without compensation. The Court found that the declaration was lawful and that it did not amount to constructive expropriation. The Court also found that the protection of property rights in terms of S25 of the Constitution is not absolute but is subject to public interest rights.

## 8. ORGANISATIONAL STRUCTURE





**DIEPKLOOF ROCK SHELTER  
WORLD HERITAGE SITE**

## PART B: PERFORMANCE INFORMATION

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

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 55 of the Report for the Auditor's Report, published as Part F: Financial Information

### 2. OVERVIEW OF PERFORMANCE

#### 2.1. Service delivery environment

HWC is the provincial heritage resources authority responsible for the identification, protection, conservation, promotion, and management of heritage resources in the Western Cape. Its mandate to manage cultural matters in the province is derived from the Constitution of the Republic of South Africa, the Constitution of the Western Cape, and the National Heritage Resources Act (NHRA).

While not its primary responsibility, the demand for services continues to be in the area of heritage applications for the development of structures older than 60 years in terms of section 34 of the NHRA, and larger development applications as triggered by section 38 of the NHRA. Most of the section 34 applications relate to structures of local significance. As such, these Grade III structures, which should be managed at the local municipal level, have been managed by HWC for many years. The intended provisions of the NHRA, in terms of the national and provincial constitutional mandates, set the management of heritage resources at three spheres of government: national (Grade I) as managed by the South African Heritage Resources Agency (SAHRA); provincial (Grade II) as managed by the provincial heritage resources authority (PHRA), Heritage Western Cape (HWC); and heritage resources of local significance (Grade III) as managed by local authorities.

The process of delegating functions to local authorities has involved many interactions and iterations of discussions with local authorities. Specifically, such discussions with the City of Cape Town (CoCT) are particularly advanced and important to conclude, as the CoCT has been found competent to manage Grade III heritage resources over the past ten years. The bulk of permit applications processed by HWC are largely section 34 applications for structures older than 60 years, with 74% of such applications (comprising alterations, additions and partial demolitions, and total demolitions) being apportioned to the total applications received within the 2023-2024 financial year. While HWC and the CoCT have developed a phased approach strategy to address the delegations pertaining to the management of local heritage resources, there is a clear need for the delegations to be finalised. The benefit of this would be that the local authority, in this case, the CoCT, will effectively become a 'one-stop shop' for processing section 34 development applications. There would no longer be a need for applicants to be referred to HWC, making it more efficient as a one-step service delivery process as opposed to the current two processes applicants have to undertake via the local authority and HWC independently. HWC is cognisant of the positive outcomes this would have in cutting red tape in service delivery for applicants and creating an enabling environment for the Western Cape Government's Growth for Jobs strategy.

While HWC still carries a significant workload managing heritage resources of local significance, in addition to managing Grade II heritage resources, it continues to play a key role in the approval processes of developments as triggered under the National Heritage Resources Act. The need for economic stimulus and growth in the province places an expectation on HWC to respond efficiently to incoming development applications. To continue streamlining its services, officials seconded to assist with the operational work of HWC by the Department of Cultural Affairs and Sport underwent Lean Management Training provided by the Lean Institute Africa and the University of Cape Town's Graduate School of Business. This training was facilitated and hosted through the Red Tape Reduction Unit of the Department of Economic Development and Tourism (DEDAT).

The Lean Management training comprised two phases, with the first being a two-day programme introducing the principles, fundamentals, and strategies of the Lean Management methodology. This was followed by a rigorous three-month Phase Two programme, which unpacked the methodology in more detail, focusing on a comprehensive understanding of each pillar of the methods and on effective problem identification and problem-solving by employees at all operational levels. The HWC team used the HWC permit application process as a case study to implement Lean Management methodology, identifying areas of waste, overburden, and under burden of resources, and determining which processes were value-adding to applicants.

The training was very successful and was the first Lean Management training undertaken by an entire team across all levels of its operations. This training has provided the team with outcomes in terms of plans to continuously improve its services, minimise waste, and create a culture of citizen-centric service delivery. Going forward, these outcomes will be tracked and reviewed through its Service Delivery Operational Improvement Plan. The roadmap was developed in 2022/2023 to guide the entity in improving its services.

In the year under review, representatives of HWC have participated in the initiation of the Provincial Ease of Doing Business (EoDB) Task Team, a transversal team of departments working to cut systemic constraints and reduce red tape within government and its agencies to avoid inhibiting economic growth and job creation. Going forward, this will remain, as with the Fixed Capital Property Development Team (FCPD), an important transversal platform for HWC to be part of and contribute to in its work. The FCPD was launched as a pilot phase in 2019 and has continued its work successfully since. The initiative aimed to identify and address blockages in service delivery in various key points of growth for the province. The identified problem the team sought to address relating to HWC was stated as, "Job losses and declining economic activity in the construction and property development industry in the City of Cape Town."

HWC has continued with key initiatives started with the work of the FCPD. These include:

- The exemption of certain areas or types of development from the need to obtain heritage authorisation.
- Engaging with local authorities to encourage them to be declared competent in terms of the NHRA to manage local heritage resources, leading to efficient decision-making at a local level.
- Continuing to identify areas that can streamline or fast-track permit application processes, taking into consideration learnings from the Lean Management methodology.

To further elaborate on exemptions, seven areas were identified to be exempted from the requirements of Sections 34 and 38 of the National Heritage Resources Act 25 of 1999 (NHRA). The areas include a portion along the Voortrekker Corridor as well as six other proposed areas, being the Airport Industria, Atlantis, Flamingo, Kuils River, Mitchells Plain and Ottery/Lansdowne.

The purpose of the exemption process is to exempt geographical areas with limited heritage resources from the requirement to obtain a permit under section 34(1) of the NHRA for the alteration or demolition of 60-year-old structures and from the requirements of section 38 impact assessments with the approval from the Minister of Cultural Affairs and Sport. The exemption process aims to reduce the number of applications submitted to Heritage Western Cape (HWC) and to provide certainty and a more streamlined process for development in these areas. HWC will continue to work with the City of Cape Town and other stakeholders to ensure exemptions are effected where appropriate to alleviate the need for heritage approvals where heritage resources will not be impacted.

The needs in the service delivery environment remain high in respect of efficient services that are accessible to the public. Matters such as economic growth, jobs, technology, social welfare, the environment, and the wellbeing of the people of the Western Cape have been taken into account. The areas of priority identified in the financial year, which are also reflected in the planning of HWC's Annual Performance Plan, underscore priorities within heritage resources management that continue to receive attention. These include:

1. Building an efficient heritage resources management system that enables stakeholders and communities to have confidence in the work of HWC through its policies, regulations, and guidelines.

2. Working closer with municipalities and conservation bodies to ensure the protection and promotion of significant heritage resources in the province in terms of the NHRA.
3. Hosting heritage events and programmes to highlight the positive and stabilising effects that heritage can have in communities in resolving social ills, creating social inclusion, and building active citizenship.

Business continuity measures are in place, and operationally the management team reviews its operational schedules to adjust and limit interruptions to service delivery, particularly with affecting factors such as load shedding, which has decreased towards the end of the financial year. There has been continued review of load shedding schedules and realigning meeting times and the order of business at committee meetings to ensure members of the public are accommodated in reviewing their permit applications. All required meetings of HWC were successfully undertaken during this financial year. The online meetings have proved very beneficial to stakeholders and interested and affected parties. In-person committee meetings have been set up at least once a quarter to allow face-to-face contact with members and officials, which is also necessary. Committee meetings of HWC are open to the public to attend whether online or in-person.

The role of local conservation bodies and interest groups continues to influence and assist HWC in having a collective, integrated approach to managing heritage and to better service delivery of the WCG. In its engagements this year, there have been many discussions related to the significance of intangible heritage resources and the inclusion of First Nation groups in such conversations. HWC values the role of conservation bodies and interested heritage groups in local communities and depends on active and engaged communities to assist in the identification, promotion, and management of heritage resources in the province.

HWC forms an integral part of the value chain in the service delivery context of the WCG and advocates for a sustainable development approach with stakeholders, which places culture and heritage as a pivotal arm in the development and wellbeing of society. To this end, more focus has been given to the administration and approval of conservation bodies of HWC in terms of section 25 of the NHRA. Four applications were approved at initial tabling at the Inventories, Grading and Interpretations Committee meetings, with a further two applications being endorsed after 'Further Requirements' were met. Approximately 5.12% of already registered conservation bodies complied with submitting their annual general meeting minutes and reports. Only one registered conservation body applied for the boundaries to be amended. Queries, both telephonic and via email, contributed to 26% of this portfolio's tasks. The chart in figure 1 provides a statistical summary of the work of HWC in managing conservation bodies, with a total of almost 27% related to inquiries regarding the administration of conservation bodies. As part of its heritage inspector training, HWC has also invited conservation bodies to participate in training, as they are seen as key local community heritage champions throughout the province.

### TASKS PERTAINING TO CONSERVATION BODIES FOR THE PERIOD 2023/2024

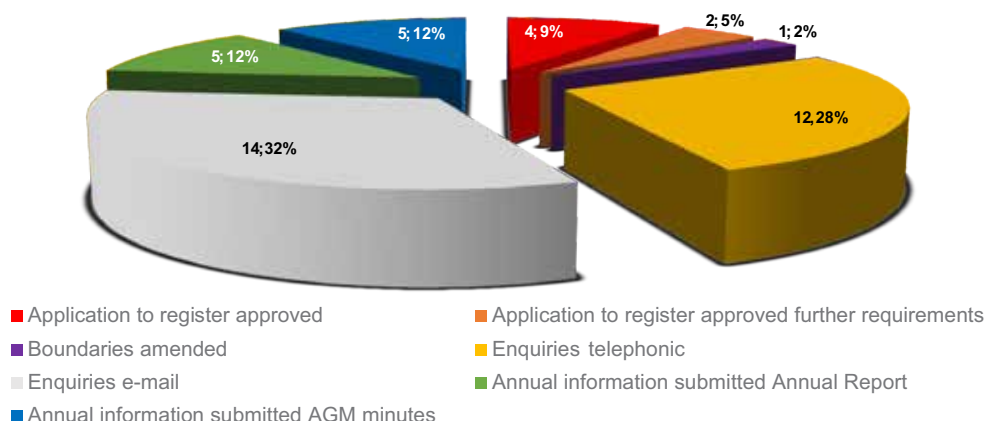


Figure 1: Tasks pertaining to conservation bodies

Lastly, a continuing challenge within the heritage resources environment is the need for appropriately qualified personnel and, where possible, experienced staff in heritage resources management. Local and national positions in this field often offer more competitive salaries than can be offered at a provincial level. This inevitably leads to some staff choosing to move to higher-paid positions. Part of the HWC service delivery improvement plan includes addressing this potential attrition by focusing on the wellbeing of staff and providing non-monetary incentives that contribute to building a healthy and valued organisational and team culture. Initiatives such as the Lean Management training methodology, undertaken through DEDAT, have provided strategies and confidence within the team to enhance service delivery. Such qualitative changes within the work environment will benefit not only the external service delivery environment in the long term but the internal service delivery environment as well.

### 2.1.1 Summary of applications, site inspection reports and enquiries

While the NHRA provides for a variety of activities to be undertaken by a provincial heritage resources authority, the bulk of HWC's work still comprises the processing of applications under the terms of Chapter II of the Act. During the year under review, HWC processed 2 218 heritage applications.

A co-ordinated site inspection programme was undertaken by HWC officials, specifically examining the status of museums in the province. These inspections assist museum managers and their respective boards in addressing maintenance requirements on-site, which may be appropriately planned for in the conservation of the museum and heritage resource. In response to a fire in the Agulhas region, officials inspected a PHS, Hotagerklip, and engaged with the owners and SAHRA for the immediate safekeeping and long-term restoration plans for the site. Furthermore, HWC conducted site inspections of PHS in alignment with its APP target for the financial year and inspected reported illegal works.

The following site inspections were conducted as part of the annual performance plan indicator, with reports drafted assessing the sites' heritage conservation requirements: Paarl Museum, Cape Town Medical Museum, Hotagerklip in Struisbaai, Montagu Museum, Bredasdorp Museum, and the Lime Kiln in Jacobus Kraal. The reports have been used to establish further engagement with the owners of the properties regarding any maintenance and conservation required. Successful engagement with the owners regarding various sites under their management, which are formally protected, is ongoing.

### 2.1.2 Number of applications per year

The bulk of the applications were development applications relating to alterations, additions to, or total demolition of structures older than 60 years in terms of Section 34 of the NHRA. Of the 2 218 applications processed by HWC, 84 were applications pertaining to the management of Provincial Heritage Sites, and 18 permit applications for the excavation or research of archaeological or paleontological sites or objects were received. Furthermore, development applications, Notifications of Intent to Develop, and Heritage Impact Assessments amounted to 430 and 65, respectively.

The graph in figure 2 illustrates the number of applications received over the past five financial years and the graph in figure 3 illustrates the types of applications received by HWC:



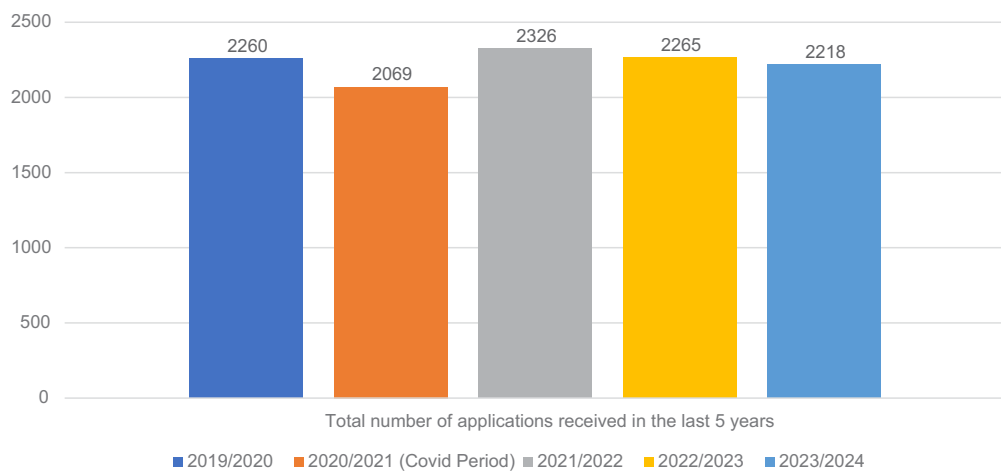


Figure 2: Number of applications received over the past five financial years

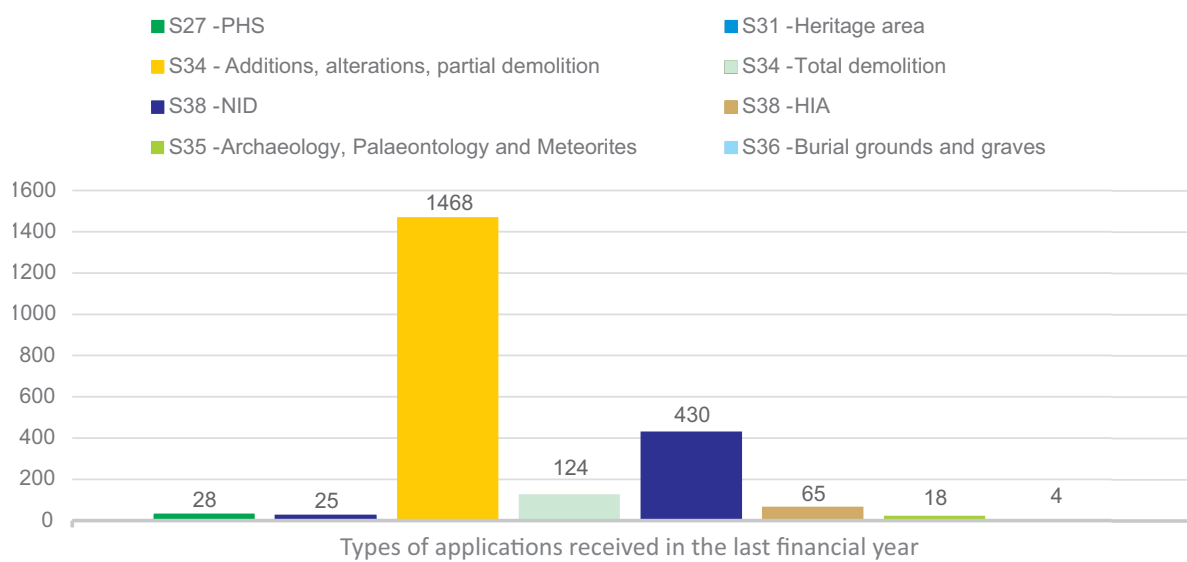


Figure 3: Types of applications received by HWC

### 2.1.3 Processing of applications by HWC Committees

Applications to HWC are processed by the following committees: Built Environment and Landscape Committee (BELCom), Inventories, Grading and Interpretations Committee (IGIC), Impact Assessment Committee (IACom), Appeals Committee, and Heritage Officers Meetings (HOMs). The HOMs comprise a committee of staff from the Department, assisting with the operational work of HWC, and are delegated by the Council of HWC to make decisions on permit applications submitted to HWC. The BELCom, IGIC, IACom, and Appeals Committees are comprised of members of the public appointed through a public call for nominations. These members have the necessary competencies and heritage expertise to assist the Council with its work.

The agendas for all committee meetings are posted on HWC’s website and circulated to parties wishing to attend the meetings and partake in the discussions. The graph below (figure 4) illustrates the percentage of applications considered by each committee, illustrating the number of meetings hosted by each committee to make decisions on applications. The total number of committee meetings for the year was 101 (two more than the planned target of 99 meetings). The bulk of the meetings over the year comprise the Heritage Officers Meetings, as it is at these meetings where the majority of applications to HWC are finalised, as shown in figures 3 and 4. A concerted effort

has been made to reduce the number of cases referred to other committees, focusing on non-controversial heritage terms that can be dealt with more quickly. The learnings from Lean Management have provided the team with further insight into reducing the load of the HOMs meetings and continuously improving services for applicants within the heritage approval system at HWC.

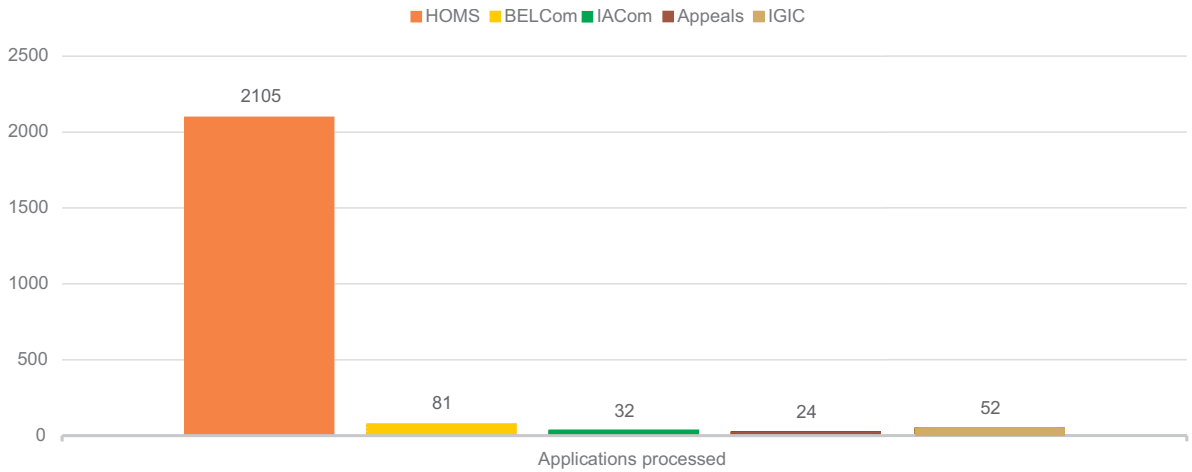


Figure 4: Number of applications processed by HWC.

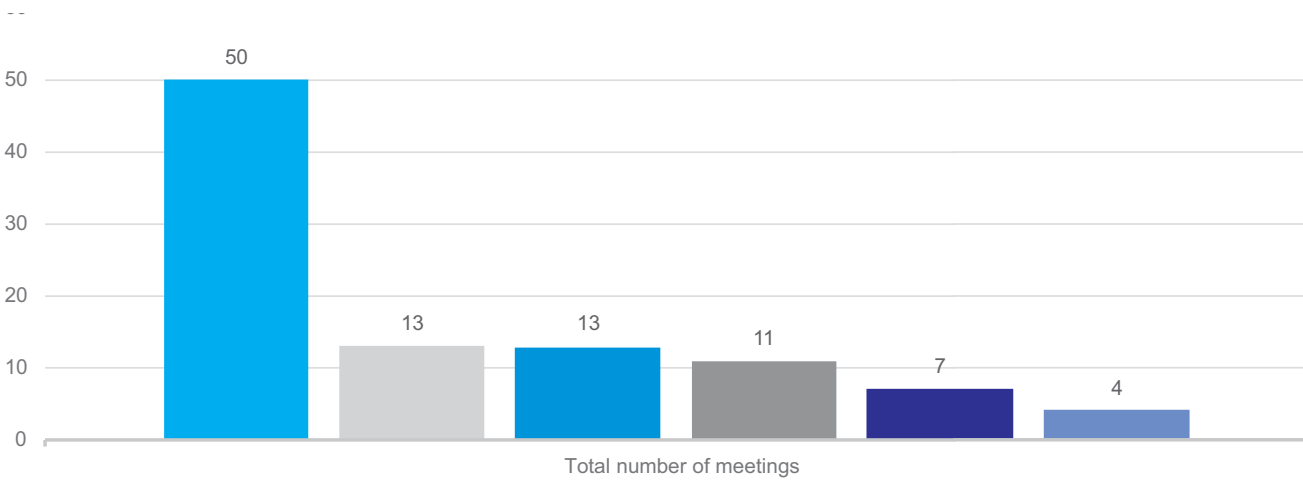


Figure 5: Number of meetings held by each committee of HWC

**2.1.4 Internal appeals process**

Section 49 of the NHRA requires HWC to establish an internal system of appeals, which must be considered either by the Council or an Appeals Committee. Regulations made by HWC stipulate that the Appeals Committee must be comprised of two Council members and up to three additional members. The Appeals Committee considers appeals by any party to an application (applicant or interested and affected parties) dissatisfied with a decision of one of HWC’s committees. During the financial year under review, a total of 24 appeal applications were lodged with the Appeals Committee. The appeals were mostly section 34 applications related to buildings older than 60 years. There were also appeals against the issuing of archaeological permits in terms of section 35 of the NHRA.

### 2.1.5 Appeals to the Independent Tribunal on Heritage

If any member of the public or an applicant is not satisfied with a decision of the Appeals Committee, they have the opportunity to escalate their appeal to the Minister of Cultural Affairs and Sport in terms of sections 38(6) and 49 of the NHRA. The Minister (Executive Authority) is empowered to establish an Independent Tribunal consisting of three experts with expertise in heritage matters or law. The Ministerial Tribunal is independent of HWC, and the appeal is heard as a wide appeal, meaning the Tribunal can consider new information when reviewing the grounds for appeal. However, the Tribunal cannot go beyond the scope of what has been cited by the appellant as the grounds for appeal. During the financial year under review, decisions were referred to the Ministerial Independent Tribunal, of which nine were considered in that financial year. Of the heard items, rulings were received for 9 matters, of which six were in HWC's favour, and one appeal was withdrawn prior to the hearing.

## 2.2. Organisational environment

On 1 November 2022, the Minister of Cultural Affairs and Sport appointed a new Council of HWC, as the previous Council's three-year term ended on 31 October 2022. The new Council comprises members with diverse qualifications and expertise, ranging from architecture, town planning, and structural engineering to heritage resources management, business, and law.

The new Council appointed its committees in February 2023 following a public call for nominations and a final adjudication of members. The BELCom, IACom, IGIC, and Appeals committees, appointed as of 1 March 2023, have worked well, with the chairpersons of the committees reporting on their work at the quarterly Council meetings. The terms of the committees align with the three-year term of the Council, which will end on 31 October 2025. The committee members possess skills and expertise relevant to their designated committee functions as delegated by the Council. HOMs is the only committee comprising solely staff appointed by DCAS, assisting the entity with its functions. HOMs is delegated by the Council to make decisions on applications to HWC.

In addition to operational support, DCAS provides an annual subsidy to HWC to enable it to implement the NHRA. In the year under review, a transfer payment of R 1,621,000 was made in the first quarter, with a second transfer payment of R272 366 made in the fourth quarter to support the entity in its mandate to identify, protect, promote, and manage heritage resources in the province.

HWC has started assessing its revenue stream by increasing permit application fees to be in line with market related fees charged by similar institutions in order to ensure long-term operational viability of the entity. One of its revenue streams is the charging of fees for processing permit applications. These fee increases consider future delegations and the processing of heritage permit applications at the local authority level, which will reduce the entity's permit application fee income. The current fee structure has been in place since July 2016, and HWC has undertaken a rigorous evaluation to determine a considered and fair increase based on comparable fees charged by similar organisations. The Council of HWC has agreed to the updated fee structure, and it is pending approval by provincial treasury.

Regarding the financial scenario, an inherent risk related to contingent liability HWC faces is its decision-making on permit applications due to possible legal action. This risk has been appropriately mitigated within the risk tolerance level, as an appointed legal adviser (Deputy Director) oversees all decisions and meetings of the Council and Committees. An Assistant Director was successfully appointed as part of the legal team.

During the year, recruitment continued to ensure additional staffing capacity was provided to HWC as part of the DCAS capacitation of its Heritage Resources Management Services section within the Museums, Heritage, and Geographical Names directorate. Staff within this section are seconded to the entity, which includes administrative support.

## 2.3. Key policy developments and legislative changes

### 2.3.1 Policy development

During the financial year the following policies were developed and amended by Council:

Policy	Description
Heritage Inspector Policy	The purpose of this policy is to set criteria for appointment and training of Heritage Inspectors, the conducting inspections, and to ensure compliance with Section 50 of the NHRA.
Procedure for exempting a defined geographical area for the provisions of S34 of the NHRA	The purpose of this procedure is to enable the exemption of certain geographical areas from the necessity to obtain a permit in terms of S34 of the NHRA to reduce the number of applications assessed by Heritage Western Cape (HWC) and to provide certainty to prospective buyers and developers. The exemption will be applicable to an identified area which is not deemed to be of sufficient heritage significance to justify formal protection as a heritage area, and which is thus capable of development without a permit. Any individual heritage resources within the area can be placed on the heritage register, thus ensuring their protection.

### 2.3.2 Criminal charges

Case number	Case name	Status
76/5/2015	State v L Raymond relating to the 191 Main Road, Paarl (a Provincial Heritage Site).	The case was heard by the Magistrates at the Paarl Court where a representative of HWC testified. The matter was post-poned until 9 July 2021. The matter was further postponed to 4 October 2021 due to Covid-19 Regulations and once again to 24 February 2022 and on to 14 March 2022 to set a final date for the matter to be heard on 10 May 2022. The matter was then once again postponed until 20 June 2022. A meeting was subsequently held between the Magistrate and the defendant. Thereafter Heritage Western Cape was informed that the case has been withdrawn, without providing the reasons for the withdrawal. Reasons for the withdrawal is being sought from the Magistrate Court.

### 2.3.3 HWC matters in court

During the financial year under review HWC has been involved in the following court actions:

Case Number	Court	Matter	Status
46055/15	North Gauteng High Court	Midnight Storm Investments 170 (Pty) Ltd v Minister of Arts and Culture and Others	The plaintiff in this case sought compensation from the State and HWC arising from the declaration of an area of their land as a PHS (The Baboon Point PHS at Elandsbaai). The plaintiffs claimed that the declaration had effectively sterilised their rights to develop the land and that it amounted to either a constructive expropriation or an unlawful taking of their ownership rights as protected by S25 of the Constitution. Alternatively, they asked for a ruling that the NHRA was unconstitutional because it authorised the taking of ownership rights without compensation. The Court found that the declaration was lawful and that it did not amount to constructive expropriation. The Court also found that the protection of property rights in terms of S25 of the Constitution is not absolute but is subject to public interest rights.

			The judgment was appealed. The applicant thereafter approached HWC to investigate a proposed settlement and is in the process of submitting an amended application to HWC. The appeal process has been suspended pending the outcome of the application.
14894/17	Western Cape High Court	Exclusive Access Trading 570 (Pty Ltd) v Chairperson, Independent Tribunal, Minister of Cultural Affairs and Sport and Heritage Western Cape	Still in pleadings stage.

## 2.4. Progress towards achievement of institutional impacts and outcomes

HWC has aligned its strategic plan and performance plan with the Provincial Vision Inspired Priorities within the context of its legal mandate to identify, protect, conserve, manage, and promote heritage resources as per the National Heritage Resources Act (Act 25 of 1999). The intended strategic impact is to ‘conserve and promote heritage resources that build a sense of social inclusivity and contribute to economic growth.’ The outcome indicators reflect an integrated management of heritage resources, with the first outcome indicator addressing the protection of heritage resources and the second focusing on the management of heritage resources through promotion.

Over the past year, there have been satisfactory outcomes regarding these strategic indicators, as all targets in the Annual Performance Plan under review were achieved. One target was overachieved: the number of Council and Committee meetings hosted to make decisions in terms of the NHRA. Additionally, the Service Delivery Improvement Road Map serves as a tool to track the operational implementation of the improvement roadmap, emphasising a citizen-centric service delivery approach to expand capacity, promote heritage, and improve efficiency.

### 3. PERFORMANCE INFORMATION BY PROGRAMME: HERITAGE RESOURCE MANAGEMENT SERVICES

#### 3.1 Programme/activity/objective

The purpose of Heritage Western Cape is to advise the Minister on the implementation of the National Heritage Resources Act (Act 25 of 1999) and in so doing, protecting and managing the heritage resources of the Western Cape.

#### Key performance indicators planned targets and actual achievements

Programme / Sub-programme:									
No.	Outcome	Output	Output indicator	Audited actual performance	Audited actual performance	Planned annual target	Actual achievement	Deviation from planned target to actual achievement	Reasons on deviations
				2021/22	2022/23	2023/24	2023/24	2023/24	
1.1	Integrated management of heritage resources in the Western Cape.	Policies; regulations; guidelines or protocols developed and approved.	Number of policies, regulations, guidelines or protocols approved by Council.	1	1	1	2	+1	The Code of Conduct was revised as per the Internal Audit action plan.
1.2	Integrated management of heritage resources in the Western Cape.	Site inspections undertaken by HWC.	Number of site inspections undertaken to provincial heritage sites.	4	4	7	7	-	
1.3	Integrated management of heritage resources in the Western Cape.	Scheduled meetings of HWC council and committees in order to implement NHRA.	Number of Council and committee meetings hosted in order to make decisions in terms of the NHRA .	117	111	99	101	+2	Two additional meetings were held over and above the annual target of 99 meetings, in order to ensure permit applications were processed within the legal timeframes.

Programme / Sub-programme:									
No.	Outcome	Output	Output indicator	Audited actual performance	Audited actual performance	Planned annual target	Actual achievement	Deviation from planned target to actual achievement	Reasons on deviations
				2021/22	2022/23	2023/24	2023/24	2023/24	
1.4	Integrated management of heritage resources in the Western Cape.	The recognition that the site is a declared provincial heritage site by means of a promotional event	Number of provincial heritage site events for the promotion of heritage resources.	2	2	4	4	-	
1.5	Integrated management of heritage resources in the Western Cape.	Workshops or meetings hosted to create awareness about the importance of conserving heritage resources and management implications of such resources.	Number of programmes hosted to promote heritage resources management.	4	4	4	4	-	

### Strategy to overcome areas of under performance

The entity achieved all its targets for the year under review. The outcome indicator ‘Number of heritage sites formally protected’ The outcome indicator ‘Number of Council and committee meetings hosted in order to make decisions in terms of the NHRA’ with an annual target of 99, was overachieved by two meetings with an actual achievement of 101. There were no areas of underperformance for the entity in the year under review.

Programme/ Sub Programme	Intervention	Geographic location (Province/ District/ local municipality) (where possible)	No. of beneficiaries (where possible)	Disaggregation of Beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
N/A								

### Linking performance with budgets

The Entity achieved all its performance targets which was underpinned by the expenditure for the year under review.

Programme	2023/24			2022/23		
	Budget	Actual expenditure	(Over)/ under expenditure	Budget	Actual expenditure	(Over)/ under expenditure
	R`000	R`000	R`000	R`000	R`000	R`000
Goods and Services	2 727	2 722	5	2 648	1 585	1 063
<b>Total</b>	<b>2 727</b>	<b>2 722</b>	<b>5</b>	<b>2 648</b>	<b>1 585</b>	<b>1 063</b>

## 4. REVENUE COLLECTION

Source of Income	2023/24			2022/23		
	Estimate	Actual Amount collected	(Over)/ under collection	Estimate	Actual Amount collected	(Over)/ under collection
	R`000	R`000	R`000	R`000	R`000	R`000
Other Operating Income	824	845	*(21)	750	1 791	(1 041)
Transfer Payment	1 621	2 195	** (574)	1 573	1 573	-
Interest Income	282	830	*** (548)	361	462	(101)
Other non-tax revenue	-	-	-	0	25	(25)
<b>Total</b>	<b>2 727</b>	<b>3 870</b>	<b>(1 143)</b>	<b>2 648</b>	<b>3 815</b>	<b>(1 167)</b>

\* The variance is due to more Heritage Applications received than anticipated.

\*\* For the year under review additional funding was received from the Department of Cultural Affairs & Sport for a specific project and the 2nd tranche of the US Ambassador funding was received for the Diepkloof project.

\*\*\* The variance is due to the increase in the interest rate for the year under review.

### 4.1. Capital investment

Not applicable





PINNACLE POINT SITE  
COMPLEX WORLD  
HERITAGE SITE

## 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, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

### 2. PORTFOLIO COMMITTEES

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

Meeting	Topic
<b>Standing Committee on Police Oversight, Community Safety and Cultural Affairs and Sport</b>	
31 October 2023	Discussion on the 2022/23 annual reports of the DCAS and its Entities
29 November 2023	Deliberation on Vote 13 of the WC Adjustments Appropriation 2023
13 March 2024	Deliberation on Vote 13 of the WC Appropriation 2024

#### SCOPA resolutions

No resolutions were published for the Department.

Meeting	Topic
<b>Provincial Accounts Committee</b>	
31 October 2023	Deliberation on the 2022/23 Annual Report for the Western Cape Language Committee, Western Cape Cultural Commission and Heritage Western Cape.

### 3. EXECUTIVE AUTHORITY

The Executive Authority executed oversight responsibility by monitoring financial and non- financial information for the period under review. The following reports were submitted for monitoring purposes:

<b>Quarterly Performance Report</b>	31 July 2023; 31 October 2023; 31 January 2024; 30 April 2024
<b>In-year Monitoring Report</b>	31 July 2023; 31 October 2023; 31 January 2024; 30 April 2024

## 4. THE ACCOUNTING AUTHORITY

### 4.1 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. The council is appointed for a term of three years.

### 4.2 The role of the Board

The Council is the Accounting Authority and 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.

The previous Council's term ended on 31 October 2022 and the current Council was appointed on 1 November 2022 and their term of office will end at 31 October 2025.

### 4.3 Committee Charter

Heritage Western Cape does not have a formal charter but is guided by the National Heritage Resources Act (Act 25 of 1999).

## Composition of the current Council (appointed from 1 November 2022 to 31 October 2025)

Name	Designation (in terms of the Public Entity structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board of Directorships (List the entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team)	No. of meetings attended
Reyhana Gani	Chair- person	17 November 2022	N/A	Chartered Accountant	Finance, internal and external audit, risk management, IT, Disciplinary and Performance Reporting, APP, Strategy	N/A	N/A	4
Ron Martin	Member	17 November 2022	N/A	Oral History Methodology Certificate (Honours Level); Post Graduate Diploma in Museum and Heritage Studies (Honours Level)	Heritage Resources Management; Memory; indigenous practices; hidden histories	SA First Peoples' Museum Foundation (Pty) Ltd; SA Sendinggestig Trust.	IGIC	12
Mandla Mdludlu	Member	17 November 2022	N/A	Bluris, LLB, Certificate in Labour Law	Law and Property law	Audit Committee (Overstrand Municipality); West Coast TVET; NHBRC; HPCSA	APPEALS (Alternate member)	4
Corlie Smart	Member	17 November 2022	N/A	BProc; LLM	Heritage law and policy formulation	Belvidex PTY LTD	APPEALS	13
Heidi Boise	Member	17 November 2022	N/A	Btech in Architectural Technological and Planning Geomatics; M Phil Conservation Built Environment	Heritage management and policy matters	Patrimoint Concept	BELCOM	14

Name	Designation (in terms of the Public Entity structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board of Directorships (List the entities)	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team)	No. of meetings attended
Siphiwo Mavumeng wana	Member	17 November 2022	N/A	National Diploma: Marketing Management	Cultural landscapes	Western Cape Liquor Authority; Conbin South Africa	BELCOM	10
Dennis Belter	Member	17 November 2022	N/A	MCommPM - Pgrad Dip	Structural Engineer	Gadomski Consulting Engineers	BELCOM	16
Gregory Ontong	Member	17 November 2022	N/A	PTD, BTheology, MCRP (Master of City and Regional Planning) , MPhil (Conservation of the Built Environment)	intangible heritage related to the built environment, its identification, protection and conservation	Ditsong National Museums of South Africa, Pretoria and Committee member at ECPHRA	APPEALS	15

List of Committee members 2023 - 2025

Committee	No. of meetings held	No. of members	Name of members
BELCOM	13	7	Dennis Belter (Chairperson) Graham Jacobs Shawn Johnston Helene van der Merwe Siphiwo Mavumengwana Heidi Boise Athi Njoba (resign on 8 December 2023)
Appeals	11	5	Gregory Ontong (Chairperson) Nicholas Baumann Andrew van Graan Stuart Hermansen Corlie Smart Mandla Mdludlu (Alternate member)
IGIC	7	9	Ron Martin (Chairperson) Wandile Kasibe (resign on 6 December 2023) Glynn Alard (resign on 29 February 2024) Jenna Lavin Laura Malandri Jacob Cloete (appointed on 22 February 2024) Emmylou Bailey (appointed on 22 February 2024) Lynn Michelle Abrahams (appointed on 22 February 2024) Robyn Humphreys (appointed on 22 February 2024)
IACOM	13	8	David Gibbs (Chairperson) Dave Saunders Sarah Winter Chefferino Fortuin Katy Smuts Samantha Lee John Wilson-Harris (appointed on 21 June 2023) Antonia Malan (appointed on 22 February)

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 Plenary Chairperson’s rate is R556.00per hour, the Committee Chairperson’s rate is R486.00 per hour and the rate for members’ is R337.00 per hour.

Name	Initials	Remuneration R`000	Other allowance R`000*	Total R`000
Baumann	N	17	1	18
Belter	D	55	12	67
Boise	H	39	7	46
Fortuin	C	30	2	32
Gani	R (Chairperson)	17	4	21
Gibbs	D	36	7	43

Name	Initials	Remuneration R`000	Other allowance R`000*	Total R`000
Hermansen	S	11	4	15
Jacobs	G	36	11	47
Johnston	S	32	12	44
Lavin	J	14	1	15
Malan	A	11	2	13
Martin	R	36	5	41
Mavumengwana	S	24	2	26
Mdludlu	M	7	1	8
Milandri	L	19	2	21
Ontong	T	32	2	34
Saunders	D	30	7	37
Smart	C	20	6	26
Smuts	K	35	19	54
Van Der Merwe	H	54	10	64
Van Graan	A	19	1	20
Winter	S	30	7	37
Wilson-Harris	J	20	2	22
<b>Total</b>		<b>624</b>	<b>127</b>	<b>751</b>

\*Other allowance includes transport, accommodation and data claims where applicable.

\*\*The total remuneration varies due to some members serving on more than one committee and some members attending site visits.

## 5. RISK MANAGEMENT

Heritage Western Cape participates in the Enterprise Risk Management and Ethics Committee (ERMECO) of the Department of Cultural Affairs and Sport to assist the Accounting Authority in executing its responsibilities relating to risk management.

### Enterprise Risk Management Policy and Strategy

The Department adopted an Enterprise Risk Management Policy on 12 April 2021 for the 2021/22 - 2024/25 financial years. This policy articulates the risk management philosophy and captures, on a high-level, the roles and responsibilities of the different role players. It provides the basis for the risk management process which is supplemented with the detail in the strategy.

The Enterprise Risk Management (ERM) strategy and implementation plan outlines how the Public Entity will implement the ERM Policy adopted by the Accounting Authority (AA). This ERM strategy is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS), specifically as it relates to the appetite levels, as well as its own ERM Policy and risk profile.

### ERMECO responsibility

The ERMECO reports that it has complied with its responsibilities arising from Section 51 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMECO also reports that it has adopted the appropriate formal Terms of Reference (approved by the

ERMECO chairperson on 24 May 2022) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

### ERMECO members

The ERMECO comprises of the AO and selected members of the Department of Cultural Affairs and Sport's management team and is chaired by the Accounting Officer of the Department of Cultural Affairs and Sport. The Chief Executive Officer of Heritage Western Cape represents the entity on the ERMECO of the Department. As per its Terms of Reference the ERMECO met four times (quarterly oversight and reporting) during the year under review. Most meetings were attended by all members or his/her representative.

Member	Position	Attended
G Redman	Accounting Officer (Chairperson)	3
B Rutgers	Director: Financial Management (CFO)	4
C van Wyk	Chief Director: Cultural Affairs	4
C Sani	Director: Library Service	4
D Esau	Deputy Director: Internal Control (Risk Champion)	3
D Flandorp	Deputy Director: Corporate Relations Unit (Ethics Officer)	3
M Janse van Rensburg	Director: Museums, Heritage and Geographical Names Services	3
L Bouah	Chief Director: Sport and Recreation	4
N Dingayo	Director: Provincial Archive Service	4
S Julie	Director: Strategic and Operational Management Support	4
T Tutu	Director: Sport Promotion	3
D Manuel	Director: Sport Development	3
T Mchunu	Director: Arts, Culture and Language Services	1

*\*There has always been representation of the unit when the members were unable to attend the meeting.*

The following is an indication of other officials who attended the ERMECO meetings for the year under review:

Other Attendees	Position	Attended
L Africa	ERMECO Secretariat	4
J Boulle	Head Youth and After-school Programme	4
N Payne	Director: Enterprise Content Management	1
G Abdullatief	Acting Director: Arts, Culture and Language Services	2
C Scheermeyer	Acting Director: Museums, Heritage, and Geographic Names Services	1
N Pietersen	Acting Director: Sport Promotion	1
A Haq	Director: Enterprise Risk Management, DoTP	4
C Cochrane	Chief Risk Advisor, DoTP	4
K Abelse	Enterprise Risk Management, DoTP	4
V Simpson-Murray	Director: Internal Audit, DoTP	3
P De Villiers	Deputy Director: Internal Audit, DoTP	4
M Natesan	Deputy Director: Provincial Forensic Services, DoTP	4
A Snyder	Deputy Director: Provincial Forensic Services, DoTP	3



### ERMECO key activities

The AO of the Department is the chairperson of the ERMECO and the Deputy Director: Internal Control is the Risk Champion of the department. In executing its function, the ERMECO performed the following key activities during the year:

- Reviewed the ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the AO and AA;
- Monitored and reviewed risks in set grouped categories of appetite ranges, reviewed and applied appropriate risk appetite and tolerances guided by the PERMPS adopted by Provincial Top Management;
- Reported to the AO any material changes to the risk profile;
- Confirmed the citizen centric strategic risks. This illustrates the efforts in addressing the contributing factors and impacts that relate directly to the citizen;
- Received and considered risk intelligence and trend reports;
- Identified emerging risks;
- Reviewed risks that are outside the tolerance levels for further action/attention;
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan;
- Monitored the implementation of the ERM Policy, Strategy and Implementation Plan;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks;
- Provided oversight on ethics management in the department

### Key risks considered and addressed during the year

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

The risk of Loss of heritage resources through unauthorised alteration/ destruction or vandalism encapsulates destruction of irreplaceable heritage resources and the issue of inadequate capacity to enforce the law when heritage resources are threatened by unpermitted development. Therefore, generic guidelines have been developed and continuous training of HWC officers, including law enforcement officers, are being conducted. Facilitated heritage awareness workshops are held with key stakeholders like host communities, conservation bodies and municipalities.

Quarterly engagements with the City of Cape Town to take over the management of Heritage Grade three resources commenced during the financial year to address pro-active conservation interventions from Municipalities and the public.

Council/Committees take decisions that could be ultra vires due to committee ignorance over applicable legislation. Therefore, the legal advisory team attends all committee meetings to guide decision making within legal parameters. All minutes of committee meetings are vetted by the legal advisory team and senior DCAS management to ensure legal accuracy. The number of committee meetings were also increased, thus shortening the agenda and increasing the ability of the committee to deal with cases adequately in one sitting. A Minor Works Applications process are in place to fast-track applications where applicable.

The impact rating of the risk was significantly reduced during the financial year due to the increase of council and committee experience over the past 20 years.

### Management of risks

Risk assessments are conducted to determine the effectiveness of the department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each risk was deliberated and debated during the year and presented at the quarterly ERMECO meetings. Senior managers were required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. ERMECO also referred risks back to the Entity

that should be analysed more extensively and recommended additional mitigations or actions to manage risks. Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The ERM Policy and Strategy are circulated to all officials on an annual basis for all levels of staff to stay abreast of enhancements that have been effected and as a means of embedding risk management. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements to aid risk management maturity. Activities detailed in the implementation plan are perpetually monitored and periodically reported on, in the same way that APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

The Social Cluster Audit Committee provided independent oversight of the system of risk management. The Audit Committee was furnished with quarterly ERM progress reports and risk registers to execute their independent oversight role.

#### Key emerging risks for the following financial year

The Entity is acutely aware of the economic realities and shrinking budget envelope versus societal exigencies. These potential risks are continuously monitored, discussed, and managed.

#### Conclusion

There has been significant progress with the management of risks during the 2023/24 financial year. Good progress was made in embedding risk management and raising the risk maturity level within the Public Entity which has contributed to favourable Public Entity performance. The improvement can be attributed to risk awareness and training programmes provided to officials in the Public Entity via the MS Teams medium / video conference software platform. The Public Entity managed to maintain consistency in respect of application of risk management processes.

The increased risk maturity within the Public Entity has led to improved risk response strategies for risks identified.

## 6. INTERNAL CONTROL UNIT

It is the responsibility of the Accounting Authority to continually assess and evaluate internal controls to ensure that control activities in place are effective, efficient, and transparent and that they are improved when required. To achieve this, quarterly financial management improvement plan and key control meetings are held with the Auditor-General, Programme Managers of the Department, CEO of HWC and the Minister. This is an ongoing process to ensure that the HWC maintain their clean audit outcomes.

The Department (including HWC) has devised an Internal Control Strategy and Plan that outlines a high-level plan on the implementation of internal control within its core functions.

## 7. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

Internal Audit work completed during the year under review for the Department/Public Entity included six assurance engagements, two transversal engagements and three follow up audits. Details of these engagements are included in the Audit Committee report.

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

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

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Mr Pieter Strauss (Chairperson)	BCom Accounting; BCompt Honours; CA (SA)	External	N/A	1 January 2022 (2 <sup>nd</sup> term)	N/A	7
Mr Ebrahim Abrahams	BCom Accounting Honours	External	N/A	1 January 2022 (2 <sup>nd</sup> term)	N/A	7
Ms Annelise Cilliers	BCompt Honours; CA (SA)	External	N/A	1 January 2022 (2 <sup>nd</sup> term)	N/A	7
Ms Fayruz Mohamed	BCompt Honours; CA (SA)	External	N/A	1 January 2022 (1 <sup>st</sup> term)	N/A	7

On 1 November 2023, Cabinet approved the restructuring of the Western Cape Government Audit Committees to align to the WCG's priorities. This reduced the number of Audit Committees from 6 to 3 and resulted in the Wellbeing Cluster Audit Committee providing oversight to the Department from 1 April 2024.

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

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

## 9. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Entity's assets and can negatively impact on service delivery efficiency and the Entity's reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy the Entity is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

The Entity has an approved Fraud and Corruption Prevention Plan and a concomitant Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the WCG and the Entity.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements of the Protected Disclosures Act, No. 26 of 2000 e.g. if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and, should they do so in person, their identities are kept confidential by the person to whom they are reporting.

If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. The WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Services.

## 10. MINIMISING CONFLICT OF INTEREST

HWC ensures that there is no conflict of interest by ensuring that a Declaration of Interest (WCBD4 form) is obtained from every supplier not registered on the Western Cape Supplier Database/Central Supplier Database.

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 (RWOPS) 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.

With regard to the processes conducted by HWC in terms of the NHRA, registering conflict of interest is a standing item on the agendas of the Council and its committees. Issues registered by members are dealt with in terms of relevant provisions of the organisation's 'Rules of Order and Conduct of Meetings of the Council of Heritage Western Cape and its Committees', with any conflict of interest and the action taken in such regard being minuted under the relevant item of business.

## 11. CODE OF CONDUCT

The policy implemented by DCAS incorporates the HWC. The Code of Conduct is distributed to all staff annually. In addition, the Public Service Commission's explanatory manual on the practical implementation of the Code of Conduct has been distributed to staff. All newly appointed PAY interns receive the Code of Conduct as part of their induction pack when assuming duty and the contents are also discussed during the departmental induction process.

During the various engagements between senior management and employees of the department, employees were reminded about the departmental sexual harassment policy and the process to follow when reporting such conduct.

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 DCAS provides the HWC with office space, the policy implemented by the DCAS is therefore applicable to the HWC.

## 13. COMPANY/BOARD SECRETARY

Not applicable

## 14. SOCIAL RESPONSIBILITY

Not applicable

## 15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

### Audit committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1. 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

The Entity is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Entity, facilitated by Internal Audit, who is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

- Managing of Public Entities
- Mass participation; Opportunity and access; Development and growth programme (MOD Programme)

- Library Services
- Transfer Payments - Cultural Organisations
- Departmental Monitoring of IT Performance (Transversal audit)

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by Management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

### **In-year management and monthly/quarterly report**

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Authority of the Entity in terms of the National Treasury Regulations and the Division of Revenue Act.

### **Evaluation of financial statements**

The Audit Committee has:

- Reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report;
- 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 material adjustments resulting from the audit of the Entity.

### **Compliance**

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

### **Performance information**

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

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

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

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these Audited Statements be accepted and read together with their report



**Mr Pieter Strauss**  
**Chairperson of the Wellbeing Cluster Audit Committee**  
**Date: 8 August 2024**

## 16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Entity does not issue licenses, concessions or other authorisations in respect of economic activity in terms of any law
Developing and implementing a preferential procurement policy?	Yes	The SCM policy of the Entity makes provision for the implementation of preferential procurement
Determining qualification criteria for the sale of state-owned enterprises?	No	The Entity does not engage in the sale of state owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The Entity does not participate in partnerships with the private sector
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The Entity is not involved in the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment.



**HWC TEAM AT LEAN MANAGEMENT TRAINING**



## PART D: HUMAN RESOURCE MANAGEMENT

### 1. INTRODUCTION

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

### 2. HUMAN RESOURCE OVERSIGHT STATISTICS

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



**HWC TEAM  
AT LEAN MANAGEMENT TRAINING -  
PDCA CYCLE EXERCISE**

## PART E: PFMA COMPLIANCE REPORT

### 1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

#### 1.1. Irregular expenditure

##### a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>0</b>	<b>0</b>

##### Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

##### b) Details of irregular expenditure (under assessment, determination, and investigation)

Description <sup>1</sup>	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

1. Group similar items

## c) Details of irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## d) Details of irregular expenditure removed - (not condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## e) Details of irregular expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## f) Details of irregular expenditure written off (irrecoverable)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## Additional disclosure relating to Inter-Institutional Arrangements

## g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	2023/24	2022/23
	R'000	R'000
<b>Total</b>		

## h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2023/24	2022/23
	R'000	R'000
<b>Total</b>		

## i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

## 1.2. Fruitless and wasteful expenditure

## a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>0</b>	<b>0</b>

## Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description <sup>2</sup>	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total<sup>3</sup></b>	<b>0</b>	<b>0</b>

## c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

2. Group similar items

3. Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

## d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

## 1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2) (b)(i) &amp;(iii)

## a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## b) Details of other material losses

Nature of other material losses	2023/24	2022/23
	R'000	R'000
	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## c) Other material losses recoverable

Nature of losses	2023/24	2022/23
	R'000	R'000
	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## d) Other material losses not recoverable and written off

Nature of losses	2023/24	2022/23
	R'000	R'000
	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	44	1 946
Invoices paid <b>within</b> 30 days or agreed period	43	1 945
Invoices paid <b>after</b> 30 days or agreed period	1	1
Invoices older than 30 days or agreed period (unpaid and without dispute)	N/A	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	N/A	-

The payment was delayed due to an administrative oversight. The controls will be strengthened to avoid a re-occurrence.

## 3. SUPPLY CHAIN MANAGEMENT

### 3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Archeological Conservation at Diepkloof	Prof John Parkington*	Limited Bid	POA44554	R262
Pastel License Renewal	Sage South Africa**	Limited Bid	POA44869	R18
Caseware License Renewal	Adapt IT***	Limited Bid	POA44912	R28
<b>Total</b>				<b>R308</b>

\* No responses were received via the Electronic Procurement System when the market was tested. The supplier was subsequently appointed via a limited bidding process.

\*\* The supplier is the sole provider for the Pastel accounting software which is used as the primary financial management system for the entity.

\*\*\* The supplier is the sole provider for the Casware software which is used for the compilation of the Annual Financial Statements.

### 3.2 Contract variations and expansion

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation R'000
N/A	N/A	N/A	N/A	N/A	N/A	N/A



**HWC TEAM AT LEAN MANAGEMENT  
TRAINING - PDCA CYCLE DOMINO  
EXERCISE.**



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

### Report on the financial statements

1. I have reviewed the financial statements of the Heritage Western Cape set out on pages 59 to 81 which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

### Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Heritage Western Cape as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

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

3. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
4. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the auditor-general for the audit of the financial statements

5. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.
6. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
7. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

## Report of the External Auditor

### Report on the annual performance report

8. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
9. I selected the following material performance indicators related to the programme: heritage resource management services presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
  - Number of site inspections undertaken to provincial heritage sites
  - Number of provincial heritage sites events for the promotion of heritage resources
  - Number of programmes hosted to promote heritage resources management
10. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.
11. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
12. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
13. I did not identify any material findings on the reported performance information for the selected material indicators.

### Report on compliance with legislation

14. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
15. I performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor-General of South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

## Report of the External Auditor

16. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
17. I did not identify any material non-compliance with the selected legislative requirements.

### Internal control deficiencies

18. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
19. I did not identify any significant deficiencies in internal control.

### Professional ethics and quality control

20. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
21. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards..

Auditor-General  
Cape Town

31 July 2024



AUDITOR-GENERAL  
SOUTH AFRICA

Auditing to build public confidence

## Report of the External Auditor

### Annexure to the auditor's report

#### Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Sections 55(1)(a); 55(1)(b); 55(1)(c)(i) Sections 56(1); 56(2) Section 57(b)
Treasury Regulations, 2005	Regulations 8.2.1; 8.2.2 Regulations 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) Regulations 16A6.2 (b); 16A 6.3(a); 16A 6.3(b) Regulations 16A.6.3(c ); 16A 6.3(e ); 16A 6.4; 16A 6.5 Regulations 16A.6.6; 16A 8.3; 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e ); 16A9.1(f); 16A 9.2(a)(ii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c) Regulations 33.1.1; 33.1.3
Public service regulation	Regulations 18; 18 (1) and (2)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraphs 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury SCM Instruction Note 03 2021/22	Paragraphs 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d)
National Treasury SCM Instruction Note 11 2020/21	Paragraph 3.1 Paragraph 3.4 (b) Paragraph 3.9
National Treasury SCM Instruction note 2 of 2021/22	Paragraphs 3.2.1; 3.2.4(a) Paragraph 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Practice note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Sections 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2017	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5.7 Paragraphs 6.1; 6.2; 6.3; 6.6; 6.8 Paragraphs 7.1; 7.2; 7.3; 7.6; 7.8 Paragraphs 8.2; 8.5 Paragraph 9.1 Paragraphs 10.1; 10.2 Paragraphs 11.1; 11.2
Preferential Procurement Regulations, 2022	Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



## Statement of Financial Position

Figures in Rand Thousand	Note(s)	2024	2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	9 969	8 882
Inventories	4	149	120
Receivables from exchange transactions	5	50	53
		<b>10 168</b>	<b>9 055</b>
<b>Total Assets</b>		<b>10 168</b>	<b>9 055</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	6	-	32
Unspent conditional grants and receipts	7	166	167
		<b>166</b>	<b>199</b>
<b>Total Liabilities</b>		<b>166</b>	<b>199</b>
<b>Net Assets</b>		<b>10 002</b>	<b>8 856</b>
Accumulated surplus		10 002	8 856
<b>Total Net Assets</b>		<b>10 002</b>	<b>8 856</b>

## Statement of Financial Performance

Figures in Rand Thousand	Note(s)	2024	2023
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Heritage application fees	8	845	791
Interest income	9	827	476
<b>Total revenue from exchange transactions</b>		<b>1 672</b>	<b>1 267</b>
<b>Revenue from non-exchange transactions</b>			
Other income from non-exchange transactions	10	7 394	8 016
<b>Transfer revenue</b>			
Transfers and subsidies received	11	1 893	1 537
Utilisation of conditional grant	12	303	238
<b>Total revenue from non-exchange transactions</b>		<b>9 590</b>	<b>9 791</b>
<b>Total revenue</b>		<b>11 262</b>	<b>11 058</b>
<b>Expenditure</b>			
Audit fees	13	(78)	(73)
Legal fees	14	(1 241)	-
Services in-kind	15	(7 394)	(7 991)
General expenses	16	(779)	(703)
Members fees	17	(624)	(838)
<b>Total expenditure</b>		<b>(10 116)</b>	<b>(9 605)</b>
<b>Surplus for the year</b>		<b>1 146</b>	<b>1 453</b>



## Statement of Changes in Net Assets

Figures in Rand Thousand	Accumulated surplus/ deficit	Total net assets
<b>Balance at April 1, 2022</b>	<b>7 403</b>	<b>7 403</b>
Changes in net assets	1 453	1 453
Surplus for the year	<u>1 453</u>	<u>1 453</u>
Total changes	<b>8 856</b>	<b>8 856</b>
<b>Balance at April 1, 2023</b>		
Changes in net assets	1 146	1 146
Surplus for the year	<u>1 146</u>	<u>1 146</u>
Total changes	<u>1 146</u>	<u>1 146</u>
<b>Balance at March 31, 2024</b>	<b>10 002</b>	<b>10 002</b>

## Cash Flow Statement

Figures in Rand Thousand	Note(s)	2024	2023
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash received		3 040	3,353
Interest income		830	462
		<u>3 870</u>	<u>3 815</u>
<b>Payments</b>			
Cash paid to suppliers and employees		(2 783)	(1 584)
<b>Net cash flows from operating activities</b>	18	<u>1 087</u>	<u>2 231</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		8 882	6 651
<b>Cash and cash equivalents at the end of the year</b>	3	<u>9 969</u>	<u>8 882</u>

The 2022/23 cash flow statement was restated due to the incorrect treatment of Conditional Grant funding. The detail of the restatement is disclosed in note 23



**Heritage Western Cape**  
Annual Financial Statements for the year ended March 31, 2024  
**Statement of Comparison of Budget and Actual Amounts**



Budget on Cash Basis

	Approved Budget	Adjust- ments	Final Budget	Actual amounts on com- parable basis	Difference between final budget and actual	Refer- ence
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Figures in Rand Thousand

**Statement of Financial Performance**

**Revenue**

**Non-tax revenue**

Sales of goods and services other than capital assets	674	150	<b>824</b>	845	21	
Entity revenue other than sales	282	-	<b>282</b>	830	548	22.1
Transfers and Subsidies received	1 621	-	<b>1 621</b>	2 195	574	22.2
<b>Total revenue</b>	<b>2 577</b>	<b>150</b>	<b>2 577</b>	<b>3 870</b>	<b>1 143</b>	

**Expenditure**

**Current payments**

Goods and services	(2 577)	(150)	<b>(2 727)</b>	(2 722)	5	
<b>Total expenditure</b>	<b>(2 577)</b>	<b>-</b>	<b>(2 727)</b>	<b>(2 722)</b>	<b>5</b>	

<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 148</b>	<b>1 148</b>	
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>		<b>-</b>	<b>-</b>	<b>1 148</b>	<b>1 148</b>	
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**Reconciliation**

**Basis difference**

Entity revenue other than sales				(4)		
Other non-tax revenue (Services in-kind)				7 394		
Goods and services				2		
Goods and services (Services in-kind)				(7 394)		
Timing difference				-		
Entity difference				-		
<b>Actual Amount in the Statement of Financial Performance</b>					<b>1 146</b>	

## Accounting Policies

Figures in Rand Thousand	Note(s)	2024	2023
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### 1. Presentation of Annual Financial Statements

The significant accounting policies applied in the preparation of these annual financial statements are set out below

#### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

All figures have been rounded to the nearest thousand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period. However, the Property, Plant and Equipment, Financial Instruments, and Services in-kind policies were revised to ensure that it is relevant to the Entity.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

#### 1.4 Significant judgements and sources of estimation uncertainty

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

##### **Receivables**

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.



## Accounting Policies

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Allowance for impairment

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

### 1.5 Property, plant and equipment

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

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

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

Assets purchased during the financial year are donated to the Department of Cultural Affairs and Sport (DCAS) to ensure effective asset management. At year end assets are derecognised to account for the effect of the donation at carrying value as at 31 March annually.

### 1.6 Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

#### Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost

## Accounting Policies

### 1.6 Financial instruments (continued)

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all other financial assets and financial liabilities initially at fair value.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility in the case of a financial asset.

#### Fair value measurement considerations

Management establishes fair value for financial instruments by using certain valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and relying as little as possible on entity-specific inputs.

#### Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

## Accounting Policies

### 1.6 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.7 Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with legislation, supporting regulations, or similar means.

### 1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

### 1.9 Contingent Liabilities

An estimate for contingent liabilities is made when an 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 obligation can be made.

Contingent liabilities are not recognised. Contingencies are disclosed in note 19.

### 1.10 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

## Accounting Policies

### 1.11 Revenue from exchange transactions

#### Recognition

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

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable. The amount is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved.

#### Interest, royalties and dividends

Interest is recognised in surplus or deficit, using the effective interest rate method.

### 1.12 Revenue from non-exchange transactions

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Conditional grants and receipts

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

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

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

## Accounting Policies

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

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

#### Services in-kind

The entity recognised services in-kind that are significant to its operations and/or service delivery objectives. The related revenue is recognised when it is probable that the future economic benefits or service potential will flow to the entity and can be measured reliably. An expense in equal value is immediately recognised for the consumption of the service.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

Services in-kind are services provided by individuals to entities, without charge, but may be subject to stipulations.

### 1.13 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

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

### 1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.15 Expenditure

#### Financial transactions in assets and liabilities

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

#### Fruitless and Wasteful expenditure

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

#### Irregular expenditure

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

#### Transfers and subsidies

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

## Accounting Policies

### 1.16 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

### 1.17 Budget information

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives. GRAP 24 requires the budget statement to be disclosed on a comparable basis to the Approved Budget inclusive of the budget classification as published.

The approved budget covers the fiscal period from 4/1/2023 to 3/31/2024.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual amounts.

Management regards a material variance as a variance to the budget of 5% and above. Reasons for material variances are explained in the Notes to the Annual Financial Statements.

### 1.18 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.



## Accounting Policies

### 1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.20 Value-Added Tax (VAT)

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

## Notes to the Annual Financial Statements

Figures in Rand Thousand

**2024**

**2023**

### 2. Standards and interpretations

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

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact
<ul style="list-style-type: none"> <li>• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)</li> </ul>	Not yet effective	Unlikely there will be a material impact
<ul style="list-style-type: none"> <li>• GRAP 104 (as revised): Financial Instruments</li> </ul>	April 1, 2025	Unlikely there will be a material impact

## Notes to the Annual Financial Statements



Figures in Rand Thousand 2024 2023

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 655	2 120
Short-term deposits	7 314	6 762
	<b>9 969</b>	<b>8 882</b>

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

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

### 4. Inventories

Plaques	149	120
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Inventory consists of provincial heritage sites plaques used to identify heritage sites. During the year under review provincial heritage plaques were purchased.

### 5. Receivables from exchange transactions

Accrued interest	50	53
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### 6. Payables from exchange transactions

Trade payables	-	32
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### 7. Unspent conditional grants

Unspent conditional grants and receipts comprises of:

National Lotteries Board <sup>1</sup>	144	144
National Department of Tourism <sup>2</sup>	21	21
US Ambassador fund	1	1
	<b>166</b>	<b>167</b>

Conditional grants were received from the National Lotteries Board for the Baboon Point Conservation Project; from the National Department of Tourism for the Tourism Interpretive signage at Gugulethu Seven Memorial; and from the US Ambassador fund for cultural preservation for the conservation of Diepkloof Rock Shelter, a Provincial Heritage Site in the process of being nominated as a World Heritage Site.

<sup>1</sup> The remainder of the Lottery Funding was initially for the appointment of on-site monitors at the Baboon Point site. However, due to challenges emanating from the nature of the site, it was agreed to rather install interpretive signage at the cave. The signage will be installed in 2024/2025 as agreed with the funder.

<sup>2</sup> Heritage Western Cape awaits the City of Cape Town's (CoCT) completion of the maintenance at the Gugulethu 7 site in order to conclude the placement of interpretative signage. Once the maintenance is completed, the interpretative signage will be completed

## Notes to the Annual Financial Statements

Figures in Rand Thousand	2024	2023
<b>8. Heritage application fees</b>		
Application fees	845	791
<p>During the year under review, more heritage applications were received as this is a demand driven source of revenue</p>		
<b>9. Interest income</b>		
Interest received	827	476
<p>The increase is attributed to both interest rate changes and the various procurement challenges experienced which led to slow spending. This resulted in more cash available for interest rate calculations compared to the prior year</p>		
<b>10. Other income from non-exchange transactions</b>		
Donation: Services in-kind <sup>1</sup>	7 394	7 991
Administrative penalty	-	25
	7 394	8 016
<p><sup>1</sup> For the detail on the Donation: Services in-kind, refer to the narrative in note 15.</p>		
<b>11. Transfers and subsidies received</b>		
Departmental transfer received	1 893	1 537
<b>12. Utilisation of Conditional Grant</b>		
Utilisation of Conditional Grant	303	238
<p>During the year under review the 2<sup>nd</sup> tranche of the US Ambassador funding was received for the Diepkloof project.</p>		
<b>13. Audit fees</b>		
External audit	78	73
<b>14. Legal Fees</b>		
Legal Fees	1 241	-
<p>During the year under review the case relating to the 'Monster Building' in Buitengracht Street, Cape Town was finalised and the entity had to pay the associated legal fees.</p>		

## Notes to the Annual Financial Statements



Figures in Rand Thousand 2024 2023

### 15. Services in-kind

Employee cost: Services in-kind	7 394	7 991
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Officials employed by the Department of Cultural Affairs and Sport (DCAS) fulfil the executive and administrative functions associated with Heritage Western Cape (HWC). Officials dedicated to the Public Entity includes the unit responsible for the management of heritage resources and the Financial Management Unit who supports the Chief Financial Officer (CFO) responsible for Financial Management of DCAS and HWC. The services in-kind provided by these officials are significant to the operations and service delivery objectives of HWC thus their remuneration is recognised in the Statement of Financial Performance of HWC as required by GRAP 23.

The Director: Museums, Heritage and Geographical names who is also the appointed Chief Executive Officer of HWC, the Chief Financial Officer, and certain officials in the Directorate: Museums, Heritage and Geographical names performs dual roles because they provide services to both DCAS and HWC. The time spent on HWC by these officials is difficult to apportion. As a result, the services in-kind received from these officials cannot be measured reliably and is excluded from the services in-kind recognised in the Statement of Financial Performance of HWC as required by GRAP 23 because the services in-kind provided to HWC by these officials do not satisfy the criteria for recognition.

The service provided by officials responsible for the management of heritage resources were reassessed during the 2023/24 financial year and is included as part of services in-kind recognised in the Statement of Financial Performance. In terms of GRAP 3, the reassessment of services in-kind is applied retrospectively and the corresponding comparative figures were restated. Detail on the reassessment is disclosed in note 23.

### 16. General expenses

Advertising <sup>1</sup>	63	7
Catering <sup>2</sup>	80	68
Communication <sup>3</sup>	58	75
Consulting and outsourced services <sup>4</sup>	392	343
Printing and stationery <sup>5</sup>	66	71
Software Licence renewal	46	42
Travel and subsistence <sup>6</sup>	74	97
	<b>779</b>	<b>703</b>

- <sup>1</sup> Promotional items were purchased for the year under review which was not included in the previous financial year.
- <sup>2</sup> More face-to-face meetings were held for which catering was provided.
- <sup>3</sup> There was a decrease in virtual meetings held which resulted in a saving on data allowance.
- <sup>4</sup> The translation of statutory documents were outsourced which was previously done in-house.
- <sup>5</sup> Fewer copies of statutory documents were printed during the year under review.
- <sup>6</sup> Fewer site visits were attended during the year under review.

## Notes to the Annual Financial Statements

Figures in Rand Thousand	2024	2023
<b>17. Members fees</b>		
Alard, G	-	2
Bailey, E	-	31
Baumann, N	17	16
Belter, D	55	76
Boise, H	39	14
Daniels, C	-	1
De Waal, J	-	28
Dumbrell, K	-	19
Fataar, M	-	18
Fortuin, C	30	8
Gani, R	17	11
Gribble, J	-	9
Gibbs, D	36	40
Hall, S	-	6
Hermansen, S	11	18
Jacobs, G	36	57
Johnston, S	32	52
Kasibe, W	-	2
Knight, J	-	3
Lavin, J	14	5
Malan, A	11	12
Martin, R	36	34
Mavumengwana, S	24	34
Mdludlu, M	7	18
Mgijima, B	-	3
Milandri, L	19	5
Ontong, T	32	15
Orton, J	-	8
Peters, W	-	47
Saunders, D	30	37
Scurr, M	-	23
Smart, C	20	8
Smuts, K	35	5
Snelling, C	-	28
Van de Merwe, H	54	76
Van Graan, A	19	18
Webley, L	-	12
Winter, S	30	27
Wilson-Harris, J	20	-
Wolters, M	-	12
	<b>624</b>	<b>838</b>

During the year under review, there was a decrease in the number of meetings held and time spent on meeting preparations. In addition, the number of committees were reduced which contributed to the decrease in expenditure year-on-year.

## Notes to the Annual Financial Statements



Figures in Rand Thousand	2024	2023
<b>18. Cash generated from operations</b>		
Surplus	1 146	1 453
<b>Non-cash movements:</b>		
Revenue: Services in-kind	7 394	7 991
Expenditure: Services in-kind	(7 394)	(7 991)
Distribution of inventory Inventories	-	1
<b>Changes in working capital:</b>		
Inventories	(29)	-
Receivables from exchange transactions	3	(14)
Other receivables from non-exchange transactions	-	1 000
Payables from exchange transactions	(32)	30
Unspent conditional grants	(1)	(239)
	<b>1 087</b>	<b>2 231</b>

### 19. Contingent liabilities

#### **MIDNIGHT STORM INVESTMENTS 170 (PTY) LTD v MINISTER OF ARTS AND CULTURE and Others, case 46055/15**

Midnight Storm Investments 170 (Pty) Ltd v Minister of Arts and Culture and Others which relates to a court case that was lodged at a North Gauteng High Court. The case relates to a decision that was taken by Heritage Western Cape (HWC) not to approve the planned upmarket housing development, rezoning and subdivision rights to a property which is a Provincial Heritage Site (PHS). HWC is cited as a 3rd Defendant and the MEC for Department of Cultural Affairs and Sport of the Western Cape is cited as a 5th Defendant. The owners have issued a summons to recover the costs they have expended on the land as they allege that the declaration limits their property rights and should be seen as a constructive expropriation. The trial was heard in the Gauteng High Court 29 July 2019 to 2 August 2019, and was concluded with the closing arguments in January 2020. The Court ruled in favour of the defendants. After the judgment, Leave to Appeal to the Supreme Court of Appeal was granted on 15 June 2020 by the Gauteng High Court. If the claim succeeds at the Supreme Court of Appeal, HWC's liability is estimated at R8.2million, unless HWC, alternatively the National Minister of Arts and Culture approach the Constitutional Court to make a final pronouncement on the matter. The appellant/applicant has subsequently approached HWC to explore a settlement of the matter and has submitted a further application for a development on the edge of the PHS. The Appeal has accordingly been postponed pending the outcome of this application. Should the matter be settled, the contingent liability would fall away.

HWC Management is of the view that the contingent liability is based on the value of the land which is in question. Chances of the plaintiff succeeding are minimal, as they have failed in their first attempt and Senior Counsel is confident that the appeal, should it proceed, will not succeed either.

## Notes to the Annual Financial Statements

Figures in Rand Thousand 2024 2023

### 20. Related party

#### Relationships

Primary Funder	Department of Cultural Affairs and Sport (DCAS)
Strategic Partner	Western Cape Cultural Commission
Strategic Partner	Western Cape Language Committee

DCAS provides accommodation to HWC to execute their administrative and financial operations.

The Minister of the Department of Cultural Affairs and Sport as the Executive Authority is a related person of HWC in terms of GRAP 20.

The members of the council of HWC and the entity as disclosed in note 17 are related parties in terms of GRAP 20.

South African Heritage Resources Agency (SAHRA) is mandated by the provisions of section 8(6)(a) and (d) of the National Heritage Resources Act (NHRA) read with Regulation 4 of the Regulations published under GNR 323 on 7 April 2000 to assess and re-assess the competence of provincial heritage resources authorities such as HWC.

All Departments and Public Entities in the Western Cape are considered to be related parties as they are under common control of the Provincial legislature.

#### Transactions

##### Income received from related party

Department of Cultural Affairs and Sport	1 893	1 537
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##### Services in-kind received from related party

Department of Cultural Affairs and Sport	7 394	7 991
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Services in-kind was not previously disclosed under the Related Party transactions note. This has been corrected in the year under review.



## Notes to the Annual Financial Statements



Figures in Rand Thousand

2024

2023

### 21. Risk management

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

#### Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Sensitivity analysis

At 31 March 2024, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, surplus for the year would have been R99 689 higher / lower.

#### Credit risk

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

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

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

#### Maximum exposure to credit risk.

The entity's exposure to credit risk with regards to loans and receivables is limited to the amounts on the balance sheet.

#### Market risk

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

#### Interest rate risk

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

#### Financial assets

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

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

#### Cash flow interest rate risk

Financial instrument	Due in less than one year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Normal credit terms: Cash in current banking institutions	9 969	-	-	-	-
Net amount	9 969	-	-	-	-
Past due but not provided for	-	-	-	-	-

## Notes to the Annual Financial Statements

Figures in Rand Thousand

### 22. Budget variances

#### Budget Adjustment:

During the 2023/24 financial year the budget was increased with R 150 000, from an original budget of R 2,577m to an adjusted budget of R 2,727m. During the year under review the case relating to the ‘Monster Building’ in Buitengracht Street, Cape Town was finalised and the Entity had to pay the associated legal fees. The legal cost exceeded the available budget thus required a budget adjustment.

#### Material differences between budget and actual amounts

#### 22.1 Entity revenue other than sales

The variance is due to the increase in the interest rate for the year under review.

#### 22.2 Other non-tax revenue

For the year under review additional funding was received from the Department of Cultural Affairs & Sport for a specific project and the 2nd tranche of the US Ambassador funding was received for the Diepkloof project.

### 23. Prior-year adjustments

#### 23.1 Services in-kind

During the year under review, the service provided by officials responsible for the management of heritage resources was reassessed as services in-kind provided to the Entity. Since the condition was existing in the prior year, a retrospective adjustment was made to ensure fair presentation of the financial statements.

The effect of the prior-year adjustment is presented below:

2022/23	As previously reported	Adjustment	Restated
<b>Statement of Changes in Net Assets</b>			
Accumulated Surplus	-	7 317	7,317
Accumulated Surplus	-	(7 317)	(7 317)
<b>Statement of Financial Performance</b>			
Revenue: Services in-kind	674	7 317	7 991
Expenditure: Services in-kind	(674)	(7 317)	(7 991)

#### 23.2 Conditional Grant

The restatement of the 2022/23 Cash Flow Statement is due to the incorrect treatment of Conditional Grant funding.

The effect of the restatement is presented below:

2022/23	Note	As previously reported	Adjustment	Restated
<b>Cash Flow Statement</b>				
<b>Cash flow from operating activities</b>				
Cash received: Utilisation of Conditional Grant	18	3 593	(240)	3 353
Interest income	18	462	-	462
Cash paid to suppliers and employees: Unspent Conditional Grant	18	(1 824)	240	(1 584)
		<b>2 231</b>	<b>-</b>	<b>2 231</b>

## Notes to the Annual Financial Statements

### 24. Events after the reporting date

There were no material non-adjusting events that occurred after the reporting period.

### 24. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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