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# STATEMENT OF RESPONSIBILITY

The Public Finance Management Act, No 1 of 1999, as amended, requires the accounting authority to ensure that the William Humphreys Art Gallery keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the William Humphreys Art Gallery, its performance against the strategic plan and its financial position at the end of the year in terms of generally accepted accounting practice (gaap).

The annual financial statements are the responsibility of the accounting authority. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The audit has been performed and the report appears on page 22 and 23.

The annual financial statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice. These annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The accounting authority has reviewed the entity's budget and cash flow forecasts for the year ended 31 March 2007. On the basis of this review, and in view of the current financial position, the accounting authority has every reason to believe that the entity will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The accounting authority sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The entity maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition
- The maintenance of proper accounting records and the reliability of financial information used within the business for publication

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statement presentation. Furthermore, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

The accounting authority has reviewed the entity's systems of internal control and risk management for the period 1 April 2006 to 31 March 2007 and is of the opinion that the systems were effective for the period under review. There were no material losses or irregular, fruitless and wasteful expenditure.

In the opinion of the accounting authority, based on the information available to date, the annual financial statements fairly present the financial position of the William Humphreys Art Gallery at 31 March 2007 and the results of its operations and cash flow information for the year.

The annual financial statements for the year ended 31 March 2007 were submitted for auditing on 31 May 2007 and approved by the Council in terms of section 51 (1) (f) of the Public Finance Management Act, 1999 (Act No 1 of 1999), as amended and are signed on its behalf by:



CHAIRPERSON



CHIEF FINANCIAL OFFICER

# DIRECTOR'S REPORT

The Annual Report for the William Humphreys Art Gallery for the year ended 31 March 2007 is submitted in terms of the Public Finance Management Act, No 1 of 1999, to the Minister for the Department of Arts and Culture, the Hon Dr P Jordan.

The William Humphreys Art Gallery was declared by the State-aided Institutions Act, No 23 of 1931, on 1 October 1957. While all the laws of the country have reference, as a national heritage institution it is specifically required to comply with the prescriptions of the Cultural Institutions Act, No 119 of 1998, the National Heritage Resources Act, No 25 of 1999, the Public Finance Management Act, No 1 of 1999, as well as all the current labour legislation.

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## COUNCIL

In terms of the Public Finance Management Act the Department of Arts and Culture is the Executive Authority and the Council of the William Humphreys Art Gallery is the Accounting Authority. The members of Council are appointed by the Minister for Arts and Culture and in terms of an agreement with the Minister we also have representatives from the Sol Plaatje Municipality, the Friends of the WHAG and De Beers Consolidated Mines Limited. The period under review saw the change over of Council.

Outgoing Council:

Mrs D C Offringa	Chairperson
Mr I N Scheepers	Chairperson of the Financial Committee De Beers Consolidated Mines Ltd Representative
Mr D C Robbins	
Clr Z Debedu	Sol Plaatje Municipality Representative
Mr G C Mafafo	
Mrs L Sternberg	
Adv H J Choma	
Mr M M Patel	Friends of the WHAG Representative
Mrs A F Pretorius	Director

The outgoing Council met on 12 June 2006 and 27 September 2006 and other than the expense of their travel and subsistence were not remunerated for their time and expertise but served as a matter of honour. We record that attendance at meetings was excellent and thank Council for their commitment and enthusiasm.

Council's term of office was extended by Minister Jordan and expired on 30 September 2006.

The Financial Committee met on 6 June 2006 and 18 September 2006. There was no Financial Committee meeting in the third quarter as the new Council had not yet been appointed. There was no Financial Committee meeting for the fourth quarter as the Incoming Council had their inaugural meeting in late February 2007 at which time they elected their Sub-Committees.

The Acquisitions Committee met on 12 June 2006 and 27 September 2006.

The Audit Committee met on 12 June 2006, 27 July 2006, 25 April 2007, 12 June 2007, 29 June 2007 and 11 July 2007.

From 1 October 2006 – 4 December 2006 there was no Council in place and technically the Director was the Accounting Officer for that period. There was therefore no Council meeting during the third quarter of the period under review.

The incoming Council was appointed from 5 December 2006 and their inaugural meeting was held on 20 February 2007

Incoming Council:

Mrs D C Offringa            Chairperson  
 Mr I N Scheepers        Chairperson of the Financial Committee  
    De Beers Consolidated Mines Ltd Representative

Mr D C Robbins  
 Dr J K Taole  
 Adv T I Rakgoale  
 Mr M Moodley  
 Mr A Mmereke  
 Mr J Maree  
 Mrs V Bruce                Friends of the WHAG Representative  
 Mrs A F Pretorius        Director

Race and Gender Representivity of incoming Council

AFRICAN		COLOURED		INDIAN		WHITE	
M	F	M	F	M	F	M	F
3		1		1		2	3

Each member of the incoming Council will bring to the institution specific professional expertise and we believe they will continue the excellent work of the outgoing Council. The Strategic Plan for the 2007/2010 period was discussed and approved at their inaugural meeting and submitted to the Department of Arts and Culture by 28 February 2007.

## GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The institution received monthly transfers from the Department of Arts and Culture totalling R3 432 000.00 and the spending trends at the institution have remained within the constraints of this annual allocation and the budget. The institution's financial statements reflect that the institution is a going concern.

At the end of the previous financial year the Department of Arts and Culture allocated an amount of R438 929.30 from their Transformation Fund to the institution for the establishment of South African and African film in the museum. The funding was used to upgrade the obsolete equipment in the auditorium and on completion of the project in September 2006 the institution could boast one of the finest auditoriums in the country. Film in any format can now be screened in the gallery and we must record our gratitude to the Department of Arts and Culture for assisting us to achieve this objective.

The National Treasury template for the Annual Financial Statements requires the expenses of the institution to be reflected in a specific format. For the non-financial reader of the report we have

calculated the core function operating expenses in percentages as follows:

Staff Expenditure	64%
Art Purchases	12%
Insurance	3%

The considerably lower expenditure on art collections than in the past year can be directly ascribed to the fact that the institution has had to create provisions for Medical Aid, Pension and Leave and these liabilities have been offset by the institution's Art Purchasing Fund and reserves held for other purposes. This was raised in the Annual Report of 2004/2005 and although we were led to believe that some resolution to the problem might be forthcoming we have had no indication from any source what that might be. In the meantime the provisions have been created at the expense of the institution's strategic goals and core function.

The Gallery is open Mondays to Fridays from 08:00 – 16:45; Saturdays 10:00 – 16:45 and Sundays and Public Holidays 14:00 – 16:45. The Gallery is closed on 25 December, 26 December, 1 January and Good Friday. The admission tariffs are set by Council. Access is never denied to people who cannot afford entry. This admissions policy enables people from all walks of life easy access to the institution.

Adults	R5.00
Scholars	R2.00
Students	Free entry on presentation of student card
School Groups	Free for schools from disadvantaged areas Donation from schools in privileged areas

WHAGFILM admission fees are set at R15.00 for adults and R10.00 for scholars. Information sheets and complimentary tickets are hand delivered to schools and other institutions as part of a pro-active outreach action to market the monthly film shows as well as other events. School groups who visit the institution to view films of their literature set works have made use of the film project's introductory free offer or have paid a donation. The English Literature teachers at some of Kimberley's secondary schools have compiled a list of films that are recommended viewing for learners and these showings have also been on a free introductory offer.

The institution is marketed as a stylish conference and seminar venue and the rental generated from this venture supplements our annual allocation. Rental for use of the venue is agreed on by Council as follows:

Morning session	08:00 – 14:00	R650.00
Afternoon session	14:00 – 17:00	R325.00
Evening session	17:00 – 22:00	R690.00
Groups less than 30	Per day	R20.00 per head

Additional costs are payable for the use of special equipment and overtime payment for Museum Attendants after hours.

Our request for capital works funding has not been acknowledged for the past number of years, so to date progress with the development of our ceramics collection has not proceeded according to plan as we would have wished.

# CAPACITY CONSTRAINTS

Every facet of the institution has grown enormously over the 54 years of its existence. It has developed from the private collection of Kimberley businessman and principle benefactor, Mr William Humphreys, to a public art museum of national and international significance. Currently there are a number of constraints, both financial and in terms of human resource capacity that hamper its continued development into a centre of excellence, which is one of the institution's visions for the future. An institution of this calibre should have, as an essential part of its establishment, a Deputy Director, Curator, Collections Manager and Exhibitions Officer in order to successfully achieve all aspects of its core function and strategic objectives. The Director has to fulfil all the functions of these positions which is becoming more difficult as the institution continues to grow. These positions are not vacant as they have never been created as the annual allocation makes no provision for growth of this nature. An institution that has no vision for growth is moribund and stagnant and the Department of Arts and Culture will need to lobby the National Treasury for improved funding for the institution that not only sees an increase that offsets inflation but allows for development.

# HUMAN RESOURCE MANAGEMENT

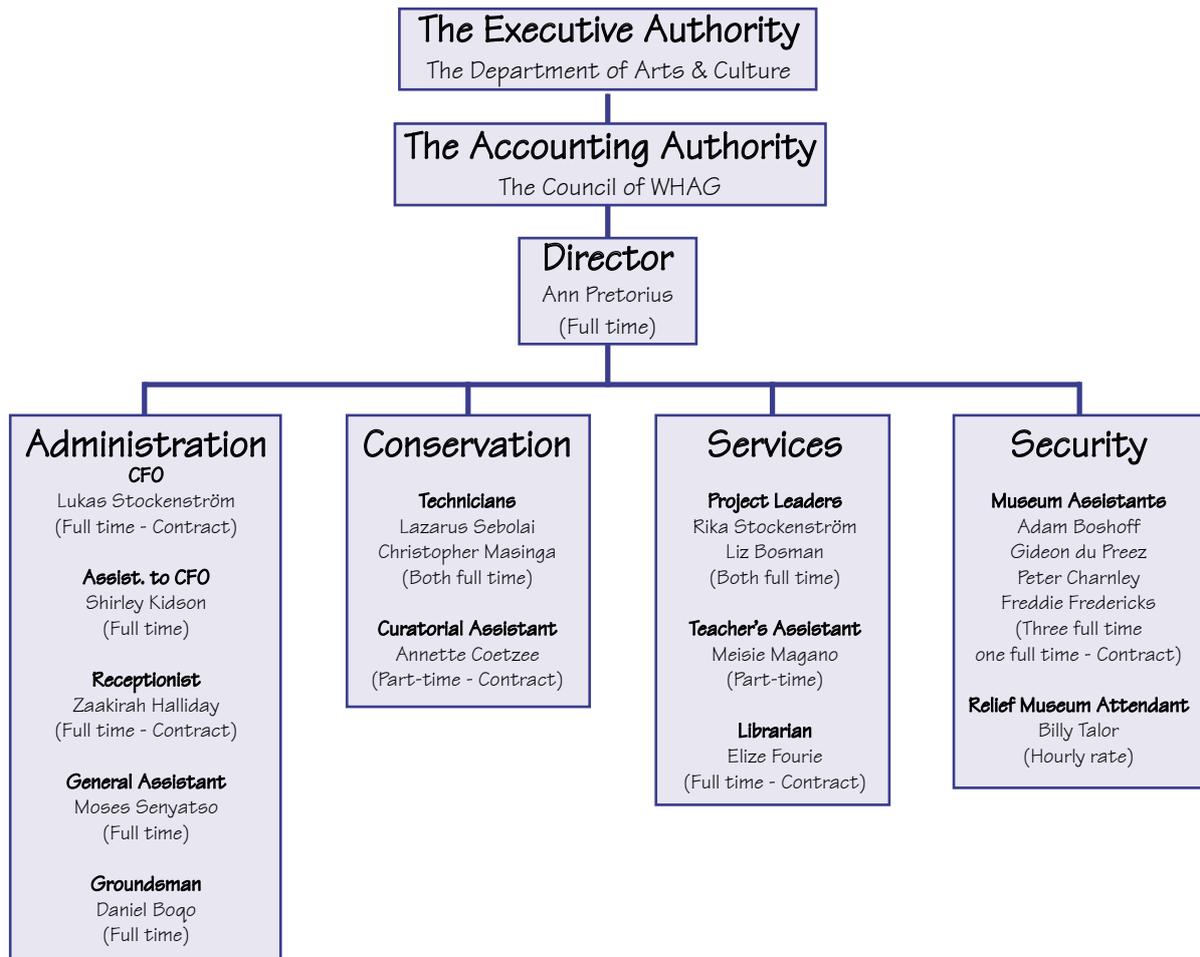
The conditions of employment at the institution are as per the regulations for the Public Service and Administration and these regulations govern almost every eventuality that might arise.

Council has also developed a number of policies and practices that regulate staff benefits such as medical aid, pension funds, housing subsidies, formal tertiary study and telephone usage.

An Aids Awareness programme has been initiated for staff, in order that they might be cautioned of the risks of the illness and be able to take home accurate, up to date information for their families' benefit. Sister E Botha, a Health and Welfare SETA accredited assessor and Master Trainer in Educating and Counselling for HIV and AIDS conducted the first information session and will guide the institution through the process of developing a practical policy for the benefit of the staff.



## ORGANOGRAM



Establishment Race and Gender Representivity table

Post Level	African		Coloured		Indian		White	
	M	F	M	F	M	F	M	F
Management								1
Middle management and high level specialists							1	
Supervisor and high level skilled/clerical								3
Lower level skilled/clerical	3		1			1	3	2
Very low skilled	1	1						
	4	1	1			1	4	6
<b>TOTAL</b>	5		1		1		10	

There are no vacant posts

Three posts, the Chief Financial Officer, the Chief Financial Officer's Assistant and the Librarian, were upgraded from half day to full time.

The post of Mr Thomas Masinga, Museum Attendant, who retired after 45 years of service to the institution, was restructured and a young woman, Miss Zaakirah Halliday, has been appointed as a Receptionist.

All unionised employees are members of the PSA and I am pleased to report that generally the establishment is stable and successful in terms of the manner in which staff deal with each other, management and Council. There have been no disciplinary hearings conducted in the year under review.

There were no job evaluations for the year under review. A request for assistance with job evaluations has been forwarded to the Department of Arts and Culture and will be attended to in the following Financial Year.

Job Descriptions are constantly reviewed. As the institution's schedule of activities is broadened additional tasks are negotiated with staff members.

Training and skills development remains pivotal to the empowerment of our staff and a number of opportunities were offered in the year under review. The WHAG Study Policy makes provision for financial assistance with formal tertiary education if the study direction is related to the applicant's job description as well as to the institution's core function and strategic objectives. Successful applicants are required to sign a service contract with the institution. Currently the Art Projects Leader is studying for her MA in History of Art at the University of KwaZulu Natal and the contemporary ceramics collection at the institution will form the base of her studies. The Librarian received specialised training on the new database software and the staff members who are involved in the WHAGFILM project received training with regard to the state of the art electronic equipment in the auditorium.

As the William Humphreys Art Gallery is an institutional member of the South African Museums Association the staff is bound by the SAMA Code of Ethics. Staff conduct is also guided by the ICOM Code of Professional Ethics.

Staff expenses are 64% of the allocation calculated inclusive of social benefits and non-pensionable allowances. This percentage allows us a reasonable operational budget with which to achieve our core function as a national museum of art as well as the cost of our administration and associated special community projects. Overtime payments are kept to a minimum and are primarily as a result of exhibition openings after normal working hours and the fact that the museum is open on Public Holidays.

The Director's salary forms part of the normal staff expenses. There have been no additional payments such as fees for services, bonuses or performance payments, expense allowances, commissions, gains or profit sharing or share options, other than the normal expenses payable to employees of this institution.

The Chief Financial Officer is a contract employee whose remuneration forms part of the normal staff expenses. There have been no additional payments such as fees for services, bonuses or performance payments, expense allowances, commissions, gains or profit sharing or share options. There were no contributions made to any Medical Aid, Pension Fund or insurance scheme.

# STRATEGIC PLAN

Our single most important strategic objective is to fulfil the terms of our mandate which is to collect, conserve and hold in trust for perpetuity, the artistic heritage of the people of South Africa as part of the National Estate. The Strategic Plan was underpinned by an unambiguous transformation ethic and towards this end we directed our associated activities at a specific target group which included unemployed black women from the informal settlements in and around Kimberley, female and male juvenile offenders from the Kimberley Correctional Centre and mentally and physically disabled youths and adults from various institutions and places of safety in our community. We have attended to our core function with diligence and have also utilised our assets to contribute towards the national imperatives through the development of our special community projects. We believe that within the constraints of our human resource and financial capacity we have complied with the spirit and intent of the Strategic Plan. We believe we have achieved excellent results with the allocation and fulfilled the gallery's strategic objectives for the period under review.

The outcomes and performance against the Strategic Plan are dealt with under various headings in this report.

## COLLECTIONS

As a national museum of art, the William Humphreys Art Gallery's core function is to collect, conserve and celebrate the country's artistic heritage. Although fewer artworks were purchased during the year under review, there were acquisitions of a number of significant and rare works by black artists not previously represented in the collection or by those poorly represented.

Slower progress has been made with the transformation of the collections for this financial year than in previous years, but this is directly as a result of less money available for purchases. We had also previously been given additional funds by the department in 2005 for the purpose of exhibitions and collections improvements which were not forthcoming in the past years.

Fin Year	Funds spent on Acquisitions	Percentage of allocation
2004/5	R588 000.00	17%
2005/6	R776 966.00	26 %
2006/7	R407 089.00	12%

The considerably lower growth for the year can also be ascribed to the fact that the Art Purchasing Fund has been unavailable for the purpose of art purchases as a result of the provisions that the WHAG has had to create for Medical Aid, Pension and Leave. The Art Purchasing Fund as well as funds designated for other purposes have had to offset these liabilities at the expense of the objectives of our Strategic Plan. The department indicated that there would be some form of assistance in this regard but to date nothing has been forthcoming from DAC or the National Treasury.

There was also no Council during the third quarter to approve major expenditure and acquisitions as per the collecting policy could therefore not take place.

As the gallery's collections are highly regarded we are frequently requested to loan works to significant exhibitions. The logistics of such an exercise are enormously complex but the benefits and acknowledgement at international level are beneficial to the institution. Requests for loans to

international exhibitions in Paris and Barcelona have been received. The sculpture by Willie Bester entitled *Dogs of War III* has been requested by the Parc de la Villette in Paris for an exhibition entitled "Men and Animals". The Centre de Cultura Contemporània de Barcelona has requested the loan of two paintings for an exhibition entitled "Local Racism, Global Apartheid. South Africa as a Paradigm". The works are "Gumboot Dancers" by Ephraim Ngatane and "Race Against Time" by Durant Sihlali. This gives credence to the claim that the WHAG is indeed a heritage institution of national as well as international significance. Many larger institutions in the metropolitan areas would be proud to boast such an outstanding collection.

The overall condition of the collections is good as a result of the gallery's Preservation Management Plan. We are grateful to our restorers, Mr Johann Maree and Mrs Grace Welsh in Cape Town for their excellent professional services, staff training and ongoing involvement in the conservation of our collections. We also record our appreciation of the institution's dedicated and loyal staff whose enthusiasm has ensured that the excellent standards that the institution has gained its reputation for have not been compromised.

The building that houses the William Humphreys Art Gallery belongs to the State and while Council is responsible for all maintenance and repair work up to R20 000.00 we wish to record our sincere appreciation for the manner in which the regional office of the Public Works Department maintains our building. This is the first line defence in any Preservation Management Plan and the fine state of our collections is in no small measure reliant on their understanding, commitment and excellent service.

## EXHIBITIONS

Exhibitions and collections are the life blood of an art museum and for the year under review there were 9 travelling or loan temporary exhibitions which included excellent established South African artists as well as prison art, community forums and emerging artists. Over and above the exhibitions on loan from other institutions there were also exhibitions from the permanent collection in the 14 exhibition wings in the gallery. This ongoing rotation of exhibitions ensures that our visitors always have a lively, thought-provoking and vibrant programme to entertain them.

There were 4 outreach exhibitions of South African graphics from the permanent collection to the deprived rural communities in the Northern Cape in the period under review. The WHAG team took the exhibition and worksheets to schools in De Aar and Nonzwakazi; Calvinia; Hartswater and Motswedithuto; and Port Nolloth. This outreach programme is incredibly successful and is always well received with excitement and appreciation by the school learners and teachers in communities where art and art making opportunities are almost non-existent.

The University of KwaZulu Natal (Pietermaritzburg campus) invited the WHAG Ubuntu Prison Project to exhibit the embroideries made by the female offenders from the Kimberley Correctional Centre who participate in the project. This exhibition was a highlight for the project.

## DEVELOPMENT

Mentorship of emerging artists by gallery staff is continuous. Aspirant artists visit the gallery constantly in need of advice on materials, techniques, business skills and funding. The excellent exhibitions on display are also a constant source of inspiration for them.

Exhibition space for emerging artists' forums is allotted on the annual schedule of activities in order that they might expose their work in a public space.

# OUTREACH, AUDIENCE DEVELOPMENT AND COMMUNITY PARTICIPATION

The programmes that have proved to be successful in terms of the objectives of the WHAG Strategic Plan with regard to outreach, audience development and community participation have continued throughout the period under review. They are all multi-faceted and multi-disciplinary and contribute towards the national imperatives such as skills development, poverty alleviation, moral regeneration, social cohesion and the building of a national identity.

- **WHAG Reference Library**

The library remains a valuable resource for school learners and students taking art as a subject. A number of new publications have been added to our collection over the past year. The Librarian is always available to attend to their needs.

The electronic database of holdings is proceeding well and once all information is easily accessible, this service to the public will be streamlined and more effective.

- **Training the Trainers**

The Project Leaders are engaged with a number of teachers that need assistance with art and culture curricula at schools and in the community. The teachers are not always well equipped to deal with art and craft instruction and the Training the Trainers project attempts to contribute to their empowerment as teachers for the benefit of the learners.

- **Keadumela – Early Childhood Development**

This project has been running very successfully for 17 years and will continue for as long as the need exists. The pre school children from the desperately poor settlements in and around Kimberley are at a huge disadvantage when they begin their formal school careers. The project aims to equip them for a successful school career by stimulating their skills development through art and craft related activities.

The first school quarter for 2007 saw a whole new intake of children into the project from three different crèches, Tlamelo and Wonderkids in Galeshewe and Roodepan on the outskirts of Kimberley.

- **WHAG Ubuntu Project – Women Development**

This project teaches traditional woman's skills to unemployed women from the disadvantaged areas. Instruction in embroidery, beading, fabric painting and mosaic art are offered to groups and community forums. Training for an ABET group from Beaconsfield was offered.

- **WHAG Ubuntu Prison Project – Art Against Crime  
Female Offenders**

The project presenting craft workshops for female offenders at the Kimberley Prison is in its fourth year with many offenders reaping the benefits of the project. There have been a number of reshufflings within the Correctional Services and this has affected the project. Transfers to other regions have seen the group change from time to time with newcomers to the group being afforded an opportunity to participate. It is significant to note that one of the most encouraging spin-offs of the project has been the rebuilding of self esteem and human dignity of the offenders which reinforces the notion that this project can contribute to moral regeneration and therefore successful rehabilitation of the offenders into society once they have served their sentences.

### Male Juvenile Offenders

Male juvenile offenders in the Kimberley Correctional Centre have been taught the ancient art of mosaic decoration by gallery staff. Many of the problems that were experienced in the initial stages of the project have been resolved so the project has grown in stature. A highlight of the project was their participation in the construction of the Provincial Youth Memorial for youth who had died in the struggle. They decorated twenty four seats with mosaic patterns for eight benches at the site of the memorial at the Northern Cape Legislature.

- WHAG Art and Craft Workshops – Youth Development  
Art and craft workshops for youths from all walks of life take place at the gallery weekly. Much enjoyment is experienced by these youths who don't normally have the opportunity of taking part in art making activities.
- Art and Craft Workshops for the Aged  
Art and craft workshops for inmates from old age homes are presented from time to time and the elderly appear to derive much pleasure from their activities.
- A special outreach action by WHAG staff hand delivering invitations to exhibition openings, film shows and other events at the gallery has seen a large number of new visitors to the gallery.

## EDUCATION

The gallery Librarian is available in the afternoons to assist Kimberley school learners in the gallery's reference library to research subjects for their assignments. Students from Technikons and Universities also research information in our library from time to time.

The electronic database will eventually improve the accessibility of information in holdings.

The project leaders assist teachers who are involved with the Arts and Culture OBE curriculum at school with site visits for learners to the gallery and worksheets relating to the exhibitions.

School tours are requested throughout the year. Collaboration with other heritage institutions in Kimberley ensures that extra large school groups that cannot be effectively attended to by a single institution are organised into manageable groups.

The Kimberley Academy of Music, which is now the music department of the Northern Cape's National Institute for Higher Education, presented a number of concerts in our venue by school learners that take music at the Academy.

## ARTS FESTIVALS

The Gariiep Kunstefees is an annual arts festival which takes place in Kimberley's Civic Centre in August/September and the gallery is an integral part of the festival with cabarets, dramas, children's theatre and drama workshops, lectures and visual art exhibitions presented in the gallery venue. Thousands of art lovers visit the gallery during this period.

The Noordkaap Kunstefees is an annual eisteddfod for school learners hosted at the gallery and ensures that aspirant young performing artists receive exposure and encouragement from an early age.

# WHAGFILM

## The Art of African Cinema

Encapsulated in our Strategic Plan for the past few years has been the concept of introducing South African and African film into the gallery as a very powerful visual art medium. This is an entirely appropriate inclusion in an art museum. We believe that in showcasing South African product we will be contributing towards an understanding and development of a shared national identity at a time when mass produced Hollywood fare is overwhelming our youth. The Department of Arts and Culture approved our proposal for funding from the Transformation Budget with which to upgrade the equipment in our auditorium. This upgrade was completed in partnership with film specialists, The Development Connection and in September 2006 we launched the project and commenced with a programme of monthly South African film showings. We have as yet been unsuccessful in finding outside funding for an annual African Film Festival but will continue with our endeavours in this regard. The education component of WHAGFILM has already been successful with schools sending learners to the gallery to see films of their set works as well as the films on the list of recommended viewing for arts and culture.

## FUNDING, PARTNERSHIPS AND LINKAGES

As a result of limited resources external funding, partnerships and linkages are sought to offset the expense of our special community projects as well as to complement our staff capacity. Volunteers are used from time to time and linkages to other departments and institutions are also forged in order to maximise the benefits of various projects to the community .

Generation of income from rentals and commission from exhibition sales also supplements our allocation and enables the institution to increase its outputs against the Strategic Plan.

The following sponsors or partners deserve our appreciation for their commitment to our projects:

De Beers Consolidated Mines Limited  
Ekapa Mining  
HSH Construction FS and NC Pty Ltd  
Peters Agencies  
Kimberley Rotary Club  
Department of Correctional Services  
Nicro  
The Development Connection

## CORPORATE GOVERNANCE STRUCTURES

Council has elected sub committees to facilitate the day to day management of operations at the institution. An Executive Committee is in place to deal with issues where approval might be needed as a matter of urgency. A Financial Committee has been elected to oversee the day to day spending trends at the institution. This committee is made up of local Councillors as they are also signatories for banking purposes. The Financial Committee also makes recommendations to Council with regard to financial planning. An Acquisitions Committee is elected from Councillors with expertise in the art field and their recommendations inform Council's decisions to include works of art in the collections. These sub committees are answerable to full Council and cannot operate outside of their mandate.

The Audit Committee is in place and has been effective in managing risks and controlling the financial management of the institution. Council appointed Internal Auditors who have performed the internal

audit function and have reported that the systems of internal control were in place and functional; staff members were aware of the control procedures and the need for systems of control; no material deviations from the laid down systems of internal control were noted. Since 2002 the Internal Audit has noted that there is an inherent weakness in the systems of control as adequate segregation of duties cannot always be maintained due to the limited number of staff members. To offset this weakness Council has put in place a number of additional checks and balances.

The Internal Auditor has undergone a quality assurance check by the Independent Regularity Board for Auditors and the institution's file, specifically, was checked.

The Audit Committee approved the Internal Audit on 25 April 2007 as did Council at their meeting on 10 May 2007. Council approved the Auditor-General's report for 2006/2007 on 7 August 2007.

Risk and the possibility of fraud have been dealt with at Managerial, Internal Audit, Audit Committee, Financial Committee and Council level and the extra internal controls and procedures that have been put in place are constantly revisited and upgraded. In order to assist Council in their endeavours in this regard Alexander Forbes and Santam, who are responsible for the institution's insurance portfolio, send a team of risk assessment specialists to inspect premises and systems every three years and make recommendations for improvements. The Sol Plaatje Municipal Emergency Services check systems regularly in order to ascertain whether the institution is compliant with regard to health and safety issues. These routine inspections by associated institutions ensure that regulations are adhered to.

Disaster planning and emergency preparedness are issues that receive ongoing attention. Electronic and hard copies of the collections database are housed off-site at a heritage institution in Kimberley to minimize the risk of losing information in the event of a disaster.

There are a number of Council approved policies and procedures in place which govern management of the institution. These include:

- Audit Committee Terms of Reference
- Medical Aid Policy
- Disclosure of Value Policy
- Preservation Management Policy
- Supply Chain Management
- Accounting Policies
- Investment Policy
- Acquisition Procedures
- Written Delegations of Authority
- Materiality and Significance Framework
- Risk and Fraud Prevention Policy
- Codes of Ethics

These governance structures are regularly revisited by Council and when necessary, updated and revised. They have proved to be effective in the day to day management and control of the institution.



# PERFORMANCE INFORMATION

Goal	Key performance indicator	Target	Performance results
Collections	Transformation of collections	Redress the historic imbalances in the collections	A total of R407 089,00 was spent on acquisitions which constitutes 11.9% of the annual allocation. Of this expenditure 95% was spent on the work of black artists
Exhibitions	Balanced schedule of temporary exhibitions from established and emerging artists, community forums and prison art  Exhibitions from the permanent collection	Objective of one per month on average  Rotate on either side of temporary exhibitions	9 travelling temporary exhibitions presented in the gallery with certain nationally significant exhibitions running for longer than one month thereby reducing the total presented  Numerous exhibitions curated around various themes throughout the year
Outreach Exhibitions	Exhibitions of South African graphic art from the permanent collection to the rural villages in the Northern Cape	One exhibition per quarter	4 exhibitions and worksheets presented for children in De Aar, Calvinia, Hartswater and Port Nolloth  One exhibition of prison art from a gallery project presented at the Pietermaritzburg campus of the University of KwaZulu Natal
Preservation Management	Adherence to best museum practices	Approved professional restorers to do regular site inspections and recommend conservation treatments  Staff to do ongoing in-house inspections and act in accordance with the Preservation Management Plan	Collections stable and in excellent condition  One event incurred a loss of 4 minor ceramic collection domestic wares during the year under review



Goal	Key performance indicator	Target	Performance results
Introduction of film as a visual art medium	The introduction of South African and African Film as a powerful visual art medium	Funding required to upgrade obsolete equipment in the auditorium	R438 929.30 was allocated by DAC for the upgrading of the auditorium equipment
		Monthly viewings of top rated local product	7 excellent films have been screened twice a month since September 2006
		Education programme for school learners initiated in the first quarter of 2007	7 school groups viewed films on their literature set works
		Annual WHAG African Film Festival	As yet no outside funding has been obtained for the presentation of the festival which was planned for July 2007
	Outreach Action	WHAG Film team to visit communities, schools, institutions and corporates to inform and invite people from all walks of life to visit the Gallery to develop a local audience for SA film	Film going public is gradually becoming aware of the value of South African product and the audience is increasing slowly. New visitors are coming to the gallery for the first time
	Experts and partners in the film industry to offset institution's human resource capacity constraints	The Development Connection curates and sources films and related material for the monthly viewings and film library and resource centre	MNET has donated 300 repatriated African films to the institution with permission to screen them in the auditorium



Goal	Key performance indicator	Target	Performance results
Alignment with national imperatives	To use the institution's assets and fields of expertise to contribute to skills development, job creation, poverty alleviation, moral regeneration, social cohesion and the building of a national identity	Special community projects, arts and crafts workshops at the gallery	<ul style="list-style-type: none"> <li>• Keadumela – pre school development stimulation project in place since 1991</li> <li>• Training the Trainers – Craft workshops for teachers to empower them to instruct learners</li> <li>• WHAG Ubuntu Prison Project – Craft workshops for female offenders in place since 2003</li> <li>• WHAG Ubuntu Prison Project – Craft workshops for male juvenile offenders since 2004</li> <li>• WHAG Beading – beading classes for unemployed women since 2005</li> <li>• WHAG Trashcan Project – An anti-litter programme for youths since 2002</li> <li>• WHAG Arts and Crafts Workshops – teaching crafting skills to youths</li> <li>• WHAG Hobby Classes – Teaching crafts to older women</li> </ul>
Partnerships and Linkages	<p>To attract outside funding and donations</p> <p>To build relationships with and involve experts in the field of art, conservation and heritage in the activities of the WHAG</p> <p>To build a network of partners, friends and volunteers from the local community</p> <p>WHAG to be a partner to the community</p>	<p>Private funding to offset the expense of the special projects</p> <p>Outside expertise offsets the limitations and constraints of a very small staff</p> <p>Assistance, materials and equipment for special projects</p> <p>WHAG to assist other institutions and individuals</p>	<p>R11 000.00 received</p> <p>A network of experts and professionals assist in WHAG activities and objectives at no additional cost</p> <p>Many small private donations have been received towards the special projects</p> <p>WHAG has become a centre of excellence in Kimberley and the Northern Cape that assists many individuals and forums in the community in their endeavours and is constantly consulted on arts and culture matters</p>

Goal	Key performance indicator	Target	Performance results
Generation of Funds	Rental of gallery facilities for conferences and seminars	To generate additional funds	R59 668.00 towards operational budget
Skills Development	Staff empowerment through specialist and in-house training	Expand skills base	Numerous specialist training opportunities offered for the period as well as ongoing in-house skills transfer
Corporate Governance	Compliance with current legislation	Corporate Governance structures in place for effective planning, reporting, control, management and monitoring of institution	Internal Audit Report notes that systems of internal control are in place and functional. An inherent weakness exists in the establishment as adequate segregation of duties cannot be achieved as a result of small staff component. Additional checks and balances instituted by Council are effective  Unqualified external audit report for the year under review



# EVENTS AFTER THE REPORTING DATE

There are no significant events after the reporting date.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee has adopted appropriate formal terms of reference, which have been confirmed by the Council and has performed its responsibilities as set out in the terms of reference and the Treasury Regulations.

In performing its responsibilities the Audit Committee has reviewed the following:

- The effectiveness of the internal control systems
- The effectiveness of the internal audit function
- The risk areas of the entity's operations to be covered in the scope of internal and external audits
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information
- The accounting or auditing concerns identified as a result of the internal or external audits
- The entity's compliance with legal and regulatory provisions
- The activities of the internal audit function, including its annual work programme and the reports of significant investigations and the responses of management to specific recommendations
- The independence and objectivity of external auditors
- The scope and results of the external audit function, its cost effectiveness, as well as independence and objectivity of the external auditors

The Audit Committee is also responsible for:

- Reporting to the Council and the Auditor-General where a report implicates any member(s) of the accounting authority in fraud, corruption or gross negligence
- Communicating any concerns it deems necessary to the Council and the Auditor-General
- Confirming the internal audit plan
- Conducting investigations within its terms of reference
- Concurring with the appointment and dismissal of the internal auditor
- Approving the internal audit work plan
- Deciding whether or not an interim report should be subjected for review by the external auditors
- Setting the principles for recommending using the external auditors for non-audit services

The Audit Committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review. The Audit Committee considers the internal controls and systems appropriate in all material respects to:

- Reduce the entity's risks to an acceptable level
- Ensure the entity's assets are adequately safeguarded
- Ensure the transactions undertaken are recorded in the entity's records

The Audit Committee has evaluated the annual financial statements for the William Humphreys Art Gallery for the year ended 31 March 2007 and concluded that they comply, in all material respects,

with the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, and the Treasury Regulations.

The Audit Committee agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements. The Audit Committee has therefore recommended the adoption of the annual internal report on 25 April 2006 and external audit report on 11 July 2007.



CHAIRPERSON:  
S A Majiedt (Judge)

Audit Committee members:  
SA Majiedt (Judge)  
Mr I Scheepers  
Mr D Preece  
Mr L Stockenström

Dates of meetings:  
12 June 2006  
27 July 2006  
25 April 2007  
12 June 2007  
29 June 2007  
11 July 2007

