

Annual Report 2009/2010

CRL
Rights
COMMISSION

FOR THE PROMOTION AND PROTECTION
OF THE RIGHTS OF CULTURAL, RELIGIOUS
& LINGUISTIC COMMUNITIES

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Foreword: Rev. Dr Wesley Mabuza

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, (hereinafter referred to as “the CRL Rights Commission”) follows the same goals as those of other Chapter 9 Institutions as provided in Section 181 (1) of the Constitution with the stated intention of strengthening constitutional democracy.

The objectives of the CRL Rights Commission (as cited in the enabling Act) relate to: (a) the promotion of respect for and further the protection of the rights of cultural, religious and linguistic communities; (b) the promotion and development of peace, friendship, humanity, tolerance and national unity among and within cultural, religious and linguistic communities, on the basis of equality, non-discrimination and free association; (c) the fostering of mutual respect among cultural, religious and linguistic communities; (d) the promotion of the rights of communities to develop their historically diminished heritage; and (e) the recommendation of the establishment or recognition of community councils in accordance with sections 36 and 37 of the Act, respectively.

The Commission entered its 7th year in 2010, and is actively functioning with a new group of seventeen Commissioners who officially took office in February, 2009. This report, therefore, outlines the work that the Commission fulfilled in relation to its mandate during the 2009/2010 financial year.

As the Commission looks back over the past year, it stands to reason that we have made some headway towards achieving some of our objectives. Having said that, it is also worth mentioning that we are being confronted by an increasing complexity of challenges ahead.

Among these are funding constraints which result in the following:

- Part-time Commissioners unable to represent the Commission in the Provinces;
- Efforts to appoint a new Chief Executive Officer being delayed;
- New staff recruitment put on hold, thus causing the Commission to operate on just a little above one third of the CRL staff component;
- Programmes not sufficiently funded, to mention but a few.

That much said, the past year saw the Commission getting engaged in new ventures such as the establishment of formal and new partnerships with credible institutions such as Wits University, Rhodes University, South African Local Government Association (SALGA) - to mention but a few- with a view to facilitate and advance further research work on topics of national interest, and create space for broader public education and advocacy in order to benefit cultural, religious and linguistic communities. The advocacy work was indeed taken to a high level by members of the Commission and Senior staff alike when they represented the Commission in the media at various platforms.

The year under review has also seen a number of Community Councils being introduced and recognised in three provinces, that is, the Free State, Gauteng and the Western Cape. These Councils have already, and will continue to operate as vehicles that convey the deep feelings embedded within communities about their respective cultural, religious and linguistic matters. Such endeavours are some of the ‘new beginnings’ that have had the effect of putting the Commission on the map as evidenced by many communities who are now becoming aware of its existence.

It is rather regrettable that because of the financial challenges that the Commission is faced with, it could not deal with some of the pressing matters that were presented in the framework of complaints before it. Failure to host the National Consultative Conference (NCC) which assists the Commission to outline its strategic plan was a further setback. It is however worth noting that the Commission is engaged in a rigorous debate with Corporate Governance and Traditional Affairs (Responsible Ministry) in order to have some of its major challenges resolved.

I am confident that we will continue to increase the Commission’s effectiveness in the coming years by improving our sub-programmes, that is, conflict resolution, research, advocacy and community engagement – responding to transformation and thus making a major contribution to securing constitutional democracy. We consider ourselves highly privileged to serve our country through the work of this Commission.

Rev. Dr Wesley Mabuza
Chairperson: CRL Rights Commission



Leadership of the Commission:



Chairperson:
Rev. Dr Wesley Mabuza



Deputy Chairperson:
Mrs Julia Mabale

The Commission:



Commissioner:
M Bethlehem



Commissioner:
SO Gabier



Commissioner:
M Jobson



Commissioner:
AW Knoetze



Commissioner:
CN Kok



Commissioner:
MD Mathebula



Commissioner:
BP Mkhize



Commissioner:
MJ Mokgatle



Commissioner:
D Moodley



Commissioner:
MC Neluvhalani



Commissioner:
P Ngove



Commissioner:
M Tyatyeka



Commissioner:
M le Roux



Commissioner:
G Martin



Commissioner:
NS Zulu

Introduction: Mr Cornelius Smuts

It is a privilege for me to present to you the Commission for the Protection and Promotion of the Rights of Cultural, Religious and Linguistic Communities' 2009/2010 Annual Report.

In order to deliver on its mandate, the Commission has developed a strategic plan upon which business plans, in relation to the activities of various Units, were cascaded. The drafting of these plans was accordingly informed by the requirements of the Public Finance Management Act, Act 1 of 1999 (PFMA), as amended and the Treasury Regulations (TR). This report will therefore reflect on the implementation of the designated plans, taking into account our primary accomplishments and challenges experienced during the year under review.

In respect of administration and service delivery, the Commission functioned with a structure of seven sub-programmes. These sub-programmes have specialised focus areas to deal with the various components of the mandate of the Commission. Below is the bird's eye view of some of the accomplishments:

Investigation and Conflict Resolution: During the year under review, the Unit received 27 cases, 11 of which were in respect of cultural rights, eight were in respect of religious rights, and three dealt with language rights. Five of these cases were referred to other entities for their attention. It is worth noting that 36 of the older cases were finalised. The Unit further assisted the Commission in respect of reviewing legal documents and specific matters. The Unit also managed to submit seven policy recommendations to other entities.

Research and Policy Development: During the year under review, the Unit produced a **Guidelines Report on the African Ritual of Animal Slaughter**, a report on the **Rights to Language and the Rights of a Language: The Status of Linguistic Rights among the Basotho Speaking Community in the Nqutu area of Kwazulu-Natal**, and a **Report on Public Hearings on Initiation Schools in South Africa**. These reports along with the critical recommendations that they contain, will be printed, launched and disseminated during the 2010/2011 financial year, pending the availability of financial resources.

In the sphere of partnerships and stakeholders' relations, the Unit partnered and collaborated with credible institutions, and the highlight of those interactions was the Community of Mandela Rhodes Scholars (CMRS).

Public Education and Advocacy: In the past year, this Unit engaged in a partnership with the Older Persons Forum in order to host a series of dialogues around the country on the role of older persons as custodians of cultural practices.

The Unit also conducted dialogues in respect of the impact the current Children's Act of 2005 has on the cultural and religious rights of communities. Departments such as Social Development, Cooperative Governance and Traditional Affairs and Woman, Children and Persons with Disabilities were in the forefront of



Mr Cornelius Smuts
Acting Chief Executive Officer

those developmental initiatives with a view to facilitate a review of the provisions of the act which negatively impact on the cultural and religious rights of communities.

Community Engagement: During the year under review, the Unit on Community Engagement organised and facilitated the launching of long awaited Community Councils in the Free State, Western Cape and Gauteng Provinces. The Unit also commenced with an ongoing process of developing a database of Older Persons with the ultimate aim of developing and sustaining the oral tradition and indigenous knowledge through this human resource group.

Administration and Management: This Unit represents the support function of the Commission, and it comprises of Governance, Financial and Corporate matters. It is worth mentioning that through this Unit's fundamental contribution of streamlining the administrative systems of the Commission, the Commission achieved an unqualified audit report in the past year. However, it is evident that there are still areas that need rigorous alignment, and Management will continue to work on those until our house is in order.

In conclusion, I wish to thank the Office of the Chairperson and all the Commissioners for the advice and strategic direction they provided, Management for their support and all the staff members for their contribution during the 2009/2010 financial year.

Mr Cornelius Smuts
Acting Chief Executive Officer
CRL Rights Commission

1. Our Strategic Direction

1.1 Vision and Mission Statement

Vision

A united South African Nation that protects and promotes the CRL Rights of all its diverse communities.

Mission

Promote and protect the rights of cultural, religious, and linguistic communities.

The CRL Rights Commission established a structure of programmes to achieve its strategic objectives.

The programme diagram on this page depicts this structure. The following strategic objectives are set out in the CRL Act, Act 19 of 2002:

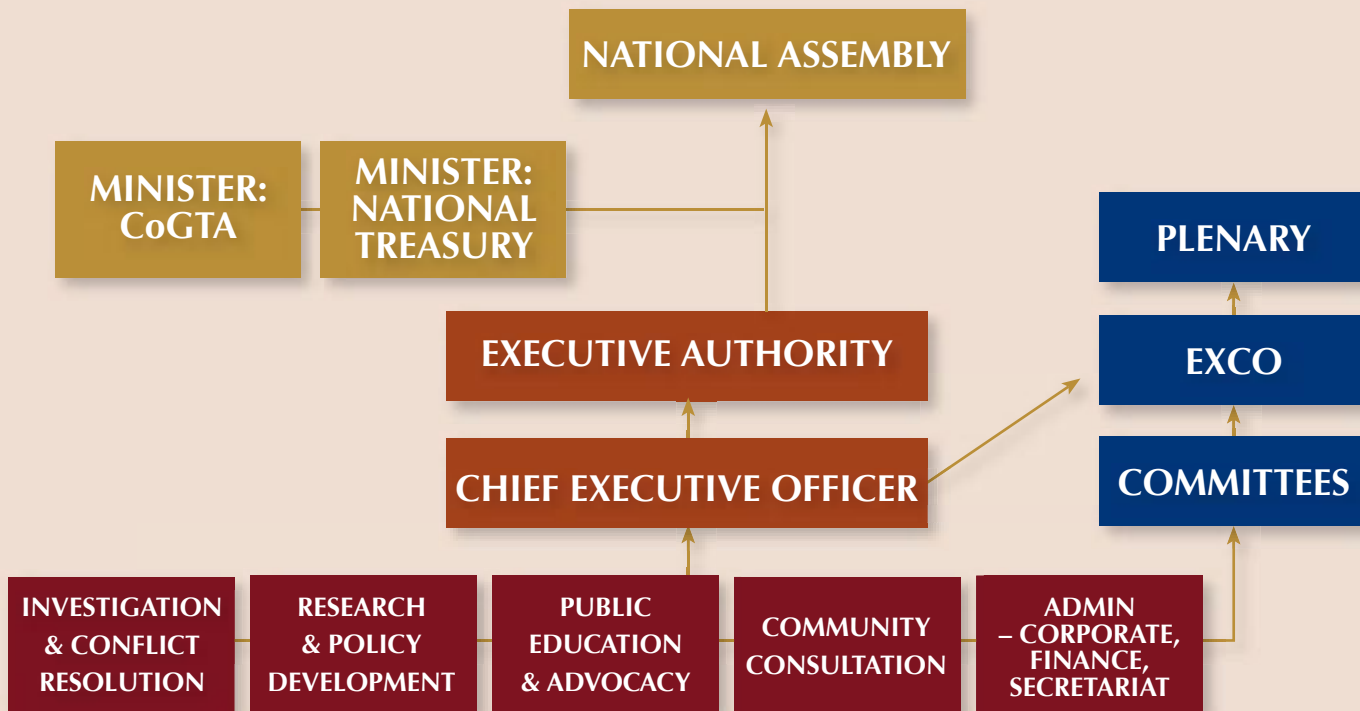
- To promote and develop peace, friendship, humanity, tolerance and national unity among and within cultural, religious and linguistic communities, on the basis of equality, non-discrimination and free association.
- To foster mutual respect among cultural, religious and linguistic communities.
- To promote the right of communities in order to develop their historically diminished heritage and
- To recommend the establishment or recognition of community councils.

The CRL Rights Commission envisions national unity among diverse cultural, religious and linguistic communities.

Programme Diagram



Operational Structure



1.2 Human Resource Capacity

The Commission reviewed the current structure in alignment with the 2008 National Consultative Conference in which regional representation was one of the salient proposals. The proposed structure consists of 136 positions. This proposal is currently being reviewed by the Commission's Human Resources Committee.

It is worth noting that currently, only 31 of the 136 positions on the proposed structure are funded. 25 positions are filled permanently, and the remaining 6 are filled on a temporary basis.

The Commission is not in a position to fund additional positions due to prevailing budgetary constraints. Funds requested in respect of vacancies were not approved in the final allocation letter received from National Treasury. It also needs to be noted that 5 funded vacancies could not be filled, as funding had to be redirected towards rescuing the bleak financial position of the Commission. Accordingly, with the current financial outlook, it is not possible for the Commission to increase its current human resource capacity, and therefore the Commission will not be able to deliver effectively on its mandate.

1.3 Management Structure



Mr Cornelius Smuts
Acting Chief Executive Officer



Mr R Maruma



Mrs T Mkhwanazi-Xaluva



Mr T E Mafadza



Dr M Ralarala



Mr K Konar



Adv A Sedupane
Acting Senior Manager

2. Detailed account of Sub-Programmes responsible for service delivery:



Fact finding mission on the alleged deprivation of religious rights of inmates at the Drakenstein Correctional Centre in the Eastern Cape

2.1 Investigations and Conflict Resolution (ICR)

Objective of the ICR Unit:

To promote peace, friendship, tolerance & mutual respect.

In responding to the Unit's objective, the ICR Unit received 27 complaints from various cultural, religious and linguistic communities. Out of the 27, 11 were cases concerning alleged violation of cultural rights of specific communities from exercising their rights as a group; eight concerned issues around religious rights; three were on language; and five were referrals to relevant institutions. On account of lack of funds and human resources, only 20 of the new cases were investigated. The majority of the cases that were reported to the Commission were from the Gauteng Province, followed by the Western Cape, Limpopo and the Eastern Cape.

Investigation

36 of the old cases (backlog) were finalized and closed; while other old cases are still pending and are being dealt with. Only three cases were mediated on during the year under review.

The Unit worked on a new complaint-form which it then sent to the National Department of Arts and Culture (Language service directorate) in Pretoria for translation into other official languages. The translations were completed and sent to the commission. As part of its investigation responsibilities, the Unit also convened what was considered to have been a successful seminar on *Ukweshwama*.

Mediation

20 cases were estimated for mediation this year, however, only ten thereof required mediation. Be that as it may, only three cases were mediated upon. Other on sight mediations that were planned, could not materialize due to lack of funds. Settlement agreements were signed as indicators for the cases mediated upon.



Fact finding mission on the alleged violation of cultural and religious rights by the organs of state concerning a sacred site

Legal services

With regards to legal services, the ICR Unit was directly involved in the facilitation and co-ordination of the following activities: production of legal opinions for the Commission; drafting of the Guidelines for the recognition of Community Councils in line with the Regulations contained in the CRL Rights Commission Act, Act 19 of 2002; preparation and presentation of recommendations in Parliament pertaining to the controversy around Sepedi and Sesotho sa Leboa; scrutinizing of the contracts and Memoranda of Understanding for the Commission, as well as giving advice to the Commission regarding same.

Development of joint strategies with other organs of state

In accordance with section 6 of the CRL Rights Commission, providing for co-operation with other organs of state as well as constitutional bodies, the Unit had planned to convene a consultative workshop with relevant organs of state including constitutional bodies. However, the workshop could not take place due to lack of funds. As an ice-breaking mechanism, the Unit prepared and distributed letters of co-operation to relevant organs of state. The Unit also partnered with the Department of International Relations and Cooperation, (DIRCO) on political participation of minority groups.

Formulation of recommendations to organs of state

Five recommendations were targeted for this financial year. The Unit exceeded expectations as it formulated seven recommendations.



Community of Mandela Rhodes Scholars posing for a picture at the joint conference of the Community of Mandela Rhodes Scholars (CMRS) and CRL Rights Commission at Rhodes University in Grahamstown.



Girls' traditional dance performance at the joint conference of the Community of Mandela Rhodes Scholars (CMRS) and CRL Rights Commission at Rhodes University in Grahamstown.



Boys' gumbboot dance performance at the joint conference of the Community of Mandela Rhodes Scholars (CMRS) and CRL Rights Commission at Rhodes University in Grahamstown.



Zackie Achmat addressing the Scholars on Ethical Leadership: The Promise and the Practice, at the joint conference of the Community of Mandela Rhodes Scholars (CMRS) and CRL Rights Commission at Rhodes University in Grahamstown.

2.2 Research and Policy Development (RPD)

Objective of RPD Unit:

To develop an information base of traditional and diminished heritage for furtherance of promotion and protection of CRL Rights of all Communities.

In line with its objective, the RPD Unit has produced public research reports during the year under review, – and all of those materials were indicative of the Commission's role to promote and protect diminished heritage, and thus contributed to policy influence and recommendations. These materials are noted and described below:

- *Guidelines Report on the African Ritual of Animal Slaughter*

This research piece was an initiative of the Commission, and sought to address issues that relate to the violation of cultural and religious rights of South African communities with regard to African ritual of animal slaughter. Animal slaughter has a fairly long history and debate in South Africa. Critical to the debate was the emergence of a strong proposal that certain policies and by-laws needed to be revised in order to embrace and accommodate other cultural practices. This printed report, therefore, called for a review or revision of any piece of legislation in the framework of by-laws in order to reinforce change that will accommodate other cultural and religious practices carried out within South African communities.

- *Rights to language and rights of a language: The status of linguistic rights among the Basotho speaking community in the Nqutu area of Kwazulu-Natal Province*

This research report was a valuable snapshot that conferred and highlighted the major challenges facing the realisation of communities' right to language and the right of a language within the educational context. More importantly, apart from instigating a national debate in relation to South Africa's vision for the future in terms of language in education, this was a critical document that also aimed at giving voice to the voiceless communities of South Africa in general, and specifically to those affected in KwaZulu-Natal. The findings of this research report were quite conclusive, and the recommendations were succinct and as such made provision for viable solutions to the specific challenges once effectively implemented.

- *Public hearings on male initiation schools in South Africa*

The public hearings on the challenges and problems of male initiation was an initiative and a response to the crisis threatening a cultural practice that had been conducted in African societies from time immemorial. The recent problems that occurred in male initiation schools had resulted in negative perceptions of the practice, perceptions which found expression in criticism directed at the initiation schools.

Informed by various reports on the cases of injuries and deaths in the initiation schools in South Africa, the public hearings were, among others, set out to achieve the following:

- Assessment of the present practice in setting up and running *ulwaluko/koma/lebollo/mophato*;
- Identification of existing community-based support structures for initiation schools;
- Determining the cause of the high number of injuries and deaths at the initiation schools;
- Determining whether or not the existing legislative and policy provisions relating to male initiation are sufficient to address any emergent problems;

In the past year, the Commission had compiled a comprehensive report – covering 3 provinces (Free State, Gauteng and the Eastern Cape) – with exhaustive recommendations on Initiation schools.

- Collaborations and major events

In accomplishing its objective, in the past year the Unit co-hosted what was widely considered to have been a successful conference, themed: **Ethical Leadership: The Promise and the Practice**. Held in Grahamstown at Rhodes University, the aim of the conference was to present an opportunity for the Scholars to strengthen their ties with communities, and to discuss and debate key issues of African leadership. In the same vein, the conference was meant to provide space for the young African Leaders to engage with the concept of 'ethical leadership' as there is a prevalence of unethical behaviour in leadership positions in many parts of the world, including Africa.

The success of the conference was also a result of a joint effort of the following institutions:

- The Community of Mandela Rhodes Scholars (i.e. young African intellectuals and leaders selected from postgraduate students in Southern African universities who are then mentored to lead by distinguished leaders and academics),
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.
- The Mandela Rhodes Foundation,
- Friends of the Mandela Rhodes Foundation, USA.
- Rhodes University and
- ABSA

2.3 Public Education and Advocacy (PEA)

Objective of the PEA Unit

To promote public understanding of the CRL Rights of all Communities.

In relation to its objective, during the year under review the Public Education and Advocacy Unit had engaged in several activities that aimed at educating the public on cultural, religious and linguistic rights, and had also advocated for the same rights across communities. This, among others, entailed instigating debates that were characterized by a cross-fire pertaining to the issue of rights of communities in South Africa with specific reference to cultural, religious and linguistic matters.

Public Engagements

• Older Persons Dialogues

The Unit held several dialogues, workshops and discussions in order to raise several issues with designated groups within communities. For example, critical interactions were conducted throughout the country in partnership with Older Persons Forum - as custodians of communities' cultures, religions and languages. Salient issues such as: What roles could older persons play in reviving diminished heritage in their own communities? How to ensure that they, important as they are, are part of the current debates and discussions on cultural, religious and language matters? How to combat violence against women and children through the use of various cultures, religions and languages? These national questions were quite fundamental in attempting to outline the way forward.

• Children's Rights vs Cultural and Community Rights

There were serious engagements with communities that are affected by certain clauses of the Children's Act of 2005, and those clauses related to initiation schools and *ukuhlolwa* (virginity testing). The discussions, presented in the Eastern Cape, emphasized the role of women in initiation rituals and opened a new debate on the marginalization of women which, in part, might have in some small way attributed to the deaths of initiates and botched circumcisions. Institutions, such as the Eastern Cape House of Traditional Leaders, and the Department of Health in the same province, the Department of Cooperative Governance and Traditional Affairs and the Presidency had shown enormous interest in those matters, and as such they made their contributions in various ways in streamlining the debate for purposes of policy review.

As noted above, the dialogue on virginity testing was also another critical debate that had, in some way, affected the nation especially during the Reed Dance period. This dialogue was held at the Union Buildings, and was graced by the partnership and presence of the following institutions: the Department for Women, Children and Persons with Disabilities, NGO's, the Zulu Royal Household, KZN's Premier's office, Organizers of the Reed Dance and the women who run virginity testing schools, the office of King of the Zulus, represented by the Royal Princess, *Umntwana*: Thembi Ndlovu.

The salient point being raised revolved around the analysis of the Children's Act of 2005 and the implications it presents upon the cultural and religious practices.

For example, concerns were raised by practitioners from Limpopo in which they noted that their boys attend initiation at a younger age – younger than the age (i.e., 16) prescribed in the Children's Act of 2005, and the manner in which the implementation of this legislation negatively affects their expression of their cultural practice. Further to that, the Royal Princess, *Umntwana*: Thembi Ndlovu also led the discussions around the role of virginity testing and how the current legislation (Children's Act 2005) negatively affects this cultural practice. More importantly, the Act was also analysed in terms of how it fails to cater for the needs of the majority of South Africans and their culture when it comes to the expression and practice of cultural rights pertaining to adoption, foster care etc.

These ongoing matters were also discussed with the Departments of Cooperative Governance and traditional Affairs (as custodians of traditional affairs), the Department of Social Development, in their capacities as custodians of this legislation, and the Department for Women, Children and Persons with Disabilities in their capacity as a monitor of children's rights. These endeavors were reinforced by a genuine cause for the departments concerned to consider facilitating the amendment of the sections of the Act that are affecting the cultural and religious rights of communities.

• Gender vs Culture and Religion

The Unit also initiated a dialogue that aimed at starting a broad debate on the participation of women in their cultural and religious rites of passage as part of Women's month (August). This debate was long overdue as the struggle for the emancipation of women in their cultural and religious setting is critical in the democratic dispensation of this country.

The Commission is at the pole position to open up these difficult debates with the intention to lead to fundamental changes and also to create opportunities for women of various religions and cultural groups to share their experiences, challenges, struggles and achievements in ensuring that space is created for them to participate in the rites of passage in their religious and cultural communities. These dialogues will also continue in the new financial year.

Distribution of information to communities and schools, and public information sharing

As part of its public education and advocacy activities, the Unit distributed thousands of marketing materials such as brochures, T-shirts, caps and research reports that address cultural, religious and linguistic matters to schools and community structures throughout the country.

Several conferences, seminars, workshops and radio interviews that the Unit participated in, also served as selling points for putting the Commission on the map in the past year.

Role of women in Cultural and Religious Rites of Passage



2.4 Community Engagement (CE)

Objective of the CE Unit:

To promote community participation through Cultural, Religious and Linguistic Community Structures.

The Commission, through the CRL Rights Commission Act, Act 19 of 2002 is mandated to recognize Community Councils. According to the Act, section 38(1)(a) and (b), these community Councils are to preserve, promote and develop the culture, religion or language of the community for which it is recognized, or advise the Commission on, and assist the Commission in, matters concerning the achievement of the objects of the Commission.

As part of fulfilling its objective, during the year under review, the Community Engagement Unit (CE) held seminars and launches of Community Councils in Gauteng, Free State and the Western Cape. These events were guided by a very critical theme:

"The importance of Cultural, Religious and Linguistic Councils in building unity and one South African nation"

The launches were marked by the presentation of certificates of recognition in all three provinces.

The seminars and launches sought to achieve fundamental aims such as the following:

- Creation of opportunities for the Commission to further strengthen its relations with cultural, religious and linguistic communities, i.e., relevant government agencies, Chapter 9 institutions, House of Traditional Leaders, Provincial Legislatures, Municipalities, Arts Institutions as well as SABC Radio.
- Creation of a platform for the Commission to further intensify its visibility, particularly to other local communities where it was not known before.

Mangaung Municipality Deputy Executive Mayor cllr. M.A Siyonzana welcoming the Free State CRL Rights Commission's Councils and distinguished guests



Below left: Honourable Guests at the Free State CRL Rights Commission's Community Councils Launch at Mangaung Municipality

Below right: Traditional dance performance at Community Councils Launch in Bloemfontein at the Free State Province



Well receiving and gracing these occasions by their presence and partnerships -in the various provinces were the following structures and dignitaries:

(i) In Gauteng

The event (held in November, 2009 at the South African Human Rights offices) marked the recognition of 26 Cultural, Religious and Linguistic Community Councils. The Chairperson of the CRL Rights Commission, Rev. Dr W Mabuza and Mr Sithole, delegated by the Deputy Minister of Corporate Governance and Traditional Affairs, as well as the Chairperson of the Human Rights Commission, Advocate Mushwana were among those present.

(ii) In the Free State:

The event (held in December, 2009 at Mangaung Municipality) was in partnership with Mangaung Municipality, and 25 Cultural, Religious and Linguistic Community Councils were recognised in the presence of, among others, the Free State Chairperson of Portfolio Committee on Culture, Ms B Makae and the Director of Provincial Sports, Arts and Culture, Mr Vincent Khetha, as well as the Deputy Executive Mayor, Cllr Siyonzana (Mangaung Local Municipality).

(iii) In the Western Cape

The occasion (held in February, 2010 at Arts Cape) in which 31 Cultural, Religious and Linguistic Community Councils were recognised, was graced by the presence of, among others, the Chairperson of the National House of Traditional Leaders, Khosi FP Kutama along with the Honourable MEC for Arts, Culture and Sport, Mr Sakkie Jenner.

Elders Council's Database

One of the significant features of our Constitution is the space it creates for communities to recover and embrace their heritage. The biggest damage of our past was the extent to which it sought to erase 'authentic people's sense of identity'. This included the transfiguration of 'things' necessary for consolidation of identity. Given that we have to deal with fading 'footprints of heritage, communities have to mobilize memory in their endeavours towards recovering their living heritage, and as such memory has been widely recognized to be one of the primary channels of identity formation, whether at the level of the individual or that of the collective. In the past year, the Unit made some headway towards the process of establishing a database of Councils of Elders in three provinces, i.e., Northern Cape, Mpumalanga and Free State. It is hoped that once funds are available, the Unit will continue and finalise this process in the remaining provinces in due course.

CRL Rights Commission Community Councils in Western Cape Province

Honourable Guests at the Western Cape CRL Rights Commission's Community Councils Launch at Arts Cape

3. Performance Information

3.1 Sub-Programme 1: Investigation and Conflict Resolution

Sub-programme	Objectives	Indicators	Outputs	Actual Performance		Variance	Reasons for variance
				Target	Actual		
Investigation and Conflict Resolution	i) Investigation and Policy Review	Increase a number of complaints handled by 20-30% per annum so as to deal with backlogs;	Investigate and resolve complaints	Successfully complete backlog of complaints and report back during the same financial year	Backlog of 36 old cases was finalized and closed; of the 27 new cases, 20 were investigated	Seven cases could not be investigated	On account of lack of funds and human resources other cases could not be investigated
	ii) Mediation	90 days – 100%;	Investigate and resolve complaints	Per subject	Three cases mediated upon		
	iii) Legal Service	60 days – 100%;	Influence policy	Per subject	5 subjects worked on: Contract management; drafted confidentiality agreement and oath of office for the Commission; produced legal opinions; prepared and made presentation to the Constitutional Review Committee on the Commission's position on the issue of Sepedi and Sesotho sa Leboa; drafted Guidelines, in line with the Regulations for the recognition of Community Councils.	N/A	N/A
	iv) Formulate recommendations state and municipalities	Recommendations for policy legislation and by-laws	Influence policy & legislation	1-2	3-4	N/A	N/A
	v) Develop strategies for joint investigations and liaison with government departments and State Institutions	Strategic coordination	Investigate 1-2 cases per year	Investigate 2-3 cases per year	Four cases with the following Organs of state, viz: Home Affairs; Provincial Heritage Resources Authority; Department of Correctional Services; South African Human Rights Commission	N/A	N/A

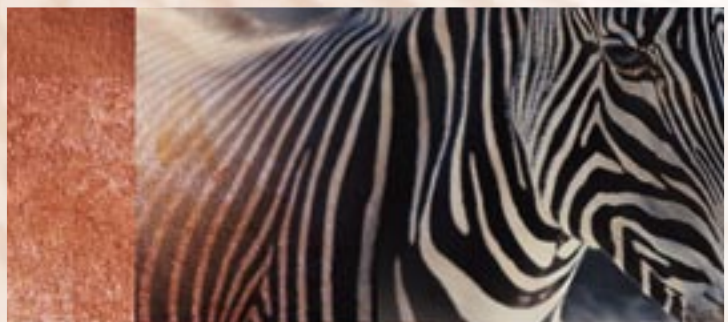
3.2 Sub-Programme 2: Research and Policy Development

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for variance
				Target	Actual		
Research and Policy Development	Generate Information and establish resource base on CRL Rights Communities	Research reports on Culture, Religion and Language matters (The same reports are valid for both indicators)	Completion of Research Reports	6	3	3	The financial cutbacks within the Commission could not permit the commencement and completion of the remaining projects
	Liaise with government departments on interventions with communities	Comprehensive research projects generate recommendations for the Commission to take forward	Well researched policy reviews and recommendations	7	3	4	Interventions have been confined to the official launching of the research reports and dissemination of information to affected stakeholders, and that has not necessarily impacted on the actual policy and /or policy reviews. This limitation is due to the lack of proactive implementation system and the necessary resources (both human and financial) within the Commission.
	Generate data base of institutions with similar research interests	Establish national and international liaison and networking	Establishment of the Sub-Programme – Liaison and Networking	Ongoing	16	N/A	A data base of 16 institutions was developed through liaison and collaborations. However, the actual establishment of a Sub-Programme was not put into place due to resource constraints.



3.3 Sub-Programme 3: Public Education and Advocacy

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for variance
				Target	Actual		
Public Education and Advocacy	To develop information and education materials to promote public understanding of the objects, role and activities of the Commission	Public awareness and sensitisation	Multilingual and multiple media promotional material distributed nationally (2 sets of pamphlets);	2	2	0	
			Training Manual developed	1	1	0	
	To conduct dialogues, seminars, training sessions or campaigns to promote respect for and further the protection of the rights of cultural religious and linguistic communities	Well informed communities and civil servants	Inter-disciplinary interaction across cultural, religious and linguistic communities	9	9	0	



3.4 Sub-Programme 4: Community Engagement

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for variance
				Target	Actual		
Community Engagement	Establishment of CRL Community structures, and Community Councils	Adequate profile for recognition as Community Councils and Community structures	13 Community Councils in Gauteng Province	Provincial cultural, religious linguistic communities	26	0	
			13 Community Councils in Free State Province		25	0	
			13 Community Councils in Western Cape		31	0	
			Elder's Council data base in Northern Cape, Free State and Mpumalanga		133	0	
	Capacity building	Capacitated members of CRL Community Councils	1 after every six months	Free State and Gauteng Community Councils	0	1	This developmental initiative did not take off due to financial constraints within the Commission
				0	1		
	Hosting of the National Consultative Conference and Mini conferences	Equitable and inclusive service delivery to CRL Communities	1 Mini conference per province 1 National conference	CRL Community Councils and organizations	3 seminars	3	

3.5 Sub-Programme 5, 6 and 7: Administration and Management

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for variance
				Target	Actual		
Financial Management	Effective and efficient administrative support	Effective and efficient financial administration	Monthly expenditure reports	100% of payments and journals were captured and processed on the Pastel system	100% of payments and journals were captured and processed on the Pastel system	0	
			Develop and review financial policies	100% of policies reviewed and adopted	Policies cited below were reviewed and adopted by Plenary: Bank and Cash Management, Depreciation of Capital Assets Asset Management, Procurement, and Petty Cash. The Fundraising Policy is still to be adopted		
			Salary interface done monthly	Payroll report	All salary transaction interface was done		
			Monthly supplier reconciliations	100% of suppliers reconciled	0	100%	This target could not be achieved due to limited staff capacity
			Payments made within 30 days	Payments made within 30 days	80% of payments were made within 30 days	20%	This shortfall was due to the financial challenges faced by the Commission
		Effective and efficient financial reporting	Accurate financial statements	Quarterly and annual financial statements	Financial statements drafted, audited and submitted to National Treasury		
			All audit queries answered and rectified annually	Progress report on rectification of internal and external audit queries	Register of audit queries implemented and progress reported quarterly		
			Control measures implemented to prevent repetition of queries	Unqualified audit report	Audit report was unqualified		
			Annual report printed	Printed annual report by 30 September 2009	Annual report was printed and tabled 30 September 2009		

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for variance
				Target	Actual		
		Efficient and effective asset management	Maintenance of asset register	100% of assets numbered, verified and revalued by 31 March	Asset register reconciled with ledger by March 2010		
		Effective and efficient procurement management		Purchase orders issued according to Procurement policy	100%	0	Due to financial challenges the Internal Audit Services and IT support tenders could not be finalized
				Maintenance of supplier database	Supplier data-base includes all suppliers that declared an interest in the Commission		
				Tender process applied according to the Procurement policy	No tender was awarded		
	Effective and efficient administrative support function to the Commission	Effective & efficient Human Resource management	Reviewed Human Resource policies and procedures	20	62.3%	37.7%	Public Service policies reviewed but not yet adopted. Capacity Constraints
		Ensure compliance to Human Resource policies and procedures		14	2.85%	57.14%	Capacity & Budgetary Constraints
			Recruitment and Induction of staff	75	33.3%	66.6%	Budgetary Constraints are preventing the filling of vacant posts.
			Maintenance of Personnel Records	27	100%	0	
		Effective and Efficient Records Management System	1 approved integrated filing plan All media filed regularly in a secure place	1	100%	0	

cont.

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for
				Target	Actual		
		Effective and efficient Information Technology and Network Administration	Maintenance of IT systems Renewal of internet licenses	31 CRL users 31 users	100% 100%	0 0	
Corporate Governance and Secretariat	Effective provision of Corporate Governance and Secretarial services to the Commission	Governance awareness within the Commission; Improved quality of agenda documents and minutes Commissioners and staff compliance with internal and external regulatory precisions Informed Exco and Exec Authority on levels of materiality and delegations among all Section 22 Committees	Developed and Reviewed Terms of Reference of Committees such as HR and Program Committees National Treasury written and template sent to the Commission Provided written governance advise to Exco and Plenary on compliance matters particularly on National Treasury and PFMA Provide administrative support to the office of the Chairperson and Plenary Narrowed turnaround times of document preparation and distribution to Commissioners	4 Once after expiry of each term	4 1	0 0	
	Manage and coordinate Communication function	Communication policy Integrated communication and marketing strategy	Branded building and signages. Hosted media conferences in the build-up to the launch of community councils.	2	2	0	

Sub-Programme	Objectives	Indicator	Output	Actual Performance		Variance	Reasons for
				Target	Actual		
			Arranged media interviews for the Chairperson and Commissioners on national relevant matters affecting Culture, Religion and Language communities				
	Effective resource management	Performance Management System within the Unit Staff assessment	Annual Performance assessments leaves	3	0	No performance management policy approved	
	Ensure compliance with the founding Act	Reduced risk of non-compliance;	Compliance register developed and presented to the Audit Committee	1	1	0	



4. Conclusion and Strategic Direction

The CRL Rights Commission improved governance structures during the 2009/2010 financial year. During this period, the Commission reaffirmed the following section 22 oversight committees: Audit Committee, Executive Committee, Finance Committee, Human Resources Committee, Investigation and Conflict Resolution Committee, Research and Policy Development Committee, Public Education and Advocacy Committee and Community Engagement Committee.

The committees functioned fully for the period under review in accordance with the approved Terms of Reference (ToR). They also met as scheduled, and performed their oversight responsibilities in respect of the functions of the Programmes and Support function of the Commission.

It is worth noting (as cited earlier in this report) that the Commission did experience challenges in the past year in respect of the following critical matters:

Implementation of the resolutions of the National Consultative Conferenc; dealing with the backlog in relation to the

investigation of complaints; handling all the research reports that needed to be finalised and published; accomplishing public education activities that needed to be delivered to communities that could not be reached to date and rendering of the necessary support to Community Councils in accordance with the CRL Act, Act 19 of 2002.

Finally and more importantly, the Commission is currently in discussion with the Departments of Co-operative Governance and Traditional Affairs (Responsible Ministry) with a view to resolve all the constraints faced by the Commission, preventing it from delivering on its mandate. The newly approved Strategic Plan of the Commission will be duly implemented in accordance with the resources available to the Commission. The Commission adjusted the Strategic Plan to a thematic approach, and this approach will certainly foreground and enable the Commission to direct the available resources more effectively and efficiently in order to achieve the set objectives.

5. Statement of Responsibility

Accounting Officer's Responsibility for the Annual Financial Statements

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information contained in this annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1 of 1999 (PFMA), as amended, and other applicable legislation, he has developed and maintained a system of internal controls including the appointment of an Acting Chief Financial Officer (ACFO).

The internal controls include a risk based system of internal accounting and administrative controls designed to provide reasonable assurance that assets are safe guarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the entities policies and procedures. Monitoring of these controls includes a regular review of their operations by the Accounting Officer and independent oversight by the Audit Committee.

The Auditor General, as an external auditor, is responsible for reporting on the financial statements.

The financial statements are prepared in accordance with general recognized accounting practices and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA, as amended. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting Officer believes that the constitutional institution will be a going concern in the year ahead due to its constitutional mandate and the fact that National Treasury appropriates its budget annually. For this reason, the Accounting Officer has adopted the going concern approach in preparing the annual financial statements.

Notwithstanding the facts mentioned in the forgoing paragraph, there is a concern in respect of the ability of the CRL Rights Commission to deliver on its mandate. The concern relates to the limitations in respect of human capacity and financial resources. The adjustments to the baseline allocation of the Commission during the medium term are not related to the increase of cost to maintain the current programmes of the Commission. The Commission is therefore concerned that it will not be in a position to achieve its approved strategic plan.

No material events occurred after balance sheet date that has an influence on the financial statements and financial position of the Commission.

The Accounting Officer approved and signed the annual financial statements for the year 1 April 2009 to 31 March 2010, as set out on pages *25* to *44* on 31 May 2010.

CM Smuts
Acting Chief Executive Officer

6. Corporate Governance Statement

The CRL Rights Commission is committed to effective corporate governance in order to ensure that the interest of the Commission and its stakeholders are always paramount. The Commission subscribes to the principles of transparency, accountability and integrity in all its practices.

The Commission endorses and supports the Code of Corporate Governance practices and conduct contained in the King Committee Report on Corporate Governance (King II), and other relevant frameworks such as TR and PFMA. As the Commission continually strives to improve corporate governance standards, areas requiring further improvements are closely monitored. This process is monitored by the oversight committees of the Commission such as the Finance, Human Resources and Audit Committees. In line with the recommendations of King II, Plenary implements annual reviews of all Terms of References (ToR) of committees which outline their duties, responsibilities as well as the accountability of committees and that of individual members.

Chairperson and Deputy Chairperson

The Chairperson is the executive authority of the institution and accountable to the National Assembly. He serves in a full time capacity. The Deputy Chairperson deputises the Chairperson, and acts as chairperson each time when the latter is not in the office, as required by the Commission's founding Act, Act 19 of 2002.

Plenary

Plenary (decision making body) meets not less than four times a year. This is a provision of section 26 of Act 19 of 2002. During the year under review, Plenary met four times to determine amongst others matters relating to the formulation or modification and approval of policies, strategic plans, monitoring and evaluation of operational plans and financial expenditure.

Plenary Committees

Plenary, comprising of Commissioners, retains overall accountability for the Commission, its strategy and the annual business plan and general matters of materiality. It is also responsible for the oversight of legislative and regulatory compliance, risk management, performance management, transparency and communication with stakeholders. Authority had been delegated to the Chief Executive Officer and Senior Management for the day to day management of the Commission, and Commissioners are kept abreast of developments through legislated quarterly meetings of Plenary.

The oversight committees established and confirmed by Plenary, are as follows:

Audit Committee

Finance Committee

Human Resource Committee

Investigation and Complaints Resolution Committee

Research and Policy Development Committee

Public Education and Advocacy Committee, and

Community Engagement Committee

Plenary approved and reviewed the ToR of the aforementioned committees.

7. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2010.

Audit Committee Members and Attendance

The audit committee consists of the members listed to the right and as per its approved terms of reference should meet at least 4 times per annum.

During the current year 7 meetings were held.

Name of Member	Meetings attended
D Coovadia (Chairperson)	7
M Mohohlo	4
B Mbewu	5
BP Mkhize	7
MJ Mokgathe	6

Audit Committee Responsibility

The audit committee reports that it has adopted formal ToR. However it has yet to comply with its responsibilities arising from Section 38(1) {a} (ii) of the PFMA and Section 3.1.13(b) of Treasury Regulations.

The Effectiveness of Internal Control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the internal controls and processes.

From the various reports of the Internal Auditors and other assurance providers it was noted that many instances of weakness in relation to compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was not effective.

The opinion of the Committee is that progress in respect of rectifying control weaknesses identified by Internal Audit and the Auditor General is slow. The Audit Committee, however continue to place reliance on the report of the Auditor – General of South Africa. The auditor's management report highlights a number of control weaknesses that still need to be addressed by management.

The Audit Committee further reports that it has progressed in the process of overseeing the drafting and review of formal policies and procedures.

The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and TR

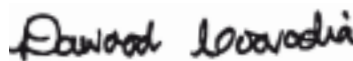
The Audit Committee has noted the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year under review. Several suggestions were made and implemented to improve on the reports.

Evaluation of Financial Statements

The Audit Committee has:

1. Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
2. Reviewed the Auditor-General's management letter and management response thereto;
3. Reviewed changes in accounting policies and practices where applicable;
4. Reviewed significant adjustments resulting from the audit;
5. Requested Management to submit strategies to correct matters mentioned in the audit report for oversight by the Audit Committee.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-General.



Dawood Coovadia
Chairperson Of Audit Committee



Date

8. Auditor-General Report

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE COMMISSION FOR THE PROMOTION AND PROTECTION OF THE RIGHTS OF CULTURAL, RELIGIOUS AND LINGUISTIC COMMUNITIES FOR THE YEAR ENDED 31 MARCH 2010

Report on the Financial Statements

Introduction

I have audited the accompanying financial statements of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Rights Commission), which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 25 to 44.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa, section 4 of the Public Audit Act of South Africa and section 35 of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act, 2002 (Act No. 19 of 2002) (CRL Commission Act), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the CRL Rights Commission as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa.

Emphasis of matter

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

Irregular expenditure

As disclosed in note 22 to the financial statements, irregular expenditure to the amount of R1 096 482 was incurred, as a proper tender process had not been followed.

Fruitless and wasteful expenditure

As disclosed in note 22 to the financial statements, fruitless and wasteful expenditure to the amount of R277 514 was incurred, as Pay-as-You-Earn (PAYE), Unemployment Insurance Fund (UIF) and Skills Development Levy (SDL) were not paid on time and recruitment expenses were incurred for positions that were not filled.

Going concern

Note 27 to the financial statements indicates that the CRL Rights Commission incurred a net loss of R3 398 838 during the year ended 31 March 2010 and, as of that date, the entity's current liabilities exceeded its total assets by R1 089 783. These conditions, along with other matters as set out in the note 27, indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to operate as a going concern.

Restatement of corresponding figures

As disclosed in note 18 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during 31 March 2010 in the financial statements of the CRL Rights Commission at, and for the year ended, 31 March 2009.

Report On Other Legal And Regulatory Requirements

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA, CRL Commission Act and financial management (internal control).

Findings

Predetermined objectives

Non-compliance with regulatory and reporting requirements

Lack of effective, efficient and transparent systems and internal controls regarding performance management

The accounting officer did not ensure that the CRL Rights Commission has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and the CRL Commission Act, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported are limited to the deficiencies identified during the audit.

Leadership

The accounting officer did not in all instances exercise oversight responsibility over reporting and compliance with laws and regulations and internal control, consequently irregular expenditure and fruitless and wasteful expenditure was incurred. Furthermore policies and procedures were not implemented to ensure effective, efficient and transparent systems and internal controls regarding performance management.

Pretoria
30 July 2010



9. Annual Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 March 2010

	Notes	2010 R'000	2009 R'000
Revenue			
Transfers from Government Entities	2	20 250	19 996
Other Income	3	1	39
Finance income	4	115	297
Total Revenue		20 366	20 332
Expenses			
Administrative	5	1 849	3 729
Audit fees	6	1 144	502
Staff costs	7	14 197	11 134
Other operating expenses	8	5 947	6 346
Depreciation	9	503	374
Finance Cost	10	125	127
Total expenses		23 765	22 212
Surplus/(Deficit) for the year		(3 399)	(1 880)

9. Annual Financial Statements

STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 March 2010

	Notes	2010 R'000	2009 R'000
ASSETS			
Current Assets			
Cash and cash equivalents	11	11	1 282
Trade and other receivables	12	553	481
		564	1 763
Non-Current Assets			
Property, plant and equipment	13	1 528	1 404
Intangible assets	14	81	122
		1 609	1 526
Total Assets		2 173	3 289
Capital and reserves			
Accumulated surpluses/ (deficit)		(1 090)	1 876
Current liabilities			
Trade and other payables	15	2 195	614
Provisions	16	1 068	799
Total Liabilities		3 263	1 413
Net assets		2 173	3 289

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 31 March 2010

	Notes	Accumulated Surplus R'000	Total R'000
Balance at 1 April 2008		3 566	3 566
(Deficit) for the year ended 31 March 2009		(1 880)	(1 880)
Balance before restatement		1 686	1 686
Prior year correction		623	623
Restated Balance as at 31 March 2009		2 309	2 309
Balance as at 1 April 2009		2 309	2 309
(Deficit) for year ended 31 March 2010		(3 399)	(3 399)
Balance as at 31 March 2010		(1 090)	(1 090)

9. Annual Financial Statements

CASH FLOW STATEMENT

For the Year Ended 31 March 2010

	Notes	2010 R'000	2009 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts as transfer payments	2 & 3	20 251	20 035
Interest Received	4	115	297
Cash paid to suppliers		(6 428)	(7 559)
Cash paid to employees	7	(13 129)	(10 881)
Interest paid	10	(125)	(127)
Net cash inflow from operating activities	17	(684)	(1 765)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment			
Net cash flows from investing activities		(587)	(493)
Net cash increase /(decrease) in cash and cash equivalents		(1 271)	(2 258)
Cash and cash equivalents at beginning of the year		1 282	3 540
Cash and cash equivalents at end of the year		11	1 282

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act No. 29 of 1999).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specifically stated otherwise.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP.

The accounting policies are applied consistently with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 Critical Judgements And Key Sources Of Estimation Uncertainty

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and subsequent financial years. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There does, however, not appear to be a significant risk that these assumptions will cause significant adjustments to the carrying amount of assets and liabilities within the subsequent financial years. Significant judgments include:

- **Leave Provision, Bonus Provision and Annual Notch Increment Provision**

Accumulated leave entitlement, a bonus provision and an annual notch increment provision have been provided for at reporting date. Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16 - Provisions.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

- **Useful lives and residual values**

The entity re-assessed the useful lives and residual values of property, plant and equipment on an annual basis. In reassessing the useful lives and residual values of property, plant and equipment management considers the condition and use of the individual assets, to determine the remaining period over which the asset can and will be used.

1.3 Currency

These financial statements are presented in South African rand since it is the currency in which the majority of CRL Rights Commission transactions are denominated. The amounts noted in the financial statements had been rounded to the nearest thousand rand.

1.4 Revenue Recognition

- **Budget Allocation**

Revenue comprises budget allocations for the activities of the CRL Rights Commission budgeted for by the COGTA as transfer payments and is recognised on receipt thereof.

- **Interest income**

Interest received is recognized on accrual basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

- **Other income**

Amounts written off as bad debts, but which had subsequently been recovered are reported as other income.

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

1.5 Operating Leases

Leases of assets where substantially the entire risks and rewards incident to ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight line basis over the period of the lease.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment are recognized in the financial statements if:

- It is probable that the economic benefit associated with the asset will flow to the organization.
- The cost of an asset or its value can be measured with reliability.

Measurement

Initial measurement

Property, plant and equipment are initially measured at cost.

Subsequent measurement

Property, plant and equipment are stated at historical cost less any subsequent accumulated depreciation and adjusted for any impairment.

The estimated useful lives of assets are:

Computer equipment	3 to 10 years
Furniture and fittings	10 years
Office equipment	5 to 10 years
Cell phone	2 years
Motor vehicles	10 years

1.7 Impairment of assets

CRL Rights Commission assesses all its assets to determine whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.8 Intangible assets

Recognition

Intangible assets are recognized in the financial statements if:

- It is probable that the economic benefit associated with the asset will flow to the organization.
- The cost of an asset or its value can be measured with reliability.

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

Measurement

Initial measurement

Intangible assets are initially measured at cost.

Subsequent measurement

Intangible assets are stated at historical cost less any subsequent accumulated amortization and adjusted for any impairment.

The useful life is as follows:

- Computer software - 3 to 10 years

1.9 Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, trade receivables and trade payables.

Recognition

Financial assets and financial liabilities are recognised on the CRL Rights Commission statement of financial position when the CRL Rights Commission becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Financial assets

The CRL Rights Commission principal financial assets are cash and cash equivalents.

Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to insignificant interest rate risk.

Cash and cash equivalents are carried at cost and the carrying amount of these assets approximates to their fair value.

Financial liabilities

The CRL Rights Commission principal financial liabilities are trade and other payables. Trade and other payables do not bear interest and are stated at amortized cost.

1.10 Contingent Liabilities

No contingent liabilities were known to the management of the CRL Rights Commission by the date that these financial statements were finalised.

1.11 Fair value consideration

Goods are purchased on extended payment terms. The purchases are initially recorded at the present value of the future cash flows and accrue an interest expense until date of payment.

1.12 Offsetting

Financial assets and liabilities are offset if there is any intention to realise the asset and settle the liability simultaneously and legally enforceable right to set off, exists.

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

1.13 Provisions

Recognition

CRL Rights Commission recognises a provision when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Measurement

The amount recognized is the best estimate at the financial position date of expenditure required to settle the obligation. Long term provisions are discounted to net present value.

1.14 Employee benefits

Contributions to the defined contribution pension plan and defined benefit pension plan are charged to the income statement in the year in which they relate. The institution has no legal or constructive obligation to pay further contributions once the contributions have been paid because the defined benefit plan is regulated by the state while the defined contribution plan is a provident fund.

The cost of short – term employee benefits, such as vacation leave and sick leave, bonuses and non monetary benefits are recognized in the period which the service is rendered.

The expected cost of compensated absences is recognized as an expense as the employee renders services that increase their entitlement.

1.15 Comparative figures

Comparative figures have been adjusted where necessary, to conform to changes in presentation for the current year.

1.16 Going concern

The financial statements of the CRL Rights Commission are prepared on the going concern basis.

1.17 Statements in issue but not yet effective

Standards of GRAP approved but for which the Minister of Finance has not yet determined an effective date and that entities may apply in formulating an accounting policy in accordance with paragraph .29 of Directive 5: Standards of GRAP that may be used in developing an accounting policy:

The following GRAP standards have been approved but are not yet effective:

GRAP 18 - Segment Reporting

ASB Issue date: March 2005

New standard of GRAP: Establishes principles for reporting financial information by segments. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 21 - Impairment of Non-cash-generating Assets

ASB Issue date: March 2009

Effective date: To be determined by the Minister

New standard of GRAP: Prescribes the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to ensure that impairment losses are recognised. The standard also specifies when an entity would reverse an impairment loss and prescribes disclosures. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

GRAP 23 - Revenue from Non-exchange Transactions (Taxes and Transfers)

ASB Issue date: February 2008

Effective date: To be determined by the Minister

New standard of GRAP: Prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. The standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 24 - Presentation of Budget Information in Financial Statements

ASB Issue date: November 2007

Effective date: To be determined by the Minister

New standard of GRAP dealing with the presentation and disclosure of budget information as required by GRAP 1. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 25 - Employee Benefits

ASB Issue date: November 2009

Effective date: To be determined by the Minister

New standard of GRAP dealing with the requirements around accounting and disclosure of employee benefits including short term, long term and post retirement employee benefits. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 26 - Impairment of Cash-generating Assets

ASB Issue date: March 2009

Effective date: To be determined by the Minister

New standard of GRAP: Prescribes the procedures that an entity applies to determine whether a cash-generating asset is impaired and to ensure that impairment losses are recognised. The standard also specifies when an entity would reverse an impairment loss and prescribes disclosures. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 103 - Heritage Assets

APB Issue date: July 2008

Effective date: To be determined by the Minister

New standard of GRAP: Prescribes the accounting treatment for heritage assets and related disclosure requirements. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

GRAP 104 - Financial Instruments

ASB Issue date: October 2009

Effective date: To be determined by the Minister

New standard of GRAP dealing with the recognition, measurement, presentation and disclosure of financial instruments. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

Improvements to standards of GRAP

ASB Issue date: N/A

Effective date: Proposed: 1 April 2011

Improvements are proposed to the following standards of GRAP: GRAP 1-4, 9-14, 16-17, 19 and 100 as part of the ASB's improvement project. The impact of implementing this standard is expected to be immaterial in the context of this entity's.

1.18 Related Parties

Transactions with key management are recognized as related party transactions. Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. We regard all individuals from the level of Executive Director and Commissioners as key management per the definition of the financial reporting standard.

Close family members of key management personnel are considered to be those family members who may be expected to influence, or to be influenced by key management individuals, in their dealings with the entity.

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

	2010 R'000	2009 R'000
2. Revenue		
Transfers received from COGTA	20 250	19 996
3. Other Income		
Proceeds from Insurance	-	39
Bad Debt Recovered	1	-
	1	39
4. Finance Income		
Interest on call account	115	297
5. Administrative Expenses		
General and administrative expenses		
• Advert recruitment	137	270
• Internal Audit	283	270
• Insurance	100	90
• Catering for events	232	200
• Stationery and Printing	485	895
• Venues and Facilities	39	1 937
• Bank Charges	8	8
• Municipal Improvement Levy	17	-
• Water	9	59
• Municipal Charges	68	-
• Common Area Electricity	336	-
• Rates and Taxes	135	-
Total	1 849	3 729
6. Audit Fees		
Consist of:		
• External Audit	1 144	502

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

	2010 R'000	2009 R'000
7. Staff Costs		
Wages and Salaries	13 214	10 183
• Basic salary	8 255	6 534
• Commissioner remuneration	861	906
• Other non-pensionable allowance	3 030	2 490
• Pay Progression Provision	286	-
• Leave Provision	524	167
• S&W Bonus Provision	258	86
Defined Pension Contribution Plan Expense Social Contributions (Employer Contributions)	983	947
• UIF	44	40
• Pension Fund	321	-
• Provident fund	618	907
Other salary related cost	-	4
Resettlement Cost	-	4
Total Staff Costs	14 197	11 134
Staff Compliment	31	27
8. Other Operating Expenditure		
Staff training and development	52	73
Sponsorships Granted	15	-
Bad Debts Written off	-	4
Penalties	13	110
Consultants and Contractors	1 174	1 707
• Pastel system support	27	44
• IT Outsourced function	378	529
• Other consulting fees	769	1 134
Software licenses	43	9
Marketing Cost	-	55
• Promotional items	-	9
• Photographic services	-	46
National skills development levy	110	85
Maintenance, repairs and running costs	144	32
• Property and buildings	132	5
• Machinery and equipment	6	24
• Repairs and running costs - vehicles (fuel)	6	3

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

	2010 R'000	2009 R'000
Travel and Subsistence	1 709	2 575
• Air transport	486	1 018
• Accommodation	511	1 126
• Car rental	321	253
• Other	391	178
Courier and Delivery Services	67	72
Telecommunication Cost	496	405
Leases	2 124	1 216
• Buildings	1 973	1 216
• Parking Head Office	151	-
Total Other Operating Expenditure	5 947	6 343
9. Depreciation	503	374
10. Finance Cost		
Finance cost (non cash)	125	127
11. Cash and cash equivalents		
• Cash in Demand Deposit Account	10	5
• Cash in Call Account	1	1 274
• Cash on hand	-	2
Total cash and cash equivalents	11	1 281
All cash and cash equivalents are available for use. The cash and equivalents were not pledged as a security for any financial liabilities.		
12. Trade and Other Receivables		
Payments in advance	468	468
Other Receivables	85	13
Total trade and other receivables	553	481

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

13. Property, Plant and Equipment

Year ended March 2010	Computer Equipment	Office Furniture & Fittings	Office Equipment	Motor Vehicles	Total
Gross carrying amount	1,010	667	463	204	2,344
Accumulated depreciation	(510)	(197)	(167)	(66)	(940)
Additions/Disposals	-	256	331	-	587
Depreciation charge	(208)	(88)	(147)	(20)	(463)
Net carrying amount	292	638	480	118	1,528
Year ended March 2009	Computer Equipment	Office Furniture & Fittings	Office Equipment	Motor Vehicles	Total
Gross carrying amount	778	644	254	204	1,880
Accumulated depreciation	(454)	(132)	(135)	(92)	(813)
Adjustment revaluation	144	-	19	46	209
Additions/Disposals	232	23	209	-	464
Depreciation charge	(200)	(65)	(53)	(20)	(338)
Net carrying amount	500	470	294	138	1,402

CRL Rights Commission re-assesses the useful lives of property, plant and equipment on annual basis. Management considers the condition and use of each asset, to determine the remaining useful of each asset.

14. Intangible Assets

	R'000	R'000
Year ended March 2010	Computer Software	Total
Gross carrying amount	178	178
Accumulated depreciation	(56)	(56)
Additions/Disposals	-	-
Depreciation charge	(41)	(41)
Net carrying amount	81	81
Year ended March 2009	Computer Software	Total
Gross carrying amount	149	149
Accumulated depreciation	(62)	(62)
Adjustment reassessment of useful life	42	42
Additions/Disposals	29	29
Depreciation charge	(36)	(36)
Net carrying amount	122	122

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

CRL Rights Commission re-assesses the useful lives of computer software on annual basis. Management considers the condition and use of each asset, to determine the remaining useful life of each asset.

	2010	2009
	R'000	R'000
15. Trade and other payables		
Trade creditors	587	247
Third party payments	1 608	368
Total	2 195	615

CRL Rights Commission experienced cash flow challenges towards year end and therefore defaulted on trade and other payables. Most of the terms were renegotiated during the period under review but subsequently settled in the beginning of the new financial year.

16. Provisions		
Penalties in respect of PAYE		
Carrying amount at the beginning of the year	148	148
Amounts used	(148)	-
Unused amounts reversed during the year	-	-
Additional provisions made	-	148
Carrying amount at the end of the year	-	148
Backlog in pay progression	-	-
Amounts used	-	-
Unused amounts reversed during the year	-	-
Additional provisions made	286	-
Carrying amount at the end of the year	286	-
The PAYE provision relates to the CRL Rights Commission's estimated liabilities arising as a result of resolution dispute with SARS.		
Leave pay		
Carrying amount at the beginning of the year	412	257
Amounts used	(43)	(19)
Unused amounts reversed during the year	(369)	(238)
Additional provisions made	524	412
Carrying amount at the end of the year	524	412
The leave pay provision relates to the CRL Rights Commission's estimated liabilities arising as a result of services rendered by employees.		

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

	2010	2009
	R'000	R'000
Bonus Provision		
Carrying amount at the beginning of the year	239	153
Amounts used	(239)	(153)
Unused amounts reversed during the year	-	-
Additional provisions made	258	239
Carrying amount at the end of the year	258	239
Total Provisions	1 068	799

Provisions are measured at management's best estimates of the expenditure required to settle the obligation at financial date. Included in the provisions are the following:

- 16.1 The leave pay provision relates to CRL Rights Commission's estimated liabilities arising as a result of service rendered by employees.
- 16.2 The bonus pay provision relates to CRL Rights Commission's estimated liabilities arising as a result of service rendered by employees.
- 16.3 The backlog notch provision relates to CRL Rights Commission's estimated liabilities arising as a result of service rendered by employees.

	2010	2009
	R'000	R'000
17. Notes to the cash flow statement		
(Deficit) from operations	(3 399)	(1 880)
Depreciation and amortization expense	503	374
Increase in Provisions	269	351
Other non cash Items	434	(63)
	(2 193)	(1 218)
Working Capital	1 509	(547)
Increase / (Decrease) in payables	1 581	(415)
(Increase) in receivables	(72)	(132)
Net cash flow from operating activities	(684)	(1 765)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

18. Prior year error

18.1 Adjustments were effected to the Property, plant and equipment balances. The adjustments were because the entity did not review the useful lives of items of property, plant and equipment annually and because the entity did not determine residual values for motor vehicles.

Adjustments were also made to expenses and trade payables due expenses captured in incorrect period and clearing of the control accounts.

18.2 Prior year figures has been adjusted and the correction of errors results in the adjustment to the 2008-09 figures as follows:

Statement of financial performance:

Decrease in depreciation	R 95 000
Increase in expenses	R 12 000

Statement of financial position:

Increase in trade and other payables	R 26 000
Increase in asset book value	R 283 000

19. Gifts and donations

The CRL Rights Commission concluded a partnership with the Community of Mandela Rhodes Scholars. A term of this agreement was that the CRL Rights Commission will give a sponsorship of R 14 560.00 to the seminar hosted at the Rhodes University. The theme of the seminar was - Ethical Leadership: The Promise and The Practice.

20. Contingent Liabilities

The Management of the CRL Rights Commission bears no knowledge of any contingent liabilities at the date of preparation of the financial statements.

21. Remission and ex gratia payments

No remissions or ex gratia payments were made during the year under review.

22. Irregular, fruitless and wasteful expenditure

Irregular expenditure

	2009/2010	2008/2009
Opening Balance	2 774 335	0
Incurred during year	1 096 482	2 774 335
Closing Balance	3 870 817	2 774 335

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

Irregular expenditure to the value of R 1, 096, 482 (R 2,774 335 – 2008/09) was incurred in the current year. Irregular expenditure emanates from non compliance to Treasury Regulation 16A6.1, in respect of breach of threshold values determined by National Treasury.

None of this expenditure has been condoned by National Treasury as yet. Previous financial year matters have been reported to the Accounting Officer, Executive Authority and still awaiting response from National Treasury. Current year financial matters will be investigated and the findings will be reported to the Accounting Officer, Executive Authority and National Treasury. In the investigation of the reported irregular expenditure, no disciplinary proceedings had been taken, other than that disclosed above.

Fruitless and wasteful expenditure

	2009/2010	2008/2009
	R'000	R'000
Opening Balance	148 000	0
Incurred during year	277 514	148 000
Closing Balance	425 514	148 000

Fruitless and wasteful expenditure to the value of R 140 590 (R 148 000 – 2008/09) is expected in respect of payments to South African Revenue Services. A further R136 924 fruitless and wasteful expenditure was incurred in respect of advertising expense for recruitment of staff which has not been appointed due to financial resources constraints. The matter is still under investigation.

23. Financial Management and associated risks

The CRL Rights Commission's activities do not expose the Commission to various types of risks that are associated with the financial instruments of the Commission. The Commission is not exposed to risk with regards to payables as payables are restricted to trade creditors. Risk in respect of cash and cash equivalents are limited as the call account is a short term investment with immediate liquidity at an accredited financial institution.

24. Operating lease

The Commission rents premises at the amount of R 151 626 according to a new lease agreement that commenced on 1 May 2009 with the lease term is five years and are summarised as follows:

	Within 1 year	2 - 5 years	More than 5 years	Total
	R'000	R'000	R'000	R'000
Minimum future lease payments	2 002	7 287	-	9 289

9. Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

25. Non Executive Management (Commissioners)	Fees	Other Allowance	Total
			R'000
M Le Roux	12	-	12
MD Jobson	47	9	56
M Bethlehem	72	1	73
SO Gabier	30	-	30
WA Knoetze	50	18	68
CN Kok	36	5	41
G Martin	73	1	74
DM Mathebula	-	42	42
CN Matshikiri	47	38	85
BP Mkhize	95	5	100
JM Mokgathle	68	-	68
D Moodley	37	3	40
P Ngove	72	111	183
N Zulu	39	3	42
M Tyetyeka	-	10	10
Total	-	-	925
Audit Committee Members	678	246	924
D Coovadia	38	2	40
B Mbewu	17	2	19
MM Mohohlo	16	3	19
Total	71	7	78

26. Senior Management Emoluments

Executive management and directors	Salary	13th Cheque	Provident fund/ Pension fund contributions	Other benefits	Total
					R'000
Chairperson – WM Mabuza	719	17	-	12	748
Deputy Chairperson – HJ Mabale	602	33	96	-	731
Previous CEO – P Madiba	680	-	38	-	718
Chief Financial Officer - CM Smuts	535	31	113	103	782
Senior Manager - RW Maruma	534	31	88	3	656
Senior Manager - TNJ Mkhwanazi-Xaluva	534	31	88	6	659
Senior Manager – TE Mafadza	534	31	88	8	661
Senior Manager - MK Ralarala	534	31	88	-	653
Senior Manager – K Konar	534	31	88	-	653
Total	5,206	236	687	132	6,261

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

27. Going Concern

During the current financial reporting period CRL Rights Commission was faced with financial resources challenges and the situation prevailed at the time of preparation of financial statements. However, management has developed plans to improve the financial position of the organization and is of the view that the situation will be resolved before the end of the next financial year i.e. 1 April 2010 to 31 March 2011. The CRL Rights Commission incurred a net deficit of R 3 398 838 for the year under review. Although CRL Rights Commission's current liabilities exceeds its total assets at balance sheet date by R 1 089 783, these financial statements have been prepared on a going concern basis because the existence of CRL Rights is protected in the Constitution of the Republic of South Africa.

28. Reconciliation between budget and statement of financial performance

	R'000
Net deficit per statement of financial performance	(3 399)
Adjusted for:	
Increase in provisions	1 068
Depreciation	503
Variance between actual and budget	
Other Operating Expenditure	1 828
Net surplus/ deficit as per approved budget	0

29. Comparative information

Comparative information has been adjusted in the current year as follows:

Nature	Amount of restatement	Reason for reclassification
	R'000	
Computer Hardware	-152	Additions in respect of office equipment were incorrectly disclosed in the computer hardware and software notes to the financial statements dated 31 March 2009.
Computer Software	-54	
Office Equipment	206	

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For the Year Ended 31 March 2010

30. World cup expenditure

	2009/10		2008/09
Tickets acquired	Quantity	R'000	R'000
	-	-	-
Distribution of tickets	Quantity	R'000	R'000
Clients/Stakeholders	-	-	-
Total	-	-	-
Travel costs			
Clients/Stakeholders		-	-
		-	-
Purchase of other world cup apparel	Quantity	R'000	R'000
Other	-	-	-
	-	-	-
Total world cup expenditure		-	-
	Quantity	R'000	
Tickets acquired after year-end (30 June 2010)	-	-	
Distribution of tickets acquired after year-end	Quantity	R'000	
Clients/Stakeholders	-	-	
Total	-	-	

31. Financial Risk Management

The entities activities expose it to some forms of risk. Although the exposure to financial risk is minimal, the following are risk categories and factors considered by management in preparation of the financial statements.

a. Credit risk

Credit risk is the risk that a party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The trading activities of the CRL that could result in financial instruments would be cash held with financial institutions.

Exposure to credit risk

R'000	2009/10	2008/09
Cash and cash equivalents*	11	1 282
Total	11	1 282

* Cash held with a registered bank in the Republic of South Africa

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

Concentration of credit risk

	Neither past due nor impaired R'000	Past due but not impaired	Carrying amount R'000
2009/10			
Cash and cash equivalents	11	-	11
Other receivables	-	-	-
2008/09			
Cash and cash equivalents	1 282	-	1 282
Other receivables	-	-	-

b. Interest rate risk

Interest rate risk relates to fluctuation of fair value or future cash flows of financial instruments as a result of changes in market rates. The CRL has not entered into any contractual agreement which expose it to interest risk.

c. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management regularly reviews the entities' going concern. This includes reviewing the effectiveness of working capital management and budgetary control.

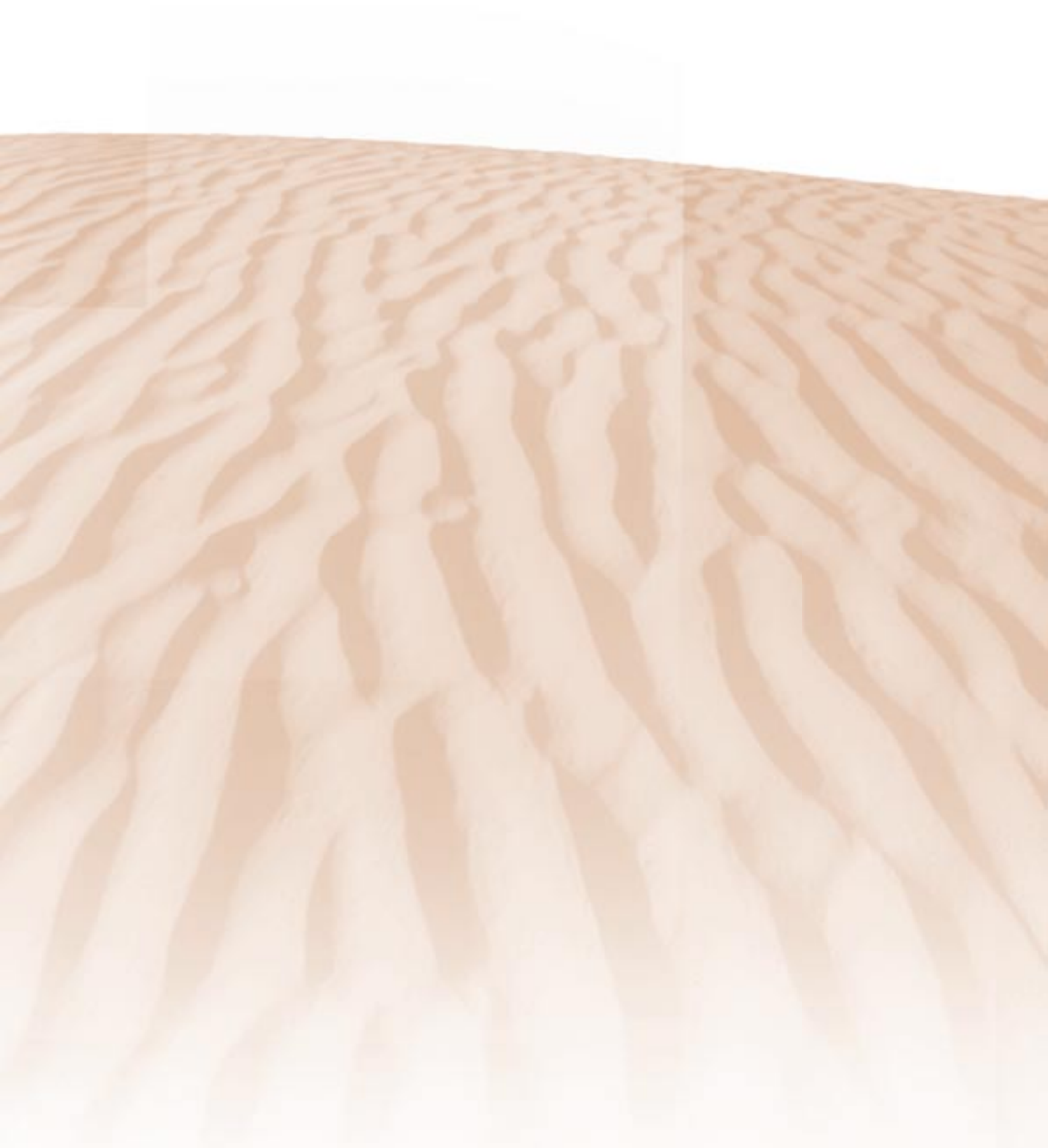
The following table indicates the maturity analysis for financial liabilities showing the remaining earliest contractual maturities.

	Carrying amount R'000	Due within 1 year	Due between 1 and 5 years R'000
2009/10			
Financial liabilities measured at amortised cost	2 195	-	2 195
2008/09			
Financial liabilities measured at amortised cost	614	-	614

There were no defaults during the current and previous financial year.

d. Financial instruments

Financial instrument	Classification	Carrying amount 2009/10 R'000	Carrying amount 2008/09 R'000
Cash and cash equivalents	Loans and receivables	11	1 282



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