**NATIONAL ASSEMBLY**

**QUESTION NO.3917-2015**

**FOR WRITTEN REPLY**

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“Dr G A Grootboom (DA) to ask the Minister of Arts and Culture”:

1. What funding model does his department use to allocate funds to entities that report to him;
2. what funding model has been devised for the implementation of the Standard of Generally Recognised Accounting Practice (GRAP)103 in respect of heritage assets in the specified entities;
3. whether any funds have been allocated for security upgrades due to the implementation of GRAP 103; if not, why not; if so, what (a) amount has been allocated for the specified upgrades and (b) are the further relevant details in each case? NW4782E

**REPLY:**

1. The Department provides funding to its institutions based on the mandate of the particular entity. Annually the baseline budgets of entities are adjusted for inflation or cost of living. In addition to the baseline allocations, entities may receive funding (on a needs basis) for capital works projects. Such funds are ring-fenced for capital project(s) only and cannot be used to augment operational budgets.
2. Funding for the implementation of GRAP 103 will be on a needs basis. Each entity has been requested to cost its funding requirements for the implementation of the GRAP 103. The costing exercise conducted by the forum of the CFOs of DAC public entities revealed that the costs of implementation include valuation costs, human resources costs, IT costs and security costs. Entities have submitted their respective budgets for the implementation of GRAP 103 and will receive funding based on the availability of resources.
3. As mentioned in 2 above, the costing exercise conducted by the forum of the CFOs of DAC public entities revealed that the costs of full implementation include valuation costs, human resources costs, IT costs and security costs. All the entities were appraised of these costs and were requested to incorporate them in their respective GRAP 103 costing or budgeting exercises. As such the budgets requests are inclusive of all costs relating to the implementation of GRAP 103.