



BRIEFING ON THE CCB'S 2021/22 ANNUAL REPORT TO THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS

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**Lt Gen JS Mbuli (Chairman) & Mr CT Gilfellan (CEO)
Cape Town, Wednesday, 19 October 2022**





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Justice installation by acclaimed local artist and activist Haroon Gunn-Salie, presented on the unmarked site near the historic gallows at the Castle of Good Hope, consists of 118 graves excavated into the landscape, symbolising the 117 known anti-apartheid martyrs killed in apartheid security forces. The last grave acknowledges activists killed in detention and who remain unaccounted for. SEE PAGE 3 | HAROON GUNN-SALIE

GENERAL INTRODUCTION

1. Castle Control Board (CBB)
Mandate from Castle Management Act (1993) and other relevant Legislation

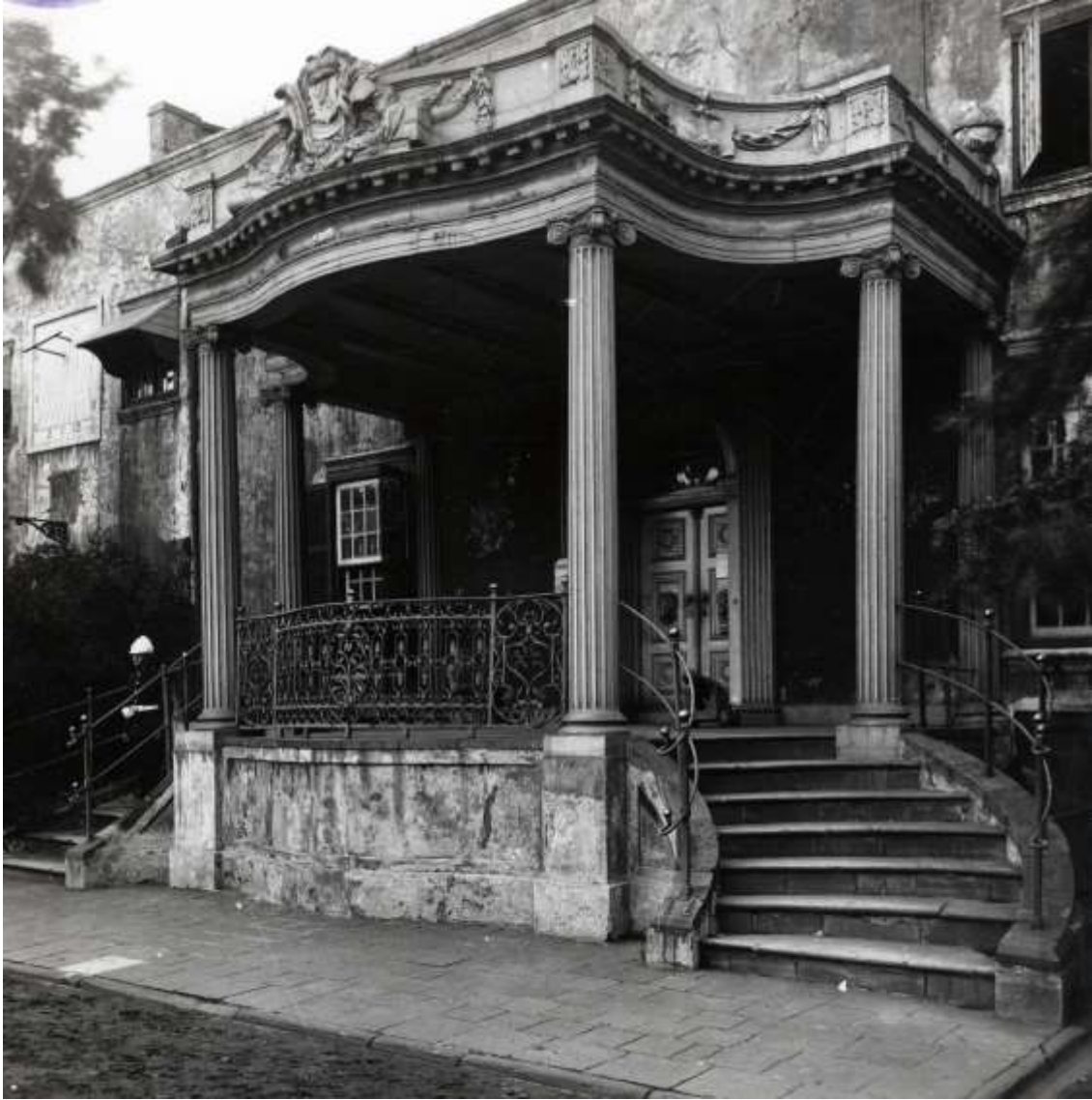
2. Four (4) strategic objectives:

- *Good Corporate Governance and Administration*
- *Develop the museum and interpretative heritage components*
- *Develop and promote the Castle as a heritage tourism destination*
- *Ensure broad, public accessibility*

3. Alignment with national policy and strategic imperatives

4. The CCB manages the Castle on an enterprise-risk basis/partnerships

5. A regular, diligent process of risk assessment, risk register and mitigation i.e. going concern, revenue, safety & security, human resource management



BRIEF: EXPECTED OUTCOMES

1. Performance against 2021/22 targets set
2. Programmes and areas that require additional funding
3. Impact of any reprioritisation on the operations and management in the light of COVID-19 (R5.5 million DOD relief)
4. Areas of underperformance and measures to address these
5. Measures in place to address audit & other queries (BRRR)

SUMMARY OF CCB'S PERFORMANCE FY2021/22

1. Clean AGSA Audit Outcome.
2. Judicious programmatic spending of the R5.5 million relief funding.
3. Due to a gradual increase in tourism business during the year, self-generated R3, 328 000 (R777k last year) in revenue.
4. Achieved more than 80% (18/21) of our KPI's (See pp. 22 – 38)
5. Still moderate tourist numbers to the Castle (33 452).
6. Ongoing deployment of six Regional Works Unit (WC) artisans significantly enhanced maintenance.
7. Media coverage reached a global audience of 604.24 million people translating in an AVE of R82 million.
8. Castle sustained 26 full-time jobs and just over 1000 temporary job opportunities in the film & events sectors.

SUMMARY OF ACTUAL PERFORMANCE AGAINST (2021/22 APP TARGETS, AR PP. 22 - 38)

PERFORMANCE AREA	NUMBER OF KPI'S	UNDER/OVER	MITIGATION
Administration and Good Corporate Governance (3.1)	7	All seven targets met	None
Preservation, interpretation and showcasing of the Castle's History (3.2)	4	All four targets met; majority exceeded.	None
Maximizing Tourism potential (3.3)	6	Two (2) out of 6 not met (visitor numbers & revenue) but all others above KPI targets.	Limited access to the Castle during lockdown, affected these targets
Increase public access and perception (3.4)	4	One target (1) out of four (Number of Interns) missed.	Closure of Tertiary Institutions hampers access to students

SUMMARY OF FINANCIAL PERFORMANCE (2021/22 BUDGET, AFS PP. 68 - 102)

Programme/ activity/ objective	2020/2021			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration through corporate governance	4 711	5 407	(696)	8 450	6 203	2 247
Preservation and protection of military and cultural heritage	304	386	(82)	660	483	177
Maximising the Castle's tourism potential	0	0	0	85	5	80
Increased public profile and positive perception of the Castle	150	30	120	243	65	178
TOTAL	5 165	5 823	(658)	9 438	6 756	2 682

SUMMARY OF FINANCIAL PERFORMANCE (2021/22 REVENUE)

Sources of Revenue	2020/2021			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales	1 100	475	625	2 586	1 075	1 511
Rental Income	1 056	255	801	1 100	2 100	(1 000)
Other Income	9	555	(546)	102	46	56
Interest Income	0	34	(34)	150	107	43
Grant	3 000	4 900	(1 900)	5 500	5 500	0
Total	5 165	6 220	(1 055)	9 438	8 828	610

HUMAN RESOURCES (PP. 53 – 59)

- Since the CCB is a services/hospitality organization, it relies heavily on people to execute its mandate (this currently means a high staff: operations ratio).
- Although the CCB only had 16 full-time posts, interns and short-term contracts (28) pushed this number up to 44 (figures exclude SANDF and other entities on site).
- Save for senior management, our employment equity status is positive given our size.
- The salary bill for FY 2021/22 was R4 742k. The increase was due to the “onboarding” of 8 former employees of the outgoing Gardening Contractor.



COVID-19 MEASURES: ROAD TO RECOVERY

- When we received R5.5 million relief funding from DOD and continue delivering our mandate, the CCB team could optimise outputs.
- Despite scaled-down tourism activities, we saw a significant increase filming events.
- Visitor numbers (and business) down by 250%.
- But – we shall remain hopeful for some promising recovery in the new FY
- We would still require a nominal “subsidy” to deal with the rest of the MTSF cycle (+/- R3m/annum)

NON-WHITES ONLY.

WHITES ONLY.
NET BLANKES.



PREVIOUS HIGH-LEVEL BRRR & AGSA (2020) QUERIES

PCDMV BRRR ISSUE	MITIGATION PROGRESS REPORT
One Castle, one Controlling Body	Briefing document to new EA has this item high on the Agenda.
SANDF Guards	Vast improvement; it is a matter of the quality of soldier (reserves) deployed at the Castle: Colonel Feni.
Decreasing Surplus/Going Concern	Wrote to EA for bridging subsidy; the R5.5 million COVID-relief funding, albeit under very dire circumstances, is a precedent.



PREVIOUS BRRR (2021) QUERIES

PCDMV BRRR ISSUE	MITIGATION PROGRESS REPORT
Strategic Risks	The Board has a Risk Register/Action Plan to deal with organizational Risks. These are thoroughly dealt with at Management, Internal Audit, Audit & Risk Committee and Board levels. Security issue (fence) high on Agenda.
Performance Bonuses	No performance bonuses paid for the last four years.
AGSA findings and queries	The critical findings and queries are listed on a so-called dashboard, addressed by management and presented to the Audit Committee.

CONCLUSION

1. The Board wants to build and maintain good relations with this esteemed Committee;
2. Thank you for unwavering support and huge role to sustain jobs and livelihoods with the R5.5m relief funding;
3. Note that with nominal support, the CCB can significantly increase its social, economic and employment impact (Koba-Tlala) in the heritage tourism sector; and
4. The focus is on resilience, economic recovery and the building of a brighter future for all!





THANK YOU!