

ANNUAL REPORT

2007/08

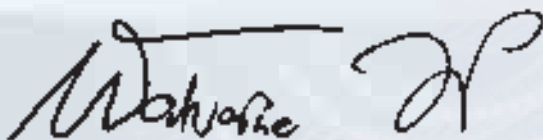


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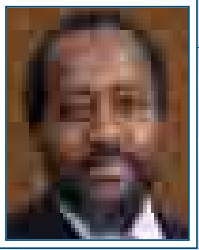
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SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY.

I have the honor of submitting the 2007/2008 Annual Report of the Department of Arts and Culture.

A handwritten signature in black ink, appearing to read 'Wakashe' followed by a stylized flourish.

**MR. THEMBINKOSI P. WAKASHE
DIRECTOR- GENERAL
DEPARTMENT OF ARTS AND CULTURE**



FOREWORD BY THE MINISTER OF ARTS AND CULTURE

South Africa's relations with the rest of the world contribute very directly to the well being of our people. The numerous Africans from beyond our borders who have settled here add to the cultural and ethnic diversity of our country and bring with them important skills, specialised knowledge and technique that are needed for the growth and success of our economy. On closer scrutiny we find that far from competing with South Africans over scarce resources, African immigrants have contributed to South Africa's human resource base and are imparting valuable technical skills to the native population.

During the past year we provided assistance towards stabilising the African World Heritage Fund. This South African initiative continues to attract funding support from the international community. The Department of Arts and Culture contributed R5million for the 2007/2008 financial year. This follows a decision in 2006 when cabinet approved that South Africa contribute through the Departments of Arts and Culture, Environmental Affairs and Tourism and Education in equal shares of R20 million each. These funds are towards the operationalisation of the Fund.

Through UNESCO, we continue to play a significant role in shaping the international cultural landscape. This is done through our international relations strategy to place South Africa among the key players in global cultural affairs. We safely piloted the Convention on the Protection and Promotion of the Diversity of Cultural Expressions through the councils of UNESCO. We are now a party to the Convention and – in the person of Professor Abdel-Kader Asmal - elected to serve on the Intergovernmental Committee of the Convention for 4 years.

We have strengthened our relations with Brazil and participated in the Art Mundi Craft Exhibition that took place in Sao Paulo during 2007. We also hosted the India Brazil South Africa (IBSA) Summit last September, culminating in a Memorandum of Understanding on Cultural Cooperation. In seeking to promote skills development through our bilateral co-operation with the United Kingdom, 20 curators have been trained at different museums in the UK since 2006 as part of the Curatorial Training Programme. Our cooperation agreements with a number of countries have given us access to other important skills such as museology.

We have also established and launched the South African Book Development Council two years ago to promote a culture of reading books. This is important if the country is to fulfill its potential. More readers would lead directly to the growth of the publishing industry and consolidated industry indicators that are fundamental to

the development of the book-publishing sector. The net turnover of the book sector in South Africa was estimated at about R5-billion in 2007. The second Cape Town International Book Fair was successfully held in June 2007 and attracted almost 50 000 people from all over the world.

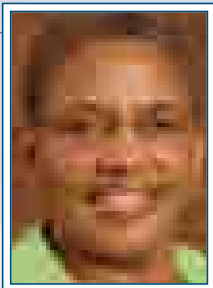
South Africa successfully hosted the World Library and Information Congress in Durban in August 2007. More than 4 000 library and information specialists from across the world attended. Significantly, this was the biggest turn out of African librarians at any such gathering. The year 2007 also marked the first year of the three year cycle of Community Library conditional grant of R1 billion. At the same time the Library sector, led by the National Library and the National Council for Library and Information Services (NCLIS), has started drafting the Transformation Charter.

To promote multilingualism the department continues to pursue the development of human language technology applications. This will enhance indigenous languages thereby empowering the native speakers. The DAC bursary scheme to encourage the academic study of African languages is gathering momentum. At the end of 2007, 49 post-graduate students had been awarded the scholarship; and 30 under-graduate students obtained their degrees. We are also facilitating the establishment of a South African Language Practitioners' Council, to regulate the language profession.

These developments indicate how our strategic interventions are based on the premise that arts, culture and heritage sector is no longer perceived as an entertainment industry only. Globally the industry is recognized for its potential to generate employment opportunities and wealth creation. It is therefore imperative that we continue to intervene in the manner we did to address all these challenges to societal transformation.

I would like to thank all the officials who have put more effort in their work to make the programmes achieve the set objectives.

DR. Z. PALLO JORDAN, MP
MINISTER OF ARTS AND CULTURE



FOREWORD BY THE DEPUTY MINISTER OF ARTS AND CULTURE

As part of Social Investment and contribution towards bridging the gap between the First and Second economy the Department of Arts and Culture continues to support the both urban and rural Arts and Culture projects with funds from the Investing in Culture Programme. In the period under review the Department has supported over 2000 projects across all the provinces of the country in which the majority of the projects benefit directly the women and other disadvantaged groups of our communities. The return on investment cannot be realized in the short term period.

However the Department is confident that in the medium and long term period, skills development and significant sustainable employment opportunities will be created. The Department has initiated and developed Public Private Partnerships (PPP) in order to promote accessibility and marketability of cultural products. The development of partnerships between Department of Arts and Culture and Checkers, Woolworths and Mr Price through the Investing in Culture Programme illustrates the department's initiatives during the 2007/08 financial year.

Community art centres and the arts and social development programme have been identified as key programmes contributing to social investment. There are approximately 166 community art centres in South Africa which aim to provide access to arts programmes, skills development and creation of sustainable jobs for local communities. The growing number of community art centres is an indication of how critical these facilities are in development and calls for a more integrated approach by the department to make them sustainable. These also pose challenges in terms of resource availability and allocation.

The department launched two national programmes that aim at highlighting the role and importance of community art centres in society. Since the implementation of these programmes, some municipalities have requested the Department to assist in establishing local cultural centres. These will also position community art centres to contribute to the national priority areas at local level.

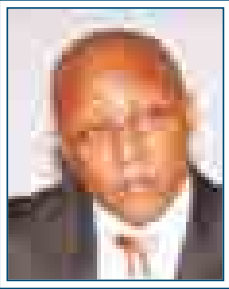
The Department provides grants in aid for programmes that have the potential to turn community art centres as sustainable ventures. A national task team for community art centres has been established to assist the department in addressing challenges faced by the centres.

The Department of Arts and Culture has identified a series of campaigns to promote social cohesion. Some of these campaigns are targeted at women, families, children, youth, and people with disabilities.

The first is the Mosadi wa Konokono campaign. The major objective of this campaign is to mobilise civil society structures to take responsibility in shaping their communities, engender socio-cultural and economic empowerment of women as well as support cultural industries. Women with a proven track record of commitment to community development as leaders and advocates of positive values are profiled by the youth in their communities and rewarded in a bi-annual award ceremony. The winner of the 2007 awards is a young female choreographer working with dance and performing groups composed of people with disabilities.

The second is the moral regeneration campaign. The overarching objective is to create public awareness of and participation in Moral Regeneration Movement-driven activities. A charter of positive values has been launched to promote a culture of service and civic responsibility and participation in nation building. These and other initiatives mentioned in the Annual Report indicate the contribution of the department in building social cohesion and nation building.

MS. NTOMBAZANA G.W. BOTHA, MP
DEPUTY MINISTER OF ARTS AND CULTURE



INTRODUCTION BY THE DIRECTOR GENERAL

The vision, mission, long-term goals and objectives of the Department of Arts and Culture are pursued and managed through six basic programmes that are structured on Administration; Arts and Culture in Society; National Language Services; Cultural Development and International Co-operation; Heritage Promotion; National Archives; Records; Meta-Information (Libraries) and Heraldic Services. The 2007/08 Annual Report presents the results of the strategic choices and course of action adopted and implemented by the Executive Authority and Senior Management of the department. It also provides programme performance information and results on the allocation and utilization of resources necessary to achieve the organization's goals and objectives. Programme performance information, results and achievements made by the department, indicate the extent to which the differentiation strategy, adopted and implemented by senior management of the department, has succeeded in ensuring organizational effectiveness and efficiency levels.

The six basic programmes of the department, in general, seek to contribute fundamentally towards the elimination of various symptoms of underdevelopment such as mass poverty and unemployment, including the marginalization of the majority of the population in the arts, culture, and heritage sector. During the 2007/08 financial year, the Department concluded a critical process of reviewing the White Paper on Arts, Culture, and Heritage Policy and this included a review of existing arts, culture and heritage legislation. The objective of the policy and legislative review process is to eliminate outdated legislation, unnecessary duplication of mandates in the arts, culture and heritage institutions, ensure role clarification in the implementation of arts, culture and heritage policy and programme in the three spheres of government.

The department continues to ensure effective and efficient utilization of resources in implementing transformation and development in the arts, culture, and heritage sector. A critical component of transforming and developing the arts, culture, and heritage landscape includes capital investments in arts, culture and heritage infrastructure. Additional resources invested in capital works projects such as the Freedom Park, including upgrading and maintenance of museums and public com-

munity libraries during the 2007/08 financial year contribute towards the transformation and development of the sector.

The spill-over effects of these capital investments are in the form of employment creation and production of cultural goods and services. These and other achievements mentioned in the Annual Report indicate the degree of organizational effectiveness and efficiency levels in resource utilization in the Department of Arts and Culture.

MR. THEMBINKOSI P. WAKASHE
DIRECTOR-GENERAL OF ARTS AND CULTURE

INFORMATION ON THE MINISTRY

In 2007/2008 financial year, the Executive Authority outlined the general purpose and direction of the Department of Arts and Culture and the methods by which the strategic goals and objectives of the department are to be achieved. These have been adopted and implemented by the management and employees of the department, as the Annual Report indicates. During the 2007/08 financial year, the department implemented a differentiation strategy which sought to achieve a unique position in building and developing a non-racial, non-sexist, democratic society. We have sought to achieve this unique position in ways that are widely valued by other stakeholders, including government departments and our clients. The unique contribution and impact of the arts, culture, and heritage programme in building and developing a socially cohesive, non-racial society has placed the department at the centre of the overall Government Programme of Action in the 2007/2008 financial year period. The department has provided strategic leadership and initiated the implementation of a social cohesion strategic framework in order to respond effectively to the macro-social trends in South Africa, including trends in social self-definition, identity and self-worth, social capital, and social values, nation-building and reconciliation. Conscious of the need for social discourse on society's endeavors and aspirations to build social cohesion, in terms of unity, coherence, functionality and pride among South Africans, Government has approved the social cohesion strategic framework as well as community mobilization campaigns, programmes, and projects that will be implemented in the period leading to 2010 and beyond.

The Department of Arts and Culture has taken forward and concluded reflections and discussions in the Ten-Year Review of the White Paper on Arts, Culture, and Heritage Policy and associated legislation. Apart from the desire to eliminate outdated legislation and unnecessary duplication of mandates in the arts, culture, and heritage institutions, the department has sought to develop critical understanding and knowledge of the movement of

South African society from its apartheid past towards non-racialism, equity and unity in diversity. The policy and legislative review process embarked upon in 2005 and concluded in the 2007/2008 financial year has also identified major critical deviations, some at the behest of public policy and others defining themselves independent of material conditions and policy prescriptions. The introduction of legislative amendments, including the Cultural Laws Third Amendment Bill considered by Parliament during the last quarter of the 2008 Parliamentary session, indicate products of the policy and legislative review. The department has also sought to address omission on the part of public policy. In the heritage sector, the Ministerial panel on Intangible Cultural Heritage was appointed. The research process has started and the research findings will enable the department to draft a national policy on Intangible Cultural Heritage.

Public policy, however, cannot successfully and independently address all unintended consequences of a particular programme or combination of programmes. Government understands the capacities and limitations of the State. Hence the importance of partnerships across all sectors of society is underlined in the department's programmes. Partnerships, co-ordination and sustainability of programme activities are critical in transformation and empowerment, skills and human resource development in the arts, culture, and heritage programmes. Programme performance information and results provided in the 2007/2008 Annual Report reflect these initiatives.

Departmental Vision and Mission

Vision:

The vision of the Department of Arts and Culture is to develop and preserve South African culture to ensure social cohesion and nation-building.

Mission:

The mission of the DAC is to:

- Develop and promote arts and culture in South Africa and mainstream its role in social development.
- Develop and promote the official languages of South Africa and enhance the linguistic diversity of the country.
- Improve economic and other development opportunities for South African arts and culture nationally and globally through mutually beneficial partnerships, thereby ensuring the sustainability of the sector.
- Develop and monitor the implementation of policy, legislation and strategic direction for the identification, conservation and promotion of cultural heritage.
- Guide, sustain and develop the archival, heraldic and information resources of the nation to empower citizens through full and open access to these resources.

- c) freedom of artistic creativity ;and
- d) academic freedom and freedom of scientific research”(section 16) and that-

“Everyone has the right to use language and to participate in the cultural life of their choice, but no one exercising these rights may do so in manners inconsistent with any provision of the Bill of Rights” (section 30)

Emanating from the White Paper on Arts, Culture and Heritage the following Acts have been promulgated by Parliament and institutions created in furtherance of the constitution’s mandate of the Department of Arts and Culture.

- National Archives and Record Service of South Africa Act 1996 (Act no. 43 of 1996).
- Cultural Institutions Act (Act 119 of 1998) as amended.
- Culture Promotion Act (Act 35 of 1983).
- South African Geographical Names Council (Act 118 of 1998.)
- Heraldry (Act 18 of 1962.)
- Legal Deposit (Act 54 of 1997.)
- National Arts Council (Act 56 of 1997.)
- National Film and Video Foundation (Act 73 of 1997.)
- National Heritage Council (Act 11 of 1999.)
- National Heritage Resources (Act 25 of 1999.)
- PAN South African Language Board (Act 59 of 1995.)
- National Library of South Africa (Act 92 of 1998.)
- Library for the Blind (Act 91 of 1998.)

Legislative Mandate

The primary legislative mandate of the Department of Arts and Culture comes from the Constitution of the Republic of South Africa, which states that:

“Everyone has the right to freedom of expression, which includes-

- a) freedom of press and other media;
- b) freedom to receive or impart information or ideas;

2. Programme Performance

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/ Under Expen.
	R'000	R'000	R'000	R'000
1. Administration	104,918	129,816	129,558	258
2. Arts and Culture in Society	278,169	257,004	252,736	4,268
3. National Language Service	94,601	87,051	87,010	41
4. Cultural Development and International Co-operation, Investing in Culture	204,813	188,549	187,819	730
5. Heritage Promotion	630,050	659,915	659,908	7
6. National Archives, Records, Meta-Information and Heraldic Services	295,468	285,684	268,818	16,866
TOTAL	1,608,019	1,608,019	1,585,849	22,170
Responsible Minister	Minister of Arts and Culture			
Administrating Department	Department of Arts and Culture			
Accounting Officer	Director-General of Arts and Culture			

2.2 Aim of Vote

The aim of the Department of Arts and Culture is to develop and preserve South African culture to ensure social cohesion and nation building.

2.3 Key measurable objectives, programmes and achievements

2.3.1 Key measurable objectives

The Department's activities are divided into the following key measurable objectives:

Programme 1: Administration

Coordinate and support the national strategic programs by developing and reviewing policy and legislation and developing systems for monitoring and evaluation.

Programme 2: Arts and Culture in Society

Increase and facilitate access to and broader participation in arts and culture through policy formulation, legislation and equitable funding.

Programme 3: National Language Service

Develop, promote and protect the 11 official languages through policy formulation, legislation and the implementation of the language policy in order to allow South Africans to realise their language rights.

Programme 4: Cultural Development and International Co-operation

Increase the access and participation of grassroots arts practitioners in cultural industries economic activities through training, legislation and international opportunities.

Programme 5: Heritage Promotion

Ensure the transformation of the heritage landscape as a vehicle for nation-building and social cohesion, through the implementation of heritage policies and legislation.

Programme 6: National Archives, Records, Meta-Information and Heraldic Services

Enable transparency and evidenced-based good governance of archives, records, published information, and the heraldic and symbolic inheritance of the nation through institutional management, regulation and development.

2.3.2 Programmes

The Department's activities are divided into six programmes and their respective descriptions are the following:

Programme 1: Administration

Conduct the overall management of the department, and provide centralised support services.

Programme 2: Arts and Culture in Society

Develop and promote arts and culture in South Africa, and mainstream its role in social development.

Programme 3: National Language Service

Develop and promote the official languages of South Africa and enhance the linguistic diversity of the country.

Programme 4: Cultural Development and International Co-operation

Improve economic and other development opportunities for South African arts and culture, nationally and globally, through mutually beneficial partnerships, thereby ensuring the sustainability of the sector.

Programme 5: Heritage Promotion

Develop and monitor the implementation of policy, legislation and strategic direction for identifying, conserving and promoting cultural heritage.

Programme 6: National Archives, Records, Meta-Information and Heraldic Services

Guide, sustain and develop the archival, heraldic and information resources of South Africa to empower citizens through full and open access to these resources.

2.4 OVERVIEW OF THE PAST PERFORMANCE 2004/05 – 2010/11

The Department of Arts and Culture is responsible for transforming South Africa's arts, culture and heritage landscape to serve South Africa's wide artistic and cultural needs and contribute to the goals of growth, employment, poverty alleviation, national reconciliation, nation building and social cohesion. The department is also tasked with the development and promotion of the 11 official languages of South Africa and also enhance linguistic diversity. The department strive to attain these responsibilities by developing and monitoring policies and legislation to ensure that South Africa's heritage is appropriately conserved and preserved and thus create an enabling environment for all who live in South Africa.

2.4.1 Strategic overview and key policy development for the 2007-08 financial year**Promoting arts and culture for social cohesion**

The department continued to support government's social cohesion implementation framework by supporting programmes that encourage social dialogue on the social values that should be pursued by South African society, as well as by intensifying existing programmes that address the challenges of social cohesion.

The ministerial projects in the performing arts promoted diverse South Africa traditions and served as a vehicle for recognising the role played by individual musical icons, including Abdullah Ibrahim for establishing the Cape Town Jazz Orchestra, the Ngcukana brothers for initiating the Chorimba Choral Concert, and Victor Ntoni for initiating Mzansi Sings in recognition of the role played by Oliver Tambo in the liberation struggle.

Music festivals and concerts have also been supported, including the annual Cape Town International Jazz Festival and the Standard Bank Joy of Jazz, to ensure that job opportunities are created for musicians and other practitioners in the sector.

The launch of the community art centres' awards programme has created interest among various stakeholders, especially local artists in the centres who participated in the competition to design a trademark logo for the centres.

In support of youth enrichment, the department provided financial support to the National Youth Arts Culture and Heritage Expressions, which identifies youth in nodal areas to participate in learnerships in the technical management of the arts, culture and heritage sector. Two hundred young people were engaged in learnerships in 2007.

Through the Mosadi wa Konokono campaign, 27 women who work in the arts, culture and heritage fields were recognised for their outstanding contribution to community upliftment. The women undergo training in marketing, intellectual property protection and business development to further support their activities.

Promoting linguistic diversity

A strategic policy document has been developed to provide broad policy direction and co-ordination strategies for human language technologies. A policy document on establishing the South African Language Practitioners' Council was also developed.

In order to promote the language profession, the department continued to award bursaries to deserving students in the fields of language planning, lexicography, translation and human language technologies. During the year 2006/07, bursaries were awarded to over 80 postgraduate and undergraduate students. At the end of 2007, 49 post-graduate students had been awarded the scholarship; and 30 under-graduate students obtained their degrees. A policy document on establishment of the South African language Practitioner's Council has been developed.

Supporting the cultural industries

In the 2007/2008 the department continued in its stride to make strategic interventions in the cultural industries through innovative and creative projects and programmes. The past year was particularly important in that return on investment on our work began to show interesting 'dividends'. The following are some of the highlights that give credence to our achievements:

- Fast tracking implementation of the Cultural Mapping Project initiated with the collaboration of the Gauteng Provincial Department of Sports, Recreation, Arts and Culture. This collaboration extends to the Province of the Western Cape and Kwa-Zulu Natal. The British Council is a strategic partner in the Cultural Mapping Project which also involves a range of institutions and civil society organizations. The outcome of the mapping of the project Gauteng is now contained in a report that gives a clearer sense of the scale and size of the key creative industries, this information provides the basis and a methodology for future creative industries mapping.
- The department, through the Cultural Development programme participates in the Inter-governmental working group on Intellectual Property Development. During the financial year 2007/2008, the department focused on creating greater awareness and the strategic value of Intellectual Property (IP) as a cross cutting issue between the key government departments that spearhead South African negotiations at World Intellectual Property Organisation (WIPO). South Africa has continued playing a strategic role in the international negotiations and discussions on key agenda issues on the WIPO inter-governmental committee. These included intellectual property, and genetic resources, traditional knowledge and folklore.
- DAC is responsible for the development and promotion of the South African Film Industry. In the 2007/08 financial year, DAC has continued to develop and implement intervention strategies in order to support and open markets for distribution opportunities. This includes negotiations and signing of Audio-Visual Co-production Treaties with various countries and national governments.
- Over and above DAC's responsibility for the development and promotion of the South African Film Industry, among the activities in an effort to come up with various tools and intervention in supporting and opening markets for distribution opportunities, DAC is responsible for the negotiating and signing of Audiovisual Co-production Treaties. To this end four Treaties have been signed with the following countries: Canada; Germany; Italy and UK. Out of four active co-production treaties that South Africa has signed, the South Africa/Canada co-production agreement is the most active producing a total of 22 projects to date. This total was achieved over a period of ten (10) years. The South African/Germany agreements has produced a total of 6 projects since its signature in 2004. This is followed by SA/Italy which has seen four projects produced under the agreement. The SA/UK agreement came into force in June 2007 and only one project had been submitted for co-production advance ruling as at December 2007.

- During the last year DAC has concluded negotiations towards the signing of Audio-Visual Treaties with Ireland; New Zealand; Australia and France.
- Co-production treaties are signed by national governments in order to promote and facilitate various exchange including cultural and skills and collaboration between their audio visual industries. It aims to defend and nurture the local industry in that it defines the rules of engagement in accessing public funds provided the activity goes beyond national borders. Co-productionn Treaties equally provides a clear legal basis of engagement. Therefore the significance of signing co-productions is premised on the creation of an enabling platform for South African film practitioners to play in the international arena

Events and Technical Services

- Events and Technical Services involve development of technical skills in the events and community or independent based performing arts industries. During the past three years, DAC established an Events and Technical Services Task Team comprising of the public and private sector stakeholders in order to conduct research and submit findings on the status quo of the Events and Technical Services Industry. This will lead into the development of policy in order to promote transformation and development of the Events and Technical Services Industry.
- The research study includes undertaking various major national Roadshows and information Indabas on the transformation of the Events and Technical Service Industry. Stakeholder's inputs including the industry stakeholders are critical in the research process. In the 2007/08 financial year, DAC and the Events Technical Services Task Team members undertook major national road shows and information indabas. The road shows contributed towards Second Economy Intervention information. The Roadshows were conducted Nationally covered 13 key cities in 9 Provinces. Over 770 Industry stakeholders participated and over 137 key industry managers attended and contributed to the development of recommendations to the DAC. A draft recommendation report was completed by the Task Team and received by the DAC.

National Theatre and Dance Development

- In 2007/08 financial year, the department together with the Southern Africa Theatre Initiative (SATI) embarked upon a major enquiry into the status of the independent community based theatre movement. This process was initiated through a national consultation to produce a framework for the performing arts movement.
 - o A central coordinating /steering committee has been set up at the Southern Africa Theatre Initiative (SATI) offices.
 - o A preliminary enquiry to industry has been completed.
 - o A preliminary strategy has been completed and will be consolidated in 2008/09 financial year.

The Craft Sector

The craft sector is the DAC key priority area. Cultural Development unit collaborated with Arts and Culture in Society to successfully stage the Beautiful Things Craft Exhibition on 16 December 2007 as part of the Day of Reconciliation celebrations (Union Buildings). This platform worked well to grow an awareness and appreciation of South African crafts. The Beautiful Things Exhibitions was also mounted at the African Diaspora Conference held at Gallagher Estates during the month of November 2006. The exhibition provided crafters with a platform to showcase South African craft to African Diaspora delegates. To mark the International Women's Day held at Bryntirion Presidential Estates in March 2008. The Beautiful Things Craft brand focused on women crafters with an opportunity to promote and sell their products but also to highlight the high quality of product that is being developed in peri-urban and rural constituencies.

The highlight of craft intervention was the opening of Mama Noria studio. The Deputy Minister of Arts and Culture, Ms Ntombozana Botha, officially

opened the the Vhutsila A Vhu Tibiwi Arts and Craft Centre in November of 2007. The centre which is located within Ms Mabasa's homestead was built after the intervention of the former Deputy Minister of Arts and Culture Ms Brigitte Mabandla to improve the working conditions of this world renowned sculpture and teacher. Ms Mabasa is a wood sculptor, ceramist and custodian of indigenous knowledge systems.

Music

The directorate Multi-Disciplinary is concerned with the development of the total value chain of the music industries. Since 2003 it initiated one of the key flagship projects in the music industry MOSHITO a business conference and exhibition project of Africa and global significance. In 2007/2008 MOSHITO attracted key national stake holders in the music industry and high level internal participants and speakers. MOSHITO 2007 was focused on safe guarding intellectual property of creators and highlighted the scourge of music piracy in the South African industry but also as global problem

Taking South African Music to the World Midem (International Music Market)

- The Department supported participation of the local music industry at MIDEM since 2005 and this included purchase of a stand for exhibition, providing partly or whole subsidy to about 5 – 10 needy individuals/companies to attend the event, production of promotion materials such as CDs and pamphlets, and financial support for management of the project.
- The project is one of the platforms through the Department is contributing towards the notion of ***Taking South African music to the World***. This strategy will in a long term generate extra income through exports of South African music products. Though it is hard to measure the immediately, participation at MIDEM increases the image of a country in the global music business.
- Since 2005, MIDEM provided among others SA music professionals the opportunity to make vital international business contacts. 650 trade related meetings were held. It was reported that deals were made in the following: International music licensing, export of recorded music products, music publishing, digital distribution, content management, synchronization and music production. The impact of deals made is estimated at over R10 000 000, and the figure will mature given the nature of copyright industries. Benefits are not only deals accrued in the first year of attendance but the networks of possibility that are established that could lead to deals over the next few years. Development and consolidation of the music industry constitutes a critical priority to our service delivery obligations. In this context, the department facilitates and promotes participation of the South African music industry players in international music markets such as MIDEM in France, thereby creating export market facilities for South African cultural goods and services. During the 2007/08 financial year the South African music players participated at MIDEM in France where the market value of cultural goods and services exceed R10m.

Books and Publishing

Establishment of Baobab Literary Journal

In an effort to create regular publishing platforms for South African writers, the DAC established Baobab literary journal. The editor of the journal is Sandile Ngidi, a young poet who is well known as a journalist and literary critic and the editorial panel includes Prof Andries W. Oliphant, former editor of Staffrider and professor of Literature at UNISA and Prof Keorapetse Kgotsile, the national Poet laureate and Special Adviser to Dr Z. Pallo Jordan, Minister of Arts and Culture. The first issue of the journal was first made available in March 2008 at the Time of the Writer International Literary festival in Durban.

Participation at the Havana Festival in Cuba

A delegation of six writers lead by Prof Keorapetse Kgotsile, South Africa's poet laureate, took part in the 12th Havana International Poetry Festival in Cuba, from 28 May until 3 June 2007. The festival was dedicated to the poetry of Africa and the Caribbean Islands. It included discussions on Contemporary African Literature, Poetry and Citizens' Responsibility and Africa Midst Abyss and Hope. One of the most phenomenal aspects of the festival was the community outreach projects which included poetry workshops in the communities in and around Havana. Prof Kgotsile was honoured by the festival organisers for his sterling contribution to world literature alongside other world renowned poets including the late Cuban icon Nicolas Guillen, Haitian Jacques Roumain, and Marcelino Dos Santos from Mozambique. Through this initiative the DAC was executing its mandate of promoting South African literature to the world.

Youth Development and Support through Cultural Industries.

- The Cultural Industries Development programme is also used to promote and support youth development as part of intervention strategies into the second economy.
- An organization called the South African Roadies Association (SARA) has been supported by the DAC in 2007/08 financial year. A coordination structure has been developed by SARA in order to expand its potential and role in the Events and Technical Services sector. A draft 3 year business plan has been completed by SARA. This will enable SARA to implement a strategy that will assist the association to access opportunities.

Promotion of Social Cohesion

- The festival covered an inclusive geographical area making it accessible to the majority of people living in Soweto, surrounding townships and suburbs.
- 8 youngsters were involved in the festivals mentorship programme.
- The initiative has established two cultural exchange programmes with Oslo World Music Festival in Norway.
- The youth participating in the festival have been invited to the Human Rights Festival in Bologna.
- The festival is ready to introduce a new concept-Children's Festival in 2008.
- In 2007/08 financial year the concept of a Mdantsane Arts Festival was initiated by the DAC working with the Principal Arts, Sports and Recreation Department.
- An intergovernmental structure has been initiated to function as a Steering and working committee to effect collective participation towards realizing Mdantsane Arts Festival as one of the most important community based arts festivals. The committee comprises of government officials from the DAC and the Eastern Cape Department of Sports, Recreation, Arts and Culture (EDSRAC)
- A preliminary concept document has been developed and presented to the DAC Ministry.

Visual Arts

- DAC has partnered with the Visual Century Project that is doing research on the history of the sector since 1907 until 2007 and this project will include documentaries, publications and exhibitions.
- DAC is in discussion with the Johannesburg Art Bank to develop a business plan for the establishment of a National Art Bank.
- A draft policy document on the Guidelines and Specifications with regards to the acquisition and management of artwork collection within government departments has been developed.

Audio Visual

In order to promote youth training and development in African languages for screenplay writing, DAC is in partnership with the Newtown Film and

Television School “Script 2 Screen” training program. The pilot programme was conducted in Gauteng in Newtown. Over five provinces were presented by learners from those provinces, to date 22 learners have been trained. The first handbook has been completed. The program will be launched soon. PANSALB has pledged partnership to the programme.

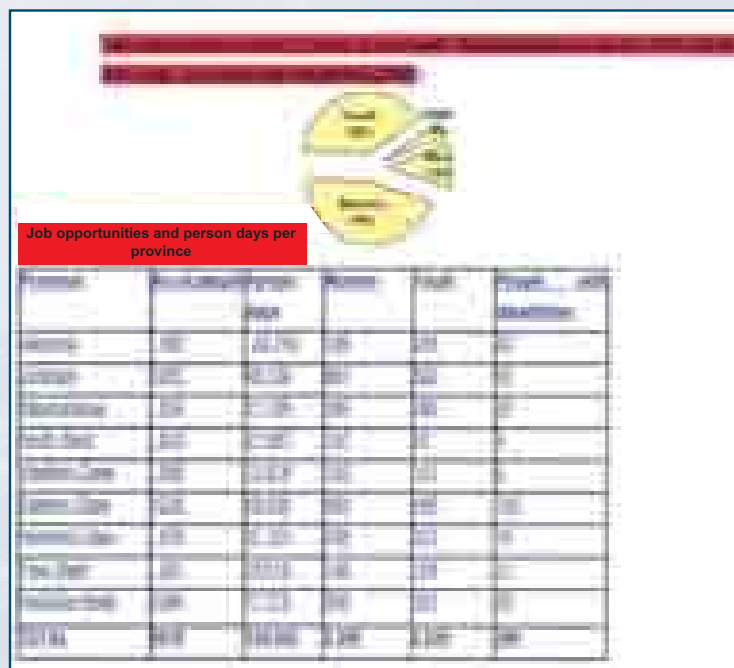
Design

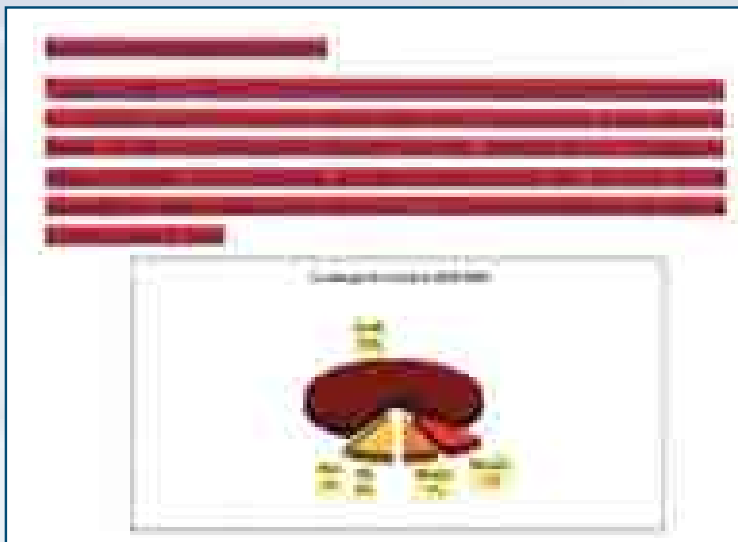
To address the second economy by creating export markets, platform for exhibition and promotion of SA design sector and products, DAC continues to partner in industry initiatives:

- International Design Indaba in providing opportunities for the emerging creatives and learners.
- The Sanlam SA Fashion Week Fashion Program that is conducted in all nine provinces. 225 crafters and 27 designers were involved in 2007, and again in 2008, including the Seminar on the business of Fashion design. This initiative provides exposure and distribution network for SA designers and crafters.
- This year the French Embassy has shown interest in the DAC/SSAFW Fusion Program, they intend taking a number of designers for skills exchange and the French students will come to the Fusion.

Investing in culture

In an effort to narrow the gap between the First and the Second economy, the department creates viable small and medium enterprises that are promoted through skills development training and resourcing. About 6078 beneficiaries were provided with job opportunities primarily in the craft sector and of the jobs created, 45% of jobs were created for women, 39% for youth and 4% people living with disability.





For the realisation of the broader imperatives of government, a strategy was developed through which the Department of Arts and Culture (DAC) initiated an arts and culture training and skills development partnership.

Through the training partnership with and the Media, Advertising, Publishing, Printing and Packaging (MAPPP SETA), 60 Project Managers that have qualified as assessors on Craft Production, (NQF 2) and 125 qualified as crafters on Craft Production, (NQF 2) and were awarded competency certificates. 2 696 crafters were registered on the MAPPP SETA – SAQA database. This approach has also aimed at supporting the project managers to in future, become accredited and sustainable SMME training providers with acquired knowledge and experience in marketing, exhibitions, retailing, designs and understanding of complementary sectors such as tourism and heritage. A central database has been established and is used as the information hub for effective information flow when required between marketers, retailers and the craft projects.

International Relations

Africa Agenda

SADC Initiatives

DAC in partnership with Namibia hosted the follow-up colloquium of SADC ministers of Culture to review progress made since the adoption of the Pretoria Statement and also to come up with a regional strategy for the cultural industries – creating a bargaining block for SADC cultural goods and services.

The Department of Arts and Culture initiated the establishment of Forum of Directors- General of Culture in the SADC region to implement and monitor the recommendation by the Ministers of Culture in the region.

In pursuant of South – South Cooperation, the DAC is forging trilateral partnership with strategic countries in the North with countries in the Continent to access and tap onto their experiences and skills: South Africa, Belgium and DRC partnership in the area of Local Cultural Policy Development; South Africa, Mexico and Botswana Trilateral Partnership in the area of Conservation and management of Rock Art.

African Union and Nepad Initiatives

DAC will continue to engage intellectuals in the fields of Arts, Culture and Heritage from Africa and Diaspora in efforts to come-up with the streamlined and consolidated approach and policy frameworks to ascertain a place in the global cultural arena

The establishment of Africa Heritage Fund is a step towards realization of the Africa renaissance and the protection of valuable tangible and intangible heritage.

South Africa invited countries from the SADC and the rest of the Continent to participate during the Gcwala Ngamasiko “Africa Unite in Cultural Diversity”: an event which sought to address issues that challenges Africanism and the spirit of Ubuntu like tribalism, religion and intolerance, xenophobia, socio political challenges etc.

The Department of Arts and Culture is actively involved in the capacity building initiatives in the fields of Arts Management and skills development in the identified countries for the Reconstruction and Development such as Ethiopia, Lesotho, DRC and Burundi.

Africa And The Diaspora

Discussion around issues of structured relationship between Africa and Africans in the Diaspora to ensure strong beneficial ties has been on the Agenda of the Nairobi Summit of African Ministers of Culture. This type of Partnership will also present an opportunity for Cultural Goods and Services from the Developing world to access the global markets.

The upcoming AU Africa and the Diaspora Summit is a culmination of efforts to establish sustainable partnership between Africans in the Continent and those in the Diaspora.

Cultural Agreements between Republic of South Africa and African States

The DAC, pursuant to forge mutual beneficial cultural relations in Africa has signed 18 Agreements of Cooperation in the Fields of Arts, Culture and Heritage to date. The following Agreement on Cooperation in the fields of Arts and Culture are ready/on in advance stage and ready for signature:

- Gabon
- Ghana
- Burkina Faso
- Benin
- Ethiopia

South – South Cooperation

South Africa, Brazil and India (IBSA) signed a Memorandum of Understanding on Cultural Cooperation to strengthen South – South relation and expand the market base for Cultural Goods and Services. South Africa also hosted the 12th IBSA Focal Point Meeting to agree on priority area for the years 2008, 2009 and 2010.

The Department of Arts and Culture participated during the Expo Zaragoza 2008 in Spain from 14 June to 14 September 2008. The theme of the Expo was “Water and Sustainable Development” 6000 pieces of crafts, 18 crafters and ± 50 song and dance artists were sent to Spain to showcase and promote various aspects of our country.

Transforming the heritage sector

In 2007/2008 the department concluded the critical policy and legislative review exercise. The completion of the legislative review within the heritage sector will eliminate unnecessary duplication of mandates, and lead to efficient utilization of government resources. Research was concluded on the review, and the findings have been incorporated into the Cultural Laws Third Amendment Bill. The Bill will be considered by Parliament during the last quarter of the 2008 Parliamentary session.

The department successfully concluded the consultative processes on the ratification of two international conventions, namely, the 2001 UNESCO Convention on the Underwater Cultural Heritage, and the 2003 UNESCO Convention on Intangible Cultural Heritage. The department is awaiting ratification by Parliament, to conclude the process. In the medium and long term, the ratification will ensure that South Africa’s domestic laws and policies are aligned with international developments.

The Ministerial panel on Intangible Cultural Heritage was appointed and started the research process which will enable the department to draft a national policy on Intangible Cultural Heritage. The discussion document will be published in the last quarter of 2008 for comment. The national policy on Intangible Cultural Heritage will have far-reaching implications for the sustainable safeguarding and promotion of South African intangible heritage. It will affirm an important aspect of heritage that has barely received attention. It has potential to strengthen social cohesion and contribute to the development of a South African national identity. The national policy on Intangible Cultural Heritage will redress inequities between Tangible and Intangible Cultural Heritage.

The department embarked on a skills audit for the heritage sector. The objective is to identify key areas of skills shortages, and to develop a Human Resource Strategy to redress skills deficiencies in the sector. Both the audit and strategy will be concluded in the 2008/2009 financial year.

The department organised and hosted the Heritage Month 2007 celebrations in Botshabelo, Bloemfontein. The theme of the event was "Celebrating Our Poetry: Our Heritage". South African poetry was celebrated in all 11 official languages. The Heritage Day event was coupled with poetry workshops that took place in the nine provinces.

The new South African Geographical Names Council was appointed for a three-year term. The council will advise the Minister on the standardization and transformation of names of geographical features. The Council will also undertake countrywide hearings on place names that have been identified for possible change and standardization. In the 2007/2008 financial year, a total number of 821 names of geographical features were standardized. 188 standardizations of geographical features were made in Sesotho sa Leboa. In terms of standardizations per province, the highest number of changes was recorded in the Limpopo Province, at a number of 318.

In August 2007, the department commemorated the 40th anniversary of the tragic death of Chief Albert Luthuli in KwaDukuza, KwaZulu-Natal. President Thabo Mbeki delivered the key-note address at the Kwadukuza Sports Stadium. In October 2007, the department, in partnership with the University of KwaZulu-Natal and the Luthuli Museum, held and hosted the Third Annual Chief Albert Luthuli Memorial Lecture. The theme for the lecture was "Leadership and Reconciliation". The key-note address was delivered by the honorable former President of the Republic of Mozambique, Dr Joachim Chissano. The department completed the upgrading of Nokukhanya Road, which formed part of the Albert Luthuli Project. The Nokukhanya Road, so named after the wife of Chief Albert Luthuli, is the access road to the Luthuli Museum.

In November 2007, the department hosted the 90th anniversary celebrations of the sinking of the SS Mendi, off the Isle of Wight, in 1917. The ship was struck and cut almost in half by the liner SS Darro, and 616 South Africans (607 of them black troops) and 30 British crew members died. The anniversary event was jointly organised by the Department of Arts and Culture, the Department of Defence, the provincial government of Western Cape, and the City of Cape Town.

The following Freedom Park structures have been completed up to March 2008:

Phase I which incorporates the Isivivane, Ring Road, Ablution Block, Guard houses, Mveledso.

Minor Works which include alien vegetation rehabilitation, Nursery, Reservoir screen, and the Mining area rehabilitation.

Intermediary Phase which includes Sikhumbuto, Moshate, Isivivane extensions, and Uitspan Plek.

Phase II A and phase II B will be completed by March 2009. Phase II A consists of //Hapo, which comprises a museum, the Pan African Archives, the exhibition and library. Phase II B includes the administration block, archives, Tiva, Vhuwaelo and Moshate.

The following national legacy projects are currently being planned and implemented:

- the Sarah Bartmann project (developing site where Bartmann's remains are buried into a cultural institution with special focus on Khoi San history and culture);
- the OR Tambo project in Eastern Cape (commemorating the life of OR Tambo);
- Cuito Cuanavale Project (commemorating the 50th Anniversary of the Battle of Cuito Cuanavale in Angola)
- the Vlakplaas project (converting the former apartheid police interrogation site into a memorial);
- the Women's Museum and Centre for Development (converting the women's prison in East London into a museum to honour the role of women in the struggle against apartheid).

In an area of improving governance, workshops were held with council members of all 14 Declared Cultural Institutions to align their strategic plans with that of the Department of Arts and Culture, and to induct all council members with regards to their responsibilities.

Workshops were subsequently held with all senior managers of the Declared Cultural Institutions to train the managers with regard to the utilization of the Balance Score Card, which is a performance and monitoring evaluation system, so as to equip them with new skills for performance management.

The Councils for the Luthuli Museum, War Museum of the Boer Republics and Robben Island Museum were appointed by October 2007. The Nelson Mandela Museum celebrated its 8th year of existence in February 2007.

The African World Heritage Fund (AWHF) appointed an Executive Director, and a technical expert from UNESCO. The operational plan was approved

by the Board of the AWHF. The department transferred R5 million to the AWHF as the first part of seed funding.

A number of choral festivals were funded by the department, through the promotion of heritage budget, for example, the “Memory is our heritage project”. The Historic Schools Trust was established as a section 21 company headed by Archbishop Ndungane as a Director. The department funded the initial seed funding to the amount of R3 million. The project was launched in November 2007 at Adams College in KwaZulu-Natal. The department funded the development of the Encyclopedia South African Arts, Culture and Heritage, which is located at the University of KwaZulu-Natal.

In addition to the Audit of Cultural Property of which the first phase was completed in 2007, the department in cooperation with the South African Police Service, Interpol, and other stakeholders developed a poster creating awareness of the theft of heritage objects in an attempt to counter theft and illicit trafficking of our national estate. Due to the work of this forum, i.e. the National Forum for the Law Enforcement of Heritage Related Matters (NALEH) about 5 objects have been recovered, including a Pierneef which was stolen in 2005 and which was retrieved in 2007.

Archives, heraldry and libraries

The department continues to popularise the national symbols and the promotion of national identity in collaboration with the Department of Education (DoE). The book entitled, **My Country South Africa - Celebrating our National Symbols and Heritage** was developed and more than 120 000 copies distributed to schools. There had been more than 25 workshops on National Symbols held in all nine provinces. Furthermore 2000 flag and flag poles had been installed in schools nationally through Flag in Every School project. The National School Pledge to be recited by pupils in schools was also drafted and submitted to DoE. In the past year, there had been an increase in the number of researchers registered for the first time utilising the reading room. In addition, to promote a culture of reading, the department will continue to roll-out the Community Library Project. The department provides archival support for New Partnership for Africa's Development (NEPAD) the department had been working with Mali in the building of the library and the Timbuktu manuscripts project will handed over to Mali Government in 2008.

In the past year, there had been a steady increase in the number of researchers registered for the first time utilising the reading room of the National Archives and an increasing number of hits on the National Archives website. The Memory of the World Conference was successfully held in November 2007 in Greater Tshwane and an African Chapter of the organisation has been established. In addition, to promote a culture of reading, the department will continue to roll-out the Community Libraries Project. The department is developing norms and standards for community libraries, which will ensure that all levels of government adhere to minimum levels of service delivery for libraries. The policy will create the framework for addressing current disparities in service, practices and procedures. The first cycle (2007/08) of the Conditional grant was transferred to the provinces as an effort to strengthen, support and enhance the Community libraries.

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2.5. Departmental revenue, expenditure and other specific topics

2.5.1 Collection of Departmental revenue

Departmental receipts include mainly miscellaneous items such as debt repayments and private telephone calls. Some revenue is generated through service fees charged by the National Archives for copying documents and registering Coats of Arms. Sales of goods and services are projected to increase somewhat faster than inflation, while debt repayments are expected to decline over the medium term. All receipts are deposited into the National Revenue Fund.

	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 Actual R'000	2007/08 Actual R'000
Non-tax revenue	327	854	172	369
Financial transactions (recovery of loans and advances)	–	–	3,000	–
Gifts, donations and sponsorships received	4,169	–	–	–
Departmental revenue	4,496	854	3,172	369

Performance Information

PROGRAMME 1: ADMINISTRATION (CORPORATE SERVICE)

Purpose:

Corporate Services provides overall management and provision of centralised support services to departmental core programmes in order to create an enabling environment for the achievement of departmental objectives as well as the coordination and development of systems that will effectively and efficiently manage the strategic functions and operations of the department.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Coordination Unit Alignment and integration of the DAC activities with the Government Programme of Action (GPOA).	Integrated DAC Programme of action with broad government programme of action.	Number of FOSAD meeting attended. Assessment reports on DAC programme of action.	Effective participation of DAC in FOSAD Cluster. Qualitative Social Cohesion Priority Apex 3 reports submitted to FOSAD.	There has been frequent attendance and reporting to the FOSAD meetings. Progress report on the implementation of the Priority Apex 3 was presented to the FOSAD. DAC Social Cohesion Business Plans / Reports were submitted to the Secretariat of the FOSAD.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
		Number of FOSAD reports presented to DAC Top and Broad Management.	DAC Programme of Action on Social Cohesion.	Implementation Framework on Vision 2010 and Programme of Action on Social Cohesion was presented to Corporate Service Branch in March 2008.
Enhanced collaboration with Social partners on Social Cohesion and Social Justice programmes and campaigns.	Collaboration on Social Cohesion and Social Justice in society.	Number of implemented joint programmes by the NRLF and FOSAD Cluster members/departments.	Joint programme between NRLF and the DAC on Social Capital and Social Cohesion priorit area identified and implemented.	<p>The National Religious Leaders Forum (NRLF) has identified the projects that it will implement in collaboration with DAC.</p> <p>The Joint Management and Coordination Steering Committee was also established in October 2007, to provide an oversight on the implementation of projects.</p>
Alignment and integration of DAC Monitoring & Evaluation system with Government Wide Monitoring Evaluation (GWME)	Developed DAC M&E framework.	Approved DAC M&E framework.	<p>Final Draft of DAC M&E Framework.</p> <p>Appointed M&E Steering Committee members.</p>	<p>The DAC M&E framework is reaching final drafting stage and was discussed during the M&E steering committee meetings.</p> <p>The DAC M&E Steering Committee was established and Terms of Reference were developed. Committee members were appointed.</p>

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Facilitate and coordinate the Sub Committee Local Content.	Local Content Sub Committee meetings facilitated and coordinated.	Number of meeting held.	Three of Local Content Sub Committee meetings.	The Information and Society Development (ISAD) Plan was presented to the FOSAD Cluster meeting (October 2007). The Terms Of Reference for ISAD Cluster Sub –Committee were approved and two Local Content meetings held.
	FOSAD-ISAD reports submitted to Secretariat.	Approved FOSAD –ISAD reports.	Approved FOSAD-ISAD reports submitted.	One FOSAD-ISAD report was submitted in March 2008.
Development of an effective and efficient Performance Information Management Systems.	Developed Performance Information Management policy framework.	Approved Performance Information Management policy framework.	Final draft of Performance Information Management, policies and procedures for DAC.	Draft performance Information Management Policy has been developed and submitted to the DAC programmes.
Submission of the quarterly reports on organizational. Performance in adhering to the National Treasury Regulations.	Departmental Quarterly Reports.	Number of approved departmental quarterly reports.	Approved departmental quarterly reports.	The quarterly reports for the first, second, third quarter have been approved and the report for the last quarter has been submitted for approval.
Performance Review of DAC policies and strategies.	Arts and Culture Policy Review Report.	Consultative Forums on Arts and Culture Policy Review.	Approved Arts and Culture Policy Review final report.	The National Policy Review Workshop was held on the 06-08 May 2007. The finalisation of the Policy Review Report is due to be completed by the end of June 2008.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
To contribute towards the realization of Government Programme of Action.	Inputs (Reports) to the Cabinet Legotla and the State of the Nation Address (SoNA).	Approved reports Cabinet Legotla and the State of the Nation Address submitted on time.	Submission of approved 1 reports for the Cabinet Legotla to the Presidency in July and November 2007.	Social Cohesion Implementation Framework was submitted and approved in July Cabinet Legotla and Inputs to prepare State of Nation Address were submitted to the Presidency in November 2007.
Human Resources To provide coherent and systematic implementation of human resources system.	Capacitate department.	Number and percentage of Advertised and filled vacant positions.	Vacancy rate reduced by 20 % from the previous quarter.	Sixty six(66) posts that were advertised with closing date ranging between 1 October 2007 and 31 March 2008 have been filled.
	Updated and accurate employees data.	On time verification and correcting of HR data	Appointment of the service provider to verify qualifications of DAC employees. All employees sign consent forms to have their qualifications verified. All new appointments to be verified. Employee data is corrected in Persal.	Tender to appoint a service provider to verify qualifications have been evaluated. 90% of DAC employees have already signed consent forms to verify their qualifications and employment history. The process of updating of the employees data is regularly attended too.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Completed Organisational Development exercise.	Approved Organisational development report.	Conducting the Job Evaluation exercise for DAC.	The service provider to conduct the Organizational Development was appointed and the service level agreement has been submitted for approval, Posts were evaluated for the period up to 31 March 2008.
To provide coherent and systematic implementation of human resources system.	Human Resources policies and procedures developed.	Approved Human Resources plans and framework.	Approval of documented policies and procedures and implementation thereof.	Approved ten (10) human resources policies and six of policies are at drafting stage.
	Competency profiles on DAC employees.	Number of competency profiles developed.	Conduct the competency exercise and identify training interventions within the Financial Period of 2007/08.	A total of 79 DAC employees were trained from the 1st April 2007 to 31st March 2008. All training interventions have been arranged through accredited training service providers. 147 bursaries have been granted to the DAC employees during the period 2007/08.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
To ensure compliance with the Skills Development Act.	Internships programmes within DAC.	Number employees enrolled to internship programmes.	100 Interns enrolled within financial period of 2007/08 period.	92 were offered positions and 75 accepted. 67 % were placed in the DAC institutions whilst 33% was placed within the Department. More than 69% of interns from the previous intake managed to secure permanent employment.
Operations Maintain an efficient and effective management of documents	Developed administrative policy guidelines.	Approved administrative policy, procedures and systems.	Design and implementation of electronic document management.	The implementation plan for the design and implementation of an Electronic Document Management System has been approved and implemented.
	Developed file project plan.	Approved file project plan.	Approved and implemented file project plan.	The comprehensive filing system was developed and approved and the implementation will resume when service provider has been appointed.
Maintain and facilitate an effective & efficient workflow system within the department.	DG memos & letters /correspondence in accordance with approved guidelines or format.	Number of memorandums, letters correspondences compliant to approved guidelines.	Twenty four hours turn around.	1200 memorandums were processed within financial period 2007/08. The return date is automatically generated by the access database.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Ensure an efficient & effective Risk Management system.	Risk Management report developed.	Approved Risk Management report.	Updated DAC Risk Register and development of operational plans that address the risks identified.	The risk assessment exercise was conducted with department. The risk register and control measures were developed.
Legal Service To provide Legal Advice to DAC.	Advisory support to Minister and Director-General on the exercising of their statutory responsibilities.	Number of cases handled (Legal Opinion). Number of approved submissions. Agreements made. Implementation protocol.	Risk management and ensuring legal compliance.	In process of drafting Compliance Management Framework (1st draft). Provided legal advice and support to the Minister and DAC on the Heritage Management on Legislative Review. Drafted South African Position on the Proposals of the Provisional Committee on the WIPO's Development Agenda which was used by the South African Mission at the WIPO meeting in Geneva, Switzerland.
Provide legislative support for the DAC's legislative programme.	Draft New bills.	Quarterly legislative report.	Draft Bills.	Finalised and submitted Cultural Laws Amendments Bill to Cabinet.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Amendment bills & regulations.	DAC's legislative programme.	Regulations. Proclamation.	Achieved, finalized draft bill for National Language Professions Council.
To build the capacity of the DAC personnel to understand and engage with all legal processes and legal issues.	Legal Training Capacity Programme.	Training sessions. Symposiums. Workshops.	Better appreciation of the need for compliance and understanding of applicable legislation.	Conducted training on Legislative Framework and roles and responsibilities of council members at the Induction Workshops for Heritage Institutions.
Information Technology Optimal usage of Information Technology to facilitate efficient and effective business processes.	Optimal performance of IT systems.	Implementation of Wireless network.	Conversion of Local area network to wireless network to 1st, 3rd, and 7th floor.	Wireless networks were deployed on the 1st, 3rd and 7th Floor at the DAC Head Office.
		Installation Firewall system.	Installation of a firewall to secure the DAC network.	The Unit has procured and implemented firewall devices (Lucid View) at Kingsley Centre and National Archives.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
		Installation Encryption System.	Installation of encryption software on laptops to secure DAC data.	Piloting of encryption software installation was completed.
		Development of Free open source software deployment.	Convert all DAC systems to Free Open Source Software (FOSS).	Successfully migrated to an open source mail server, pilot projects for the next phase were conducted.
		IT policies and procedures.	A comprehensive policy manual available.	Procedure for creation of accounts approved and implemented. Information Communication Technology Hardware Procedures approved and to be implemented.
Internal Audit				
To assist management in discharging their responsibilities in terms of governance, risk management and services delivery.	DAC audit Committee.	Functional DAC Audit committee.	New Audit Committee by 30 June 2007.	The new DAC Audit Committee members were appointed.
Institutionalized fraud and corruption prevention initiatives in DAC and instill a culture of zero tolerance towards crime.	Fraud Prevention and Anti-Corruption Policy and Implementation Plan.	Fraud Prevention and Anti-Corruption Policy and Implementation Plans.	Presentation of the policy and the implementation plan to the New Audit Committee on September 2007.	The Fraud Prevention Plan and Fraud Policy were presented to the Audit Committee for annual review and approval on the 26 July 2007.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	National Anti –Corruption Hotline.	Usable and accepted Hotline number.	Communication of the National Anti –Corruption number within the DAC by September 2007.	Successfully managed to transfer hotline facility to National Anti-Corruption Hotline and new hotline number communicated to DAC employees.
	Quality Audit Reports.	Completed audits against operational plan.	19 audits to be completed by 31 March 2008.	15 audits were conducted within the corporate branch and reports were given. 2 of following audits were follow-ups: Auditors-General's report; and Security and Access Controls.
	Risk Assessment Report.	Completed, updated and aligned Risk Register.	DAC Risk Register by the March 2008.	The DAC Risk Register was developed and is available.
Financial Management Effective, Efficient and economic management of state money, assets and expenditure.	Improved organisational compliance with financial legislation, policies and procedures.	Effective, efficient and economic management of the Department to realise Policy outcomes.	Correct identified deficiencies regarding financial and Supply Chain Management principles.	Policies on Financial And Supply Chain Management are at 85% drafting stage.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
		Training programme on Finance and Supply Chain Management.	Identification and provision of training to relevant personnel on financial and SCM framework.	Training programme on Financial Management and Supply Chain Management have been attended within the financial period . (80% of work has been achieved).
			Promotion of affirmative procurement as prescribed by the PPPFA.	90% of work has been achieved.
Effective, Efficient and economic management of state money, assets and expenditure.	Effective and efficient management support mechanisms and systems to exercise sound and economically budgeting and control over income expenditure reporting.	Ensure increased budget allocations from MINCOMBUD and the Treasury Committee (MTEC).	Attendance and reporting during the workshops to the required structures.	All necessary workshops were attended and reporting was done as required.
Communication				
Marketing and Branding of the Arts, Culture and Heritage programmes, projects and campaigns.	Communication Strategies for programmes, projects and campaigns.	Aligned communication strategies to overall corporate strategy.	Implementation of the of communication strategies for projects, programmes and campaigns.	The following projects and programmes were successfully implemented :

SERVICE DELIVERY ACHIEVEMENTS

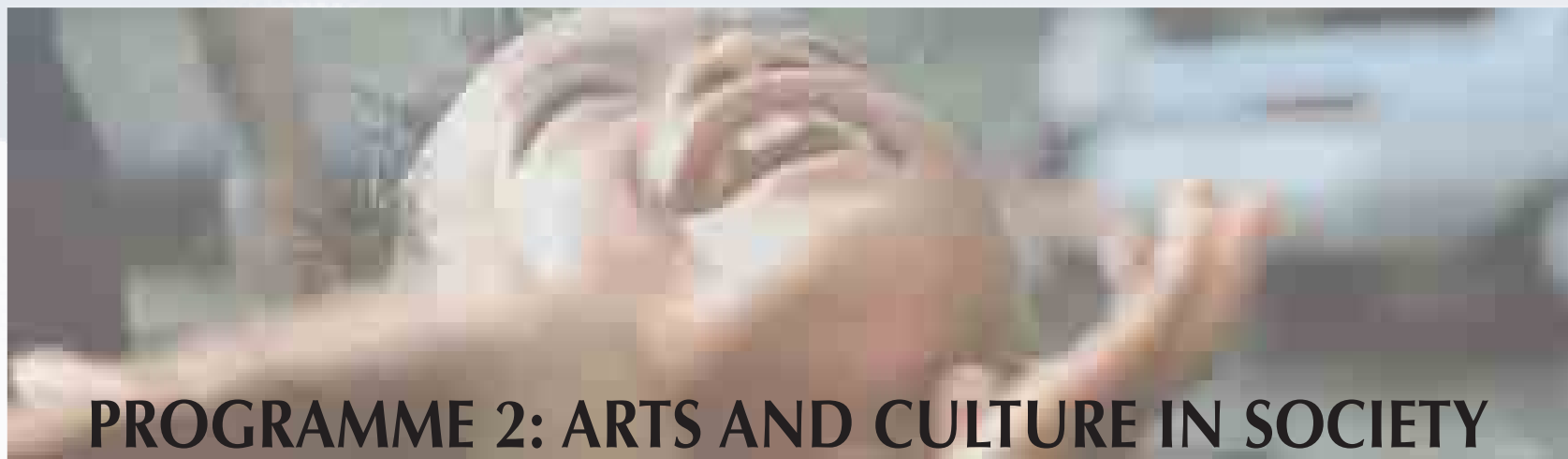
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
				<ul style="list-style-type: none"> • National Freedom Day Celebrations. • National Women's Day Celebrations. • National Heritage Day Celebrations. • International Women's Day Celebrations. • Policy Review Workshop. • Memory of the World Workshop and Closed meeting. • Quarterly Review Breakaway for Managers. • World Library and Information Congress (WLIC/ IFLA). • Workshop with CFOs and CEOs of Declared Cultural Institutions of the DAC. • 4th Annual Oral History Conference. • International Translation Day (Seminar). • African Regional Conference – Memory of the World. • ACCALAN Conference. • The Art Mundi International Craft Fair. • Minister's Budget Vote in Parliament.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
				<ul style="list-style-type: none"> • Mosadi wa Kono Kono • Community Arts Centres Awards. • Technical Intergoverntal Committee dinner. • Launch of the Investing in Culture Programme in the Northern Cape Province. • Sistas Healing our Souls Concert (2007). • Launch of the Heritage Month Celebrations. • National Orders Award Ceremony. • Poetry Evening and dinner. • Launch of the Women in Oral History Project. • SANEF Banquet. • Wire Art Launch. • Human Resource Management Indaba Week. • Commemoration of the 90th Anniversary of the SS Mendi Tragedy. • Official opening of the Ceramic Studio of Noria Mabasa. • DAC End of Year function. • DAC mass meeting with Staff. • Sistas Healing our Souls

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Corporate Communication strategy.	Approved Corporate Communication Strategy.	Implementation of the Corporate Communication Strategy.	The Corporate Communication Strategy has been submitted to Top Management for discussion/ approval.
Marketing and Branding of the Arts, Culture and Heritage programmes, projects and campaigns.	Publication on internal communication within DAC.	Number of DAC internal newsletter.	Internal departmental newsletters produced.	The first publication of the Internal Newsletter was published in December 2007.
Effective and efficient management of DAC projects, campaigns and events.	Up to date DAC website and intranet.	Functional website and intranet.	Up to date information.	News, activities campaigns are placed on the website and intranet. regularly.
	Business plans for projects Developed.	Number of business plan developed.	Implementation of the business plans.	The business plans for the following campaigns were developed. 1. Tenth year Anniversary of Diplomatic relations between South Africa and China. 2. Expo Zaragoza 2008. 3. South African participation in Belarus.
Management, Communication and Auxiliary Services.	Top Class Events for DAC.	Number of Top Class Events.	Register 15 Events in the beginning of the financial year.	37 events were managed at the end of financial year of which 12 of the events were not registered during at beginning of period.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Corporate Governance To promote Corporate Governance in public Entities.	Managed reporting by Public Entities.	Number of reports by Public Entities.	Completed Quarterly Review Reports before 31 March 2007.	95% of quarterly review reports from public entities were submitted before the due date of January 2008.
	Managed general compliance to the PFMA by Public Entities.	Unqualified reports.	Audit Reports.	In terms of the Audit Reports for 2006/07 64% of the Department's Public Entities received Unqualified Reports against the 70% for 2005/06; 69% in 2004/05; 56% in 2003/04 and 52% in 2002/03. Department appointed a consultant to assist seven of the Public Entities.
	Managed expenditure issues of Public Entities.	All Public Entities to be financially sound.	Quarterly Review Reports.	Most institutions achieved surpluses in relation to their income and expenditure. Where deficits were incurred it was mostly of a non cash nature, in the form of the provision for Post Retirement liabilities. Robben Island needed assistance from the Department of approximately R24 million. An additional R10 million was also allocated to this institution as from the 2008/09 financial period.



PROGRAMME 2: ARTS AND CULTURE IN SOCIETY

Purpose:

Develop and promote arts and culture in South Africa and mainstream its role in social development.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Community Arts Centres (CAC) Promotion of Arts and Culture in South Africa through community Art Centres.	The logo for Community Art Centres and the Community Art Centres Awards.	Developed a Concept Document for the Community Arts Center's Awards.	Promotion and highlighting the role of CACs in South Africa by developing advocacy projects before end of the financial period 2007/08.	Two advocacy projects that aimed at highlighting the role and importance of Community Art Centres in South Africa were launched namely the logo for Community Art Centres and the Community Art Centres Awards.
	Arts and Culture Management Training programmes.	Profiling the of Community Arts Centres.	Visit to all 9 provinces and collect data.	All nine provinces were visited and data collected on the status of each Community Arts Centre.
	Revitalisation of Community Arts Centres.	Number of Management Training Programme enrolled in the provinces. Three year Business Plan for Community Arts Centres.developed.	Training programme rolled –out 7 Community Arts Centres and 25 managers participate. Community Arts Centres develop partnerships and secure sponsorships.	Rolled- out the training programmes in 7 Community Arts Centres was conducted and 7 managers participated. The Training manual for Community Arts Centres was developed. Draft Framework for Community Arts Centres was developed and submitted to Minister and MEC's for discussion and approval.
Playhouses and Festivals Establishment of the Council for Playhouse and Festivals.	Functional Council for the Playhouse and Festivals.	Appointment of new members	Appointment of new members	New members have been appointed for 6 Playhouses but still awaiting official appointment letters from the Department.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Functional Arts and Culture Festivals.	Strategic Support to arts and Culture Festivals.	Funding of Arts and Culture Festivals	Funded three major Arts and Culture Festivals.
Performing Arts				
Promotion of Arts and Culture through performing arts.	National Choral Strategy.	Draft National Choral strategy.	Approved National Choral Strategy.	The National Draft choral strategy was drafted and is in place
	Functional Orchestra ensembles.	Orchestra ensembles established.	3 Orchestra ensembles within a 3year cycle	1 orchestra ensembles established and 40 permanent positions were created
2010 Arts and Culture				
Promotion of the Arts and Culture Vision 2010 plan and the vision 2010 strategy.	A successful World Cup with Arts and Culture programmes.	Vision 2010 strategy implemented.	Approved Vision 2010 strategy.	Developed a vision 2010 strategy Two 2010 awareness campaigns were successfully implemented. Day of Reconciliation Celebrations. All Africa Games in Algeria.
Funding Bodies				
National Arts Council.	Transfer annual grant to the National Arts Council.	Provide financial support and distribute funds to arts and culture related organizations.	Fair, transparent and equitable financial support to arts and culture related organizations.	03 Philharmonic Orchestras received funding. 250 arts and culture projects received funding.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Business & Arts South Africa [BASA].	Transfer annual grant to BASA.	Matching grants allocation in conjunction with corporate sponsors.	Special projects in partnership with the private sector.	<p>07 Special Companies were funded in North West, Eastern Cape & Free State.</p> <p>100 bursaries allocated to both undergraduate and post graduate learners in various arts disciplines at tertiary institutions.</p> <p>Media partnership promoting the arts e.g. Create on SAFM, No Jacket Required on Classic FM, The Business of the Arts on Summit TV DSTV, Business Day Art quarterly magazine in Business Day.</p>
Ministerial projects				
Projects and Commemorations to promote social cohesion and nation building.	Successful Todd Matshikiza and OT Tambo Commemoration.		Approved funding allocation to the projects on commemorations.	<p>Successful implemented;</p> <ul style="list-style-type: none"> • Todd Matshikiza July 2007 • Sistas Healing our Souls concert, March 2008.

Arts, Social Development and Youth

Purpose:

The Chief Directorate: Arts, Social Development and Youth (ASDY) has continued to increase access to the arts for marginalised persons. The focus continues to be inclusively in the sector for, specifically, youth, disadvantaged women, children, and people with disabilities. The work of the directorate, which is steeped in the goals and objectives of social justice and social cohesion, continues to encompass all areas of socio-cultural development, with the intention of economic beneficiation to the identified groups a welcome outcome of all endeavors.

The outgoing financial year has seen rewarding strides in the engagement with partner departments that are in the Social Cluster. Strides in this area have been multiple. They include the adoption of Arts Access as a Social Cluster programme, so that each partner department in the Social Cluster has undertaken to structure programmes in its own area of operations in order to make a contribution to creating greater access to the arts. Furthermore, ASDY, a member of the Social Cohesion and Social Justice Task Team (SCSJ), has been part of the derivation of six (6) Social Cluster Programmes designed to reach several goals, including the rehabilitation and the reintegration of offenders into society, the popularisation of indigenous games, and the widespread popularisation of South African National Symbols, particularly among youth and learners.

As part of ongoing programmes aimed at social integration, ASDY has continued to raise awareness about the importance of cultural planning and planning for culture in the creation of sustainable human settlements. There has been fruitful engagement with the National Department of Housing, resulting in presentation of some of the ideas at various forums throughout the year. Further development of the strategies to address children's and families needs to use the arts as a source of development have led to increased numbers of partners and participation in forums whose primary focus areas are the preservation of the family and the holistic development of children. Similarly, endeavours to grow the role of people with disabilities in the sector has seen ASDY support of their participation at the Design Indaba 2007.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Arts, Social Development and Youth Promotion of Arts Education and Training (AET).	Arts and Culture Curriculum in schools.	Number arts practitioners in schools. Number of provinces with arts practitioners.	Placement of 180 arts practitioners in 45 schools across 4 provinces of Limpopo, Free State and KwaZulu Natal, Mpumalanga.	115 Arts Practitioners were recruited across the 4 provinces (KwaZulu Natal - 30, Limpopo - 30, Free State - 30 and Mpumalanga - 25.
	Collaborative Arts, Education and Training project.	Framework of Collaboration with DoE (Department of Education).	Signed Framework of Collaboration (FoC) between Minister of Arts and Culture and Minister of Department of Education.	The Framework of Collaboration between Department of Arts and Culture and Department of Education in the Arts and Culture, Education and Training programme (AET) has been approved and signed by the Director General of Arts and Culture.
Creative interventions in the second economy.	Mosadi wa Konokono national award ceremony.	Successful Awards Ceremony.	Provincial representation of all provinces at the Mosadi Wa Konokono National Awards ceremony on the 21 June 2007.	Twenty one (21) regional prize winners for the different provinces: <ul style="list-style-type: none"> • Eastern Cape - 3 • Free State - 3 • Gauteng - 2 • Limpopo - 2 • Mpumalanga - 3 • Northern Cape - 2 • North West - 3 • KwaZulu-Natal - 3 Three were overall winners.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
To conduct Women's Month	Commemoration of Women's Month 2008.	Effective partnerships across sectors leading to the improvement of women's enrichment and business skills.	Establish at least 3 major partnerships for the empowerment of women.	A successful International Women's Day was held on the 7 th and 8 th of March 2008.
Arts and Culture contribution to Human Settlements.	Arts and Culture Human Settlements Think Tank.	Participation in selected pilot projects by November 2008.	Completion of research by end-September 2008.	A tender process is underway for the research phase of the Human Settlements project.

PROGRAMME 3: NATIONAL LANGUAGE SERVICE

Purpose:

Develop and promote the official languages of South Africa and enhance the linguistic diversity of the country.

Service delivery objectives and indicators:

- The implementation of the National Language Policy Framework through various language projects. The NLS develops and promotes the official languages of South Africa and enhances the linguistic diversity of the country. It also promotes the international image of the country by facilitating translations from and into various foreign languages.
- The projects and programmes include the provision of translation and editing services for official documents, development and implementation of the national language policy by engaging in language projects and services such as human language technologies, terminology coordination and literature development.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
National Language Service Establishment of a South African Language Practitioners' Council.	Finalisation of a Business Case with a view to establish a South African Language Practitioners' Council (SALPC) .	Approval of the Business Case by the Department of Public Service Administration (DPSA) and National Treasury.	Promulgation of the SALPC Act to facilitate the establishment of the professional body.	Finalisation of the Business Case in progress. Consultations with the DPSA and National Treasury are taking place to ensure acceptance of the Business Case.
Capacity Building for language facilitation.	Skills development programme and necessary infrastructure developed.	An effective bursary scheme.	Building capacity in specialised language fields such as Human Language Technologies, Lexicography and Translation. Provision of the bursary scheme for the most marginalised languages (i.e. isiNdebele, Siswati, Xitsonga and Tshivenda).	At least 86 students benefited from the bursary scheme. For instance 49 students have received post-graduate degrees and 30 are expected to receive their B-degrees at the end of this financial period 2007/08 Only 7 failures were recorded.
Establishment of Language Research and Development Centres (LRDCs).	Language Research and Development Centres (LRDCs). Strategy	Establishment of language units within government departments. Fully functional Language Research and Development Centres (LRDCs).	At least 3 departments ought to have established language units to deal with the question of language. All 9 LRDCs should be well-established and functional.	Following the Cabinet decision of July 2007 for departments to establish language units, at least 4 departments have expressed their initiative around this issue. 8 Language Developments Research Centers (LRDC) have been established

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Language Policy Implementation.	Signed and approved Memorandum of Agreement (MOU) between (DAC, SABC, JACARANDA RADIO)	Implementation of the signed and approved MOU between DAC and SABC, JACARANDA Radio.	Signing of Memorandum of Agreement (MOU) by partners (DAC, SABC, JACARANDA RADIO).	Memorandum of the agreement has been signed between (DAC, SABC, and JACARANDA RADIO) on the new projects (Genesis).
Promotion of language policy discourse within the continent.	Successful African Academy of Language (ACALAN) conference.	Convene African Academy of Language (ACALAN) conference.	African Academy of Languages (ACALAN) conference.	The ACALAN conference was successfully held on 5-7 March 2008.
Development and promotion of Human Language Technologies (HLTs) that facilitate and support communication through human language, across languages, in both spoken and written form.	Human Language Technology Projects.	Adherence to dates for deliverables and reports as stipulated in the contracts for the development of spellcheckers for all official languages, multilingual machine-aided translation tools and multilingual telephone-based information system.	Completed spellcheckers by December 2008, fully functional machine-aided translation tools by February 2010 and fully operational telephone-based information system by September 2009.	Final spellcheckers for isiZulu, isiXhosa, Sepedi, Setswana and Afrikaans delivered for testing. Prototypes for remaining 5 languages delivered. Prototype of integrated translation solution developed and development of machine-translation systems on course. Tools and technology development, data collection and pilot application selection process for telephone-based information system on course.
	Human Language Technologies National Strategy.	Submission of the HLT National Strategy to Cabinet for approval.	Approval of the Strategy by December 2007.	Strategy was approved by Minister and tabled at Portfolio Committee, TIC and MinMEC.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Development and promotion of Human Language Technologies (HLTs) that facilitate and support communication through human language, across languages, in both spoken and written form.	Human Language Technology Projects Human Language Technologies National Strategy.	Adherence to dates for deliverables and reports as stipulated in the contracts for the development of spellcheckers for all official languages, multilingual machine-aided translation tools and multilingual telephone-based information system.	Completed spellcheckers by December 2008, fully functional machine-aided translation tools by February 2010 and fully operational telephone-based information system by September 2009.	Memorandum of the agreement has been signed between (DAC, SABC, and JACARANDA RADIO) on the new projects (Genesis). The ACALAN conference was successfully held on the 4th of March 2008.
Production and coordination of terminologies in various domains in eleven official languages of South Africa.	Technical terminology lists/ dictionaries in the official languages in various domains.	Submission of the HLT National Strategy to Cabinet for approval.	Approval of the Strategy by December 2007. Completed HIV/Aids terminology list in all the nine official African languages.	A total of 1274 documents were successfully translated to the official languages, ensuring that the information published was available in other official languages.
Provision of a translation and editing service in all the South African official languages and foreign languages to meet the Constitutional requirements on language, promote multilingualism and support government's international relations.	Documents edited and translated from/into South African official languages and foreign languages.	Working meetings held to supply target language equivalents in all the nine official African languages for HIV/Aids and Human Social Economic and Management Sciences (HSEMS) projects. Prepared source text lists with English definitions for Mathematics (Senior Phase); Natural Sciences (Senior Phase), Arts and Culture (Intermediate Phase), Life Orientation (Intermediate phase) and Soccer Terminology projects. Translation Oriented Terminography (TOT)	Completed source text lists having English terms and their verified definitions ready to be taken out to the collaborators for the secondary term creation phase.w Editing of all original documents prior to publication and/or translation into other languages. Needs of all clients and freelancers met in terms of: accurately translated documents; target dates met; facilitated translation of documents in case NLS cannot assist, adjustment of freelance and in-house related activities that have been identified for potential improvement.	A total of 647 documents translated from/into various foreign languages.

PROGRAMME 4: CULTURAL DEVELOPMENT AND INTERNATIONAL COOPERATION

Purpose:

Improve economic and other development opportunities for South African arts and culture, nationally and globally, through mutually beneficial, thereby ensuring the sustainability of the sector.

Measurable objectives:

Increase the access and participation of grassroots Arts practitioners in cultural industries economic activities through legislation and international opportunities.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Cultural development				
Multi- Disciplinary To provide framework for national mapping of Cultural Industries.	Partnerships with stakeholders.	Collaboration of Framework with stakeholders and institutions.	Established committee of 8 officials by February 2008 in the Western Cape.	Terms of Reference for the committee and Programme of Action has been drafted.
To determine the dynamics and status of the Events and Technical Services Industry.	Approved Report on transformation of the Events and Technical serv-	Consultation (National Roadshows) on the report of Events and technical Services.	Facilitation of National Consultations and Road shows across the 9 Provinces.	13 National Roadshows were undertaken through out the provinces.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
			Developing a draft recommendations report.	7th Task Team meeting was convened on January 2007. 2nd Events indaba was held on the October 2007 Events and Technical Services draft recommendations have been submitted for discussion and approval.
Promotion of market access for SA cultural products (crafts).	Successfully staged craft exhibition at the 2007 October Art Mundi Handicraft Fair.	Sales and orders received by crafters.	To grow South Africa's market access into this specific market and other international markets.	Interim coordinating committee was established. Preliminary consultation was held at the Market Theatre.
Preservation of Cultural heritage and Skills Development.	Successfully opened the Vhutsila A Vhu Tibiwi Arts and Craft Centre in Venda.	Art centre officially opened.	To continue using the Arts Centre as a place for skills transfer and development.	The pilot programme was conducted in Gauteng in Newton and over five provinces were represented by learners from those provinces. 22 learners have been trained.
		Growing community participation	Ongoing retail of Crafts. Showcasing and preservation Ms Mabasa's art works and legacy	The first handbook has been completed. The program will be launched in the next month. Partnership of PANSALB has been received.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Promotion of Market development.	International trade fare	MIDEM 2008.	Exportation of SA music.	70 individuals from various companies represented various companies @ MIDEM.
	Conference, Exhibition and talent showcasing • Moshito 2007	Participation at Conference, Exhibition and talent showcasing.	Promotion of the local music sector and information dissemination to practitioners	Staged in September 2007 About 700 people attended
	Electronic Music conference.	Skills training and electronic music production and sampling.	Increase skills of young music producers and production of a CD for exposure of up coming producers.	About 30 topics on music business delivered. 300 delegates attended CD was produced.
Skills transfer Content development.	Electronic Music conference.	Skills training and electronic music production and sampling.	Increase skills of young music producers and production of a CD for exposure of up coming producers.	300 delegates attended CD was produced.
Multi Media Capacity building and Skills development.	Skills transfer and development programme.	To increase donors and local investors interested in SA art and artists.	To train at least six skilled young curators and art managers.	DAC developed an exchange curator program with UK and Germany. Four German curators were in SA and four SA curators trained in Germany. The intention is to work towards exhibition for 2010. DAC partnered with Oliewenhuis Art Museum on mosaic art training project in public sculpture that has recently been completed, 13 young artist were trained.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
				Nirox foundation partnership in process of placing new artists for summer 2008. The first round of artists in residence has recently been completed.
To create export market , platforms and promotion of SA Design and sector product.	SA Design and sector product s promoted.	Networking and sharing platform for designers from all design disciplines.	Create partnerships in various design industry initiatives.	<p>Fusion Developmental workshops were held between continued from February 2008– March 2008.</p> <p>DAC partnered with 9 established fashion Designers and 25 crafters in each province to collaborate on fashion items and accessories.</p>
Promotion and marketing of South African and African films.	Signed Co-Production Treaties.	Signing of Co-Production Treaties.	<p>Signing of the Treaties with the following countries by end of 2008:</p> <ul style="list-style-type: none"> • New-Zealand • Australia • Ireland • France 	<p>The Presidential minutes has been drafted for the Minister's approval.</p> <p>It is recommended that the Minister request approval from the President to sign Co-Production Treaties on behalf of the country.</p>
Promotion of Literacy.	<p>National Book Policy.</p> <p>Cost of Book study.</p>	Approved National Book Policy.	<p>Launch of the National reading survey study alongside with SADC in June 2007.</p> <p>Create opportunities and identify areas of collaboration in fashion.</p>	<p>The project was launched together with South African Development Council.</p> <p>The study confirms that we are not a reading nation, with an estimated 51% of our population having no books in their households.</p>

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
				The study also confirms books in South Africa are not exorbitantly priced.
International Relations Promotion of Visual Arts Exhibition.	Bilateral relations developed.	Sharing of skills with South African Counterparts.	Create opportunities and identify areas of collaboration in fashion.	Signed POC with Egypt- 29 February 2008. Hosted Egyptian Folkloric Group. Participated in the Joint Ministerial Commission (JMC).
	Visual Arts exhibition developed	Organise Visual Arts exhibited	Hosting a successful exhibition during the Cape Town International Jazz Festival.	Hosted visual arts exhibition at the Cape Town International Jazz Festival from the 24-31 March 2008. Art works that were exhibited at the Soul of Africa Exhibition were exhibited during the event.
Promotion of Music.	Festival for Pan-African Music (FESPAM) on the 07-14 July 2007.	Exposure for upcoming artists in the music and crafts sectors.	Exposure for upcoming artists from Mpumalanga and Limpopo provinces.	Previously disadvantaged crafters and artists from Mpumalanga and Limpopo participated at African Culture and music in Africa, through the Festival for Pan African Music (FESPAM), held in Congo, Brazzaville from 07 – 14 July 2007.
Special Projects International Cooperation	United Kingdom and Ten curators selected in the Third leg of the curatorship training.	To train and mentor young curators in museums and galleries as part of South Africa's programme to transform and to deliver skills to other upcoming curators.	Training to have been effected by 9 – 16 March 2008.	A program in cooperation with International partners for curator training in UK and Germany has been developed.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Germany-SA Biletarals Workshop – Curator Train ing programme.	The training and monitoring of curators in museums and galleries as part of South Africa’s programme to transform and to deliver skills to other curators.	Exchange programme with Wire Artist.	Two Young curators from SA were the first participants of the Bilateral curator exchange programme.
	Germany – Launched the Imbenge Dream House, Wire Art Project.	Promotion of skills development and training.		Twelve wire artists participated in this project (six South Africans and six Germans).
	Spain – Participation at the Expo Zaragoza 2008.	To promote a cultural change with regard to water and its sustainable development. Involvement of women in all water related development efforts. To improve the relationship of the two countries.		18 crafters, 6000 pieces of crafts, ± 50 song and dance artists were identified and selected to participate at the expo.
	China Celebrating 10th year anniversary of diplomatic relations between SA and China.	Finalize preparations for Hosting of cultural activities in both SA and China viz. SA Fashion Week Song and dance groups sent to China.	27 March – 10 June 2008.	Phase 1 of SA activities successfully hosted in 4 cities in China.
Multilaterals International Cooperation.	UNESCO Convention on Cultural Diversity.	Implementation of the UNESCO Convention on Cultural Diversity.	SA to serve on the intergovernmental committee of the UNESCO Convention. SA to participate in the drafting of the draft operational guidelines of the Convention.	SA was elected to serve for four years on the Intergovernmental Committee of the Convention. SA chaired the first conference of parties of the convention at UNESCO in Paris. SA participated in the first extraordinary session of the Convention to develop draft operational guidelines for International Cooperation, the international fund for cultural diversity and the participation of civil society in the implementation of the Convention.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Investing in Culture Developing capital by allocating resources to ensure return on investments for the fulfillment of key objectives of DAC and broader imperatives of government.	Technical support to the Municipalities especially the nodal on arts, culture and heritage programmes.	Number of strategic partnerships established. Number of jobs opportunities created. % afforded to: women youth people with disabilities. Number of SMME's created or supported. % investment into nodes.	Inclusion of arts, culture and heritage related issues on municipal IDP's.	Funding on investing in culture: 10% of projects supported are submitted to Integrated Development Plan of the municipality. 40% of allocation invested in the projects is for supporting the nodes. 20% of supported project are for SMMEs. • 6078 beneficiaries were provided with job opportunities of which. • 39 % was for youth • 45 % for women • 4 % for people living with disabilities.

PROGRAMME 5: HERITAGE PROMOTION

Purpose:

Develop and monitor the implementation of policy, legislation and strategic direction for the identification, conservation and promotion of cultural heritage.

Measurable Objective:

Ensure the transformation of the heritage landscape as a vehicle for nation-building and social cohesion, through the implementation of heritage policies and legislation.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Review and alignment of heritage Laws and the White Paper on Arts, Culture and Heritage.	Reviewed heritage laws	Approval by parliament and cabinet.	2007	2008
Ratification of international conventions	Ratified conventions	Approval by Cabinet and Parliament.	2007	Awaiting cabinet and parliamentary approval.
National policy on Intangible Cultural Heritage	National policy on Intangible Cultural Heritage	Approval and passing by Parliament	2007	2008
Heritage skills audit and a human resource strategy.	Heritage skills audit and a human resource development strategy.	Adoption and acceptance by the department.	2007	2008
Transformation of the heritage sector through the standardization of names of geographical features.	Council responsible for the standardization of geographical names established.	Call for nomination adverts published in the newspapers.	Appointment of the SAGNC members.	New South African Geographical Names Council has been inaugurated on the 27th November 2007.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Ongoing standardization of names of geographic features.	Names of geographic features standardized to ensure the transformation of the heritage sector.	SAGNC approves standardization of names.	The Minister's first meeting with the SAGNC was scheduled for May 2008. 821 names standardized.
Facilitate social cohesion and Nation Building with respect to national days.	Organise Heritage Day celebrations on 24 September annually.	South Africans from different cultural groups celebrating their diverse cultural heritage together.	Bringing together 10 000 South Africans in one venue.	About 13 000 people celebrated Heritage day together in Botshabelo in the Free State on 24 September 2007. Poetry workshops were held in all the nine provinces during September and beyond.
To ensure transformation of Heritage through Nation Building and Social Cohesion programmes.	To fund the conference on Steve Biko, on the 30th Anniversary of his Death.	Conference on consciousness, Agency and the African Development Agenda;	The conference on 10 – 12 September 2007 and African Heads of State benefit dinner on the 11 September 2007.	The department committed funds. Conference was successfully held in September 2007 and delegates from Africa, Europe, North America and South America attended the conference.
		Steve Biko 8th Memorial lecture.	Memorial lecture in September 2007.	The Forum for Former Heads of State and Government was also hosted by the Biko Foundation. The lecture was held in September 2007 and President Mbeki delivered the key-note address.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Commemoration of Chief Albert Luthuli.	Community festivals to develop a culture of vibrant discourse.	Community festivals between June and September 2007.	The lecture was held in September 2007 and President Mbeki delivered the key-note address. Community festivals were held from June to September 2007 in various areas including Mashishing Township, Lydenburg, Mpumalanga, and Nelson Mandela Bay and during the Grahamstown Arts Festival.
		Commemoration of the death of Chief Albert Luthuli.	Commemoration in KwaDukuza.	The event took place in August 2007.
		Albert Luthuli Annual Memorial Lecture.	Annual memorial lecture held.	Former President Joachim Chissano was the key-note speaker at the annual memorial lecture.
	To conduct the 90th Anniversary of the SS Mendi Tragedy.	Upgrading of the Nokukhanya Road.	Road upgraded.	Road upgrade completed
		To link the event on the 10th of November with the event to mark the armistice Day on 11th November 2007, organized by the City of Cape Town.	10th and 11th November 2007.	The 90th Anniversary of the SS Mendi Tragedy on the 10th November 2007 and the Armistice Day event of 11th November 2007 was jointly organized by a Steering Committee constituted by the three spheres of Government.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Event marking the 90th Anniversary of the SS Mendi Tragedy on the 10th of November 2007.		To transport approximately 6500 members of the public to attend the event.	6500 people were transported to attend the event.
			To dock the S S Mendi ship at the Waterfront in Cape Town and open it for public viewing.	The S S Mendi was docked at the Waterfront and more than 8000 people viewed the ship through guided tours.
	Development of commemorative structures related to national Legacy Projects.	Development of commemorative structures for the following projects: Sarah Baartmann O R Tambo, Cuito Cuanavale Vlakplaas, Women's Museum and Centre for Development	Project proposal, implementation plans and budget approved for the specific projects	Budgets, project plans and ministerial approval have been received for the specific projects. Projects in the implementation stage.
	Development of the Freedom Park.	Freedom Park completed by March 2009.	Phase II implemented.	Phase I completed Isivivane, Ring Road, Ablution Block, Guard houses, Mveledso. Minor Works completed Alien vegetation rehabilitation, Nursery, Reservoir screen, Mining area rehabilitation. Intermediary Phase completed Sikhumbuto, Moshate, Isivivane extensions, Uitspan plek. Phase II A and phase II B will be completed by March 2009. Phase II A consists of //Hapo, which comprises of a museum, the Pan African Archives, the exhibition and library. Phase II B includes the administration block, archives, Tiva, Vhuwaelo and Moshate.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
	Financial support for project relating to the broader South African heritage landscape.	Critical analysis of projects requiring funding	Projects funded which serves the mandate of the department and social cohesion	Historic Schools Trust funded to the amount of R3 million. The Encyclopedia of South African Arts, Culture and Heritage funded.
Transformation of heritage on the African continent	Establish African World Heritage Fund to promote economic growth and development, to preserve, and protect African World Heritage sites.	Capacitate the AWHF.	Appointment of an Executive Director. Seed funding.	Executive Director and Technical expert from UNESCO appointed. R5 million transferred as seed funding.
Ensure effective communication on the transformation of the heritage sector.	Improve marketing, branding and communication of work of DAC and its heritage institutions.	A DAC website on heritage institutional development activities.	Interlinked DAC and heritage institutions website.	Web pages for Legacy Projects and Heritage Institutions have been completed. Electronic linkage between DAC and the heritage institutions have been open.
To improve governance of heritage institutions	Improved institutional performance.	Completed workshops with executive management and newly appointed councils.	Appointment of the remaining three Councils for Robben Island, War Museum of Boer Republics, Luthuli Museum.	Minister inaugurated 3 Council on 21 November 2007. Executive management and newly appointed councils were orientated on their duties, roles and responsibilities during their three year term in terms of the relevant enabling legislation.
		Improved Security	Improved communication strategy concerning theft and illicit trafficking of the national estate.	Task Team on illicit trafficking produced a booklet on the theft and illicit trafficking of heritage objects.

PROGRAMME 6: NATIONAL ARCHIVES, RECORDS, META- INFORMATION AND HERALDIC SERVICES

Purpose:

Guide, sustain and develop the archival, heraldic and information resources of South Africa to empower citizens through full and open access to these resources.

Measurable objective:

To ensure the transformation of the heritage and information sector relating to archives, heraldry and libraries as a vehicle for nation-building and social cohesion through the implementation of policy and legislation and the provision of services.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Promote access to archival and information services.	National Archives Repository.	Improved quality of service in terms of finding aids, speeding up arrangement of records and researcher/reading room services	Reading Rooms	Reading Rooms
			Reading Room Rules update and made available in the form of banners and pamphlets	The Reading Room Rule Rules have been updated and have been made available in the Reading Rooms.
			Draft new Reading Room Rules regarding the use of cameras by researchers.	New Reading Rooms Rules and researchers agreements were drafted.
			Design new agreement form to be signed by each new researcher.	

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
			Researchers registered for the first time: 500 Daily visits: 2000 Records requested: 30000 Telephone enquiries: 500 Positive questionnaires: 100 Negative questionnaires: 30 Photocopies provided: 45000.	Researchers registered for the first time: 630 Daily visits: 2488 Records requested: 34157 Telephone enquiries: 544 Positive questionnaires: 150 Negative questionnaires: 23 Photocopies provided: 75 808.
			Sensitive Records 5 PAIA requests have been received and dealt with. 10 researchers were attended to in the Sensitive Records Reading Room. 10 persons assisted in obtaining information on their personal files.	Sensitive Records 9 PAIA requests have been received and dealt with. 17 researchers were attended to in the Sensitive Records Reading Room. 14 persons were assisted in obtaining information on their personal files.
			Court Enquiries Number of visitors: 800 Number of Photocopies made: 2000 Telephone enquiries: 1000 Number of files retrieved: 1000 Apostles: 20.	Court Enquiries Number of visitors: 927 Number of Photocopies made: 2326 Telephone enquiries: 1269 Number of files retrieved: 1129 Apostles: 28.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
			Datacoding	Datacoding
			Number of forms datacoded: 49800.	Number of forms that were data-coded: 27407.
			Arrangement and Description	Arrangement and Description
			To train staff to perform the arrangement and description function.	Two staff members were sent to Western Cape Archives for training. After their return 5 inventories were completed.
			Cartographic Collection	Cartographic Collection
			1500 maps should be sorted and replaced in cabinets Posters designed and distributed.	1624 maps were sorted and replaced in cabinets
			Library	Library
			Books Retrieval 250 Journals retrieval 95 Pamphlets retrieval : 25	Books Retrieved were 285 Journals retrieved were 96 Pamphlets retrieved were 25
Preservation of Archival Heritage.	Oral History Conference.	Improved quality of service in terms of finding aids, speeding up arrangement of records and researcher/reading room services.	Hosting the 4th Annual Oral History Conference in Limpopo from the 21 to 26 October.	Successfully hosted 4th Annual Oral History Conference in Limpopo from the 21 to 26 October 2007.
	Awareness campaigns.	Number of awareness campaign conducted per quarter/year.	Increase the number of the public utilising /visiting and knowledge about Archives functions and related legislation.	Hosted students from University of Wisconsin.

SERVICE DELIVERY ACHIEVEMENTS				
Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
				Hosted Merle Ruff from Constitutional Hill. Hosted colleagues from the Department of Home Affairs.
Preservation of Archival Heritage to promote Provincial Capacity Building.	Provincial skills development programme.	Number of skills development programmes implemented.	Enhanced provincial skills development programme on preservation of archival heritage.	The project is still on track, Cape archives and KZN archives on preservation of archival heritage programme are being implemented.
Regulate the Management of Public Records.	Updated Records Management Policy manual.	Draft Records Management Policy manual.	Developed Records Management Policy manual.	New versions of updated records management policy manual approved, released and published on website during October 2007.
SA/Mali – Timbuktu Manuscripts project	Exhibition of Timbuktu Manuscripts.	Timbuktu Manuscripts Exhibition in South Africa.	Identification and assessment of manuscripts for the exhibition.	Conservation assessment was done on the manuscripts to ensure they are in a condition to travel and be exhibited safely.
Enhanced access to information at the national level through activities within the national meta-information framework.	Library transformation Charter.	Drafting library transformation Charter.	Consultation with LIS (Library and Information Services).	A service provider was appointed to arrange consultative meetings on the Charter with stakeholders in the 9 provinces.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
Promotion of National and Social Cohesion.	Design and register heraldic representations	Quality designs that: <ul style="list-style-type: none"> • Meet heraldic requirements • Embrace indigenous knowledge systems • 6 month turn around period 	To have atleast 40 heraldic designs completed within the 2007/08 financial year. The design process lasting not more than 12 months.	More than 26 designs were developed and registered in 2007/2008.
	Local government coats of arms developed.	Sound heraldic principals and transformed brand images.	To have atleast 40 heraldic designs completed within the 2007/08 financial year.	About 60% of local government emblems completed since 1994.
	New Parliament emblem created.	Approved new Parliament emblem.	New Parliament emblem completed by the end of 2007/08.	The new Parliament emblem was launched in 2007/08 financial period
Promotion of Social Cohesion 2010 campaigns.	Flag in every school installed.	Number of Flags installed in schools, government buildings, entry points in cities and towns.	Phase 1 2000 flags installed in 2007/08 Installation of flags and flag poles in schools, government buildings and entry points in cities and towns.	2000 flags were installed in schools during phase one of the project. The flags are installed in WC 287, Gauteng 345, KZN 330, North West 149, Northern Cape 96, Limpopo 164, Mpumalanga 339, Free State 96, and Eastern Cape 194
	Flag in Every Taxi .	The National Flag is visible every where, and that the recognition levels thereof are high.	All newly recapitalised taxis are branded with the National Flag.	A growing number of new taxis are branded with the flag. The actual quantity is still to be determined.
	Outreach, exhibitions and informative publications programmes developed on National Symbols	Wide distribution of information on national symbols. Increased levels of understanding and appreciation of National	Two Publication developed in 2007/2008 10 Exhibitions staged.	2 sets of exhibition panels were developed. 18 National symbols workshop have been undertaken.

SERVICE DELIVERY ACHIEVEMENTS

Key Departmental Objective	Output	Service Delivery Indicators	Actual performance against Targets or Milestones	
			Target	Actual
			Posters designed and distributed.	<p>1 Publications developed in collaboration with Department of Education.</p> <p>Publication developed with DoE (My Country SA)</p> <p>Cartoon booklet is still to be conceptualized.</p> <p>The posters have already been designed and are ready for press printing and distribution.</p>
	National Order Award Ceremony	Successful National Award Ceremony	2 National Award ceremonies per year	A total of 11 Award Ceremony held since 2002.

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2008.

1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Audit Committee consists of the members listed hereunder and meets four times per annum as per its approved terms of reference. During the current year, four meetings were held. The Audit Committee met on, 26 July, 9 October, 22 November 2007 and 12 March 2008.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Mr. Khulekani Buthelezi (Chairperson)	4
Ms. Emmie Heyn	4
Ms. Jane Masite	3

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee is satisfied that it has complied with its responsibilities as outlined in Section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

3. THE EFFECTIVENESS OF INTERNAL CONTROL

The Department reviewed its risk profile at both strategic and operational levels to ensure alignment to the 2007-12 Strategic Plan as well as Branch business plans. The Department has committed itself to advance its risk management processes to ensure that it keeps abreast with developments in the risk management field and to ensure a high-quality risk profile. The Internal Audit Plan was developed based on the Department's risk profile.

The Internal Audit reports presented and discussed during the year indicated instances where controls were found to be inadequate or ineffective. Recommendations were provided by Internal Audit and management had made commitments to implement corrective action as reflected in management action plans.

The Audit Committee has noted the issues raised in the external audit reports. The Audit Committee has tasked management to prepare a comprehensive plan to indicate how the Department will address the issues raised in the report. Management has embarked on a process of addressing these issues, these include inter alia:

- Physical verification of assets against the asset register;
- The governance structures in the Department are well established, which includes a risk management unit and internal audit unit. The internal audit plan is risk based.
- The Department has developed and is currently implementing a fraud prevention plan which addresses the fraud risks identified. Management has provided the Audit Committee with feedback on alleged cases of corruption being investigated by the Department. The Audit Committee is satisfied that management is committed in the fight against corruption; and the processes undertaken in this regard include the development of policies and procedures and the review of processes which are susceptible to acts of corruption.
- Management will report to the Audit Committee on a regular basis, with Internal Audit reporting independently on the progress made by management in implementing the plan to enable the Audit Committee to fulfill its oversight role on risk and fraud matters.

4. QUALITY OF MANAGEMENT AND MONTHLY / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE ACT AND THE DIVISION OF REVENUE ACT

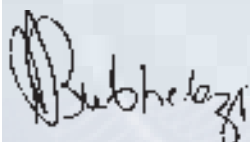
The Department presented and reviewed the financial management reports at its Quarterly Review Meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was satisfied with the reports being issued by the Accounting Officer and the Department during the year under review.

5. EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and Accounting Officer the audited annual financial statements to be included in the annual report; and
- Reviewed the Auditor-General's management letter and management response.

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



MR. K. BUTHELEZI
CHAIRPERSON OF THE AUDIT COMMITTEE

Date: 31 July 2008

DEPARTMENT OF ARTS AND CULTURE VOTE 13

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

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DEPARTMENT OF ARTS AND CULTURE

VOTE 13

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

1. General review of the state of affairs

1.1 Spending trends

	2007/08	2006/07
	R	R
Amount voted	1 607 769 000.00	1 330 139 000.00
Actual expenditure	1 585 849 548.06	1 329 934 346.18
Surplus	21 919 451.94	204 653.82

The unspent amount relates to 1, 36% of actual expenditure against the voted funds for the 2007/2008 financial year.

The detail of the unspent amount is as follows:

	R'000
Current expenditure of the Department:	
Mainly Compensation of employees	320
Machinery and equipment	47
Transfer payments: Ad-hoc transfer - second payments	537
Subtotal	904 (0,06%)

Other projects:		
2010 Projects	4 231	
Conditional Grant: Community Libraries	16 785	
Subtotal	21 016	(1,31%)
Total	21 920	(1,36%)

1.2 Virement and roll-overs:**1.2.1 Per Programme**

Programmes	Main Appropriation 2007/08	Roll- overs and adjustments	Virement	Final Appropriation 2007/08
	R'000	R'000	R'000	R'000
1. Administration	104,918	(250)	24,898	129,566
2. Arts and Culture in Society	278,169	-	(21,165)	257,004
3. National Language Service	94,601	-	(7,550)	87,051
4. Cultural Development and International Co-operation	204,813	-	(16,264)	188,549
5. Heritage Promotion	630,050	-	29,865	659,915
6. National Archives, Records, Meta-Information and Heraldic Services	295,468	-	(9,784)	285,684
Total	1,608,019	(250)	-	1,607,769

1.2.2 Per Economical Classification

Economical Classification	Main Appropriation 2007/08	Roll-overs and adjustments	Virement	Final Appropriation 2007/08
	R'000	R'000	R'000	R'000
Current payments	256,233	(250)	33,079	289,062
Compensation of employees	118,247	-	(10,813)	107,434
Goods and services	137,986	(250)	43,476	181,212
Financial transactions in assets and liabilities	-	-	416	416
Transfers & subsidies	1,346,644	-	(30,081)	1,316,563
Provinces & municipalities	180,000	-	-	180,000
Departmental agencies & accounts	925,050	-	23,289	948,339
Households	241,594	-	(53,370)	188,224
Payment for capital assets	5,142	-	(2,998)	2,144
Machinery & equipment	5,142	-	(2,998)	2,144
Total	1,608,019	(250)	-	1,607,769

DEPARTMENT OF ARTS AND CULTURE

VOTE 13

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

2. Services rendered by the Department

2.1 National Archives

2.1.1 Type of service

The National Archives makes archival material available to the public. Although actual access to archival documentation is free of charge, the public is charged for the reproduction of material for further use, either on film or paper. Publications are also sold, and the public is charged for the transfer of data by magnetic means.

2.1.2 Tariff policy

The National Archivist determines tariffs, taking into account the current market rates.

2.2 National Film, Video and Sound Archives

2.2.1 Type of service

The National Film, Video and Sound Archives collects, preserves and provides access to audio-visual records created both by government and private bodies or individuals. Its aims are as follows:

- To preserve public and non-public audio-visual records or documents, with enduring value, for use by the public and the State.
- To make such records accessible and promote their use by the public.
- To ensure the proper management and care of all public audio-visual records.
- To collect non-public audio-visual and related records with enduring value of national significance, which another institution cannot more appropriately preserve.

- To maintain national registers of non-public records with enduring value, and to promote co-operation and coordination between institutions having custody of such records.
- Generally, to promote the preservation and use of our national archival heritage.

2.2.2 **Tariff policy**

The National Archivist determines the tariffs, taking into account the current market rates.

2.3 **Bureau for Heraldry**

2.3.1 **Type of service**

The Bureau for Heraldry registers the heraldic representations, names, special names and uniforms of individuals, associations and institutions. It also renders advice on heraldic and related matters and provides financial assistance to institutions, boards, committees or other public bodies or persons in order to promote the functional objectives of the Bureau of Heraldry.

2.3.2 **Tariff policy**

The State Herald determines the tariffs, in consultation with the National Archivist and taking into account the current market rates.

3. **Capacity constraints**

The Department has made some inroads in building capacity, however, the exit of personnel has been quite high, having a negative impact on capacity building. The Department is in the process of adopting a new structure which will pose to address capacity building and assist the realisation of full capacity.

The Department managed to a large extent to reprioritise its activities within the Medium-Term Expenditure Framework (MTEF) baseline allocation, but some short-term priorities such as funds for Nation building and Social Cohesion could not be accommodated within these guidelines. To accommodate this capacity constraint, the Department will approach the Medium-Term Expenditure Committee, tabling options for increasing the Department's overall MTEF baseline allocation.

4. **Utilisation of donor funds**

DONOR FUNDS UTILISED	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Swedish Government: SIDA Partnership programme	-	3,825	3,825	-
TOTAL	-	3,825	3,825	-

5. Public Entities (Departmental Agencies)

The Department funded the public entities below. Their allocations for the 2007/2008 financial year are as indicated.

5.1 Declared cultural institutions

Fifteen institutions were declared cultural institutions by the Minister of Arts and Culture in terms of the Cultural Institutions Act, 1998. The institutions must formulate policy on receiving and preserving all property, of whatever kind, in their care, including specimens, collections or other movable property. They must also manage movable property that belongs to the Government.

INSTITUTION	VOTED	VOTED
	2007/08	2006/07
	R'000	R'000
Northern Flagship Institution, Pretoria	41,069	38,502
Iziko Museums of Cape Town	40,883	38,310
Natal Museum, Pietermaritzburg	10,386	9,678
National Museum, Bloemfontein	19,629	18,421
Die Afrikaanse Taalmuseum, Paarl	2,883	2,665
The National English Literary Museum, Grahamstown	5,297	4,849
Voortrekker Museum, Pietermaritzburg	7,479	7,014
War Museum of the Boer Republics, Bloemfontein	5,063	4,723
Robben Island Museum, Cape Town	33,262	31,029
William Humphreys Art Gallery, Kimberley	3,694	3,432
Engelenburg House Collection, Pretoria	192	181
Nelson Mandela Museum, Umtata	12,976	12,240
Freedom Park, Pretoria	88,166	156,587
Khoi-San Project	-	1,239
Luthuli Museum	4,723	4,384
National Heritage Council	36,670	26,673
TOTAL	312,372	359,927

5.2 South African Heritage Resources Agency

VOTED 2007/08 R'000	VOTED 2006/07 R'000
29,291	30,757

The South African Heritage Resources Agency was established in terms of the National Heritage Resources Act, 1999, in order to

- introduce an integrated and interactive system for the management of the national heritage resources;
- promote good government at all levels;
- empower civil society to conserve its heritage resources for future generations;
- lay down general principles for heritage resource management;
- introduce an integrated system for the identification, assessment and management of the heritage resources of South Africa;
- establish the South African Heritage Resources Agency, together with its Council, to coordinate and promote the management of heritage resources at national level;
- set norms and maintain essential national standards for the management of heritage resources in South Africa;
- protect heritage resources of national significance;
- control the export of nationally significant heritage objects and the import into South Africa of cultural property illegally exported from foreign countries;
- enable the provinces to establish heritage authorities, which must adopt powers to protect and manage certain categories of heritage resources;
- provide for the protection and management of conservation-worthy places and areas by local authorities.

5.3 Performing arts institutions

The arts institutions assist in creating a sustainable performing arts industry based on access, excellence, diversity and redress. They encourage the development of the full range of performing arts. The institutions are:

INSTITUTION	VOTED 2007/08 R'000	VOTED 2006/07 R'000
Artscape	31,490	27,800
State Theatre	27,140	23,683
Playhouse Company	26,565	23,145
Performing Arts Council of the Free State	22,665	19,646
Market Theatre	16,984	14,492
Windybrow Theatre	6,480	5,581
TOTAL	131,324	114,347

5.4 Business Arts South Africa

VOTED 2007/08 R'000	VOTED 2006/07 R'000
4,888	4,610

Business Arts South Africa is a Section 21 Company aimed at encouraging sponsorship of the arts by the business and private sector through the introduction of a matching grant scheme.

5.5 National Film and Video Foundation

VOTED 2007/08 R'000	VOTED 2006/07 R'000
36,651	34,086

In terms of the National Film and Video Foundation Act, 1997, the Foundation develops and promotes the film and video industry. It provides and encourages the provision of opportunities for persons from disadvantaged communities to participate in the industry. The Foundation also promotes local film and video products, supports the development of and access to the industry and addresses historical imbalances in infrastructure, skills and resources in the industry.

5.6 National Arts Council

VOTED	VOTED
2007/08	2006/07
R'000	R'000
66,926	62,081

In terms of the National Arts Council Act, 1997, the Council facilitates opportunities for people to practice and appreciate the arts. The Council also promotes the general application of arts in the community, fosters the expression of a national identity by means of the arts, promotes freedom in the practice of arts, and \ gives historically disadvantaged people greater access to the arts. Other functions include addressing historical imbalances in the provision of infrastructure \ and promoting national and international liaison.

5.7 Pan South African Language Board

VOTED	VOTED
2007/08	2006/07
R'000	R'000
43,600	39,095

The Board actively promotes an awareness of multilingualism as a national resource and supports the previously marginalised languages by developing, administering and monitoring access, information and implementation programmes. These activities are in accordance with the provisions of the Pan South African Language Board Act, 1999.

5.8 Libraries

INSTITUTION	VOTED	VOTED
	2007/08	2006/07
	R'000	R'000
National Library	46,287	33,358
South African Library for the Blind	13,867	7,501
Literature for the Visually Handicapped	3,385	3,251
TOTAL	63,539	44,110

Libraries preserve and promote awareness of the national documentary heritage and provide for related matters. They include the South African Library for the Blind, which provides library and information services to blind and print-handicapped readers and related matters.

6. Other organisations to which transfer payments were made (Households)

The Department supports and promotes projects that aim to promote arts and culture, the functional objectives of the National Archives and language. To this end, the Department makes grant-in-aid payments to institutions, boards, committees and other public bodies or persons. Various funding committees in the Department evaluate project proposals received from the various role players and enter into memorandums of agreements with the parties once decisions have been made to fund particular projects. During the 2007/2008 financial year the various programmes in the Department paid out the following amounts:

PROGRAMME	DIVISION	VOTED 2007/08 R'000	VOTED 2006/07 R'000
2: Arts, Culture in Society	Promoting arts and culture in SA	34,348	29,469
3: National Language Service	Translating, editing and language planning	17,723	9,387
4: Cultural Development and International Co-operation	Promoting arts and culture internationally	11,304	7,533
	Investing in Culture Cultural industries	76,533 14,674	57,715 66,027
5: Heritage Promotion	Promoting heritage	28,522	7,380
	Capital works (Infrastructure development)	240,784	200,529
6: National Archives, Records, Meta-Information and Heraldic Services	National Archives of South Africa	3,083	2,280
Total		425,971	380,320

7. Corporate Governance Arrangements

In the 2007/2008 financial year the Audit Committee of the Department was fully functional, executed its duties and responsibilities in accordance with both the Public Finance Management Act (PFMA), 1999, and the Treasury Regulations (TR). The Chairperson of the Audit Committee is Mr. K Buthelezi, a non-executive member, appointed in June 2007. The other two audit committee members also appointed in June 2007 are:

Member	Position	Institution
Ms E Heyn	Part-time Consultant	-
Ms J Masite	Chief Audit Executive	City of Tshwane

In the 2007/2008 financial year audits were performed by PriceWaterHouseCoopers Consortium and the in-house internal audit team in a co-sourced working arrangement. The Audit Committee met four times during the financial year on, 26 July 2007, 9 October 2007, 22 November 2007 and 12 March 2008.

As the Department transfers a large percentage of its budget to public entities, and the Minister has an obligation to oversee compliance with the PFMA in terms of section 63(2), a separate unit was established to effect and monitor institutional governance.

8. New activities (Conditional Grant to provinces)

The purpose of the conditional grant is to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at national, provincial and local government level.

PROVINCE	VOTED 2007/08 R'000	TRANSFERRED 2007/08 R'000
Eastern Cape	22,680	17,010
Free State	16,470	16,470
Gauteng	18,810	18,810
Kwazulu-Natal	13,950	13,950
Limpopo	22,860	17,145
Mpumalanga	22,860	22,860
Northern Cape	24,030	24,030
North West	21,600	16,200
Western Cape	16,740	16,740
Total	180,000	163,215

9. Asset Management

The Department is currently in the process of exploring the notion of implementing LOGIS as the asset management system for assets and discussions are in an advance stage with National Treasury. The Department is planning to finalise this action by the end of September 2008.

The total of Inventories (Stores on hand) as on 31 March 2008 was R992 325,77.

10. Performance information

A Strategic Plan has been developed for the Department of Arts and Culture for the period 1 April 2007 to 31 March 2010, which articulates the strategic priorities of the Department. The plan included all statutory requirements as defined in Chapter 5 of the Treasury Instructions. Quarterly reporting was done to the Minister to facilitate effective performance information monitoring, evaluation and corrective actions were applicable.

As required by the PFMA, accurate financial reporting was submitted timeously to various role players. Apart from the statutory requirements, the Department also has an effective in-house reporting and cash flow management system. This is evident from the small saving realised in the current reporting period (excluding capital projects over which the Department has no control of owing to construction and contractor influences).

11. Standing Committee on Public Accounts (SCOPA) resolutions

The Twenty-Fourth Report of the Standing Committee on Public Accounts on the Department of Arts and Culture, dated 08 June 2007:

The Standing Committee on Public Accounts (SCOPA), having heard and considered evidence on the Annual Report and the Report of the Auditor-General on the financial statements of the Department for the financial year ending 31 March 2006, reports as follows:

SUBJECT	PROGRESS ON FINDINGS
<p>Asset management (page 91, paragraph 5.1 of 2005/2006 Audit Report)</p> <p>The Auditor-General reported on the following weaknesses with regards to asset management:</p> <ul style="list-style-type: none"> • Asset descriptions were incorrectly recorded in the asset register. • Assets locations in the asset register were inaccurate; • Assets purchased during the year could not be traced from invoice to register and visa-versa; • Research expenditure, professional fees and storage costs were captured in the asset register; and • Assets physically identified could not be located in the asset register. 	

SUBJECT	PROGRESS ON FINDINGS
<p>Furthermore the Auditor-General reported that the department had an inadequate assets management policy.</p> <p>The Committee therefore recommends that the Accounting Officer ensures that</p> <p>(a) Policies and procedures relating to asset management are developed and urgently implemented.</p> <p>(b) An adequate staff complement is employed and trained to perform this function.</p> <p>(c) Proper monitoring controls are implemented by management.</p> <p>Supply chain management (page 91, paragraph 5.2 of 2005/2006 Audit Report)</p> <p>The Auditor-General reported on a number of discrepancies relating to supply chain management, including the following:</p>	<p>a) An Asset Management Policy for the Department was developed and approved by the Director General during 2007/08. It has recently been reviewed and updated and will be forwarded to the Director General for approval.</p> <p>b) Various appointments were made during the course of 2007/08 to enhance the capacity and concomitant efficiency of SCM. This includes the appointment of a Deputy Director: Asset Management, Deputy Director: Supply Chain Management and Assistant Director: Tenders. The situation has however been negated by the fact that both the Director: SCM and the Assistant Director: Tenders have been promoted to other institutions. The Deputy Director: Supply Chain Management has also been suspended and a Disciplinary Hearing is pending. At lower levels various posts were also filled during the course of 2007/08 but the Department has at these levels lost some officials due to promotions to other Departments as well as resignations. The processes to fill these vacancies are under way. The situation has however become so dire that that Secretary of the Director: SCM is being utilised as a functionary in the Supply Chain component.</p> <p>c) During the course of 2007/08 enhanced control measures were implemented, which taking into consideration the findings of the Internal Audit Report as well as the recommendations by the Auditor General in its Management Letter of 2007/08 will be enhanced accordingly. The controls will be reviewed in 2008/09.</p>

SUBJECT	PROGRESS ON FINDINGS
<ul style="list-style-type: none"> The required number of quotations were not obtained; Irregular expenditure amounting to R3,4 million was incurred as no formal agreement existed between DAC and the service provider and no proper procurement process was followed. <p>The Committee therefore recommends that the Accounting Officer ensures that:</p> <ol style="list-style-type: none"> Requirements of the procurement policy are communicated and explained to the relevant staff. Compliance with the procurement policy requirements are strictly monitored and evaluated by senior officials. <p>Performance information (page 92, paragraph 5.3 of 2005/2006 Audit Report)</p> <p>The Auditor-General reported the following discrepancies relating to performance information:</p> <ul style="list-style-type: none"> Inadequate policy and procedure framework regarding performance information. Quarterly report for the last quarter on performance was not submitted as required. <p>The Committee therefore recommends that the Accounting Officer ensures that:</p> <ol style="list-style-type: none"> An adequate policy and procedure framework is developed and timeously implemented to deal with performance information. Proper monitoring controls are implemented to ensure that performance information is correct, complete and submitted on time. 	<ol style="list-style-type: none"> (a and b) Training sessions to all staff members of the Department were held by SCM during the course of 2007/08 financial year. <ol style="list-style-type: none"> (a) The Department has developed a Monitoring and Evaluation (M&E) Framework which seek to address all the gaps. The Department also has set up control to ensure the linkage between the quarterly reports and annual reports and avoiding late submission of the reports to the necessary authorities. (b) The M&E Policy Framework will ensure that accurate, relevant and updated information pertaining the performance of the Department exists.

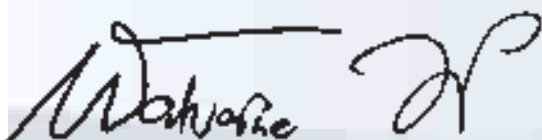
SUBJECT	PROGRESS ON FINDINGS
<p>Departmental Budget (page 13, section 2.1 of 2005/2006 Annual Report)</p> <p>The Committee noted that the department had surplus funds amounting to R11.995 million which translates to 1.08% of actual expenditure against voted funds for the 2005/2006 financial year. The majority of this under-spending (R10.49 million) is attributable to the capital works projects in respect of Freedom Park Trust that is said to be slower than anticipated.</p> <p>According to the Accounting Officer, the remaining R1.5 million was to be used for filling the reported vacant posts.</p> <p>The Committee therefore recommends that the Accounting Officer:</p> <p>(a) Submit progress report, including the funds already spent and the expected completion date for the Freedom Park project.</p>	<p>(a) The budget for Phase 2A has been confirmed as R187 million. This project will be completed in its entirety by 31 March 2009. This is inclusive of the exhibitions of the normal in the history of South Africa as an integral part of the visitor experience of this world class facility.</p> <p>The Department of Arts and Culture, the Department of Public Works, and the Freedom Park is in the process of signing a tripartite agreement which follows on the technical task team's review of all the designs i.e. architectural, civil and structural engineering, mechanical and electrical engineering; the review of all documentation compiled by the quantity surveyor in terms of estimates, procurement procedures and contract documentation, and the determination of an appropriate participation goal (CPG) for a contract of this nature; and the review of the project manager's revision eight programme and the processes in procuring this project.</p> <p>The tripartite agreement manages and structures the oversight, budgetary and capital works cooperation between the three parties to ensure completion of phase 2A by 31 March 2008. It structures the cooperation, in terms of technical skills and expertise, as well as the legal framework for such cooperation, and the spirit in which this cooperation will take place.</p> <p>The expenditure as at 31 March 2008:</p> <ul style="list-style-type: none"> • Total capital grants received at 31 March 2008: R419,325,886. • Total capital expenditure at 31 March 2008 (Phase I, Minor Works, Intermediary Phase, Operationalising the Park: R301,827,479.

SUBJECT	PROGRESS ON FINDINGS
<p>(b) Submit a report detailing how the department has filled the vacant posts with the allocated resources.</p> <p>2005/2006 Annual Report)</p> <p>Notwithstanding the fact that the department was remarkably able to implement almost 99% of its approved budget, the Committee was concerned about the 28% high vacancy rate and the impact this has on service delivery offered by the department. It was also noted that the major reason for staff leaving the department was due to the expiry of contracts.</p> <p>The Committee therefore recommends that the Accounting Officer ensures that:</p> <p>(a) A review is conducted on the appropriateness of the staff establishment.</p>	<ul style="list-style-type: none"> • Non-construction related assets (office equipment, computer hardware and software, furniture, vehicles): R11,756,497. • Research and development costs: R17,287,827. • Set-up costs R13,453,293. • Total committed expenditure to be incurred within the next 3 months for the completion of the Intermediary Phase, Minor Works and Operationalising the Park: R21,057,523. • Planned roll-overs of capital funds at 31 March 2008: R53,943,267 <p>(b) From 1 January 2007 to 1 April 2007 the Department filled 83 of its 179 vacant posts and; from 1 April 2007 to 31 March 2008 the Department filled 66 of its 125 vacant posts.</p> <p>(a) A service provider has been appointed to conduct Organisational Development (OD) exercise in the Department. The service provider has started with the first phase. The purpose of the OD exercise is to do thorough assessment of human resource needs of the Department in line with its mandate. The mentioned exercise will, when completed help establish appropriateness of staff establishment of the Department.</p>

SUBJECT	PROGRESS ON FINDINGS
(b) The necessary steps are taken to ensure that all funded posts are filled with appropriately skilled personnel e.g. develop links with universities so as to employ graduates.	(b) Vacant posts are advertised in national newspapers. That enables the Department to reach as many applicants as possible. Shortlisted candidates are subject to selection processes, which in some posts includes competency assessments. The view of the Department is that there is no need to develop links with universities to employ graduates, as there is oversupply of unemployed graduates.
(c) A review be conducted the Department's retention policy so as to reduce the reported rates.	(c) A policy on retention of employees has been developed and is in the process of being discussed in relevant structures within the Department. It is essential to mention that the Department has never had a high rate of labour turnover, except that Persal registers extension of contracts as resignations and new appointments. However, the OD exercise will also address the anomaly of continued extension of contracts.

12. Approval

The annual financial statements as set out on pages 95-141 have been approved by the Accounting Officer.



MR. THEMBINKOSI P. WAKASHE

DIRECTOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 13: NATIONAL DEPARTMENT OF ARTS AND CULTURE FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Arts and Culture which comprise the appropriation statement, statement of financial position as at 31 March 2008, 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 notes as set out on pages 95 to 141.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury as set out in accounting policy note 1.1 in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). 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.
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. 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.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used.
 - reasonableness of accounting estimates made by management.
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting, as set out in accounting policy note 1.1.

Basis for qualified opinion Tangible capital assets

9. I was unable to satisfy myself regarding the accuracy of the closing balance due to an unsubstantiated adjustment of R17 716 497 to the opening balance disclosed in note 37. It was not possible to perform any alternative procedures to provide additional assurance.
10. The asset register included a material number of assets that could not be physically verified. Consequently I could not verify the existence of the assets as disclosed in note 37.

Goods and services

11. Sufficient appropriate audit evidence could not be provided to substantiate the amount of R49 635 000 relating to subsistence and travel expenditure as disclosed in note 6.3. I was unable to perform alternative procedures to verify the accuracy, occurrence and completeness of the subsistence and travel expenditure.
12. Material misclassifications amounting to R9 370 526 were identified between individual items disclosed in note 5, resulting in these items being materially

over and understated. The accuracy of these items could not be verified.

Transfer and subsidies

13. Material misclassifications amounting R4 970 307 were identified in respect of transfer payments resulting in an overstatement of note 9 and an understatement of goods and services. The correct classification of these payments could not be verified.
14. Sufficient appropriate audit evidence substantiating transfer payments amounting to R916 185 could not be submitted for audit purposes. I was unable to perform any alternative procedures to obtain reasonable assurance regarding the accuracy, occurrence and completeness of the transfer payments disclosed in note 9.

Accruals

15. Due to the lack of a system to ensure completeness of accruals, I was unable to obtain adequate assurance regarding the completeness as disclosed in note 28.

I was unable to perform alternative procedures to obtain additional assurance regarding the completeness of accruals.

Employee benefit provisions

16. Leave credits that were used to calculate the leave entitlement provision disclosed in note 29 were incorrect, resulting in the provision to be understated by R1 156 071.

Opinion

17. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Arts and Culture as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting as set out in accounting policy note 1.1 and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the following matters:

Highlighting critically important matters presented or disclosed in the financial statements

Unauthorised, irregular or fruitless and wasteful expenditure as well as material losses through criminal conduct

18. As disclosed in note 32 to the financial statements, possible irregular expenditure to the amount of R 54 503 000 was incurred, as a proper tender process may not have been followed and payments were not approved in line with the approved delegation of authority.

Material under spending of the budget

19. As disclosed in the appropriation statement, the department has materially under spent the budget on programmes 2 (Arts and Culture in Society) and 6 (National Archives, Records, Library and Heraldic Services) to the amount of R 21 920 000. The under spending is explained in note 1 to the accounting officer's report

OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

20. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified of opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Assets			X		
Goods and services	X				
Transfer payments					X
Accruals			X		
Employee benefit disclosure			X		

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allow people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard check-lists, by employees within a process.

Non-compliance with applicable legislation**Public Finance Management Act**

21. The accounting officer has not complied with the prescripts of section 38(1)(d) of the PFMA in that the department has not maintained an asset register to record minor assets enabling the safeguarding and maintenance of these assets.

Treasury Regulations

22. Treasury Regulation 8.2.3 requires invoices to be paid within 30 days of receipt of invoices. It was found that invoices were not paid in line with the requirements.

Cultural Institution Act

23. Section 5, paragraph 1 – certain cultural institutions under the executive authority of the department did not have an appointed council for an extended period.

Matters of governance

24. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

MATTER OF GOVERNANCE	YES	NO
Audit committee <ul style="list-style-type: none"> The department had an audit committee in operation throughout the financial year. The audit committee operates in accordance with approved, written terms of reference. The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10. 	✓ ✓ ✓	
Internal audit <ul style="list-style-type: none"> The department had an internal audit function in operation throughout the financial year. The internal audit function operates in terms of an approved internal audit plan. The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2. 	✓ ✓ ✓	
Other matters of governance <ul style="list-style-type: none"> The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA). The financial statements submitted for audit were not subject to any material amendments resulting from the audit. 	✓	✓

MATTER OF GOVERNANCE	YES	NO
<ul style="list-style-type: none"> No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. The prior year's external audit recommendations have been substantially implemented. SCOPA resolutions have been substantially implemented (financial year 05/06) 		✓ ✓ ✓

Unaudited schedules

25. Annexure 1E, statement of conditional grants paid to municipalities includes a column of amounts spent by the municipality. I have not audited this amount and accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

26. I have reviewed the performance information as set out on pages 24 to 67.

Responsibility of the accounting officer for the performance information

27. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

28. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
29. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

Audit findings (performance information)

30. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

OTHER REPORTS

Investigations

31. A forensic audit was conducted on the usage of cell phones and 3G accounts of the department. No findings have been communicated that requires inclusion in the audit report.

APPRECIATION

32. The assistance rendered by the staff of the department during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2008



AUDITOR-GENERAL

VOTE NO. 13

ACCOUNTING POLICIES MARCH 2008

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Annual Financial Statements

1.1 Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. Amounts owed to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts, which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of

financial performance on receipt of the funds. Amounts receivable on the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheques becomes stale. When the cheques are reissued, payments are made from Revenue.

2.2.7 Gifts, donations and sponsorships

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable on the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the annual financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the Department directly receives the cash from the donor(s). The total cash amount received during the year is reflected in the statement of financial performance as revenue.

In-kind local and foreign aid assistance is disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where an amount has been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise of payments to employees. Salaries and

wages are recognised as expenses in the statement of financial performance when the final authorisations for payments are effected on the system (by no later than 31 March of each year). The expenditure is classified as capital where employees on a full time basis, were involved, on capital projects during the financial year. Capitalised compensation forms part of the expenditure for capital assets categories in the statement of financial performance.

All other payments are classified as current expenses.

Social contributions include entities' contributions to social insurance schemes paid on behalf of employees. Social contributions are recognised as expenses in the Statement of Financial Performance when payments are effected on the system.

3.1.1 Short-term employee benefits

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to present legal or constructive obligations are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as expenses in the statement of financial performance as transfers when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expenses are classified as capital if the goods and services were used on a capital project.

3.3 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.4 Irregular expenditure

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

The amount recovered from the responsible person is recorded as revenue in the statement of financial performance when the funds are received.

3.5 Transfers and subsidies

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

3.6 Expenditure for capital assets

Payments made for capital assets are recognised as expenses in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at

cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments that are recoverable from another party, when the payments are made.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

4.4 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes to the annual financial statements.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts being owed to other governmental entities. These payables are recognised at their nominal amounts in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts being owed from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as liabilities or as expenditures in the statement of financial performance but are however disclosed as part of the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed as part of the annexures to the annual financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but either the invoices involved are still awaited from the suppliers or final authorisations for payments have not been effected.

Accruals are not recognised in the statement of financial position as liabilities or as expenditures in the statement of financial performance but are however disclosed as part of the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and which the existence of will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed as part of the disclosure notes to the annual financial statements.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when payments are made and recognised in a previous financial year becomes recoverable from a debtor.

7. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Senior management includes the Minister and Deputy Ministers responsible for the department, the Director-General, the Deputy Director-General(s) and the Chief Financial Officer.

Compensation paid to key management personnel, including their family members, where relevant, are disclosed as part of the disclosure notes to the annual financial statements.

**Department of Arts & Culture –
Vote 13
Appropriation Statement for the year ended 31 March 2008**

Appropriation per Programme

	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	101,968	(1,132)	27,103	127,939	127,935	4	100.0%	120,269	120,269
Transfers and subsidies	—	515	—	515	514	1	99.8%	327	326
Payment for capital assets	2,700	617	(2,205)	1,112	1,109	3	99.7%	1,525	1,523
2. Arts and Culture in Society									
Current payment	14,420	6,020	(1,200)	19,240	19,215	25	99.9%	14,375	14,369
Transfers and subsidies	263,519	(6,089)	(19,795)	237,635	233,393	4,242	98.2%	210,578	210,576
Payment for capital assets	230	69	(170)	129	128	1	99.2%	50	48
3. National Language Services									
Current payment	45,808	(13,573)	(6,780)	25,455	25,454	1	100.0%	20,245	20,243
Transfers and subsidies	47,971	13,428	—	61,399	61,398	1	100.0%	48,493	48,490
Payment for capital assets	822	145	(770)	197	158	39	80.2%	118	39
4. Cultural Development and International Co-operation									
Current payment	24,682	17,277	7,113	49,072	48,865	207	99.6%	32,731	32,729
Transfers and subsidies	179,731	(17,277)	(23,054)	139,400	138,879	521	99.6%	165,426	165,425
Payment for capital assets	400	—	(323)	77	75	2	97.4%	135	133

**Department of Arts & Culture –
Vote 13
Appropriation Statement for the year ended 31 March 2008**

Appropriation per Programme

	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	101,968	(1,132)	27,103	127,939	127,935	4	100.0%	120,269	120,269
Transfers and subsidies	—	515	—	515	514	1	99.8%	327	326
Payment for capital assets	2,700	617	(2,205)	1,112	1,109	3	99.7%	1,525	1,523
2. Arts and Culture in Society									
Current payment	14,420	6,020	(1,200)	19,240	19,215	25	99.9%	14,375	14,369
Transfers and subsidies	263,519	(6,089)	(19,795)	237,635	233,393	4,242	98.2%	210,578	210,576
Payment for capital assets	230	69	(170)	129	128	1	99.2%	50	48
3. National Language Services									
Current payment	45,808	(13,573)	(6,780)	25,455	25,454	1	100.0%	20,245	20,243
Transfers and subsidies	47,971	13,428	—	61,399	61,398	1	100.0%	48,493	48,490
Payment for capital assets	822	145	(770)	197	158	39	80.2%	118	39
4. Cultural Development and International Co-operation									
Current payment	24,682	17,277	7,113	49,072	48,865	207	99.6%	32,731	32,729
Transfers and subsidies	179,731	(17,277)	(23,054)	139,400	138,879	521	99.6%	165,426	165,425
Payment for capital assets	400	—	(323)	77	75	2	97.4%	135	133

	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5. Heritage Promotion									
Current payment	21,385	(39)	7,404	28,750	28,747	3	100.0%	29,308	29,298
Transfers and subsidies	608,425	—	22,555	630,980	630,977	3	100.0%	603,369	603,306
Payment for capital assets	240	39	(94)	185	184	1	99.5%	143	139
6. National Archives, Records, Library and Heraldic Services									
Current payment	47,720	(435)	(8,679)	38,606	38,531	75	99.8%	36,279	36,264
Transfers and subsidies	246,998	16	(380)	246,634	229,844	16,790	93.2%	46,558	46,547
Payment for capital assets	750	419	(725)	444	443	1	99.8%	210	210
Subtotal	1,607,769	—	—	1,607,769	1,585,849	21,920	98.6%	1,330,139	1,329,934
Total	1,607,769	—	—	1,607,769	1,585,849	21,920	98.6%	1,330,139	1,329,934
Reconciliation with Statement of Financial Performance									
Departmental revenue				374				3,172	
Local and foreign aid assistance received				3,825				3,734	
Actual amounts per Statement of Financial Performance (Total Revenue)				1,611,968	3,825			1,337,045	
Add: Local and foreign aid assistance									5,126
Actual amounts per Statement of Financial Performance Expenditure					1,589,674				1,335,060

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

Appropriation per Economic classification

	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	118,247	(534)	(10,279)	107,434	107,177	257	99.8%	95,081	95,052
Goods and services	137,736	8,236	35,240	181,212	181,157	55	100.0%	157,945	157,942
Financial transactions in assets and liabilities	-	416	-	416	413	3	99.3%	181	178
Transfers & subsidies									
Provinces & municipalities	180,000	-	-	180,000	163,215	16,785	90.7%	82	67
Departmental agencies & accounts	925,050	734	22,555	948,339	948,336	3	100.0%	889,685	889,682
Households	241,594	(10,141)	(43,229)	188,224	183,454	4,770	97.5%	184,984	184,921
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	5,142	1,289	(4,287)	2,144	2,097	47	97.8%	2,181	2,092
Total	1,607,769	-	-	1,607,769	1,585,849	21,920	98.6%	1,330,139	

**Detail per programme 1 - Administration
for the year ended 31 March 2008**

Programme per subprogramme	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	2,471	—	—	2,471	2,470	1	100.0%	1,591	1,591
Transfers and subsidies	—	—	—	—	—	—	0.0%	3	3
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
1.2 Management									
Current payment	42,733	(15,688)	—	27,045	27,043	2	100.0%	37,145	37,145
Transfers and subsidies	—	—	—	—	—	—	0.0%	30	30
Payment for capital assets	—	—	—	—	—	—	0.0%	1,358	1,358
1.3 Corporate Services									
Current payment	56,764	14,556	27,103	98,423	98,422	1	100.0%	81,533	81,533
Transfers and subsidies	—	515	—	515	514	1	99.8%	294	293
Payment for capital assets	2,700	617	(2,205)	1,112	1,109	3	99.7%	167	165
Total	104,668	-	24,898	129,566	129,558	8	100.0%	122,121	122,118

Economic classification	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	40,182	(453)	1,602	41,331	41,329	2	100.0%	36,675	36,675
Goods and services	61,786	(901)	25,501	86,386	86,385	1	100.0%	83,567	83,567
Financial transactions in assets and liabilities	—	222	—	222	221	1	99.5%	27	27

Transfers & subsidies									
Provinces & municipalities	—	—	—	—	—	—	0.0%	25	25
Departmental agencies & accounts	—	62	—	62	61	1	98.4%	24	23
Households	—	453	—	453	453	—	100.0%	278	278
Payments for capital assets									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	2,700	617	(2,205)	1,112	1,109	3	99.7%	1,525	1,523
Total	104,668	-	24,898	129,566	129,558	8	100.0%	122,121	122,118

**Detail per programme 2 - Arts and Culture in Society
for the year ended 31 March 2008**

Programme per subprogramme		2007/08						2006/07	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
2.1	Promotion of Arts and Culture in South Africa								
	Current payment	14,420	6,020	(1,200)	19,240	19,215	25	99.9%	14,375
	Transfers and subsidies	196,593	(6,089)	(19,795)	170,709	166,467	4,242	97.5%	148,497
	Payment for capital assets	230	69	(170)	(170)	128	1	99.2%	50
2.2	National Arts Council								
	Current payment	—	—	—	—	—	—	0.0%	—
	Transfers and subsidies	66,926	—	—	66,926	66,926	—	100.0%	62,081
	Payment for capital assets	—	—	—	—	—	—	0.0%	—
	Total	278,169	—	(21,165)	257,004	252,736	4,268	98.3%	225,003

Economic classification	2007/08			2006/07					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	7,980		(1,200)	6,780	6,775	5	99.9%	5,980	5,976
Goods and services	6,440	5,975	—	12,415	12,395	20	99.8%	8,350	8,349
Financial transactions in assets and liabilities	—	45	—	45	45	—	100.0%	45	44
Transfers & subsidies									
Provinces & municipalities	—	—	—	—	—	—	0.0%	5	4
Dept agencies& accounts	203,138	143	—	203,281	203,281	—	100.0%	181,104	181,103
Households	60,381	(6,232)	(19,795)	34,354	30,112	4,242	87.7%	29,469	29,469
Capital									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	230	69	(170)	129	128	1	99.2%	50	48
Total	278,169	—	(21,165)	257,004	252,736	4,268	98.3%	225,003	224,993

**Detail per programme 3 - National Language Services
for the year ended 31 March 2008**

Programme per subprogramme	2007/08			2006/07					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 National Language Service									
Current payment	45,808	(13,573)	(6,780)	25,455	25,454	1	100.0%	20,245	20,243
Transfers and subsidies	4,371	13,428	—	17,799	17,798	1	100.0%	9,398	9,395
Payment for capital assets	822	145	(770)	197	158	39	80.2%	118	39

3.2 Pan South African Language Board

Current payment	—	—	—	—	—	—	0.0%	—	—
Transfers and subsidies	43,600	—	—	43,600	43,600	—	100.0%	39,095	39,095
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
Total	94,601	—	(7,550)	87,051	87,010	41	100.0%	68,856	68,772

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	18,539	(51)	(6,320)	12,168	12,168	—	100.0%	11,375	11,374
Goods and services	27,269	(13,522)	(460)	13,287	13,286	1	100.0%	8,870	8,869
Financial transactions in assets and liabilities	—	—	—	—	—	—	0.0%	—	—
Transfers & subsidies									
Provinces & municipalities	—	—	—	—	—	—	0.0%	11	8
Dept agencies& accounts	43,600	—	—	43,600	43,600	—	100.0%	39,095	39,095
Households	4,371	13,428	—	17,799	17,798	1	100.0%	9,387	9,387
Capital									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	822	145	(770)	197	158	39	80.2%	118	39
Total	94,601	—	(7,550)	87,051	87,010	41	100.0%	68,856	68,772

**Detail per programme 4 - Cultural Development and International Co-operation
for the year ended 31 March 2008**

Programme per subprogramme	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Cultural Development									
Current payment	13,932	7,006	(162)	20,776	20,759	17	99.9%	15,817	15,815
Transfers and subsidies	121,558	(7,079)	(23,054)	91,425	90,905	520	99.4%	123,802	123,801
Payment for capital assets	—	—	—	—	—	—	0.0%	97	95
4.2 International Co-operation									
Current payment	10,750	10,271	7,275	28,296	28,106	190	99.3%	16,914	16,914
Transfers and subsidies	21,522	(10,198)	—	11,324	11,323	1	100.0%	7,538	7,538
Payment for capital assets	400	—	(323)	77	75	2	97.4%	38	38
4.3 National Film and Video Foundation									
Current payment	—	—	—	—	—	—	0.0%	—	—
Transfers and subsidies	36,651	—	—	36,651	36,651	—	100.0%	34,086	34,086
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
Total	204,813	—	(16,264)	188,549	187,819	730	99.6%	198,292	198,287

Economic classification	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	17,450	(4)	(162)	17,284	17,088	196	98.9%	15,175	15,174
Goods and services	7,232	17,244	7,275	31,751	31,742	9	100.0%	17,469	17,469
Financial transactions in assets and liabilities	—	37	—	37	35	2	94.6%	87	86

Transfers & subsidies									
Provinces & municipalities	—	—	—	—	—	—	0.0%	12	11
Dept agencies& accounts	36,651	20	—	36,671	36,671	—	100.0%	34,139	34,139
Households	143,080	(17,297)	(23,054)	102,729	102,208	521	99.5%	131,275	131,275
Capital									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	400	—	(323)	77	75	2	97.4%	135	133
Total	204,813	—	(16,264)	188,549	187,819	730	99.6%	198,292	198,287

**Detail per programme 5 - Heritage Promotion
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Heritage Institutions									
Current payment	—	—	—	—	—	—	0.0%	—	—
Transfers and subsidies	312,372	509	18,230	331,111	331,111	—	100.0%	359,927	359,927
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
5.2 South African Heritage Resources Agency									
Current payment	—	—	—	—	—	—	0.0%	—	—
Transfers and subsidies	29,291	—	—	29,291	29,291	—	100.0%	30,757	30,757
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
5.3 Promotion of Heritage									
Current payment	21,385	(39)	7,404	28,750	28,747	3	100.0%	29,308	29,298
Transfers and subsidies	29,031	(509)	—	28,522	28,522	—	100.0%	7,386	7,324
Payment for capital assets	240	39	(94)	185	184	1	99.3%	143	139

5.4	South African Geographical Names Council								
	Current payment	—	—	—	—	—	0.0%	—	—
	Transfers and subsidies	1,272	—	—	1,272	1,271	1	99.9%	4,770
	Payment for capital assets	—	—	—	—	—	—	0.0%	—
5.5	Capital Works								
	Current payment	—	—	—	—	—	—	0.0%	—
	Transfers and subsidies	236,459	—	4,325	240,784	240,782	2	100.0%	200,529
	Payment for capital assets	—	—	—	—	—	—	0.0%	—
	Total	630,050	—	29,865	659,915	659,908	7	100.0%	632,820

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	9,165	—	670	9,835	9,833	2	100.0%	7,660	7,651
Goods and services	12,220	(47)	6,734	18,907	18,906	1	100.0%	21,642	21,642
Financial transactions in assets and liabilities	—	8	—	8	8	—	100.0%	6	5
Transfers & subsidies									
Provinces & municipalities	—	—	—	—	—	—	0.0%	6	6
Dept agencies& accounts	578,122	509	22,555	601,186	601,184	2	100.0%	591,213	591,212
Households	30,303	(509)	—	29,794	29,793	1	100.0%	12,150	12,088
Capital									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	240	39	(94)	185	184	1	99.5%	143	139
Total	630,050	—	29,865	659,915	659,908	7	100.0%	632,820	632,743

**Detail per programme 6 - National Archives, Records, Library and Heraldic Services
for the year ended 31 March 2008**

Programme per subprogramme	2007/08			2006/07					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 National Archives of South Africa									
Current payment	47,720	(435)	(8,679)	38,606	38,531	75	99.8%	36,279	36,264
Transfers and subsidies	183,459	16	(380)	183,095	166,305	16,790	90.8%	2,448	2,437
Payment for capital assets	750	419	(725)	444	443	1	99.8%	210	210
6.2 National Library Service									
Current payment	—	—	—	—	—	—	0.0%	—	—
Transfers and subsidies	63,539	—	—	63,539	63,539	—	100.0%	44,110	44,110
Payment for capital assets	—	—	—	—	—	—	0.0%	—	—
Total	295,468	—	(9,784)	285,684	268,818	16,866	94.1%	83,047	83,021

Economic classification	2007/08			2006/07					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	24,931	(26)	(4,869)	20,036	19,984	52	99.7%	18,216	18,202
Goods and services	22,789	(513)	(3,810)	18,466	18,443	23	99.9%	18,047	18,046
Financial transactions in assets and liabilities	—	104	—	104	104	—	100.0%	16	16

Transfers & subsidies									
Provinces & municipalities	180,000	—	—	180,000	163,215	16,785	90.7%	23	13
Dept agencies& accounts	63,539	—	—	63,539	63,539	-	100.0%	44,110	44,110
Households	3,459	16	(380)	3,095	3,090	5	99.8%	2,425	2,424
Capital									
Buildings & other fixed structures	—	—	—	—	—	—	0.0%	—	—
Machinery & equipment	750	419	(725)	444	443	1	99.8%	210	210
Total	295,468	—	(9,784)	285,684	268,818	16,866	94.1%	83,047	83,021

**Notes to the Appropriation Statement
for the year ended 31 March 2008**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-L) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities.

Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses)) to the annual financial statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Programme 1: Administration				
	129,566	129,558	8	0.006%
Programme 2: Arts and Culture in Society				
	257,004	252,736	4,268	1,66%
Contractual obligations for 2010 projects were expenditure will occur in the 2008/2009 financial year.				
Programme 3: National Language Services				
	87,051	87,010	41	0.05%
Programme 4: Cultural Development and International Co-operation				
	188,549	187,819	730	0.39%
Contractual obligations for Investing in Culture projects were expenditure will occur in the 2008/2009 financial year.				
Programme 5: Heritage Promotion				
	659,915	659,908	7	0.001%
Programme 6: National Archives, Records, Library and Heraldic Services				
	285,684	268,818	16,866	5.90%

The fourth quarter transfer payments in respect of Conditional Grants for the Eastern Cape, Limpopo and North West were withheld due to low spending performance of the provinces.

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
4.2 Per economic classification:				
Current expenditure				
Compensation of employees	107,434	107,177	257	0.24%
Goods and services	181,212	181,157	55	0.03%
Financial transactions in assets and liabilities	416	413	3	0.72%
Transfers and subsidies				
Provinces and municipalities	180,000	163,215	16,785	9.33%
Departmental agencies and accounts	948,339	948,336	3	0.00%
Households	188,224	183,454	4,770	2.53%
Payments for capital assets				
Machinery and equipment	2,144	2,097	47	2.19%

Department of Arts & Culture - Vote 13

Statement of Financial Performance
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1.	1,607,769	1,330,139
Departmental revenue	2.	374	3,172
Local and foreign aid assistance	3.	3,825	3,734
TOTAL REVENUE		1,611,968	1,337,045
EXPENDITURE			
Current expenditure			
Compensation of employees	4.	107,177	95,052
Goods and services	5.	181,157	157,942
Financial transactions in assets and liabilities	6.	413	178
Local and foreign aid assistance	3.	3,825	5,126
Total current expenditure		292,572	258,298
Transfers and subsidies	7.	1,295,005	1,074,670
Expenditure for capital assets			
Buildings and other fixed structures		—	—
Machinery and equipment	8.	2,097	2,092
Total expenditure for capital assets		2,097	2,092
TOTAL EXPENDITURE		1,589,674	1,335,060
SURPLUS/(DEFICIT) FOR THE YEAR		22,294	1,985

Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	12.	21,920	205
Departmental revenue	13.	374	3,172
Local and foreign aid assistance	3.	—	(1,392)
SURPLUS/(DEFICIT) FOR THE YEAR			
		22,294	1,985

Department of Arts & Culture - Vote 14

Statement of Financial Position
as at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		21,973	230
Cash and cash equivalents	9.	21,593	(947)
Prepayments and advances	10.	132	624
Receivables	11.	248	553
TOTAL ASSETS		21,973	230
LIABILITIES			
Current liabilities		21,973	230
Voted funds to be surrendered to the Revenue Fund	12.	21,920	205
Departmental revenue to be surrendered to the Revenue Fund	13.	22	16
Payables	14.	31	9
TOTAL LIABILITIES		21,973	230
NET ASSETS		—	—

Department of Arts & Culture - Vote 14

Cash Flow Statement
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,611,968	1,337,045
Annual appropriated funds received	1.1	1,607,769	1,330,139
Departmental revenue received	2.	374	3,172
Local and foreign aid assistance received	3.	3,825	3,734
Net (increase)/ decrease in working capital		819	(543)
Surrendered to Revenue Fund		(573)	(15,512)
Current payments		(292,572)	(258,298)
Transfers and subsidies paid		(1,295,005)	(1,074,670)
Net cash flow available from operating activities	15.	24,637	(11,978)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,097)	(2,092)
Net cash flows from investing activities		(2,097)	(2,092)
Net increase/ (decrease) in cash and cash equivalents		22,540	(14,070)
Cash and cash equivalents at beginning of period		(947)	13,123
Cash and cash equivalents at end of period	16.	21,593	(947)

Department of Arts and Culture - Vote 13

Notes to the Annual Financial Statement
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
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1. Annual Appropriation**1.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds)

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2006/07
	R'000	R'000	R'000	R'000
Programmes				
Administration	129,566	104,668	24,898	122,121
Arts and Culture in Society	257,004	278,169	(21,165)	225,003
National Language Services	87,051	94,601	(7,550)	68,856
Cultural Development and International Co-operation	188,549	204,813	(16,264)	198,292
Heritage Promotion	659,915	630,050	29,865	632,820
National Archives, Records, Library and Heraldic Services	285,684	295,468	(9,784)	83,047
Total	1,607,769	1,607,769	-	1,330,139

**Notes to the Annual Financial Statement
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
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2. Departmental revenue

Sales of goods and services other than capital assets	2.1	374	3,172
Total		374	3,172

2.1 Sales of goods and services other than capital assets
Sales of goods and services produced by the department

Other sales		374	3,172
Total		374	3,172

3. Local and foreign aid assistance

3.1 Assistance received in cash from RDP
Foreign

Opening Balance		—	1,392
Revenue		3,825	3,734
Expenditure		3,825	5,126
Current		3,825	5,126
Capital		—	—
Closing Balance		—	—
Total			
Opening Balance		—	1,392
Revenue		3,825	3,734

	Expenditure				3,825	5,126
	Current				3,825	5,126
	Capital				—	—
	Closing Balance				—	—

4. Compensation of employees

4.1 Salaries and wages

Basic salary				69,896	62,424
Performance award(For 2005/06 and 2006/07)				7,005	5,774
Service Based				187	138
Compensative/circumstantial				2,473	2,519
Other non-pensionable allowances				15,743	13,644
Total				95,304	84,499

4.2 Social contributions

5.2.1 Employer contributions					
Pension				8,205	7,353
Medical				3,654	3,187
Bargaining Council				14	13
Total				11,873	10,553
Total compensation of employees				107,177	95,052
Average number of employees				401	401

5. Goods and services

Advertising		7,378	4,758
Bank charges and card fees		60	33
Bursaries (employees)		375	332
Catering		1,731	1,979
Communication		7,899	7,989
Computer services		2,507	3,645
Consultants, contractors and special services		42,744	45,308
Entertainment		328	612
External audit fees	5.1	2,818	1,435
Equipment less than R5 000		2,062	2,898
Firearm handling fees		3	5
Inventory	5.2	5,451	5,981
Legal fees		515	168
Maintenance, repair and running costs		218	69
Municipal Services		8,438	7,642
Operating leases		28,535	25,702
Personnel agency fees		25	2
Printing and publications		4,815	17
Resettlement costs		332	131
Translations and transcriptions		2,479	3,130
Travel and subsistence	5.3	49,635	40,828
Venues and facilities		9,682	2,829
Protective, special clothing & uniforms		19	6
Training & staff development		3,108	2,443
Total		181,157	157,942

**Notes to the Annual Financial Statement
for the year ended 31 March 2008**

						Note	2007/08 R'000	2006/07 R'000
5.1	External audit fees							
		Regulatory audits					2,818	1,435
		Total					2,818	1,435
5.2	Inventory							
		Domestic Consumables					238	340
		Other consumables					119	—
		Parts and other maint mat					—	5
		Stationery and Printing					5,094	5,641
		Total Inventory					5,451	5,986
5.3	Travel and subsistence							
		Local					30,510	27,285
		Foreign					19,125	13,543
		Total travel and subsistence					49,635	40,828
6.	Financial transactions in assets and liabilities							
		Other material losses written off				6.1	413	173
		Debts written off				6.2	—	5
		Total					413	178
6.1	Other material losses written off							
		Nature of losses						
		(Group major categories, but list material items)						
		Damage to hired vehicles					413	173
		Total					413	173

6.2	Debts written off							
		Nature of debts written off						
		Transfer to debts written off						
		(Group major categories, but list material items)						
		Debts of untraceable ex-employees written off in terms of internal policy					—	5
		Total					—	5
7.	Transfers and subsidies							
		Provinces and municipalities				ANNEXURE A	163,215	67
		Departmental agencies and accounts				ANNEXURE B	948,336	889,682
		Households				ANNEXURE C	183,454	184,921
		Total					1,295,005	1,074,670
8.	Expenditure on capital assets							
		Machinery and equipment				25	2,097	2,092
		Total					2,097	2,092
						Note	2007/08 R'000	2006/07 R'000
9.	Cash and cash equivalents							
		Consolidated Paymaster General Account					21,593	(982)
		Cash on hand						35
		Total					21,593	(947)
10.	Prepayments and advances							
		Description						
		Travel and subsistence					132	624
		Total					132	624

11. Receivables								
				Less than one year	One to three years	Older than three years	Total	Total
				R'000	R'000	R'000	R'000	R'000
		Households and non profit institutions	11.1	70	—	—	70	453
		Staff debtors	11.3	101	—	—	101	90
		Intergovernmental receivables	Annex 3	77	—	—	77	10
		Total		248	—	—	248	553
11.1 Households and non profit institutions								
		(Group major categories, but list material items)						
		Possible amounts recoverable in terms of losses incurred					77	442
		Other					(7)	11
		Total					70	453
11.2 Staff debtors								
		(Group major categories, but list material items)						
		Travel and Subsistenc Debts					12	45
		Bursary Debts					4	
		Other					85	45
		Total					101	90
12. Voted funds to be surrendered to the Revenue Fund								
		Opening balance					205	11,995
		Transfer from Statement of Financial Performance					21,920	205
		Paid during the year					(205)	(11,995)
		Closing balance					21,920	205

13. Departmental revenue to be surrendered to the Revenue Fund

	Opening balance					16	361
	Transfer from Statement of Financial Performance					374	3,172
	Paid during the year					(368)	(3,517)
	Closing balance					22	16

				Notes		2007/08	2006/07
						R'000	R'000

14. Payables – current

	Description			30 Days	30+ Days	2007/08	2006/07
				R'000	R'000	Total	Total
						R'000	R'000
	Other payables	14.1		31		31	9
	Total			31		31	9

14.1 Other payables

	Description						
	(Identify major categories, but list material amounts)						
	Tax RSA					30	2
	Pension deduction					1	7
	Total					31	9

						2007/08	2006/07
						R'000	R'000

15. Net cash flow available from operating activities

	Net surplus/(deficit) as per Statement of Financial Performance					22,294	1,985
	Add back non cash/cash movements not deemed operating activities					2,343	(13,963)
	(Increase)/decrease in receivables – current					305	(55)
	(Increase)/decrease in prepayments and advances					492	(447)

		(Increase)/decrease in other current assets				—	(68)
		Increase/(decrease) in payables – current				22	(41)
		Expenditure on capital assets				2,097	2,092
		Surrenders to revenue fund				(573)	(15,512)
		Other non cash items				—	68
		Net cash flow generated by operating activities				24,637	(11,978)

16. Reconciliation of cash and cash equivalents for cash flow purposes

		Consolidated Paymaster General Account				21,593	(982)
		Cash on hand				—	35
		Total				21,593	(947)

Department of Arts and Culture - Vote 13

Disclosrue Notes to the Annual Financial Statement for the year ended 31 March 2008

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

						2007/08	2006/07
17.	Contingent liabilities						
		Liable to	Nature				
		Motor vehicle guarantees	Employees		ANNEXURE 2	619	828
		Housing loan guarantees	Employees		ANNEXURE 2	811	913
		Total				1,430	1,741

18. Commitments

		Current expenditure					
		Approved and contracted				4,748	—
		Approved but not yet contracted				4,748	—
		Total Commitments				4,748	

19. Accruals							
				30 Days R'000	30+ Days R'000	Total R'000	Total R'000
		By economic classification					
		Goods and services		6	—	6	—
		Total		6	—	6	—
Listed by programme level							
		National Archives, Records, Library and Heraldic Services				6	—
		Total				6	—
20. Employee benefit provisions							
		Leave entitlement				4,269	4,318
		Thirteenth cheque				2,412	2,510
		Performance awards				1,774	5,500
		Total				8,455	12,328
		Performance Awards - (1.5% of the Compensation of EmployeesR118, 247 mill)					
21. Lease Commitments							
			Land	Buildings & other fixed structures	Machinery and equipment	Total	
	21.2	Finance leases	R'000	R'000	R'000	R'000	
2007/08							
		Not later than 1 year	—	—	3,334	3,334	
		Later than 1 year and not later than 5 years	—	—	8,764	8,764	
		Later than five years	—	—	—	—	

		Total present value of lease liabilities	—	—	12,098	12,098	
		2006/07					
		Not later than 1 year			3,334	3,334	
		Later than 1 year and not later than 5 years			12,098	12,098	
		Later than five years			—	—	
		Total present value of lease liabilities			15,432	15,432	
22.	Irregular expenditure						
	22.1	Reconciliation of irregular expenditure					
		Opening Balance				—	3,351
		Irregular expenditure				54,503	—
		Less: Amounts condoned				—	3,351
		Current expenditure				—	3,351
		Transfers and subsidies				—	—
		Expenditure for capital assets					
		Less: Not condoned				54,503	—
		Current expenditure				335	—
		Transfers and subsidies				54,168	—
		Expenditure for capital assets				—	—
		Irregular expenditure awaiting condonement				—	—
		Analysis of awaiting condonement per classification					
		Current expenditure				335	—
		Transfers and subsidies				54,168	—
		Expenditure for capital assets				—	—
						54,503	—
		Analysis of awaiting condonement per age classification					
		Current				3,115	—
		Prior years				51,388	—

Possible irregular expenditure that is under investigation

		Total				54,503	—
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Department of Arts and Culture - Vote 13
Disclosure Notes to the Annual Financial Statement
for the year ended 31 March 2008

23. Related party transactions

23.1 Public Entities reporting to the Minister of Arts and Culture

23.1.1 Arts Institutions

The arts institutions assist to create principles of access, excellence, diversity and redress. The institutions receive annual transfers from the department, but also generate their own revenue through ticket sales, donor assistance, sponsorships and rental income. The details of the transfers to these institutions are as follows:

						2007/08 R'000	2006/07 R'000
		Artscape				31,490	27,800
		State Theatre				27,140	23,683
		Playhouse Company				26,565	23,145
		Performing Arts Center of the Free State				22,665	19,646
		Market Theatre Foundation				16,984	14,492
		Windy Brow Theatre				6,480	5,581
		Business Arts South Africa				4,888	4,610
						136,212	118,957

23.1.2 National Arts Council

In terms of the National Arts Council Act (1997), the NAC facilitates opportunities for people to practice and appreciate the arts. The council also promotes the general application of the arts in communities, fosters the expression of national identity through the arts, promotes freedom in practising the arts, and gives historically disadvantaged people greater access to the arts. Other functions include addressing historical imbalances in the provision of infrastructure, and promoting opportunities for artists nationally and internationally.

						2007/08 R'000	2006/07 R'000
--	--	--	--	--	--	------------------	------------------

						66,926	62,081
						66,926	62,081

23.1.3 Cultural institutions

In terms of the Cultural Institutions Act (1998), the Minister of Arts and Culture declared the entities listed below as cultural institutions. Their role is to formulate policy, and receive, preserve and manage all cultural property, of whatever kind. The details of the transfers to these institutions are as follows:

						2007/08 R'000	2006/07 R'000
		Northern Flagship Institute				41,069	38,502
		Iziko Museum				40,883	38,310
		Natal Museum, Pietermaritzburg				10,386	9,678
		National Museum, Bloemfontein				19,629	18,421
		Die Afrikaanse Taalmuseum, Paarl				2,883	2,665
		The National English Literature Museum, Grahamstad				5,297	4,849
		Voortrekker Museum, Pietermaritzburg				7,479	7,014
		War Museum of the Boer Republics, Bloemfontein				5,063	4,723
		Robben Island Museum, Cape Town				52,001	31,029
		William Humpheys Art Gallery, Kimberley				3,694	3,432
		Engelenburg House Art Collection, Pretoria				192	181
		Nelson Mandela Museum, Umtata				12,976	12,240
		Khoi-San Project				—	1,239

		Albert Luthuli Museum				4,723	4,384
						206,275	176,667
23.1.4	<p>Freedom Park Trust</p> <p>Freedom Park is a national government project, approved by Cabinet in June 1998 and executed via the Freedom Park Trust. Freedom Park is situated on a 52ha site on Salvokop Hill in Pretoria, and on completion will be a national monument and museum. Construction is divided into Phase 1, an intermediate phase and phase 2. The park has three elements: a garden of remembrance; commemorative spaces; and //hapo, which includes information resources and hospitality facilities. The objective of Freedom Park is to establish visible cultural structures that celebrate and commemorate diverse and important South African events, spanning prehistory to colonisation to the struggle for democracy, and ending with a vision for the future.</p>						
						2007/08	2006/07
						R'000	R'000
						88,166	156,587
						88,166	156,587
23.1.5	<p>South African Heritage Resource Agency (SAHRA)</p> <p>SAHRA is a statutory body established in terms of the National Heritage Resources Act (1999) as the national administrative management body for the protection of South Africa's cultural heritage. SAHRA co-ordinates the identification, conservation, assessment and management of the National Estate. It aims to encourage partnerships with other bodies to promote an integrated heritage resources management system.</p>						
						2007/08	2006/07
						R'000	R'000
						29,291	30,757
						29,291	30,757
23.1.6	<p>The National Film and Video Foundation (NFVF)</p> <p>The (NFVF) was established in terms of the National Film and Video Foundation Act (1997) to develop and promote the film and video industry in South Africa. It provides for and encourages the creation of opportunities for people from disadvantaged communities to participate in the industry. The Foundation also promotes local film and video products; supports the development of and access to the industry and addresses historical imbalances in infrastructure, skills, and resources in the film and video industry.</p>						
						2007/08	2006/07
						R'000	R'000

						36,651	34,086
						36,651	34,086
23.1.7	National Heritage Council The National Heritage Council was officially constituted in February 2004 in terms of the National Heritage Council Act (1999). The Council creates an enabling environment for the preservation, protection and promotion of South African heritage. Its other objectives are: to protect, preserve and promote the content and heritage which reside in orature (oral heritage), and to make it accessible and dynamic; to integrate living heritage into the council and all other heritage authorities and institutions at national, provincial and local level; to promote and protect indigenous knowledge systems; and to intensify support for promoting the history and culture of all South Africans, particularly research and publication on slavery in South Africa.						
						2007/08 R'000	2006/07 R'000
						36,670	26,673
						36,670	26,673
23.1.8	Libraries The National Library of South Africa aims to revitalise and transform the institution in alignment with the goals of the new democracy. It was established in November 1999. The Department also oversees smaller libraries serving sectors of society that have special needs in terms of accessing public information, including the South African Library for the Blind and the South African Blind Workers' Organisation (section 21 company), also known as Literature for the Visually Handicapped. The details of the transfers to these institutions are as follows:						
						2007/08 R'000	2006/07 R'000
		National Library				36,287	33,358
		SA Library for the Blind				13,867	,501
		Literature for the visually handicapped				3,385	3,251
						53,539	44,110
23.1.9	Constitutional Institutions The Pan South African Language Board (PanSALB) is a constitutional institution that actively promotes an awareness of multilingualism as a national resource and supports previously marginalised languages. It is mandated to investigate complaints about language rights violations from any individual, organisation or institution. The institution received an annual transfer of R39,095 million.						
						2007/08 R'000	2006/07 R'000

						43,600	39,095
						43,600	39,095
23.1.10 Summary							
						2007/08 R'000	2006/07 R'000
		Revenue received/(paid)					
		Transfers				697,330	689,013
		Total				697,330	689,013
24. Key management personnel							
		Description			No of Individuals	Total R'000	Total R'000
		Political Office Bearers (provide detail below)			2	1,758	1,591
		Officials					
		Level 15 to 16			4	2,910	2,519
		Level 14 (incl CFO if at lower level)			1	635	159
		Total				5,303	4,269
25. Tangible Capital Assets							
MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008							
			Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
			Cost	Cost	Cost	Cost	Cost
			R'000	R'000	R'000	R'000	R'000
		MACHINERY AND EQUIPMENT	3,781	—	2,097	—	5,878
		Transport assets	113	—	—	—	113
		Computer equipment	2,154	—	1,742	—	3,896
		Furniture and Office equipment	703	—	221	—	924
		Other machinery and equipment	811	—	134	—	945

		TOTAL TANGIBLE ASSETS	3,781	—	2,097	—	5,878
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25.1 ADDITIONS TO TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

			Cash	Non-Cash	(Capital work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
			Cost	Fair Value	Cost	Cost	Cost
			R'000	R'000	R'000	R'000	R'000
		MACHINERY AND EQUIPMENT	2,097	—	—	—	2,097
		Computer equipment	1,742	—	—	—	1,742
		Furniture and Office equipment	221	—	—	—	221
		Other machinery and equipment	134	—	—	—	134
		TOTAL CAPITAL ASSETS	2,097	—	—	—	2,097

25.2 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

			Opening balance	Additions	Disposals	Closing Balance	
			R'000	R'000	R'000	R'000	
		MACHINERY AND EQUIPMENT	1,689	2,092	—	3,781	
		Transport assets	113	—	—	113	
		Computer equipment	929	1,225	—	2,154	
		Furniture and Office equipment	305	398	—	703	
		Other machinery and equipment	342	469	—	811	
		TOTAL TANGIBLE ASSETS	1,689	2,092	—	3,781	

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANT PAID TO PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFERS		SPENT			2006/07
	Division of Revenue Act	RollOvers	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Eastern Cape	22,680	—	—	22,680	17,010	75.0%	17,010	10,496	46.3%	—
Free State	16,470	—	—	16,470	16,470	100.0%	16,470	16,251	98.7%	—
Gauteng	18,810	—	—	18,810	18,810	100.0%	18,810	18,468	98.2%	—
Kwazulu-Natal	13,950	—	—	13,950	13,950	100.0%	13,950	13,967	100.1%	—
Limpopo	22,860	—	—	22,860	17,145	75.0%	17,145	12,777	55.9%	—
Mpumalanga	22,860	—	—	22,860	22,860	100.0%	22,860	22,566	98.7%	—
Northern Cape	24,030	—	—	24,030	24,030	100.0%	24,030	21,762	90.6%	—
North West	21,600	—	—	21,600	16,200	75.0%	16,200	15,529	71.9%	—
Western Cape	16,740	—	—	16,740	16,740	100.0%	16,740	16,782	100.3%	—
	180,000	—	—	180,000	163,215		163,215	148,598		—

The purpose of the conditional grant is to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantage communities) through a recapitalised programme at national, provincial and local government level.

1. Confirmation that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality, or where appropriate, into the corporation for public deposits account of a province.

Four quarterly payments were transferred to the Provinces. The transfers took place over the following months:

April '07
July '07
October '07
January '08

2. Indication of the funds, if any, utilized for the administration of the allocation, and whether any of the portion of the allocation was retained by the transferring department for that purpose.

The total amount transferred to provinces for 2007/08 financial year was R180 million and each province was allowed to top-slice 3% of their provincial allocation for provincial management and coordination. An additional R20 million was retained by the Department of Arts and Culture to provide oversight, coordination, monitoring and evaluation capacity as well as to address certain national priorities like the development of the legislative framework, promotion of indigenous language materials, marketing and publicity campaigns. The Department shared this amount with the National Library of South Africa whose responsibility it was to provide support and leadership to provinces in the implementation of the national ICT strategy and the development of the Library Transformation Charter.

3. Indication of the reasons for the withholding of any transfers to a province or municipality.

Due to the low spending performance, transfers for January '08 were withheld for the following provinces:

Eastern Cape
Limpopo
North West

4. Indication of what extent a province or municipality was monitored for compliance with the conditions of an allocation provided for in the relevant framework and the provisions of the DORA Act.

During the 2007 – 2008 financial year quarterly evaluation meetings were held with provinces (they were also attended by National Treasury) where progress was reported and implementation challenges identified and resolved. The National Department also conducted visits to each and every province to gain insight into the implementation of the project. The Technical Assistance Unit (TAU) of the National

Treasury has also visited most of the provinces, prioritising those which have serious problems with under-spending and implementation. The TAU send a team of specialists to two provinces to assist them with

financial and supply chain management challenges to enable them to maximize their proper expenditure before the end of the financial year.

5. Indication to what extent the allocation achieved its purpose and outputs.

The purpose of the conditional grant is to upgrade and revitalise the community library and information services in the country to enable the South African society to gain access to knowledge and information that will improve their socio-economic situation. In the first year of its implementation the grant is beginning to have an impact on the delivery of community library services. There have been significant beginning to have an impact on the delivery of community library services. There have been significant improvements in the upgrading and maintenance of library buildings, new ICT equipments were installed in libraries, a catalogue of African writers and publishers was produced and over 200 professional librarians were employed. The number and variety of new materials purchased has improved significantly.

6. An indication of any non-compliance with this Act, and the steps taken to deal with such non-compliance.

The only indication of non-compliance was the risk of under-expenditure identified in three provinces namely, North West, Eastern Cape and Limpopo. The Department in consultation with National Treasury decided to withhold the final transfers to these provinces based on unsatisfactory expenditure. The total amount retained for that purpose was R16,785 million.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Performing Arts Councils:							
Artscape	31,490	—	—	31,490	31,490	100.0%	27,800
State Theatre	27,140	—	—	27,140	27,140	100.0%	23,683
Playhouse Company	26,565	—	—	26,565	26,565	100.0%	23,145
Performing Arts Center of the Free State	22,665	—	—	22,665	22,665	100.0%	19,646
Market Theatre Foundation	16,984	—	—	16,984	16,984	100.0%	14,492
Windy Brow Theatre	6,480	—	—	6,480	6,480	100.0%	5,581
Business Arts South Africa	4,888	—	—	4,888	4,888	100.0%	4,610
National Arts Council	66,926	—	—	66,926	66,926	100.0%	62,081
Arts, Culture and Heritage Institutions:							
Northern Flagship Institute	41,069	—	—	41,069	41,069	100.0%	38,502
Iziko Museum	40,883	—	—	40,883	40,883	100.0%	38,310
Natal Museum, Pietermaritzburg	10,386	—	—	10,386	10,386	100.0%	9,678
National Museum, Bloemfontein	19,626	—	—	19,626	19,629	100.0%	18,421
Die Afrikaanse Taalmuseum, Paarl	2,883	—	—	2,883	2,883	100.0%	2,665
The National English Literature Museum, Grahamstad	5,297	—	—	5,297	5,297	100.0%	4,849
Voortrekker Museum, Pietermaritzburg	7,479	—	—	7,479	7,479	100.0%	7,014
War of the Boer Republics, Bloemfontein	5,063	—	—	5,063	5,063	100.0%	4,723
Robben Island Museum, Cape Town	33,262	—	18,739	52,001	52,001	100.0%	31,029

William Humphreys Art Gallery, Kimberley	3,694	—	—	3,694	3,694	100.0%	3,432
Engelenburg House Art Collection, Pretoria	192	—	—	1	192	100.0%	181
Nelson Mandela Museum, Umtata	12,976	—	—	12,976	12,976	100.0%	12,240
Khoi-San Project	—	—	—	—	—	0.0%	1,239
Freedom Park (Current), Pretoria	47,720	—	—	47,720	47,720	100.0%	45,000
Freedom Park (Capital), Pretoria	40,446	—	—	40,446	40,446	100.0%	111,587
Albert Luthuli Museum	4,723	—	—	4,723	4,723	100.0%	4,384
South African Heritage Resource Agency	29,291	—	—	29,291	29,291	100.0%	30,757
National Film and Video Foundation	36,651	—	—	36,651	36,651	100.0%	34,086
National Heritage Council	36,670	—	—	36,670	36,670	100.0%	26,673
Libraries:							
National Library	36,287	—	—	36,287	36,287	100.0%	33,358
SA Library for the Blind	13,867	—	—	13,867	13,867	100.0%	7,501
Literature for the visually handicapped	3,385	—	—	3,385	3,385	100.0%	3,251
Pan SA Language Board	43,600	—	—	43,600	43,600	100.0%	39,095
National Library of South Africa: Community Libraries	10,000	—	—	10,000	10,000	100.0%	—
Other:							
Capital Works	236,459	—	4,325	240,784	240,782	100.0%	200,528
Gifts and Donations	—	—	255	255	224	87.8%	141
	925,047	—	23,319	948,366	948,336		889,682

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES
TO HOUSEHOLDS

HOUSEHOLD	TRANSFER ALLOCATION			EXPENDITURE			2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers Financial Assistance:							
Promote Arts and Culture in South Africa	60,381	—	(26,033)	34,348	30,112	87.7%	29,469
Promote Arts and Culture International	21,522	—	(10,218)	11,304	11,303	100.0%	7,533
Promote Heritage in South Africa	29,031	—	(509)	28,522	28,522	100.0%	7,318
National Language Service	4,371	—	13,352	17,723	17,722	100.0%	9,387
National Archives	3,459	—	(376)	3,083	3,075	99.7%	2,280
Cultural Industries	32,174	—	(17,500)	14,674	14,672	100.0%	66,027
Investing in Culture	89,384	—	(12,851)	76,533	76,233	99.6%	57,715
SA Geographical Names Council	1,272	—		1,272	1,271	99.9%	4,770
Severance Packages	—	—	545	545	544	99.8%	422
Total	241,594	—	(53,590)	188,004	183,454		184,921

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 - LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 01/04/2007	Other Movements	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Revaluationnns	Closing Balance 31/03/2008	Guaranteed interest outstanding 31/03/2008	Realised losses not recoverable, i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor Vehicles										
Stannic	Motor Vehicles	934	828	—	—	209	—	619	—	—
		934	828	—	—	209	—	619	—	—
	Housing									
ABSA Bank	Housing Loans	348	348	—	—	58	—	290	—	—
First National Bank	Housing Loans	154	154	—	—	34	—	20	—	—
Future Bank	Housing Loans	25	25	—	—	—	—	25	—	—
Nedbank	Housing Loans	237	237	—	—	—	—	237	—	—
Standard Bank	Housing Loans	149	149	—	—	10	—	139	—	—
		913	913	—	—	102	—	811	—	—
	Total	1,847	1,741	—	—	311	—	1,430	—	—

Department of Arts & Culture - Vote 13

ANNEXURE 3

Inter-Governmental Receivables

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007s	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Education			17		17	
Department of Land Affairs		10	40		40	10
Department of Labour			15		15	
Department of Social Development			10		10	
Department of Correctional Services	(5)				(5)	
	(5)		82		77	10

HUMAN RESOURCE MANAGEMENT

TABLE 1.1 - Personnel costs by programme, 2007/08

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES (R'000)	PERSONNEL COST AS A PERCENT OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	EMPLOYMENT
Admin	129,558	41,329			31.9	83	501
Arts and Culture in Society	252,735	6,775			2.7	14	501
Cultural Dev and Inter Cooper	187,819	17,087			9.1	34	501
Heritage Promotion	659,909	9,833			1.5	20	501
Nat Arch, Rec, Meta, Herald	268,818	19,984			7.4	40	501
National Language Service	87,010	12,168			14	24	501
Z=Total as on Financial Systems (BAS)	1,585,849	107,176			6.8	214	501

TABLE 1.2 - Personnel costs by salary bands, 2007/08

SALARY BANDS	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COSTS	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	TOTAL PERSONNEL COST (R'000)	NUMBER OF EMPLOYEE
Lower skilled (Levels 1-2)	2,466	2.3	94,846	109,040	26
Skilled (Levels 3-5)	4,142	3.8	106,205	109,040	39
Highly skilled production (Levels 6-8)	22,187	20.3	155,154	109,040	143
Highly skilled supervision (Levels 9-12)	41,021	37.6	282,903	109,040	145
Senior management (Levels 13-16)	27,281	25	699,513	109,040	39
Other	1,088	1	0	109,040	0
Contract (Levels 1-2)	541	0.5	6,291	109,040	86
Contract (Levels 3-5)	343	0.3	114,333	109,040	3
Contract (Levels 6-8)	683	0.6	136,600	109,040	5
Contract (Levels 9-12)	4,615	4.2	355,000	109,040	13
Contract (Levels 13-16)	1,110	1	555,000	109,040	2
Periodical remuneration	180	0.2	8,571	109,040	21
Abnormal Appointment	230	0.2	230,000	109,040	1
Total	105,887	97.1	202,461	109,040	523

The following tables provide a summary per programme (Table 1.3) and salary bands (Table 1.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/08

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL ASSISTANCE		
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	Total Personnel Cost (R'000)
Admin	25674	61.5	583	1.4	801	1.9	1350	3.2	41741
Arts + Culture in Society	4230	62.7	52	0.8	63	0.9	167	2.5	6751
Arts + Culture and Language in Society	22	71	0	0	0	0	0	0	31
Cultural Development International Cooperation, Investing in Culture	10549	59.8	229	1.3	367	2.1	461	2.6	17633
Heritage Promotion	6490	64.3	8	0.1	117	1.2	280	2.8	10099
Nat Arch Rec Meta Heral	13348	65.4	0	0	477	2.3	895	4.4	20408
National Language Service	8344	67.4	0	0	152	1.2	472	3.8	12378
Total	68657	63	872	0.8	1977	1.8	3625	3.3	109041

TABLE 1.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/08

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL ASSISTANCE		
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	Total Personnel Cost (R'000)
Lower skilled (Levels 1-2)	1622	61.5	0	0	115	4.6	159	6.4	2491
Skilled (Levels 3-5)	2795	66.5	26	0.6	128	3	295	7	4202
Highly skilled production (Levels 6-8)	15132	67	379	1.7	408	1.8	1343	5.9	22597
Highly skilled supervision (Levels 9-12)	27918	66	284	0.7	684	1.6	1302	3.1	42284
Senior management (Levels 13-16)	14914	52.6	0	0	572	2	511	1.8	28377
Other	1083	99.4	1	0.1	1	0.1	0	0	1090
Contract (levels 1-2)	395	72.9	13	2.4	0	0	0	0	542
Contract (levels 3-5)	327	95.3	5	1.5	0	0	0	0	343
Contract (levels 6-8)	528	76.6	4	0.6	0	0	0	0	689
Contract (levels 9-12)	3271	67	157	3.2	9	0.2	15	0.3	4882
Contract (levels 13-16)	672	59.3	0	0	60	5.3	0	0	1133
Periodical Remuneration	0	0	0	0	0	0	0	0	180
Abnormal Appointment	0	0	0	0	0	0	0	0	230
Total	68657	63	869	0.8	1977	1.8	3625	3.3	109040

2. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 2.1 – Employment and vacancies by programme, 31 March 2008

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Admin, Permanent	254	181	28.7	0
Arts and Culture in Society, Permanent	51	32	37.3	0
Arts Culture Language in Society Permanent	2	0	100	0
Cult Devel Internat Cooper, Permanent	92	54	41.3	2
Heritage Promotion, Permanent	95	65	31.6	0
Nat Arch Rec Meta Heral, Permanent	185	120	35.1	0
National Language Service, Permanent	85	49	42.4	0
Total	764	501	34.4	2

TABLE 2.2 – Employment and vacancies by salary bands, 31 March 2008

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2) Permanent	86	31	64	0
Skilled (Levels 3-5) Permanent	76	49	35.5	0
Highly skilled production (Levels 6-8), Permanent	240	141	41.3	0
Highly skilled supervision (Levels 9-12), Permanent	194	137	29.4	0
Senior management (Levels 13-16), Permanent	59	34	42.4	0
Contract (levels 1-2) Permanent	87	87	0	0
Contract (levels 3-5) Permanent	4	4	0	0
Contract (levels 6-8) Permanent	4	4	0	0
Contract (levels 9-12) Permanent	12	12	0	2
Contract (levels 13-16) Permanent	2	2	0	0
Total	764	501	34.4	2

TABLE 2.3 – Employment and vacancies by critical occupation, 31 March 2008

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Administrative Related, Permanent	36	29	19.4	0
Archivists curators and related professionals, Permanent	80	44	45	0
Auxiliary and related workers, Permanent	25	22	12	0
Building and other property caretakers, Permanent	11	6	45.5	0
Cleaners in offices workshops hospitals etc, Permanent	120	91	24.2	0
Client inform clerks (switchb, receipt, inform clerks)	5	3	40	0
Communication and Information relate, Permanent	127	86	32.3	2
Finance and economics related, Permanent	15	13	13.3	0
Financial and related professionals, Permanent	4	1	75	0
Financial clerks and credit controller, Permanent	8	4	50	0
Food services aids and waiters, Permanent	7	7	0	0
General legal administration & rel professions, Permanent	2	0	100	0
Head of Department/chief executive officer, Permanent	1	1	0	0
Household food and laundry services related, Permanent	1	1	0	0

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Human resources& organisat developm & related, Permanent	11	8	27.3	0
Human Resources clerks, Permanent	9	9	0	0
Human Resources related, Permanent	21	13	38.1	0
Language practitioners, interpreters & other comm	30	11	63.3	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	6	5	16.7	0
Light vehicle drivers, Permanent	4	1	75	0
Logistical support, permanent	7	7	0	0
Material-recording and transport clerks, Permanent	8	6	25	0
Messengers porters and deliverers, Permanent	9	7	22.2	0
Other administrat & related clerks and organisers	42	20	52.4	0
Other administrative policy and related officers, Permanent	23	15	34.8	0
Other information technology personnel, Permanent	3	2	33.3	0
Other occupation permanent	2	2	0	0
Risk Management and Security services, Permanent	2	0	100	0

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Saps, Permanent	1	0	100	0
Secretaries & other keyboard operating clerks, Permanent	68	44	35.3	0
Security Officers, Permanent	33	15	54.5	0
Senior Managers, Permanent	38	25	34.2	0
Trade labourers, Permanent	4	2	50	0
TOTAL	764	501	34.4	2

The information in each case reflects the situation as at 31 March 2008. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

3. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.1 – Job Evaluation, 1 April 2007 to 31 March 2008

Salary Band	Number of filled posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Up-graded Number	% of posts evaluated	Post down-graded Number	% of posts evaluated
Lower skilled (levels 1-2)	86	2	2.3	2	100	0	0
Skilled (Levels 3-5)	76	10	13.15	1	1	0	0
Highly skilled production (Levels 6-8)	240	26	10.8	1	3.8	0	0
Highly skilled supervision (Levels 9-12)	194	39	20.1	20	51.28	0	0
Senior Managment Service Band A	37	8	21.6	1	12.5	0	0
Senior Managment Service Band C	18	1	5.5	0	0	0	0
Senior Managment Service Band D	3	2	66.60	0	0	0	0
Contract (levels 1-2)	87	0	0	0	1	0	0
Contract (levels 3-5)	4	0	0	1	0	0	0
Contract (levels 6-8)	4	0	0	0	0	0	0
Contract (levels 9-12)	12	0	0	0	0	0	0
Contract (levels 9-12)	1	0	0	0	0	0	0
Contract (Band A)	1	1	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
TOTAL	764	88	11.5	27	30.68	0	0

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 3.2 – Profile of employees whose salary positions were upgraded to their posts being upgraded, 1 April 2007 to 31 March 2008

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	9	10	1	11	
Male	14	1	0	1	16
Total	23	2	0	2	27
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 3.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	RUMENARATION LEVEL	REASON FOR DEVIATION
None				
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2007/08				
Percentage of total employment				

Table 3.4 Summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 3.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)
None

TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE GRADES DETERMINED BY JOB EVALUATION IN 2006/ 07	NONE
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4. Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3).

TABLE 4.1 – Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2007	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2), Permanent	44	1	2	4.5
Skilled (Levels 3-5), Permanent	45	11	3	6.7
Highly skilled production (Levels 6-8), Permanent	126	9	13	10.3
Highly skilled supervision (Levels 9-12), Permanent	135	11	9	6.7
Senior Management Service Band A, Permanent	23	1	4	17.4
Senior Management Service Band B, Permanent	12	0	1	8.3
Senior Management Service Band C, Permanent	8	0	1	12.5
Senior Management Service Band D, Permanent	0	0	0	0
Contract (levels 1-2)	3	118	47	1566.7
Contract (level 3-5)	14	32	20	142.9
Contract (level 6-8)	4	12	12	300
Contract (level 9-12)	13	9	9	69.2
Contract (band B)	0	1	0	0
Contract (band C)	1	0	0	0
Total	378	55	49	17.3

TABLE 4.2 – Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008

OCCUPATION: PERMANENT	NUMBER OF EMPLOYEES PER OCCUPATION AS ON 1 APRIL 2005	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Administrative related	34	2	2	5.9
Archivists curators and related professionals	50	4	7	14
Auxiliary and related workers	18	0	1	5.6
Building and other property caretakers	8	0	2	25
Cleaners in office workshops hospitals	22	81	10	45.5
Client inform clerks (switchboard inform clerks)	3	4	2	66.7
Communication and information related	80	13	9	11.3
Custodian personnel	1	0	0	0
Finance and economics	7	3	4	57.1
Financial and related professionals	4	0	0	0
Financial Clerks and credit controllers	6			
Food Services aids and waiters	6	8	4	66.7
General legal administration & rel prof	3	0	1	33.3
Human Resources & organisat developm & relate	5	0	1	20
Human Resources clerks	5	9	4	80
Human Resources Relate	10	2	1	10

OCCUPATION: PERMANENT	NUMBER OF EMPLOYEES PER OCCUPATION AS ON 1 APRIL 2005	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Language practitioners interpreters & other comm	18	10	13	72.2
Library mail and related clerks	6	3	2	33.3
Light vehicle drivers	1	1	1	100
Logistical support personnel	3	1	0	0
Material recording and transport clerks	7	8	8	114.3
Messengers, porters and deliverers	5	4	2	40
Other administrat & related clerks and organisers	18	6	6	33.3
Other administrative policy related officers	17	3	6	35.3
Other information technology personnel	2	0	0	0
Other occupations	6	0	0	0
Rank: unknown	1	0	0	0
Risk management and security services	0	2	2	2
Secretaries & other keyboard operating clerks	44	11	10	22.7
Security guards	0	8	8	0
Security Officers	16	19	12	75
Senior Managers	20	3	3	15
Trade labourers	2	0	0	0
Total	428	205	121	28.3

Table 4.3 Identifies the major reasons why staff left the department.

Table 4.3 – Reasons why staff are leaving the department

TERMINATION TYPE	NUMBER	% OF TOTAL	% OF TOTAL EMPLOYMENT	TOTAL	TOTAL EMPLOYMENT
Death, Permanent	7	5.8	1.6	121	428
Resignation, Permanent	25	20.7	5.8	121	428
Discharged due to ill-health, Permanent	81	66.9	18.9	121	428
Retirement, Permanent	7	5.8	1.6	121	428
Transfers to other Public Service Departments	1	0.8	0.2	121	428
Total	121	100	28.3	121	428
Total number of employees who left as a % of the total employment					
28.3					

Table 4.4 Promotions by critical occupation

OCCUPATION: PERMANENT	EMPLOYEES AS AT 1 APRIL 2007	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION
Administrative related	34	8	23.5	21	61.8
Archivists curators and related professionals	50	4	8	25	50
Auxiliary and related workers	18	0	0	8	44.4
Building and other property caretakers	8	0	0	8	100
Cleaners in office workshops hospitals	22	1	4.5	7	31.8
Client inform clerks	3	0	0	1	33.3
Communication and information related	80	4	5	55	68.8
Community Development workers	0	1	0	0	0
Custodian personnel	1	0	0	1	100
Finance and Economics related	7	0	0	6	85.7
Financial and related professionals	4	1	25	3	75
Financial clerks and credit controllers	6	1	16.7	4	66.7
Food services aids and waiters	6	0	0	1	16.7
General legal administration &rel professionals	3	0	0	2	66.7
Human resources & organiosat developme & related	5	2	40	1	20
Human resources Clerks	5	0	0	0	0
Human Resources Related	10	1	10	5	50
Language Practitioners interpreters & either comm	18	0	0	0	55.6

OCCUPATION: PERMANENT	EMPLOYEES AS AT 1 APRIL 2007	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION
Library mail and related clekrs	6	1	16.7	3	50
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	3	4	133.3	1	33.3
Material-recording and transport clerks	7	2	28.6	1	14.3
Messengers porters and deliverers	5	0	0	2	40
Other administrat & related clerks and organisers	18	3	16.7	9	50
Other administrative policy and related officers	17	3	17.6	11	64.7
Other information technology personnel	2	0	0	2	100
Other occupations	6	1	16.7	5	83.3
Rank unknown	1	0	0	0	0
Secretaries7 other keyboard operating clerks	44	0	0	27	61.4
Security Officers	16	0	0	0	0
Senior Managers	20	1	5	10	50
Social Sciences related	0	1	0	0	0
Trade Labourers	2	0	0	0	0
Total	428	39	9.1	229	53.5

Table 4.5 – Promotions by salary band

OCCUPATION: PERMANENT	EMPLOYEES AS AT 1 APRIL 2007	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND
Lower skilled (Levels 1-2), Permanent	44	0	0	19	43.2
Skilled (Levels 3-5), Permanent	45	1	2.2	43	95.6
Highly skilled production (Levels 6-8), Permanent	126	16	12.7	70	55.6
Highly skilled supervision (Levels 9-12), Permanent	135	19	14.1	63	46.7
Senior management (Levels 13-16), Permanent	43	3	7	28	65.1
Contract (level 1-2)	3	0	0	0	0
Contract (level 3-5)	14	0	0	0	0
Contract (level 6-8)	4	0	0	0	0
Contract (Level 9-12)	13	0	0	6	46.2
Contract (level 13-16)	1	0	0	0	0
Total	428	39	9.1	229	53.5

5. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

5.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2008

OCCUPATIONAL CATEGORIES (SASCO)	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers, Permanent	11	0	0	0	10	0	0	0	21
Professionals, Permanent	90	4	5	20	88	11	3	29	250
Clerks, Permanent Plant and machine operators and assemblers	23	1	0	2	49	2	1	17	95
	0	0	0	0	1	0	0	0	1
Service and sales workers	8	1	0	4	2	1	0	0	16
Elementary occupations, Permanent	53	1	0	2	58	1	0	0	115
other	3	0	0	0	0	0	0	0	3
Total	188	7	5	28	208	15	4	46	501
Employees with disabilities	2			1	1			1	5

5.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2008

OCCUPATIONAL BANDS	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3	1	0	0	0	0	0	0	4
Senior Management, Permanent	15	1	1	3	14	0	1	0	35
Professionally qualified and experienced specialists	51	2	1	11	49	10	2	16	142
Skilled technical and academically qualified workers	38	3	2	11	61	3	1	24	143
Semi-skilled and discretionary decision making, Permanent	17	0	0	1	15	1	0	5	39
Unskilled and defined decision making, Permanent	16	0	0	0	12	1	0	0	29
Contract (Top Management) Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior management) Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified) Permanent	4	0	1	1	6	0	0	1	13
Contract (Skilled technical) Permanent	1	0	0	0	4	0	0	0	5

OCCUPATIONAL CATEGORIES (SASCO)	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Semi-skilled) Permanent	1	0	0	0	2	0	0	0	3
Contract (Unskilled) Permanent	41	0	0	1	44	0	0	0	86
Total	188	7	5	28	208	15	4	46	501

5.3 – Recruitment for the period 1 April 2007 to 31 March 2008

OCCUPATIONAL BANDS	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists	5	0	0	0	6	0	0	0	11
Skilled technical and academically qualified workers	5	0	0	0	3	1	0	0	9
Semi-skilled and discretionary decision making, Perm	3	0	0	0	7	0	0	1	11
Unskilled and defined decision making, Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management) Permanent	0	0	0	0	1	0	0	0	1

OCCUPATIONAL CATEGORIES (SASCO)	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Professionally qualified) Permanent	2	0	0	2	4	0	0	1	9
Contract (skilled Technician) Permanent	3	0	0	0	8	1	0	0	12
Contract (Semi skilled) Permanent	16	0	0	0	15	0	0	1	32
Contract (unskilled) Permanent	61	1	0	1	54	0	0	1	118
Total	96	1	0	3	99	2	0	4	205

5.4 – Promotions for the period 1 April 2007 to 31 March 2008

OCCUPATIONAL BANDS	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management, Permanent	3	2	0	1	1	0	0	0	7
Senior Management, Permanent	10	1	2	2	9	0	1	0	25
Professionally qualified and experienced specialists	30	1	0	7	25	6	3	10	82
Skilled technical and academically qualified workers	29	1	2	3	38	3	0	10	86
Semi-skilled and discretionary decision making, Permanent	9	0	0	2	24	1	1	7	44
Unskilled and defined decision making, Permanent	10	0	0	0	9	0	0	0	19
Contract (Professionally qualified) Permanent	3	0	0	0	3	0	0	0	6
Total	94	5	4	15	109	10	5	27	269
Employees with disabilities	1	0	0	1		0	0	0	2

5.5 – Terminations for the period 1 April 2007 to 31 March 2008

OCCUPATIONAL BANDS	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	2	0	0	1	2	0	0	0	5
Professionally qualified and experience specialists	2	0	0	0	3	0	1	3	9
Skilled technical and academically qualified workers,	5	0	0	0	4	0	0	4	13
Semi-skilled and discretionary decision making, Perm	2	0	0	0	1	0	0	0	3
Unskilled and defined decision making, Permanent	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified)	1	0	0	2	6	0	0	0	9
Contract (Skilled technical)	3	0	0	0	7	2	0	0	12
Contract (Semi-skilled)	9	0	0	0	9	0	0	2	20
Contract (Unskilled)	28	1	0	0	17	0	0	1	47
Total	54	1	0	3	500	2	1	10	121
Employees with disabilities	0	0	0	0	0	0	0	0	0

5.6 – Disciplinary action for the period 1 April 2007 to 31 March 2008

	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Disciplinary action	0	0	0	0	2	0	0	0	2

5.7 – Skills development for the period 1 April 2007 to 31 March 2008

OCCUPATIONAL CATEGORIES	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	3	0	0	0	1	0	0	0	4
Professionals	1	0	0	1	2	0	0	1	5
Technicians and associate professionals	2	1	1	1	3	1	0	1	10
Clerks	2	1	0	1	3	0	1	1	9
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	8	2	1	3	9	1	1	3	28
Employees with disabilities	0	0	0	0	0	0	0	0	0

6. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.1), salary bands (table 5.2) and critical occupations (Table 5.3).

TABLE 6.1 – Performance Rewards by race, gender, and disability, 1 April 2007 to 31 March 2008

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	108	187	57.8	2,363	21,880
Female	126	208	60.6	2,296	18,223
Asian					
Male	3	5	60	146	48,661
Female	5	4	125	131	26,215
Coloured					
Male	7	7	100	295	42,161
Female	12	15	80	218	18,198
White					
Male	25	27	92.6	657	26,265
Female	48	45	106.7	897	18,689
Total	336	501	67.1	7,023	20,902
Employees with a disability	2	3	66.7	20	9,838

TABLE 6.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008.

Salary Bands	Beneficiary Profile			Cost	
	Number of benefici- aries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	19	26	73.1	112	5,895
Skilled (Levels 3-5)	35	39	89.7	277	7,914
Highly skilled production (Levels 6-8)	121	143	84.6	1,644	13,587
Highly skilled supervision (Levels 9-12)	118	145	81.4	2,724	23,085
Contract (levels 1-2)	0	86	0	0	0
Contract (levels 3-5)	0	3	0	0	0
Contract (levels 6-8)	0	5	0	0	0
Contract (levels 9-12)	5	13	38.5	156	31,200
Periodical Remuneration	0	21	0	0	0
Abnormal appointment	0	1	0	0	0
Total	298	482	61.8	4913	16487

TABLE 6.3 – Performance Rewards by critical occupations, 1 April 2007 to 31 March 2008

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	28	41	68.3	806	28.788
Archivists curators and related professionals	41	43	95.3	855	20,854
Auxiliary and related workers	13	17	76.5	119	9,154
Building and other property caretakers	8	6	133.3	55	6,875
Cleaners in office workshops hospitals	16	92	17.4	114	7,125
Client inform clerks	1	3	33.3	8	8,000
Communication and information related	67	80	83.8	1,734	25,881
Custodian personnel	1	1	100	14	14,000
Finance and Economics related	6	8	75	164	27,333
Financial and related professionals	5	5	100	128	25,600
Financial clerks and credit controllers	2	4	50	28	14,000
Food services aids and waiters	5	7	71.4	18	3,600
General legal administration & rel professionals	3	1	300	77	25,667

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources & organisat developme & related	4	5	80	45	11,250
Human resources Clerks	3	11	27.3	30	10,000
Human Resources Related	9	10	90	268	29,778
Language Practitioners interpreters & ither comm	16	15	106.7	320	20,000
Library mail and related clerks	3	6	50	53	17,667
Light vehicle drivers	0	1	0	0	0
Logistical support personnel	1	5	20	22	22,000
Material-recording and transport clerks	6	9	66.7	55	9,167
Messengers porters and deliverers	3	4	75	13	4,333
Other administrat & related clerks and organisers	13	18	72.2	153	11,769
Other administrative policy and related officers	14	18	77.8	219	15,643
Other information technology personnel	2	2	100	62	31,000
Other occupations	3	6	50	272	90,667
Rank unknown	0	3	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Secretaries other keyboard operating clerks	36	43	83.7	17	11,583
Security Officers	9	16	56.3	53	5,889
Senior Managers	17	19	89.5	915	53,824
Trade Labourers	1	2	50	4	4,000
Total	336	501	67.1	7021	20896

TABLE 6.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
	Number of beneficia- ries	Number of employees	% of total within band				
Band A	25	25	100	1,223	4,892	8.1	15,169
Band B	10	11	90.9	588	5,880	6.6	8,963
Band C	2	4	50	195	9,750	4	4,911
Band D	1	1	100	103	10,300	22.1	467
Total	38	41	92.7	2109	5550	7.1	29510

7. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 7.1 – Foreign Workers, 1 April 2007 to 31 March 2008, by salary band

Salary Band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)	1	100	1	100	0	0
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total	1	100	1	100	0	0

TABLE 7.2 – Foreign Worker, 1 April 2007 to 31 March 2008, by major occupation

Major Occupation	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% of total
Professionals and managers	1	100	1	100	0	0
Total	1	100	1	100	0	0

8. Leave utilisation for the period 1 January 2007 to 31 December 2008

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 8.1 – Sick leave, January 2007 to December 2008

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certificate
Lower skilled (Levels 1-2)	110	72.7	22	6.9	5	18	317	80
Skilled (Levels 3-5)	284	86.3	41	12.9	7	65	317	245
Highly skilled production (Levels 6-8)	967.5	85.3	115	36.3	8	368	317	825
Highly skilled supervision (Levels 9-12)	724	82.7	98	30.9	7	600	317	599
Senior management (Levels 13-16)	161	90.7	20	6.3	8	358	317	146
Contract (Level 1-2)	49	91.8	10	3.2	5	87	317	45
Contract (Level 3-5)	20	100	1	0.3	20	5	317	20
Contract (Level 6-8)	23	100	3	0.9	8	10	317	23
Contract (Level 9-12)	39	87.2	7	2.2	6	50	317	34
Total	2377.5	84.8	317	100	8	1482	317	2017

TABLE 8.2 – Disability leave (temporary and permanent), January 2007 to December 2008

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of days with medical certification
Lower skilled (Levels 1-2)								
Skilled (Levels 3-5)								
Highly skilled production (Levels 6-8)	21	100	1	100	21	8	21	1
Highly skilled supervision (Levels 9-12)								
Total	21	100	1	100	21	8	21	1

TABLE 8.3 – Annual Leave, January 2007 to December 2008

Table 8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Salary Band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	852	19	45
Skilled Levels 3-5	891	16	55
Highly skilled production (Levels 6-8)	3160.08	20	156
Highly skilled supervision (Levels 9-12)	794	20	39
Senior management (levels 13-16)	794	20	39
Total	8522.08	19.5	436

TABLE 8.4 – Capped leave, January 2007 to December 2008.

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of employees	Total number of capped leaves	Number of employees
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Level 3-5)	13	7	57	2	1018	18
Highly skilled production (Levels 6-8)	27	3	32	9	1711	53
Highly skilled supervision (Levels 9-12)	25	4	32	7	2125	67
Senior Management (Levels 13-16)	10	5	52	2	888	17
Total	75	4	37	20	5742	155

9. HIV/AIDS & Health Promotion Programmes

TABLE 9.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
NA	

TABLE 9.2 - Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	*		<u>Director: HRM</u> <u>Ms Mandy Matyila</u>
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		*	The responsibility for the Health and well-being of employees lies within the HRM. The responsible person is the DD: Special Programmes and ASD: EWP who also deals with Disability, HIV/AIDS, EAP and Gender
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	*		HIV/AIDS Addiction Loss & Trauma Disability and <u>Employee Assistance Programme</u>

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	*		Provisioning: Mr Abisiah Mtakwende Archives: Mr Francis Moloi Ms Seipati Malope Film Archives Mr Nkwenkwezi Languza and Ms Winnie Nkhuna Frans Sesedyane (NEHAWU) National Language Services Ms Ntsoaki Msindo and Ms Sylvia Makapan Ms Beauty Makaya (PSA) Special Programmes Ms Kgomotso Mahapa
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		*	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	*		Training Information sessions HIV/AIDS Policy

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	*		The response has been positive. 74 Employees tested. 4 Tested positive, 2 males and 2 females. 2 are on contract and 2 are permanent employees.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	*		<u>An Impact survey is yet to be implemented.</u>

10. Labour Relations

The following collective agreements were entered into with trade unions within the department.

TABLE 10.1 – Collective agreements, 1 April 2007 to 31 March 2008

Subject Matter	Date
None	

If there were no agreements, then use the following table

Total collective agreements	None
-----------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 10.2 - Misconduct and disciplinary hearings finalised, 1 April 2007 to 31 March 2008

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	100
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	1	100

If there were no disciplinary hearings, then use the following table

TABLE 10.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of Total
N/A		
Total		

TABLE 10.4 – Grievances lodged for the period 1 April 2007 to 31 March 2008

	Number	% of Total
Number of grievances resolved	2	28.5
Number of grievances not resolved	5	71.4
Total number of grievances lodged	7	100

TABLE 10.5 – Disputes lodged with Councils for the period 1 April 2007 to 31 March 2008

	Number	% of Total
Number of disputes upheld	0	00
Number of disputes dismissed	2	100
Total number of disputes lodged	2	100

TABLE 10.6 – Strike actions for the period 1 April 2007 to 31 March 2008

Total number of person working days lost	<u>none</u>
Total cost (R'000) of working days lost	<u>none</u>
Amount (R'000) recovered as a result of no work no pay	<u>none</u>

TABLE 10.7 – Precautionary suspensions for the period 1 April 2006 to 31 March 2007

	Number
Number of people suspended	none
Number of people whose suspension exceeded 30 days	
Average number of days suspended	
Cost (R'000) of suspensions	

11. Skills development

This section highlights the efforts of the department with regard to skills development.

11.1 – Training needs identified 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learnerships/ internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10		1		1
	Male	11		3		3
Professionals	Female	131		2		2
	Male	119		3		3
Technicians and associate professionals	Female	69		4		4
	Male	26		6		6
Clerks	Female	3		2		2
	Male	13		2		2
Elementary occupations	Female	60				
	Male	59				
Sub Total	Female	273		14		14
	Male	228		14		14
Total		501		28		28

11.2 – Training provided 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learnerships/ internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	<u>10</u>		1		1
	Male	<u>11</u>		3		3
Professionals	Female	<u>131</u>		2		2
	Male	<u>119</u>		3		3
Technicians and associate professionals	Female	<u>69</u>		4		4
	Male	<u>26</u>		6		6
Clerks	Female	<u>3</u>		7		7
	Male	<u>13</u>		2		2
Elementary occupations	Male					
	Female	<u>60</u>				
Sub Total	Male	<u>59</u>				
	Female	<u>273</u>		14		14
Total	Male	<u>228</u>		14		14
		501		28		28

12. Injury on duty

The following tables provide basic information on injury on duty.

TABLE 12.1 – Injury on duty, 1 April 2007 to 31 March 2008

	Number	% of Total
Required basic medical attention only		
Temporary Total Disablement		
Permanent Disablement		
Fatal		
Total	None	None

F: ACCOUNTING ENTRIES**1. UNAUTHORISED EXPENDITURE**

Principle of dealing with unauthorised expenditure

Unauthorised Expenditure is the overspending of a vote or a main division within a vote; or Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

The rand value of unauthorised expenditure must be disallowed and surrendered to the relevant treasury (i.e. unauthorised expenditure is subtracted from the amount appropriated by Parliament/Legislature and paid back to the relevant Treasury). The remainder of the vote may be utilised for authorised expenditure. To illustrate this principle of accounting for unauthorised expenditure the following figures will be used:

Vote – Amount Appropriated	R 1000.00
Unauthorised expenditure (in accordance with definition)	R 200.00
Authorised expenditure	R 700.00
Savings	R 100.00
The total amount payable to the Relevant Treasury is:	
Unauthorised expenditure (to be paid when discovered)	R 200.00
Vote surplus	R 100.00
Total payable to Relevant Treasury	<u>R 300.00</u>

(Note: The unauthorised expenditure of R200.00 is financed by a Bank / PMG overdraft.)

Accounting for Unauthorised Expenditure

Assuming that the Books are not finally closed for the respective financial year and “arising from other than an overspending on a main division of a vote”.

- The opening journals with respect to the Vote would be:

Dt Exchequer Account (B/S)	R 1000.00
Cr General Account of the Vote (B/S)	R 1000.00
- Assume the total vote has been requested:

Dt Bank/PMG (B/S)	R 1000.00
Cr Exchequer Account (B/S)	R 1000.00
- Expenditure is dealt with as follows (including unauthorised expenditure):

Dt Expenditure (relevant programme & item) (I/S)	R 900.00
Cr Bank/PMG (B/S)	R 900.00
- The unauthorised expenditure once discovered is dealt with as follows:

Dt Unauthorised Expenditure (B/S)	R 200.00
Cr Relevant expenditure allocations (I/S)	R 200.00

*Note: Whilst this would reduce the total expenditure on the Income Statement, for disclosure purposes in the Income Statement the Expenditure is shown as gross and the Disallowed portion shown as a reduction of expenditure.

5. At year-end the following journals are transacted:

Dt General account of the Vote (B/S)	R 700.00	
Cr Expenditure accounts (I/S)		R 700.00
Dt General account of the Vote (B/S)	R 300.00	
Cr Exchequer Account (B/S)		R 300.00

Pay relevant Treasury the Vote surplus and unauthorised expenditure:

Dt Exchequer Account (B/S)	R 300.00	
Cr Bank (B/S)		R 300.00

Disclosure of unauthorised expenditure

To illustrate the effect on the Income Statement and Balance Sheet:

Income statement	
Vote	R 1000.00
Expenditure (R700 auth exp plus R200 unauthorised exp)	R 900.00
Surplus	R 100.00
Add back Unauthorised expenditure	R 200.00
Amount to be surrendered to Relevant Treasury	R 300.00

Balance Sheet

Current assets

Unauthorised expenditure	R 200.00
Current liabilities	
Bank overdraft	R 200.00

Notes to the financial statements

Unauthorised expenditure	R 200.00
Reconciliation of movement in account balance	
Opening balance	R 0.00
Unauthorised expenditure current year	R 200.00
Closing balance	R 200.00

Ensure that the closing balance of the reconciliation is equal to the note above and the balance sheet.

Unauthorised expenditure recovery

Unauthorised expenditure must in all cases be authorised by Parliament (before it can become a charge against a Revenue Fund) either by:

- providing additional funds' or
- as a charge against funds allocated for the subsequent financial years.

If not approved by Parliament it must be recovered from a responsible person

If the Unauthorised expenditure is Approved by Parliament/Legislature with funding (subsequent Financial Year), then the entry would be:

Dt Relevant expenditure allocations (I/S)	R 200.00	
Cr Unauthorised Expenditure (B/S)		R 200.00

The appropriate disclosure would be in the AFS.

If the appropriate legislation is promulgated and the available budget increased for the current financial year then:

Dt Exchequer account (B/S)	R 200.00
Cr General Account of the vote (B/S)	R 200.00

Funds must be requested from the Relevant Treasury and allocated as follows:

Dt Funds Requisition account (B/S)	R 200.00
Cr Exchequer account (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

If the Unauthorised expenditure is **Approved** by Parliament/Legislature **without funding** (subsequent Financial Year), then the entry would be:

Dt Relevant expenditure allocations (I/S)	R 200.00
Cr Unauthorised Expenditure (B/S)	R 200.00
Funded from savings.	

If the Unauthorised expenditure is **Not Approved** by Parliament/Legislature it must be recovered from a responsible official - the transactions are:

Dt Debtors (B/S)	R 200.00
Cr Unauthorised expenditure (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

When recovered from responsible official

Dt Bank/PMG (B/S)	R 200.00
Cr Debtors (B/S)	R 200.00

The Unauthorised expenditure note would reflect the movement.

If the Amount is irrecoverable then the amount may be written of by the Accounting Officer against savings/surplus:

Dt	Thefts and Losses (I/S)	R 200.00
Cr	Debtors (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

Accounting for unauthorised expenditure

Assuming that the Books are finally closed for the respective financial year

If you discover prior year unauthorised expenditure in the current year or if the books have already been closed then the following entries made:

Dt Unauthorised expenditure (B/S)	R 200.00
Cr Exchequer account (B/S)	R 200.00

An amount equal to the Unauthorised Expenditure should be surrendered to the relevant Treasury.

Dt Exchequer account (B/S)	R 200.00
Cr Bank/PMG (B/S)	R 200.00

If the Unauthorised expenditure is **Approved** by Parliament/Legislature **with Funds** –the funds surrendered as unauthorised in the prior period, must be requested from the Relevant Treasury and dealt with as follows:-

An amount equal to the Unauthorised Expenditure should be surrendered to the relevant Treasury.

Dt Exchequer account (B/S)	R 200.00
Cr Bank/PMG (B/S)	R 200.00

If the Unauthorised expenditure **is Approved** by Parliament/Legislature **with Funds** –

the funds surrendered as unauthorised in the prior period, must be requested from the Relevant Treasury and dealt with as follows:-

Dt Fund requisition (B/S)	R 200.00
Cr Unauthorised expenditure (B/S)	R 200.00
Dt Bank / PMG (B/S)	R 200.00
Cr Fund requisition (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

If the Unauthorised expenditure **is Approved** by Parliament/Legislature **without Funds** - the funds surrendered as unauthorised in the prior period, must be requested from the Relevant Treasury and dealt with as follows:-

Dt Fund requisition (B/S)	R 200.00
Cr Unauthorised expenditure (B/S)	R 200.00
Dt Bank/PMG (B/S)	R 200.00
Cr Fund requisition (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

If the appropriate legislation is promulgated and the available budget for the current financial year is reduced, the unauthorised expenditure must be dealt with as follows:

Dt General Account of the Vote (B/S)	R 200.00
Cr Exchequer Account (B/S)	R 200.00

Accounting for Unauthorised Expenditure

Assuming that the Books are not finally closed for the respective financial year and “arising from an overspending on a main division of a vote”. The amount of the Unauthorised Expenditure due to overspending on a main division of a vote should always be disallowed from the relevant expenditure allocation before the books are finally closed.

The unauthorised expenditure once discovered is dealt with as follows:

Dt Unauthorised Expenditure (B/S)	R 200.00
Cr Relevant expenditure allocations (I/S)	R 200.00

If the Unauthorised expenditure **is Approved** by Parliament/Legislature **with funding**. The following should happen during the subsequent Financial Year:-

Dt Relevant expenditure allocations (I/S)	R 200.00
Cr Unauthorised Expenditure (B/S)	R 200.00

The appropriate disclosure would be in the AFS.

If the funds are made available via an increased budget for the current financial year i.e. appropriate legislation has been promulgated then the following entries must be passed:

Dt Exchequer account (B/S)	R 200.00
----------------------------	----------

Cr General Account of the vote (B/S)	R 200.00
--------------------------------------	----------

The funds are then requested from the Relevant Treasury and allocated as follows:

Dt Funds Requisition Account (B/S)	R 200.00
------------------------------------	----------

Cr Exchequer Account (B/S)	R 200.00
----------------------------	----------

The appropriate disclosure would be in the AFS (Annual Financial Statement)

If the Unauthorised expenditure **is Approved** by Parliament/Legislature **without funding**. This should happen during the subsequent Financial Year

Dt Relevant expenditure allocations (I/S)	R 200.00
---	----------

Cr Unauthorised Expenditure (B/S)	R 200.00
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The appropriate disclosure would be in the AFS. (Annual Financial Statement)

If the Unauthorised expenditure is **Not Approved** by Parliament/Legislature

The amount must be recovered from a responsible official - the transactions are:

This can happen in the same or subsequent financial years.

Dt Debtors (B/S)	R 200.00
------------------	----------

Cr Unauthorised expenditure (B/S)	R 200.00
-----------------------------------	----------

The appropriate disclosure would be in the AFS.

When recovered from responsible official

Dt Bank/PMG (B/S)	R 200.00
-------------------	----------

Cr Debtors (B/S)	R 200.00
------------------	----------

The Unauthorised expenditure note would reflect the movement.

If the Amount is irrecoverable then the amount may be written of by the Accounting Officer against savings/surplus:

Dt Thefts and Losses(I/S)	R 200.00
---------------------------	----------

Cr Debtors (B/S)	R 200.00
------------------	----------

2. IRREGULAR EXPENDITURE

To illustrate this principle of accounting for irregular expenditure the following will be used: Irregular expenditure R 400.00

Accounting for irregular expenditure

When irregular expenditure is incurred the following transaction is made:

Dt Expenditure (relevant programme and item)	R 1 200.00
--	------------

Cr Bank	R 1 200.00
---------	------------

Upon discovery of irregular expenditure, it should be recorded as such **but only disallowed** if the relevant Treasury and / or Relevant Tender Board (if the expenditure relates to procurement) **do not condone** the non-compliance to prescripts. A detailed schedule by year of all irregular expenditure should be made and kept up to date for tracking and Internal / External audit purposes. If Irregular expenditure is condoned then no further action required, other than ensuring the register is updated.

If Irregular expenditure is not condoned then it is **Disallowed** and the appropriate steps must be taken to recover the amount of irregular expenditure. If recovery is not possible, then the amount may be written off by the Accounting Officer and appropriately disclosed

Disclosure of irregular expenditure in the notes to the annual financial statements

Irregular expenditure not condoned:

Incident	Disciplinary steps taken / Criminal proceedings	Value
The department's personnel expenditure was increased without obtaining the necessary Treasury approval, as required by Treasury Regulation 6.3.1(a).	Written reprimand and recovered	R 50.00
The accounting officer incurred expenditure related to a public private partnership without obtaining prior written approval of the Treasury, as required by Treasury Regulation 16.3.1	Written reprimand and recovered	R 200.00
Expenditure incurred by the department in contravention of tender regulations.	Written reprimand no recovery possible	R 150.00

Irregular expenditure condoned by the Relevant Treasury:

Incident		Value
The department's personnel expenditure was increased without obtaining the necessary Treasury approval, as required by Treasury Regulation 6.3.1(a).		R 100.00
The accounting officer incurred expenditure related to a public private partnership without obtaining prior written approval of the Treasury, as required by Treasury Regulation 16.3.1		R 200.00
Expenditure incurred by the department in contravention of tender regulations.		R 100.00

If Not Condoned and books open

Dt Debtors (B/S)	R 400.00
Cr Relevant Expenditure (I/S)	R 400.00

When recovered from responsible official and assuming only R 250 recovered and not R 400

Dt Bank/PMG (B/S)	R 250.00
Cr Debtors (B/S)	R 250.00

The appropriate disclosure would be in the AFS.

If the Amount is irrecoverable then the amount may be written of by the Accounting Officer against savings/surplus:

Dt Thefts and Losses (I/S)	R 150.00
Cr Debtors (B/S)	R 150.00

If Not Condoned and books closed

Dt Debtors (B/S)	R 400.00
Cr Recoverable Revenue Account (B/S)	R 400.00

When recovered from responsible official

Dt Bank/PMG (B/S)	R 250.00
Cr Debtors (B/S)	R 250.00
Dt Recoverable Revenue Account (B/S)	R 250.00
Cr Income (I/S)	R 250.00

The appropriate disclosure would be in the AFS.

If the Total or remaining Amount is irrecoverable then the amount may be written of by the Accounting Officer:

Dt Thefts and Losses (I/S)	R 150.00
Cr Debtors (B/S)	R 150.00
Dt Recoverable Revenue Account (B/S)	R 150.00
Cr Income (I/S)	R 150.00

3. FRUITLESS AND WASTEFUL EXPENDITURE

Principle of dealing with fruitless and wasteful expenditure

One should understand the principle of dealing with fruitless and wasteful expenditure. The rand value of fruitless and wasteful is subtracted (paid back to Treasury) from the amount voted by parliament. The remainder of the vote may be utilised for authorised expenditure. To illustrate this principle of accounting for fruitless and wasteful expenditure the following figures will be used:

Vote	R 2 500.00
Fruitless and wasteful expenditure	R 125.00
Authorised expenditure	R 2 275.00

The vote surplus payable to Relevant Treasury is calculated as follows:

Voted funds	R 2 500.00
Fruitless and wasteful expenditure	(R 125.00)
Balance of vote	R 2 375.00
Authorised expenditure	(R 2 275.00)
Net surplus	R 100.00
Fruitless and wasteful expenditure	R 125.00
Total payable to Relevant Treasury	<u>R 225.00</u>

(Note: The fruitless and wasteful expenditure of R 125.00 is financed by a Bank/PMG overdraft.)

Accounting for fruitless and wasteful expenditure – during open relevant financial year

Dt Debtors (B/S)	R 125.00
Cr Relevant expenditure Allocation (I/S)	R 125.00

*Note: For disclosure the expenditure is shown Gross and the Fruitless and Wasteful Expenditure is added back
If Fruitless & Wasteful Expenditure is Recovered

Dt Bank/PMG (B/S)	R 125.00
Cr Debtors (B/S)	R 125.00

If the amount is not recoverable then, it must be written off against the relevant programme and expenditure item Thefts & Losses.

Dt Thefts & Losses (I/S)	R 125.00
Cr Debtors (B/S)	R 125.00

To illustrate the effect on the Income Statement and Balance Sheet (before actual recovery):Income statement

Voted funds	R 2 500.00
Expenditure	
(R 2 275.00 auth exp plus R 125.00 fruitless and wasteful exp)	(R 2 400.00)

Net surplus **R100.00**

Add back Fruitless and wasteful expenditure	<u>R 125.00</u>
Net surplus for the year	<u>R 225.00</u>

Balance Sheet

Current assets	
Unauthorised expenditure and fruitless and wasteful	<u>R 125.00</u>
Current liabilities	
Bank overdraft	<u>R 125.00</u>

Notes to the financial statements

Fruitless and wasteful expenditure	R 125.00
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Reconciliation of movement in account balance

Opening balance	R 0.00
Fruitless and wasteful expenditure current year	<u>R 125.00</u>
Closing balance	<u>R 125.00</u>

Ensure that the closing balance of the reconciliation is equal to the note above and the balance sheet

If Fruitless & Wasteful Expenditure is discovered after the Books in respective of any previous year have been closed then it is dealt with in the open financial year as follows:

Dt Debtors (B/S)	R 125.00
Cr Recoverable Revenue (B/S)	R 125.00

If Recovered then:

Dt Bank/KPMG (B/S)	R 125.00
Cr Debtors (B/S)	R 125.00
Dt Recoverable Revenue (B/S)	R 125.00
Cr Revenue (I/S)	R 125.00

If the amount is not recoverable then, it must be written off against the relevant programme and expenditure item Thefts & Losses.

Dt Thefts & Losses (I/S)	R 125.00
Cr Debtors (B/S)	R 125.00
Dt Recoverable Revenue (B/S)	R 125.00
Cr Revenue (I/S)	<u>R 125.00</u>

Note: This write-off must be properly authorised and disclosed.

For further guidance on the Accounting for Unauthorised, Irregular and Fruitless & Wasteful Expenditure please contact Mr Jan Gilliland at 012 672 2821 or 083 635 6709, or e-mail jan.gilliland@treasury.gov.za.

4. CONFIRMATION OF BALANCES, RECEIPTS AND PAYMENT WITH DEPARTMENTS

Payment on behalf of other department: Interdepartmental service

Payment

Dt Ledger control account	R10 000.00
Cr Bank	R10 000.00

Open debtor account

A debtor account must be opened for every department for example:

Dt Debtor account	R10 000.00
Cr Ledger control account	R10 000.00

When the money is received:

Dt Bank	R10 000.00
Cr Debtors account	R10 000.00

Payment on behalf of other department: Departmental transfers & secondments

Payment

Dt Expenditure	R10 000.00
Cr Bank	R10 000.00

Open debtor account

A debtor account must be opened for every department for example:

Dt Debtor account	R10 000.00
Cr Expenditure	R10 000.00

When the money is received:

Dt Bank	R10 000.00
Cr Debtors account	R10 000.00

Amounts owing to other departments

A creditor's account must be opened for every department when the invoice is received, as follows:

Dt Expenditure	R2 500.00
Cr Creditors control account	R2 500.00

When the money is paid:

Dt Creditors control account	R2 500.00
Cr Bank	R2 500.00

These accounts must **be reconciled between departments every month** to ensure that the debtor amounts at one department reconcile to the creditors amounts, registered at the other department.

JOURNAL ENTRIES WHERE INTERDEPARTMENTAL BALANCES DO NOT AGREE

Where there is a dispute between departments about the balance owing/due that cannot be resolved before the completion of the financial statement for submission to the auditors, the balance according to the records of the department that is owed is used for financial statement preparation purposes. The department that owes the money must disclose the difference as an "Unconfirmed Balance" in Disclosure Note 33 (Accruals). The amount that agrees to its records will be the the "Confirmed Balance" which will be reflected in Note 24 (Payables).

Department A is owed money by department B. The following amounts are recorded in the relevant department's ledger:

Department A:Debtor	100.00
Department B:Creditor	70.00

Entries to be made by Department A at year-end if the difference cannot be resolved:

No entry is made, because they are owed the money by department B.

Entries to be made by Department B at year-end if the difference cannot be resolved:

No entries are made as the difference of R30.00 will be reflected in Disclosure Note 33 as an "Unresolved Balance" with Department A.

Therefore department B will show two amounts in respect of the amount that it owes to department A in their financial statements:

Note 24 – Payables – Interdepartmental (Creditor)	70.00
Note 33 – Accruals – Unresolved Balance – Dept A	30.00





ACKNOWLEDGEMENT OF THE PICTURES

COVER PAGE

Picture 1

Artist : Leonard Matsoso (b 1948)
Title : Zulu Traditional Dancers
Creation Date : 1980
Medium : Watercolour and pastel on paper

Picture 2

Artist : Percy Kongobe (1938)
Title : Ntsikamb and his cow
Creation Date : undated
Medium : Bronze

Picture 3

Artist : Marion Arnold (1947)
Title : Matopos Synthesis
Creation Date : 1982
Medium : Pastel on paper

Picture 4

Artist : JH Pierneef (b1886-d1957)
Title : Clouds on trees
Creation Date : undated
Medium : Oil on board

All the images were selected from the DAC collection.