# **Annual Report**

2015/2016



































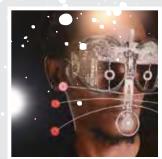
















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### PART ONE



GENERAL INFORMATION

### 1.1 DEPARTMENTAL GENERAL INFORMATION

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#### 1.2 LIST OF ABBREVIATIONS/ACRONYMS

ABBR.	DEFINITION
ACH	Arts, Culture and Heritage
AFSA	Association for the Entertainers of South Africa
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
AU	African Union
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CAC	Community Arts Centre
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
DIRCO	Department of International Relations and Cooperation
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
ENE	Estimates of National Expenditure
FMPPI	Framework for Managing Programme Performance Information
GEMS	Government Employees Medical Scheme
HDI	Historical Disadvantaged Individuals
HLT	Human Language Technology
HPP	Heritage Promotion and Preservation
IAA	Internal Audit Activity
ICT	Information and Communications Technology
IDT	Independent Development Trust
IFLA	International Federation of Library Associations and Institutions
IFS	Interim Financial Statements

ABBR.	DEFINITION
IT	Information Technology
LIASA	Library and Information Association of South Africa
MCS	Modified Cash Standard
MGE	Mzansi Golden Economy
MINMEC	Ministers and Members of Executive Council
MOA	Memorandum of Agreement
MPAT	Management Performance Assessment Tool
MPSA	Minister for the Public Service and Administration
MRM	Moral Regeneration Movement
MTSF	Medium-Term Strategic Framework
NAAIRS	National Automated Archival Information Retrieval System
NaCISA	National Academy for the Creative Industries in South Africa
NARSSA	National Archives and Records of South Africa
NDP	National Development Plan
NLS	National Language Service
NEHAWU	National Education, Health and Allied Workers' Union
NRF	National Revenue Fund
OAU	Organisation of African Unity
OD	Organisational Design
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PSA	Public Servants Association of South Africa
PSCBC	Public Service Co-ordinating Bargaining Council
PWD	People with Disabilities
Q1	Quarter 1
RIM	Robben Island Museum
SABDC	South African Book Development Council
SADC	Southern African Development Community

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ABBR.	DEFINITION		
SAHRA	South African Heritage Resources Agency		
SALA	South African Literary Awards		
SA-UK	South Africa-United Kingdom		
SMS	Senior Management Service		
SARA	South African Roadies Association		
SCM	Supply Chain Management		
SCOA	Standard Chart of Accounts		
SDIP	Service Delivery Improvement Plan		
SITA	State Information Technology Agency		
SOP	Standard Operating Procedure		
TIC	Technical Implementation Committee		
UAMP	User Asset Management Plan		
UK	United Kingdom		
VCF	Venture Capital Fund		
WLIC	World Library and Information Congress		

#### 1.3 LIST OF FIGURES

Figure 1: Community conversations conducted in provinces

Figure 2: Overall condition of facilities of the DAC

Figure 3: Conditional grant and earmarked funds received by the Department

Figure 4: Geographical distribution of the conditional grant

#### 1.4 FOREWORD BY THE MINISTER



Mr Nathi Mthethwa (MP)
Minister of Arts and Culture

The struggle for a better society spans generations, with each cohort called upon to carry out its 'generational mandate' by the demands of its age.

Each succeeding generation faces the responsibility to study its political, social and economic conditions carefully, and to set its own agenda accordingly, so that it can contribute to bettering the conditions of its society. We owe it to history to protect and champion the ideals of social justice, an abiding culture of human rights, and a humane, just and equitable social order.

Once again, faced with the obligation to identify the challenges and tasks of our time, and the role we must play in discharging this responsibility, we must remain focused and determined never to dishonour the cause of a better life for all.

Aided by the vantage of history, we may state that the generations before us defined for themselves their purpose in life, and set about fulfilling it.

Unity, vision and adherence to principles were the bricks and mortar that built previous generations into the mighty force that helped to bring us the freedom we enjoy today.

As part of the budget vote of 2014, we committed our government to celebrating Africa Month in May. This celebration has been a huge impetus for promoting African and South African arts and culture to the world.

Our theme this year was 'We Are Africa: Opening the doors of learning and culture for peace and friendship from Cape to Cairo'. The programme was a festival of ideas, expressed through cultural and artistic exchange, which integrated social, political, cultural and economic matters.

Our aim was to reconnect and unite South Africans with the rest of the continent as it unfolded throughout all nine provinces of this beautiful land.

We shall continue to celebrate the role played by the OAU in decolonizing the continent since the OAU's formation in May 1963, and, post facto, we are celebrating a decade since the launch of the AU in 2002. Our government's programme for Africa Month is about sharing Africa's richness practically, through intellectual stimulation and development by our continent's intelligentsia, scholars and activists such as Ben Okri, Pitika Ntuli, Keorapetse Kgositsile, Mongane Serote, Kole Omotoso, Sipho Seepe, Muxe Nkondo and Nuruddin Farah, to name but a few. We also used dance, music, drama and poetry in celebrating our Africaness. We Are Africa.

The Africa Month programme is an annual event whose overall objective is to educate our people about the continent and the Diaspora. It is through such long-term and sustained programmes that we will succeed in undermining intolerance such as racism, xenophobia, Afrophobia, homophobia, and others.

We must go beyond condemnation of one form of intolerance or another. We take this opportunity to thank all South Africans who took part in different programmes emphatically denouncing xenophobia, stating loudly 'Not in our name'. The true South African narrative is about 'Opening the doors of learning and culture for peace and friendship from Cape to Cairo'. We Are Africa!

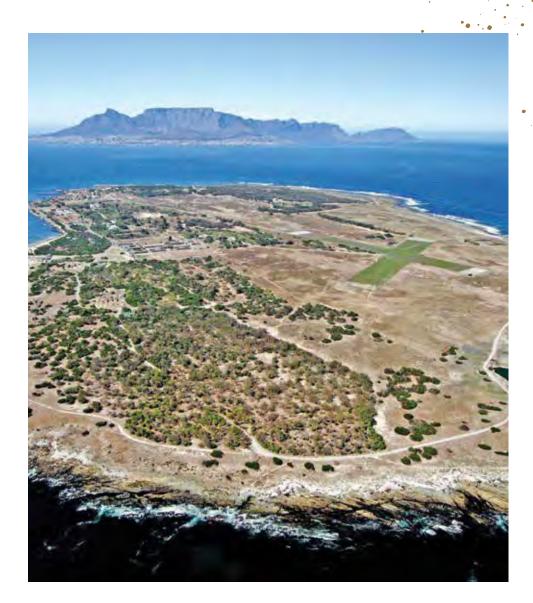
Other activities we undertook in this reporting period included the following programmes:

- The launching of an incubator programme that is aimed at capacitating up and coming artists and ensuring the transfer of knowledge from veterans. These incubators are a very important tool to ensure that we create local content and unleash the economic potential of the creative sector.
- The creation of the Cultural and Creative Industries Federation of SA, (CCIFSA), and the establishment of its governing body. For the first time, the cultural industries are able to articulate the voices of artists through one channel. We applaud the vision of President Zuma for calling for this unified structure.

Despite the sceptics and doubting Thomases of this world, we say, 'Africa is rising, we shall arrive at the destination our predecessors dreamt of, we have it in ourselves'.

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MR NATHI MTHETHWA, MP
MINISTER OF ARTS AND CULTURE.



#### 1.5 STATEMENT BY THE DEPUTY MINISTER



Ms Rejoice Mabudafhasi (MP)

Deputy Minister of Arts and Culture

During the year under review, we installed South African flags in 3 557 schools, bringing the total number of flags installed in schools since 2007 to 25 266. We also distributed posters of the Preamble of the Constitution, national symbols, the AU and national anthems, and passports of patriotism. In 2016/17 we will conduct a full project review to verify the number of schools without flags, the condition of existing flags, and the need to replace old flags and poles.

Through the community library conditional grant, the Department completed 11 new libraries and 33 modular libraries, and refurbished 35 libraries. In 2016/17 we will build another 23 new libraries and upgrade 55 existing libraries with the allocation of R1 357 billion. The Bill and Melinda Gates Foundation, through its Global Libraries Programme, provided our country with a grant of R120 million for computers, enhanced internet access in libraries, educational toys, training for staff, and technology for the visually impaired. A total of 667 libraries will benefit from this generous donation. Annually, we embark on the reading campaign as a build-up activity that culminates in the World Book and Copyright Day celebrations. This year, we conducted a door-to-door Reading Awareness Campaign in Elim Village, Makhado Municipality, including 13 schools, Elim Care for the Aged, and village households to promote reading, and donated numerous books, including South African classics.

In August 2015, the Department successfully hosted the International Federation of Library Associations and

Institutions Conference and Assembly (IFLA), which was attended by more than 3 000 delegates. The Ministerial Pre-Conference adopted the Cape Town Declaration, which seeks to coordinate and enhance the profile of libraries on the continent. The declaration will be submitted to the African Union Ministers of Culture for endorsement, support and implementation.

The 12th Annual Oral History Conference was held in KwaZulu-Natal from 13-16 October 2015, and the 13th Conference will be held in Limpopo Province from 11-14 October 2016. As part of the Conference, learners were trained in oral history methodology, so that those learners participating in the Conference can be presenters, too.

Deaf TV hosts the Zwakala Awards, at which young deaf people are recognised for their achievements in an annual national drama competition. The event has been supported by the DAC since 2008 and has gone from strength to strength. The Zwakala Africa Awards have expanded from a national event to regional event that will be hosted in 13 SADC countries.

The Department supported the African Women Writers' Conference again this year, and brought in several impressive writers from the continent and from the Diaspora. The exposure for our young, budding authors has been inspiring! In August 2016, during Women's Month, the Department will launch a publication telling the story of 18 unsung heroines from 9 provinces.

The DAC is currently implementing the Mzansi Golden Economy (MGE) strategy that was launched in 2011. The objective of the strategy includes increasing the proportion of arts and culture practitioners in the South African workforce and creating jobs. As part of the implementation of the strategy, the DAC will also ensure that women play a bigger role towards achieving this objective.

In partnership with the Department of Small Business Development, we hosted a series of craft izimbizo throughout the country. In addition, we afforded crafters an opportunity to participate in international platforms in the USA such as the SA Lifestyle Hub in Atlanta and the contemporary art exhibition 'Art Santa Fe'.

The Department signed a memorandum of understanding with the Department of Correctional Services (DCS) to mainstream the Arts Access Programme into the work of their respective departments in order to coordinate and manage their impact on the Arts Access Programme in Correctional Services.

In conclusion, we must never underestimate the power of the people to bring about change through their collective effort. I certainly believe that we can all unite and make this country a better place for all who live in it.

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MS REJOICE MABUDAFHASI (MP)
DEPUTY MINISTER OF ARTS AND CULTURE



### 1.6 REPORT OF THE ACCOUNTING OFFICER



1. General review of the state of affairs

#### 1.1 Spending trends

2015/16	2014/15
R′000	R′000
3 826 047	3 524 748
3 762 353	3 492 221
63 694	32 527

The unspent amount represents 1.7% of the voted funds for the 2015/16 financial year.

The detail of unspent funds per economic classification is as follows:

ECONOMIC CLASSIFICATION	R'000
Compensation of Employees	5 322
■ The underspending was due to delays in filling vacant positions.lt must be noted that filling of vacancies was ongoing and at year end the process was at different stages – where in some cases the DAC was awaiting vetting results and in others, shortlisting processes were underway.	
Goods and Services	27,971
<ul> <li>Under-spending was mainly due to delays in DPW invoicing the Department for municipal charges and operating leases.</li> <li>A secondary contributor to the under-spending in this area was delays with the installation of flags in schools.</li> </ul>	
Transfers and Subsidies	3 384
Departmental Agencies and Accounts	
The variance was due to upgrade and refurbishment projects managed by DPW not yet invoiced by year end. The amount refers to capital works projects taking place at the Heritage and Performing Arts Institutions and Libraries.	

ECONOMIC CLASSIFICATION	R′000
Foreign Government Organisations	199
• The under-spending was mainly due to fluctuations in the exchange rate for the transfer of membership fees to the Commonwealth Foundation.	
Households	3 424
<ul> <li>The under-spending was due to financial assistance projects approved but waiting for compliance documents from beneficiaries.</li> </ul>	
Public Corporations	14 982
■ The under-spending was experienced in MGE projects transfers to beneficiaries for grants in aid due to tranche payments that were not claimed in the year under review and to capital works transfers for Performing Arts projects.	
Non-profit Institutions	15 670
<ul> <li>The under-spending was mainly due to capital works and Arts Social Development and Youth projects.</li> </ul>	
Buildings and other fixed structures	(9,436)
<ul> <li>The variance was due to delays by DPW in invoicing the Department for construction work at the Old Library building for National Archives and the Sarah Baartman Centre of Remembrance.</li> <li>The National Archives expenditure relating to the construction work at the Old Library building was reclassified to goods and services due to work in progress of the project.</li> </ul>	
Machinery and equipment	1 501
• The variance was due to the delay in finalising the procurement process of a tender issued through SITA for the digitisation of the Rivonia Trial Records.	
Heritage Assets	300
• The under-spending was due to delays in the consultation process of declaring the Chief Zibi of Amahlubi Tribal Authority (North West Province) site as required by the National Heritage Resources Act.	
Software and other intangible assets	377
<ul> <li>The under-spending was due to SITA invoicing the Department less than anticipated for NAAIRS project.</li> </ul>	
Total	63,694

#### 1.2 Virements and shifting of funds

All virements were approved by National Treasury. Both before and after the Adjusted Appropriation, substantial virements were required across all programmes. The projects emanating from MGE calls for proposals and reprioritisation of legacy projects budget were reclassified, and virement approvals were granted prior to incurring the expenditure.

Shifts were done in the 2015/16 financial year to augment over-spent economic classifications in line with Section 43 of the Public Finance Management Act (PFMA) and the Standard Charts of Accounts (SCOA), as outlined below:

- Shifts within same economic classifications;
- The leave payments to officials who has left the Department; and
- Interest on rent and shifts to cover thefts and losses.

The table below is a summary of virements and shifts per programme.

Programme	Adjusted Appropriation 2015/16	Shifting of funds	Virement	Final Appropriation 2015/16
	R′000	R′000	R′000	R′000
Administration	242 412	7 595	28 280	278 287
Institutional Governance	397 558	(3 308)	(170 124)	224 126
Arts & Culture Promotion & Development	1 076 224	(4 277)	(72 111)	999 836
Heritage Promotion & Preservation	2 109 853	(10)	213 955	2 323 798
Total	3 826 047	-	-	3 826 047

Where virements were above the 8% limit, approval was obtained from National Treasury.

#### Significant events during the financial year

- 2.1 In support of the objective of strengthening the governance of DAC public entities, the Boards/Councils of 4 public entities were reconstituted and inducted in the year under review, and shareholder compacts were signed with all entities. Also noteworthy is the disbandment of the Board of the Pan South African Language Board due to a number of governance challenges confronting the institution.
- 2.2 The China and UK Seasons were concluded in 2015/2016. These programmes significantly enhanced our bilateral and cultural relations with these countries, and brought concrete benefits to SA artists and institutions. Bringing relations with the continent to the fore, South Africa developed a strategy and implementation plan for the Charter for African Cultural Renaissance in the 2015/2016 financial year, successfully hosting the first Africa Month, which will strengthen South Africa's relations with countries on the continent and with regional structures such as the SADC and the AU.
- 2.3 Eight multi-year Human Language Technologies projects were supported; and after a number of years of development, Autshumoto, which is a free software for translators, was launched in 2015/16. The software is available online, and is already extensively used by the translators of the National Language Service.
- 2.4 Recognising that the DAC needed to intervene to improve compliance with the Use of Official Languages Act, consultants were appointed to assist national departments and public entities with compliance; resulting in 80% compliance by the end of the financial year.
- 2.5 Over 400 bursaries were provided to support studies in language practice at six universities across the country.
- 2.6 Translation services continued to be offered to national government departments and entities and terminology development has continued in 4 domains, including Life Orientation, Mathematics, Information Technology and Human, Social, Economic and Management Sciences.

- 2.7 The recommendations of 7 sector strategies were implemented in the year under review, including training programmes, international exchange programmes, and conferencing and networking opportunities.
- 2.8 The MGE strategy was implemented in the year under review, supporting 80 new productions, events and exhibitions including the SA Pavilion at the Venice Biennale, 25 regional and national flagships and 20 public art programmes. Over and above the SA-UK Season and the SA-China Season, 79 touring venture projects were supported to allow productions and artists to tour locally and internationally. As part of the new model for NACISA, 8 incubator projects were launched in 5 provinces, providing training and development opportunities for over 1,000 young people across the country.
- 2.9 Over 100 community arts centre programmes were supported in the year under review, and 5 community arts centres were supported to implement much needed upgrades to existing community arts centres across the country.
- 2.10 The Annual Archives Awareness week was hosted from the 11-15 May 2015. The aim of the event is to create awareness of the services of the archival institutions, as well as the importance of bringing people together to experience the unique archival heritage of our country. It is also a time to focus on the importance of records of enduring value and to enhance public recognition for the people and programmes that are responsible for maintaining our communities' vital historical records. The work of National Film, Video and Sound Archives, research, preservation and conservation is also highlighted during this week long event.
- 2.11 The International Federation of Library Associations and Institutions' (IFLA) World Library and Information Congress (WLIC) is a high-profile event on the international congress calendar and the premier international forum for the library and information professions. The Library and Information Association of South Africa (LIASA) was awarded the bid to host the event from 13-23 August 2015 in Cape Town. The theme of the Conference was "Dynamic Libraries: Access, Development and Transformation". A total of 3 190 delegates from different countries attended the Conference.

2.12 The master class series is an integral part of the Living Legends Legacy Project. Initiated in November 2015, the Living Legends participated in 27 activities that included master classes, concerts and festivals in 8 provinces. A total of 36 Living Legends participated in the programme to impart their experience, wisdom, knowledge and skills to a new generation of artists across the country.

A multi-sector stakeholder consultation on nation building and social cohesion was held to promote a socially and economically inclusive society.

#### 3. Significant events after the financial year

None

#### 4. Services rendered by the Department

#### 4.1 National Archives

#### 4.1.1 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.

#### 4.1.2 Tariff policy

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

#### 4.2 National Film, Video and Sound Archives

#### 4.2.1 Type of service

The National Film, Video and Sound Archives collects, preserves and provides access to audio-visual records created by both 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 cooperation and coordination between institutions having custody of such records; and
- Generally, to promote the preservation and use of our national archival heritage.

#### 4.2.2 Tariff policy

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

#### 4.3 Bureau for Heraldry

#### 4.3.1 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.

#### 4.3.2 Tariff policy

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

#### **4.4** National Language Service

#### 4.4.1 Type of service

The National Language Service provides translating and editing services to all government departments. The National Language Service also provides policy development advice relating to language development, as well as the realization of language rights espoused in the Constitution.

#### 4.4.2 Tariff policy

Translation and editing services are provided to all national government departments and entities at no cost.

#### 5. Capacity constraints

The Department finalised the draft organisational structure. The Department, together with the MPSA is in the process of finalising the consultations for the implementation of the revised structure.

The vacancy rate as at 31 March 2016 is 7,4% which is below the target of 10% that was set at the start of the financial year. All unfunded vacancies for the 2015/2016 financial year were abolished. The Department is in the process of finalising the appointment of a new Director-General, which post was readvertised during 2015 and 2016. Key positions such as Deputy-Director General: Institutional Governance, Chief Director: Cultural Development and Chief Director: National Archives and Libraries were finalised and successful candidates assumed duty during January and February 2016.

#### 6. Utilisation of donor funds

In the 2015/16 financial year no donor funds were received by the Department.

#### 7. Public Entities (related parties)

The Department funded public entities, a constitutional institution and non-profit organisations as outlined in the sections below. The actual amounts transferred to each entity in the 2015/16 financial year including subsidy, MGE and capital works are indicated below:

#### 7.1 Heritage Entities

The DAC supports 15 heritage entities. Thirteen of the entities have been declared in terms of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), one is a non-profit institution and one, the National Heritage Council was established in terms of the National Heritage Council Act, 1999 (Act No. 11 of 1999) as outlined in the table below:

Institution	2015/16	2014/15
	R′000	R′000
Die Afrikaanse Taalmuseum, Paarl	5 597	6 308
Ditsong Museum, Pretoria	69 402	66 350
Engelenburg House Collection, Pretoria (NPI)	302	289
Freedom Park, Pretoria	65 665	70 470
Iziko Museum, Cape Town	68 336	72 831
Luthuli Museum, Stanger	9 329	9 773
KwaZulu-Natal Museum, Pietermaritzburg	18 175	18 312
National Heritage Council, Pretoria	58 475	55 917
National Museum, Bloemfontein	43 333	52 334
Nelson Mandela Museum, Mthatha	21 143	21 379
Robben Island Museum, Cape Town	122 038	83 396
The National English Literary Museum, Grahamstown	9 455	8 657
Msunduzi/Voortrekker Museum, Pietermaritzburg	22 484	11 935
War Museum of the Boer Republics, Bloemfontein	9 121	9 1 1 4
William Humphreys Art Gallery, Kimberley	6 234	7 160
Total	529 089	494 225

#### 7.2 South African Heritage Resources Agency

The South African Heritage Resources Agency was established in terms of the National Heritage Resources Act, 1999 (Act No. 25 of 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; and
- provide for the protection and management of conservation-worthy places and areas by local authorities.

2015/16	2014/15
R'000	R'000
73 552	46 417

#### 7.3 Performing Arts Entities

Six performing arts entities are declared in terms of the Cultural Institutions Act, 1998 (Act No. 119 of 1998). The performing 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	2015/16	2014/15
	R′000	R′000
Artscape, Cape Town	54 690	50 838
State Theatre, Pretoria	48 699	67 163
Playhouse Company, Durban	50 232	68 468
Performing Arts Centre of the Free State, Bloemfontein	41 024	42 690
Market Theatre Foundation, Johannesburg	40 789	43 310
Windybrow Theatre, Johannesburg	29 795	10 786
Total	265 229	283 255

#### 7.4 Business Arts South Africa

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

2014/15	2015/16
R′000	R′000
7 312	7 648

#### 7.5 National Film and Video Foundation

In terms of the National Film and Video Foundation Act, 1997 (Act No. 73 of 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.

2015/16	2014/15
R'000	R′000
116 721	147 588

#### 7.6 National Arts Council

In terms of the National Arts Council Act, 1997 (Act No. 56 of 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.

,	2014/15	2015/16
)	R′000	R′000
-	97 365	97 589

#### 7.7 Pan South African Language Board

The Pan South African Language Board is defined as a constitutional institution in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The Board promotes 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, 1995 (Act No. 59 of 1995).

2015/16	2014/15
R'000	R′000
87 338	83 497

#### 7.8 Libraries

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.

Institution	2015/16	2014/15
	R′000	R′000
National Library of SA, Pretoria	82 338	76 115
South African Library for the Blind, Grahamstown	17 376	18 662
Blind SA, Pretoria	7 473	8 140
Total	107 187	102 917

#### 8. Other organisations to which transfer payments were made:

The Department supports and promotes projects that aim to promote arts and culture, the functional objectives of the National Archives as well as language services. 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 agreement with the parties once decisions have been made to fund particular projects. The Department paid out the following amounts from various programmes in the 2015/16 financial year:

Transfers & Subsidies	2015/16	2014/15
	R′000	R'000
Provinces and Municipalities	1 274 317	1 019 713
Higher Education Institutions	80	570
Public Corporations & Private Enterprises	108 059	69,310
Foreign Organisations	3 998	3 127
Non-Profit Institutions	186 258	193 058
Households	25 583	24 518
Total	1 598 295	1 310 296

- 8.1 Transfers and subsidies for 2014/15 include funds transferred to the Independent Development Trust (IDT) for rolling out some of the infrastructure projects. In the current year, no funds were transferred to IDT. The projects managed by IDT are as follows:
  - Muyexe Heritage and Library Centre
  - JL Dube Legacy Project and Enyokeni Cultural Precinct
  - Renovations to the Winnie Mandela House, Wesleyan Church and Dr JS Moroka House
  - OR Tambo Memorial and Ingquza Hill

The detailed report is attached as Annexure 9 in the annual financial statements.

#### 9. Corporate Governance Arrangements

#### 9.1 Corporate Governance

The Department has a functional Internal Audit Activity and Audit Committee established in line with the Public Finance Management Act, 1999 (Act No. 1 of 1999), section 38 (1)(a) (ii), Treasury Regulations (Chapter 3) and the King III Report on Corporate Governance.

#### 9.2 Internal Audit

The Internal Audit Activity (IAA) of the Department was functional throughout the financial year and operated in line with its approved Internal Audit Charter informed by Treasury Regulation 3.2.

The IAA assisted the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities. This was achieved through audit assignments that were executed in line with the approved Risk-Based Rolling Three-Year Strategic and Annual/Operational Internal Audit Plan for 2015/16, which was informed by the Department's approved Strategic and Operational Risk Assessment results and approved by the Audit Committee of the Department.

The results of all the assurance activities/assignments referred to above were duly reported to the Department's Senior/Executive Management including the Accounting Officer, and to the Audit and Risk Management Committees of the Department throughout the financial year, and recommendations provided on areas where shortcomings were identified for corrective action to be employed.

Additional to the approved planned risk-based internal audit assignments and statutory assignments, i.e. performance information and internal financial controls, the IAA also reviewed the Department's Management Action Plan developed by the Department's Management on the basis of the outcomes of the Auditor General of South Africa's audit report for the year ended 2014/15 to ensure that internal controls are improved through

the identification of adequate controls/action plans as well as the implementation thereof. Significant improvements to the action plans are still required to strengthen the internal controls, i.e. preventative and detective.

Internal Audit adhered to the approved Annual/Operational Risk-Based Internal Audit Plan through the assistance of its appointed internal audit service provider, contracted to supplement the insufficient human resource capacity and the required specialized audit skills, i.e. Information Technology Audits.

The Department has filled 2 out of the 7 vacancies to date. The remaining vacancies (i.e. 5) will be reviewed for prioritisation and filling in the 2016/17 financial year.

#### 9.3 Audit Committee

The primary purpose of the Audit Committee is to assist the Accounting Officer of the Department in fulfilling his oversight responsibilities to ensure that the Department has and maintains effective, efficient and transparent systems of financial, risk management, governance, and internal control.

The Department's Audit Committee conducted its oversight role in line with its approved Charter/Terms of Reference. The Committee operated with 4 independent members, including the Chairperson.

Among other critical oversight responsibilities, the Audit Committee played a significant role in providing oversight on the internal control status performance information by recommending the development of a detailed Management Action Plan including its stringent monitoring of the action plan through its ordinary and special meetings to assist the Department to reduce internal control deficiencies experienced in the past to a minimum, and /or realise improvements as well as to improve planned performance against predetermined objectives aimed at realising the mandate of the Department.

Further to the above, the Committee also provided oversight on emerging high-risk areas

impacting the DAC that were identified during the financial year in order to ensure that mitigating controls as well as further improvement action plans were identified, and that accountability for implementation of the improvements was agreed to for further monitoring.

#### 9.4 Forensic Investigations

The Department has an approved and updated Fraud Investigation Policy that provides for the review and investigation of allegations of fraud, corruption and other financial misconduct in line with Treasury Regulation 4 (4.1 to 4.3).

Minimum capacity to conduct investigations into the allegations exists within the Internal Audit Activity, however this capacity is not sufficient.

Additional capacity, which was intended to be created in the form of a panel of forensic investigation service providers in order to address the backlog of allegations experienced and also new allegations received, was significantly delayed and had not been resolved at year-end.

In the interim, Internal Audit utilised the available permanent capacity, the appointed Internal Audit Service Provider on an ad-hoc basis as provided for in the Service Level Agreement.

#### 9.5 Risk Management

The Department maintained its Risk Management Strategy for the 2015/16 financial year. The Risk Committee is fully functional and is chaired by an independent, non-executive member, who serves on an advisory basis on the governance of Risk Management.

#### Meetings

#### Risk Committee Governance

The Risk Committee met four times during the financial year to fulfil its responsibility on risk management, ethics and integrity matters. The Committee also focused on integrated reporting by assurance providers at an organizational level, including independent assurance on the internal control environment by Internal Audit.

The Committee applied on-going oversight on the operational deliverables in line with the Department's Risk Management Framework.

#### Risk Advisory Services

The Risk Committee Chairperson applied oversight on the key strategic focus areas during the financial year. Four meetings were scheduled to attend to the following matters

- Project Risk Management
- Irregular expenditure and consequence management process
- Business Continuity Management with special emphasis on Disaster Recovery Plans

#### 9.6 Asset Management

The Department continuously maintains and manages moveable assets on the system that was implemented in 2008/09.

On 2 March 2016 the Department had a public auction to dispose of redundant and obsolete moveable assets (furniture, office equipment, computer equipment, other machinery and equipment) and the proceeds were deposited into the revenue account. Year-end physical verification of all moveable assets was started on 23 February 2016 and completed on 24 March 2016.

All the moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

#### 9.7 Performance information

In terms of reporting, compliance reports were submitted and/or tabled to oversight structures as prescribed in the Treasury Regulations. These included monthly financial expenditure reports, quarterly performance reports and the annual performance review report for 2015/16 financial year. Moreover, quarterly review sessions were held with the Accounting Officer to ensure effective performance monitoring and evaluations, and that corrective actions are instituted where applicable.

#### 9.8 Supply Chain Management

In the 2015/16 financial year the Department procured goods and services according to the procurement plan. The Department appointed a panel of service providers for procurement of events and marketing services to be registered on the database, so that the Department can procure without competitive bidding.

There were however challenges of non-responsive service providers for marketing and communication services that led to deviations, which were reported to National Treasury and the Office of the Auditor-General. The Department will be implementing an alternative sourcing strategy in the new financial year.

#### 9.9 Irregular Expenditure

In the 2015/16 financial year the irregular expenditure opening balance was R292 million and irregular expenditure relating to 2015/16 was R111 million. Irregular expenditure waiting for condonation amounted to R403 million.

The National Treasury will be approached to approve condonation of over R150 million as per recommendations made by Gobodo Forensic and Investigative Accounting during their investigation of irregular expenditure for the period ending 31 March 2015.

#### 9.10 Resolving of the issues from the previous year's audit

Management was able to address a significant number of issues raised by the Auditor General during the previous year. The remaining issues were mainly those that will be implemented during the preparation of the Annual Financial Statements. There are also issues for which the implementation date is in the new financial year. The Department is still incurring irregular expenditure mainly due to non-compliance with Supply Chain Management (SCM) procedures. The Department has therefore embarked on consequence management by instituting disciplinary action against officials responsible for non-adherence to SCM policy and procedures.

A significant improvement has been recognized in the preparation and presentation of the Interim Financial Statements (IFS). This was evidenced by minor findings in regard to IFS for the current year.

#### 10. Approval

The Annual Financial Statements as set out on pages 132 to 208 have been approved by the Accounting Officer.

MR VUSITHEMBA NDIMA
ACTING DIRECTOR-GENERAL

**DATE: 31 JULY 2016** 

# 1.7 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part 5) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016

MR VUSITHEMBA NDIMA
ACTING DIRECTOR-GENERAL

**DATE: 31 JULY 2016** 

#### 1.8 STRATEGIC OVERVIEW

#### **VISION**

A dynamic, vibrant and transformed Arts, Culture and Heritage sector, leading nation building through social cohesion and socio–economic inclusion.

#### **MISSION**

The DAC's mission is to create an enabling environment in which the ACH sector can flourish and play a significant role in nation building and socio–economic development by:

- Preserving, protecting and promoting the cultural, heritage and linguistic diversity and legacy of South Africa
- Leading nation building and societal transformation through social cohesion
- Enhancing records management structures and systems, and promoting access to information
- Providing leadership to the ACH sector to accelerate its transformation.

#### **VALUES**

The DAC is committed to the following core values based on the principles of BATHO-PELE:

#### **Patriotism**

As loyal PATRIOTS we passionately serve South Africa and its people to build a Nation

#### Ubuntu

CARE and concern for the wellbeing of our staff, customers and stakeholders is the foundation of our success

#### **Innovation**

In everything we do, we strive for INNOVATIVE approaches

#### Integrity

In our day-to-day activities, our INTEGRITY shines through

#### **Professionalism**

Together we act PROFESSIONALLY to deliver value to the South African economy, its people and ourselves

#### **Accountability**

We are ACCOUNTABLE to the people of South Africa in our pledge to provide them with high quality services by reporting accurately on our performance and commitments and taking ownership of the task to ensure that it is done correctly the first time around.

#### STRATEGIC OUTCOMES-ORIENTED GOALS

Five overall outcomes–oriented goals set out in the Strategic Plan will guide the Department's focus and effort in the period 2015–2019. Individually, each goal represents an aspiration the Department seeks to achieve as it pursues its mission (aim). Collectively, the goals define the full range of the DAC's and ACH sector's roles and focuses, as reflected below:

#### A transformed, coherent and development-focused ACH sector:

To drive greater policy and planning coherence in the sector towards the achievement of sectoral development outcomes.

### Nation building through effective social cohesion programme implementation:

To lead nation building and societal transformation through effective social cohesion programmes that promote cultural and linguistic diversity.

#### A productive, diverse and inclusive ACH sector:

To protect, preserve, promote and develop Arts, Culture and Heritage and advance the socio–economic inclusivity and contribution of the sector.

#### A sound governance fiscal management system:

To forge sound governance and fiscal management policies, systems and processes that enhance the capacity of the DAC and its entities to ensure the effective and efficient utilisation and leveraging of ACH resources for the benefit of all South Africans.

#### A professional and capacitated ACH sector:

To build the skills and capacity of the sector to ensure its ongoing development and responsiveness.

#### 1.9 LEGISLATIVE AND OTHER MANDATES

The mandate of the Department is derived from the Constitution of the Republic of South Africa, including the Preamble and Founding Provision, and in particular:

Section 16 (1) "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;
- c) freedom of artistic creativity ;and
- d) academic freedom and freedom of scientific research", and

**Section 30** "Everyone has the right to use the language and to participate in the cultural life of their choice, but no one exercising these rights may do so in a manner inconsistent with any provision of the Bill of Rights."

#### Section 32(1) "Everyone has the right of access to—

- (a) any information held by the state; and
- (b) any information that is held by another person and that is required for the exercise or protection of any rights.

The primary legislative framework of the Department emanates from the following Acts:

- Cultural Institutions Act, 1998 (Act No. 119 of 1998)
- Culture Promotion Act, 1983 (Act No. 35 of 1983)
- Heraldry Act, 1962 (Act No. 18 of 1962)
- Legal Deposit Act, 1997 (Act No. 54 of 1997)
- National Archives and Records Service of South Africa Act, 1996 (Act No. 43 of 1996)
- National Arts Council Act, 1997 (Act No. 56 of 1997)
- National Council for Library and Information Act, 2001 (Act No . 6 of 2001)
- National Film and Video Foundation Act, 1997 (Act No. 73 of 1997)
- National Heritage Council Act, 1999 (Act No. 11 of 1999)
- National Heritage Resources Act, 1999 (Act No. 25 of 1999)
- National Library of South Africa Act, 1998 (Act No. 92 of 1998)
- Pan South African Language Board Act, 1995 (Act No. 59 of 1995)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- South African Geographical Names Council Act, 1998 (Act No. 118 of 1998)
- South African Library for the Blind Act, 1998 (Act No. 91 of 1998)
- Use of Official Languages Act, 2012 (Act No. 12 of 2012)

#### Other prescripts governing the Department

- Framework for Managing Programme Performance (2007)
- Guidelines for Strategic and Annual Performance Plan (2010)
- National Development Plan Vision 2030 (2012)
- National Evaluation Policy (2012)
- Public Audit Act, 2004 (Act No. 25 of 2004)
- Public Finance Management Act 1999 (Act No. 1 of 1999),
- The Government-Wide Monitoring and Evaluation System (GWM&E) (2007)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)



#### 1.10 ORGANISATIONAL STRUCTURE



**Minister** Hon. Nathi Mthethwa



**Deputy Minister** Hon. Rejoice Mabudafhasi



**Acting Director-General** Mr Vusithemba Ndima



**Branch: Heritage Promotion and Preservation**Mr Vusithemba Ndima



Branch: Arts and Culture
Promotion and Development
Ms Monica Newton



**Branch: Corporate Services**Ms Matildah Mogotsi



**Branch: Institutional Governance**Ms Kelebogile Sethibelo



Branch: Chief Financial Officer Mr Makoto Matlala

#### 1.11 PUBLIC ENTITIES REPORTING TO THE MINISTER

#### **Development Agencies:**







#### **Performing Arts Institutions:**













#### **Libraries:**





#### **Constitutional:**



#### Heritage Institutions:





























### PART TWO



PERFORMANCE INFORMATION

## PARTTWO: PERFORMANCE INFORMATION

# 2.1 REPORT OF THE AUDITOR-GENERAL ON PREDETERMINED OBJECTIVES

The audit conclusion on the performance against predetermined objectives is included in the report to management, with findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the Auditor-General's report.

Refer to page 123 of the Report of the Auditor-General, published as Part E: Financial Information

#### 2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### **PROGRAMME 1: ADMINISTRATION**

#### **Programme Purpose:**

The Programme is responsible for the provision of leadership, management and support functions to the Minister, Deputy Minister, Director–General and the Department

The Administration Programme covers the work of the following subprogrammes:

- Ministry
- Management
- Corporate Services
- Office of the CFO
- Office Accommodation

The Programme has the following strategic objectives:

- To drive integrated and joint outcomes—based planning, monitoring and evaluation across the Sector.
- To facilitate an enabling and coherent policy, legislative and regulatory environment for the Sector.
- To use national days as a platform for promoting constitutional values, nation building and social cohesion.
- To ensure compliance and sound governance.
- To strengthen financial resource base and resourcing mechanisms of the Sector.
- To drive sound financial management and controls across the Sector.
- To strengthen and enhance internal process flows and systems.
- To build human resource capability and promote a culture of high performance.

#### Key Highlights for the 2015/16 financial year

Celebration and commemoration of the national days:

The Department uses national days to intensify the contribution to and co-ordination of Outcome 14 towards transforming of South Africa into a multilingual, non-racial, prosperous and non-sexist society. The Department was mandated by Cabinet to organise seven national days and commemorations as a platform for promoting constitutional values. The celebration and commemoration of significant national days are aimed at promoting interracial and intercultural gatherings that are central to nation building. The following are the national days that were hosted by the department; Freedom Day on 27 April 2015, Youth Day on 16 June 2015, Women's Day on 9 August 2015, Heritage Day on 24 September 2015, Day of Reconciliation on 16 December 2015 and Human Rights Day on 21 March 2016.

#### **Detailed Programme Performance**

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRA	TEGIC GOAL 1 – A TRAN	SFORMED,	, COHERENT AND D	DEVELOPMENT-FOCUSE	D SECTOR			
To drive integrated and joint outcomes-	No. of TIC forums conducted	ODG 1	2	4	Achieved – 4 TIC forums were conducted	Minutes and attendance register	-	-
based planning, monitoring and evaluation	No. of MinMEC forums conducted	MIN 1	1	4	Not achieved – only 3 MinMEC forums were conducted	Agenda and attendance register	-1	Diary commitments resulted in the Department rescheduling some of the planned MinMEC forums
	DAC APP and annual service delivery improvement plan (SDIP) approved	ODG 2	DAC APP 2015/16 was developed and tabled in Parliament	DAC APP 2016/17 approved SDIP 2016–2018 approved	Not achieved – the DAC 2016/17 APP was approved; however, the SDIP was not approved	DAC 2016/17 APP and tabling letter	SDIP 2016–2018 was not approved	Prolonged consultations delayed the approval of the SDIP
	Annual marketing and communications implementation plan approved  Quarterly reports on implementation of annual marketing and communications implementation plan	COMM 1	Marketing and communications strategies and plans produced for departmental activities	Annual 2015/16 marketing and communications implementation plan approved in Q1 3 quarterly reports on implementation of annual marketing and communications implementation plan	Not achieved – annual 2015/16 marketing and communications implementation plan was not approved  3 quarterly reports on the implementation of annual marketing and communications implementation plan were developed	Quarterly report for Q3	Annual 2015/16 marketing and communications implementation plan was not approved	Prolonged consultations delayed completion of the marketing and communications implementation plan
	No. of izimbizo/ public participation programmes held	MIN 2	43 izimbizo were held	20	Achieved – 104 izimbizo were held	Izimbizo report	+84	More izimbizo were undertaken as a result of Africa Month and demands from the communities to engage with political principals

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To facilitate enabling and coherent policy, legislative and regulatory environment for the ACH Sector	Annually updated sectoral policy database	ODG 3	-	Sectoral policy database established and populated	Not achieved – the sectoral policy database was not established and populated	-	Sectoral policy database was not established and populated	Capacity constraints
SECTORAL STRA	TEGIC GOAL 2 – NATION	BUILDING	THROUGH EFFEC	TIVE SOCIAL COHESION	I PROGRAMME IMPLEMENTATION			
To use national days as a platform for promoting constitutional	Annual programme for hosting and celebrating national and historic days approved	COMM 2	-	2015/16 programme for hosting and celebrating national and historic days approved	Achieved – the 2015/16 programme for hosting and celebrating national and historic days was approved	Reports	-	-
values, nation building and social cohesion	Quarterly reports on implementation of annual programme for hosting and celebrating national and historic day			3 quarterly reports on implementation of programme for hosting and celebrating national and historic days	3 quarterly reports on implementation of programme for hosting and celebrating national and historic days were generated			
SECTORAL STRA	TEGIC GOAL 4 – SOUND	GOVERNA	NCE, MODERNISE	D SYSTEMS AND PROCE	SSES, AND A SUSTAINABLE ACH S	ECTOR		
To ensure compliance and sound governance	Percentage of 31 MPAT result areas that score at target level, as reflected in annual MPAT received from DPME for previous assessment period	ODG 4	MPAT report submitted to Presidency	100% MPAT result areas measured at level 3 or above (2014 MPAT)	Not achieved – some of the MPAT result areas measured at level 2	Draft MPAT improvement implementation plan	Some of the MPAT result areas measured at level 2	Capacity constraints
To strengthen financial resource base and resourcing mechanisms of the ACH Sector	Annual report on implementation of centralised funding model for the Sector	FIN 1	-	Annual report on implementation of centralised funding model for the Sector	Not achieved – a centralised funding model has been developed but it has not yet been implemented	A report on the funding model	Centralised funding model not implemented	Delay in the completion of the research study to inform the funding model

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To drive sound financial management and controls across the Sector	Percentage of total value of procurement awarded to BBBEE– compliant service providers	SCM1	82,9%	>70%	Achieved – 75% of total value of procurement awarded to BBBEE– compliant service providers	Commitment register	-	Continuous monitoring to ensure that companies that do business with the department submit valid or certified BBBEE certificates
	Percentage of total procurement spend awarded to black women–owned businesses	SCM 2	-	>30%	Achieved – more than 30% of total procurement spend awarded to black women–owned businesses	Commitment register	-	-
	Percentage of goods and services procurement spend on local content	SCM 3		DAC sectoral framework and policy approach developed for goods and services procurement spend on local content % baseline established	Not achieved – the DAC sectoral framework and policy approach for goods and services procurement spent on local content was not developed; however, the baseline was established. All procurement of goods and service was done from local suppliers, which equates to 100%	Commitment register	DAC sectoral framework and policy approach not developed	All procurement of goods and services was done from local suppliers. Assessment of goods and services procured in the current financial year revealed that 100% of goods procured were supplied by local service providers. Therefore compiling the sectoral framework and policy would not serve any purpose for the DAC

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To strengthen and enhance internal process flows and systems	Percentage of payments made within 30 days (where requisite supporting documents exist)	FIN 2	100% of payments to suppliers were made within 30 days	100%	Not achieved – only 95,5% of invoices were paid within 30 days	National Treasury reports	- 4,5%	Payments were delayed due to reconciliation of invoices between the DAC and suppliers. Some invoices were received before the suppliers were verified on safety-web
To strengthen and enhance internal process flows and systems	Approved integrated enterprise—wide ICT architecture plan and a schedule for implementation	ICT 1		Approved integrated enterprise—wide ICT architecture plan and a schedule for implementation	Not achieved – the IT Assessment of Public Entities was conducted; assessment of DAC storage requirements and future state conducted through an IT Transformation Workshop; terms of reference for enterprise architecture services finalised; worked with Risk Management on sharing the Barn Owl Application with some of the DAC public entities	IT assessment tool	The enterprise-wide IT architecture plan was not developed	Delayed completion of the consultation on the development of an integrated enterprise—wide ICT architecture plan
	TEGIC GOAL 5 – A PROF	ESSIONAL	AND CAPACITATED					
To build human resource capability and promote a culture of high performance	Percentage of total DAC headcount employed on an internship programme	HRM 1	-	5% (30)	Achieved – 5% of total DAC headcount employed on internship programme, i.e. 30 interns were appointed in the 2015/16 financial year	Submission approving the appointments and employment contracts	-	-

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STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	Percentage of DAC compensation budget spent on training and development	HRM 2	-	1%	Achieved – 1% compensation budget was spent on training and development as at 31 March 2016	BAS expenditure report	-	-
	Percentage of women employed at SMS level	HRM 3	54% women at SMS level	50%	Not achieved – only 46,94% women employed at SMS level	Status of race, gender and people with disabilities report generated by OD Unit	-3.06%	Percentage changed due to terminations and new appointments at SMS level
	Percentage of PWD employed	HRM 4	2,43% PWD employed	2%	Achieved – 2,57% persons with disability employed	Status of race, gender and people with disabilities report generated by OD Unit	+0,57%	Department embarked on an exercise to share information regarding PWD and encouraged employees to declare their disabilities; two employees declared their disabilities

#### PROGRAMME 2: INSTITUTIONAL GOVERNANCE

#### **PROGRAMME PURPOSE:**

The Programme is responsible for the coordination and management of all crosscutting functions, and support and oversight to the DAC public entities, including international relations coordination, social cohesion, target groups mainstreaming, sectoral planning, monitoring and evaluation, and sectoral governance.

The Institutional Governance Programme covers the work of the following subprogrammes:

- 1. Social Cohesion, Nation Building and Target Groups
- Arts and Youth Enrichment
- Arts and Social Development
- Nation Building and Social Cohesion
- MTSF Outcome 14 Coordination
- 2. Coordination, Monitoring and Evaluation
- Monitoring and Evaluation
- Entity Management (Good Governance)
- Infrastructure Development and Maintenance
- 3. International Relations
- Africa and Middle Fast
- Bilaterals
- Multilaterals and Resourcing

The Programme has the following strategic objectives:

 To drive integrated and joint outcomes—based planning, monitoring and evaluation across the Sector.

- To ensure policy alignment in the sectoral international relations programme.
- To promote nation building and social cohesion through targeted engagement and dialogue with stakeholders and society.
- To ensure the development and maintenance of ACH infrastructure that can support local, regional, national and international ACH offerings as well as increase participation in, and access to ACH.
- To develop and sustain a positive image of South Africa's rich and diverse ACH across the continent and internationally.
- To ensure compliance and sound governance.

#### Key Highlights for the 2015/16 financial year

#### **Cultural diplomacy and international relations**

The Cultural Seasons programme is founded on the principles of peace and friendship, which among other things, encourages people to build relationships. The year 2015/16, saw the culmination of the SA-UK and SA-China Seasons. The Department envisages rolling out a Season with Russia in 2016 as part of the commitment to engage meaningfully with BRICS member states. African seasons with Gabon and Algeria are also being planned.

Africa Day is celebrated annually throughout the African continent to mark the formation of the Organisation of African Unity (OAU) on 25 May 1963 and the African Union in 2002. During the year under review, Africa Month was celebrated under the theme; "We are Africa – Opening the doors of learning and culture to promote peace and friendship from Cape to Cairo". The theme sought to encourage and strengthen socio-economic and political integration, and enhance social cohesion within the continent. President Jacob Zuma led the annual Africa Day celebrations on 24 May 2015 at the University of Pretoria, Mamelodi Campus.





Launch of Africa Month and the "We are Africa" campaign on 26 April 2015

The Department of Arts and Culture held celebrations for the Year of China in South Africa from 18-19 June 2015 at the Playhouse Company in Durban. The celebrations started with the opening ceremony of the Tianjin Cultural and Arts Festival. Artists and actors from Tianjin entertained delegates with Beijing Opera, which carries the essence of traditional Chinese culture. The celebration also included an exhibition of intangible heritage of Tianjin.





Cultural Season - The year of China in South Africa

The official closing ceremony for the Year of China in South Africa took place in December 2015. Minister Mthethwa and his counterpart, as well as both presidents from China and South Africa enjoyed a night celebrating the best of both Chinese and South African arts and culture. China and South Africa displayed true cultural ties and collaborated on

all artistic performances. As a result of the SA/China Season, Liaoning Ballet has signed a cultural exchange agreement with Joburg Ballet.

In cementing relations with the African diaspora in general and Cuba in particular, Minister Nathi Mthethwa led a delegation on an official visit to Cuba from 29 June – 6 July 2015. He met with his Cuban counterpart, Minister Julian Gonzalez Toledo, and discussed areas of cooperation in the various fields of the arts, culture and heritage. The delegation included specialists in the fields of literature, performing arts and heritage. The Minister concluded his visit by meeting with the leadership of the 2 500 South African students studying medicine in Cuba.

#### Nation building and social cohesion

The DAC defines social cohesion as the degree of social interaction and inclusion in our communities and society at large, and the extent to which mutual solidarity finds expression among individuals and communities. Nation building, on the other hand, is the process whereby a society of people with diverse origins, histories, languages, cultures and religions come together within the boundaries of a sovereign state with a unified constitutional and legal dispensation, a national public education system, an integrated national economy, as equals, to work towards the eradication of the divisions and injustices of the past.

Efforts towards nation building and social cohesion seek to foster constitutional values, create equal opportunities, inclusion and redress, promote social cohesion, promote active citizenry and leadership and foster a social compact.

In the period under review 33 community conversations were held in different parts of the

# country as follows:

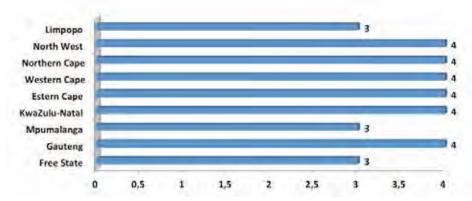


Figure 1: Community conversations conducted in all provinces

Community conversations are part of ongoing national dialogues that seek to further the understanding of the possibilities and challenges of nation building. Community conversations are attended by multicultural delegates ranging from the youth to the elderly who come from various parts of the provinces.





Delegates engage during a community conversation







The pictures above portray some issues that were raised by the participants during the community conversations.

The Department held a joint media briefing with the Ministry of Sports and Recreation to launch the "We are Africa" campaign. The campaign seeks to curb the scourge of xenophobia and afrophobia that has tarnished the image of the South Africa worldwide. The two departments aim to use the power of sports, arts and culture to improve the image of the country by discouraging any form of xenophobia.





Anti-xenophobic marchers display placards to protest against attacks on foreign nationals

The nation building and social cohesion programmes also include the social cohesion advocates initiative. Social cohesion advocates are prominent people who champion nation-building efforts in South Africa. During the year under review, the advocates produced a five-year plan, which includes activities geared at mobilising society in its entirety towards nation building, promotion and preservation of all indigenous cultures and knowledge,

continuing the fight against any form of discrimination, encouraging respect for human dignity and equality, and expanding national heritage.

# **Detailed Programme performance**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRA	ATEGIC GOAL 1 – A tra	nsforme	d, coherent and de	evelopment – focused	l Sector			
To drive integrated and joint	No. of ACH public entity CEO forums conducted	CG 1	2 CEO forums were conducted	2	Achieved – 2 ACH public entity CEO forums were conducted; 13 July 2015 and 3 March 2016	Attendance registers	-	-
outcomes— based planning, monitoring and evaluation across the	No. of ACH public entity Chairpersons' forums conducted	CG 2	2 Chairpersons' forums were conducted	2	Achieved – 2 ACH public entity Chairpersons' forums were conducted; 2 April 2015 and 3 December 2015	Attendance registers	-	-
Sector	No. of APPs of ACH public entities tabled in Parliament	CG 3	-	26	Achieved – 26 ACH public entities' APPs for 2016/17 were tabled in Parliament on 11 March 2016	Tabling letter	-	-
	No. of shareholder compacts signed with ACH public entities	CG 4	Shareholder compacts for 2014/15 were signed with all public entities	26	Achieved – 26 shareholder compacts were signed with ACH public entities on 2 April 2015	Attendance registers and signed shareholders compacts	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To ensure policy alignment in sectoral international relations programme	Annual international relations implementation plan approved  Quarterly reports on progress with implementation of annual international relations implementation plan	IR1		2015/16 annual international relations implementation plan approved in Q1  3 quarterly reports on progress with implementation of annual international relations implementation plan	Not achieved – a draft implementation plan was completed and forwarded to institutions in December 2015 and presented to the CEO forum held on 3 March 2016 for further comments	Attendance register and presentation	The 2015/16 annual international relations implementation plan was not approved and the progress reports were not developed	Inputs were not received from some of the DAC's institutions; therefore the plan could not be finalised
SECTORAL STRA	TEGIC GOAL 2 – NATI	ON BUILE	DING THROUGH EF	FFECTIVE SOCIAL CO	HESION PROGRAMME IMPLEMEN	NTATION		
To promote nation building and social cohesion through	No. of community conversations on social cohesion and nation building conducted	SC 1	30	33	Achieved – 33 community conversations on social cohesion and nation building were conducted	Draft reports and schedules of meeting in all nine provinces	-	-
targeted engagement and dialogue with stakeholders and society	Sectoral target groups mainstreaming strategy framework submitted for approval	TG 1	-	1 sectoral target groups mainstreaming strategy framework submitted for approval	Not achieved – the sectoral target groups mainstreaming strategy framework was not developed. A service provider has been appointed, however, to develop the aforementioned framework	SCM letter appointing service provider	Mainstreaming strategy was not developed as planned	Late appointment of service provider
	No. of public platforms for social cohesion advocates hosted – social cohesion advocates programme	SC 2	10	10	Achieved – 10 public platforms for social cohesion advocates were hosted	Attendance registers, travel documentation, presentations and speeches	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of quarterly reports on Outcome 14 submitted to DPME	SC 3	4	4	Achieved – 4 quarterly reports on Outcome 14 submitted to DPME	4 quarterly reports generated and submitted to DPME	-	
	No. of moral regeneration movement (MRM) projects supported	SC 4	-	1	Achieved – one MRM project was supported	MRM Report	-	-
	No. of quarterly reports on schools programme	SC 5	-	4	Achieved – 4 quarterly reports on schools programme were generated	4 quarterly	-	-
SECTORAL STR	ATEGIC GOAL 3 – A PR	ODUCTIV	E, DIVERSE AND II	NCLUSIVE ACH SECTO	DR			
To ensure the development and maintenance	Annual user asset management plan (UAMP) submitted for approval	IDU 1	UAMP revised and published in the ENE document	UAMP for 2016/17 submitted for approval	Achieved – UAMP for 2016/17 developed and approved	UAMP and quarterly reports	-	-
of ACH infrastructure that can support local,	4 quarterly reports on implementation of annual UAMP			4 quarterly reports on implementation of annual UAMP	4 quarterly reports on the implementation of annual UAMP were developed			
regional, national and international ACH offerings	No. of community arts centres (CACs) built	IDU 2	-	N/A	No reporting required	-	-	-
as well as increase participation in, and access to ACH	No. of CACs refurbished	IDU 3		5	Not achieved – 5 CAC's were not refurbished as planned; however, funds were transferred to 5 CACs		-5	Late submission of documents from CACs resulted in the late transfer of funds and consequently the late commencement of refurbishment work

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of standard operational protocol (SOP) agreements for heritage build projects signed with DAC Programme 4	IDU 4	-	1 SOP agreement for 17 legacy projects implemented by IDT 1 SOP agreement for 1 legacy project implemented by DPW	Not achieved – the SOP agreement for legacy projects was developed but not implemented as envisaged	Draft SOP agreement	The SOP agreement was not implemented as envisaged	Consultations on the SOP agreement took longer than anticipated
	No. of SOP agreements for archives upgrading projects signed with DAC Programme 4	IDU 5	-	2 SOP agreements for archives upgrading projects	Not achieved – the SOP agreement for archives upgrading projects was developed but not implemented as envisaged	Draft SOP agree	The SOP agreement was not implemented as envisaged	Consultations on the SOP agreement took longer than anticipated
To develop and sustain a positive image of South Africa's rich and diverse ACH across the	No. of cultural seasons implemented as per approved concept documents	IR 2	DAC implemented two cultural seasons (i.e. UK and China)	3 cultural seasons implemented (UK, Africa and BRICS)	Not achieved – 2 cultural seasons were implemented	Schedule 6 approved and a submission	-1	Funds originally earmarked for the Africa Season were reprioritised and moved to the Africa Month programme
continent and internationally	No. of Africa projects implemented (including Africa Month)	IR 3	-	4	Achieved – 4 Africa projects were implemented, including Africa Month	Presentation, submission and letters	-	-
SECTORAL STRA	TEGIC GOAL 4 – SOU	ND GOVE	RNANCE, MODERI	NISED SYSTEMS AND	PROCESSES, AND A SUSTAINABI	LE ACH SECTOR		
To ensure compliance and sound governance	No. of fully constituted and functional boards of ACH public entities	CG 5	Councils/ Boards of DAC institutions are fully constituted and inducted	24 + 2 (Windybrow Theatre – pending integration with Market Theatre; and PanSALB – pending reclassification as constitutional entity)	Not achieved – councils of 24 public entities, except PANSALB, were fully constituted	Database and appointment letters	-1	The Board of PanSALB was dissolved/ disbanded in January 2016 and the process to reconstitute the Board is underway

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of annual reports of DAC public entities submitted	CG 6	26	24 + 2 (Windybrow Theatre – pending integration with Market Theatre; and PanSALB – pending reclassification as constitutional entity)	Achieved – 26 annual reports of DAC public entities were tabled in Parliament	Tabling letter and 26 annual reports	-	-
	Annually confirmed immovable asset register (IAR) – verified and valued	IDU 6	-	1 confirmed 2015/16 IAR – verified and valued	Achieved – 2015/16 IAR was verified and valued	UAMP, inclusive of IAR for 2016/17	-	-



# PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT

# **Programme Purpose:**

The Programme is responsible for the development and promotion of arts, culture and languages.

The Arts and Culture Promotion and Development Programme has been organised to carry out its work according to the following subprogrammes:

- 1. National Language Service
- Human Language Technologies
- Translation and Editing
- Language Planning
- Terminology Coordination
- 2. Cultural and Creative Industries Development
- Visual Arts and Design
- Performing Arts
- Books and Publishing
- Cultural Industries Policy, Research and IP Development

The Programme has the following strategic objectives:

- To drive integrated and joint outcomes—based planning, monitoring and evaluation across the Sector.
- To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH Sector.
- To promote heritage and culture through investment in programmes that support and enable local content development and transformation.

- To promote the use of official languages, a culture of reading and writing across society, and respect for oral knowledge and histories.
- To develop cultural and creative industries through interventions and initiatives that stimulate increased audiences, market access and local content.
- To ensure the development and maintenance of ACH infrastructure that can support local, regional, national and international ACH offerings as well as increase participation in, and access to ACH.
- To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector.

#### Key Highlights for the 2015/16 financial year

#### Tax incentives

In collaboration with Business and Arts South Africa, a detailed proposal for the inclusion of the Arts into Section 18A of the Income Tax Act, 1962 (Act No. 58 of 1962), has been developed. The next phase is to present the proposal to the Davis Tax Commission.

### **Venture Capital Fund**

The process of establishing a Venture Capital Fund (VCF) to provide financing for start-up and other companies that have a limited operating history and do not have access to capital markets was initiated. It is envisaged that the VCF will contribute to the development of sustainable small, medium and micro enterprises (SMMEs) within the ACH Sector. The VCF will require a return on the investment made and will charge a low interest rate.

#### **Creative Industries Incubators**

Eight incubators have been established in the Free State, Mpumalanga, Gauteng, KwaZulu-Natal and Western Cape. Currently, there are over 400 young people enrolled in several pilot programmes of the incubators.

#### **Community Art Centres**

Through an audit conducted in 2013, the Department identified 250 functional Community Art Centres throughout the country. During the year under review, 100 community arts programmes were implemented to ensure that communities become places for engagement and places where arts and culture can flourish. Moreover, funding was made available for the refurbishment of five centres.

#### **Living Legends Legacy Programme**

In August 2015 the Department of Arts and Culture launched the Living Legends Legacy Programme. The vision of the Living Legends Legacy Programme is to promote arts and culture through the development of programmes that allow transfer of skills, knowledge and experience to the youth and which celebrates legends. The first Living Legends Master class took place at the Market Theatre Photo Workshop on 17 November 2015 and was followed by 21 others across the country.







Master Class at Funda Community College in Soweto

The year under review also saw the Living Legends elect an interim committee comprised of nine members from various disciplines such as audio-visual, heritage, education, literature, music, theatre, dance, visual arts, and crafts and design to oversee their work. Moreover, a Living Legends Legacy Trust has been established. The Chairperson of the Trust is Mr Welcome Msomi and the Deputy Chairperson is Ms Letta Mbulu; other members include Mr Joe Mafela, Dr Wally Serote, Mr Fred Haggemann, Ms Adele Blank, Dr Peter Magubane, Mr Stompie Manana and Dr Don Mattera.

#### Promotion of local content and music industry interventions

During the year under review, focus was placed on the promotion of local content across all disciplines of arts, culture and heritage. The Department continued to work with partners in the music sector to implement joint programmes in support of the music industry. The Moshito Music Conference and Exhibition continues to provide opportunities to the music industry to network, discuss issues affecting the sector and trade opportunities. The Department also participated in the formulation of recommendations proposing a wide range of amendments to the current copyright regime, including increasing local content quotas.

#### Craft

In partnership with the Department of Small Business Development, the Department hosted a series of craft izimbizo throughout the country. Some of the challenges raised during the izimbizo include lack of access to markets (domestic and international), financial support, work spaces, information, raw materials and lack of business development skills. The Department also afforded crafters an opportunity to participate in international platforms such as the SA Lifestyle Hub in Atlanta and the contemporary art exhibition in Santa Fe, USA. During the arts and crafts exhibition hosted by the South African embassy in Qatar, a South African crafter signed a deal to supply Al Jazeera TV channel with baskets to be used as gifts.

#### Promotion of a culture of writing and reading

The Department remains committed to efforts that inculcate a culture of reading through the National Book Week, Library Week, World Book Day, literary festivals, book fairs and many others. In partnership with the Centre for the Book and the Department of Correctional Services, the Department hosted the Funda Mzansi Championship. This initiative seeks to promote reading to inmates through the establishment of book clubs as part of their rehabilitation programme and to entrench the love of reading and writing, improve book reviewing technique; and engage in fruitful debates.

The Department also partnered with the South African Book Development Council (SABDC) to host National Book Week activities on 9 September 2015, at Megoring Primary School in Limpopo under the theme #Goingplaces #BuyaBook. Various publishers, such as Pan Macmillan SA, Penguin Random House SA and NB Publishers, offered books at discounted prices and these books are available at Bargain Books and Exclusive Books stores nationwide.

Moreover, from 17-19 September 2015 the Department partnered with Arts Alive to host the 3rd African Women Writer's Symposium. The event was held at The Fringe, Joburg Theatre in Johannesburg and was attended by both international and local writers and poets. Deputy Minister, Ms Rejoice Mabudafhasi, gave the keynote address on 18 September 2015 wherein she emphasised the importance of preserving literature heritage.

#### **42nd Biennial Conference in Bloemfontein**

The Department continues to support initiatives that promote the rights of persons with impairments. The Deputy Minister delivered a keynote address at the official opening of 42nd Biennial Conference on 14 October 2015 in Bloemfontein, Free State. The Biennial Conference of the SA National Council for the Blind (SANCB) is a major event, which takes place every two years in a different province, where vital matters on access to information for visually impaired people are discussed.

# **Africa Century International African Writers Conference**

The annual Africa Century International African Writers Conference took place on 6-7 November 2015 at the Tshwane Events Centre in Pretoria. Established in 2012, the Conference provides a platform for authors, literary scholars and historians from across the world to reflect on the contribution of African writers to the development of the continent. The primary objective of the Conference is to celebrate the literary icons from Africa and the diaspora, both past and present, in a manner that reflects and engenders literary appreciation, advances and excellence and the dialectical or symbiotic relationship with the political developments. The programme included International African Writers Day Lecture, seminars, discussions and the South African Literary Awards (SALA) Prize-Giving Gala.

#### **Language Services**

The Constitution recognises language as an important imperative to emancipate and empower people to access services and opportunities provided by government. To this effect, the Department continues to oversee the implementation of the Use of Official Languages Act, 2012 (Act No. 12 of 2012), which seeks to ensure that all national departments, public entities and public enterprises have language policies and units in place. Furthermore, the Department hosted several workshops and assisted departments and public entities to ensure compliance with this Act.

Other noteworthy highlights in the language development space in the year under review include:

- The launch of the web-based Autshumato services to enhance access to these computer assisted translation tools by translators.
- The Department continued to grant bursaries in the language field to universities.

# **Detailed Programme Performance**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRAT	EGIC GOAL 1 – A transfo	ormed, coherent	and development-	focused Sector				
To drive integrated and joint outcomes—based planning, monitoring and evaluation across the Sector	Annual business plan and work plan for the Cultural Observatory approved Quarterly progress reports from the Cultural Observatory evaluated	CD 1	The tender for the establishment of the Cultural Observatory structure was awarded to the Nelson Mandela Metropolitan University	Annual business plan and work plan for the Cultural Observatory approved  3 quarterly progress reports from the Cultural Observatory were evaluated	Achieved – annual business plan and work plan for the Cultural Observatory have been approved and 3 quarterly progress reports from the Cultural Observatory were evaluated	Business plan and 3 quarterly reports		-
To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH Sector	No. of recommendations emanating from the 7 Sector strategies implemented per annum	CD 2 (a) Craft	-	7 recommendations emanating from the 7 Sector strategies implemented (1 per strategy per annum)	Achieved – Mbokodo Award conferred posthumously to Dr T Nkamba van Wyk	Mbokodo Award Magazine	-	-
		CD 2 (b) Dance and theatre	-		Achieved – national dance and theatre task team was appointed by the Minister. The first meeting of the task team was held from 28- 30 November 2015	Appointment letters and workshop meeting report	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
		CD 2 (c.) Technical services	-		Achieved – Human Capital Development on recommendation implemented the following: support to the South African Roadies Association (SARA); Live Events Technical Production Conference (LETPC), which was successfully implemented in May 2015; and ongoing support to the SARA international interaction programme	Payment stub for SARA international interactions; MOA for Live Events Technical Production Conference (LETPC)		
		CD 2 (d.) Music	-		Achieved – Moshito Music Conference and Exhibition and AESA International Benefit Concert were successfully implemented. Reports were received and final payments were made.	AESA International Benefit Concert final report and payment stub	-	-
		CD 2 (e) Fashion	-		Achieved – fashion strategy was approved as per the recommendation	Fashion strategy and submission	-	-
		CD 2 (f) Design	-		Achieved – Design Indaba through the Emerging Creatives was successfully implemented as a direct recommendation of the strategy	Report and MOA	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
		CD 2 (g) Animation	-		Achieved – Cape Town Animation Festival in partnership with the London International Animation Festival was successfully implemented as part of the SA-UK season. This project speaks to the recommendation in the strategy that addresses the marketing and distribution of animation	SA-UK season Report		-
		CD 2 (h) Davis Commission	-		Achieved – The Department has submitted the report to the Davis Commission	Letter to Davis Commission; submission document	-	-
	Annual report on the implementation of the Use of Official Languages Act developed	NLS 1	The DAC official language policy was adopted and gazetted	Annual report on the implementation of the Use of Official Languages Act developed	Achieved – Annual report on the implementation of the Use of Official Languages Act was developed	Annual report	-	-
	Progress report on the implementation of the South African Language Practitioners' Council Act produced in Q4	NLS 2	Policy translated and printed	1 progress report on the implementation of the South African Language Practitioners' Council Act produced in Q4	Achieved – 1 progress report on the implementation of the South African Language Practitioners' Council Act was produced in Q4	Annual progress report	-	-

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRAT	EGIC GOAL 2 – Nation b	uilding througl	n effective social coh	esion programme im	plementation			
To promote heritage and culture through investment in programmes that enable	No. of movies (documentaries/short films) produced that dramatise the lives of liberation heroes	CD 3	-	1 movie (documentary/ short film) produced that dramatises the live of a liberation hero	Achieved – a movie dramatising the life of Mandela was completed	Copy of movie and progress report	-	-
local content development and transformation	No. of new productions/ exhibitions supported	CD 4	2 film 3 craft 2 design 2 books and publishing 2 visual	80 productions/ exhibitions	Achieved – 80 new productions/exhibitions were successfully supported	MoA, payment stub, report	-	-
	Percentage of total value of MGE open call grants awarded to target group beneficiaries, i.e. black South Africans, women, young people and people with disabilities (PWD)	CD 5	-	70% black South Africans 50% women 50% young people 5% PWD	Not achieved – beneficiaries were comprised of 87% black South Africans; 42% women; 14% young people; and 0,14% PWD	Spreadsheet of MGE projects awarded and list of beneficiaries (women, young people and PWD)	Black South Africans: +17%; Women: -8%; Young people: -36%; PWD: -4,86%	Fewer applications than anticipated were received through the MGE open call process from organisations run by women, young people and people with disabilities.

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To promote the use of official languages, a culture of reading and writing across society and respect for oral knowledge and histories	Number of multi-year Human Language Technology projects implemented and or completed	NLS 3	3 new HLT impact projects conceptualised and initiated; 2 HLT projects completed and closed out; Lwazi-III application for the SA Library for the Blind continued; 3 projects for the National Centre for HLT implemented as per business plans; programme of collaboration with Dutch Language Union renewed and 2 projects supported.	8 multi-year HLT projects implemented (Autshumato- III, Speech transcription, Audio books, Dutch Language Union joint project, NCHLT Text, NCHLT Speech, NCHLT RMA, Lwazi-III) of which 4 must be completed in 2015/16, i.e. NCHLT Text, NCHLT Speech, NCHLT RMA, Lwazi-III	Achieved – 8 multi-year HLT projects implemented of which 4 were completed in 2015/16	Quarterly management reports detailing the progress achieved in the implementation of the 8 HLT projects		
	No. of domains for which terminology is developed	NLS 4	4 domains in which terminology is developed were developed	4 domains in which terminology is developed	Achieved – 4 domains were developed as planned	Filed report with list of terminologies	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	Percentage of accepted documents translated/edited (into official and/or foreign languages)	NLS 5	904 documents translated/edited as per clients specifications, representing 100% of accepted documents	100% of accepted documents translated/edited as per clients' specifications	Achieved – a total of 931 documents were translated/ edited as per clients' specifications, representing 100% of accepted documents	Document registers and quarterly activity reports	-	-
	No. of reading and writing programmes supported	CD 6	National Book Week, South African Literary	3 programmes implemented	Achieved – 3 reading and writing programmes were supported	Time of the Writer: programme and Report;	-	-
			Awards and the African Literature Association Conference were implemented			National Book Week: submission, MoA, payment stub and reports;		
			implemented			South African Literary Awards: submission, MoA, payment stub and reports		
SECTORAL STRATI	EGIC GOAL 3 – A produc	tive, diverse and	d inclusive ACH Sec	tor		'		
To develop Cultural and Creative Industries through interventions and initiatives that stimulate increased audiences, market access and local content	Operational Mzansi Golden Market (MGM) portal and MGM loyalty programme	CD 7	-	Operational MGM portal; launch of the loyalty programme	Not achieved – the MGM Portal is operational and a service provider has been appointed to finalise outstanding technical operational issues and provide support and maintenance for the next six months but the loyalty programme could not be launched	Minutes of the evaluation panel to appoint a service provider to finalise the outstanding technicalities of the portal	The immediate inclusion of the loyalty program has been reconsidered. The programme will come later after e-commerce capabilities (links to be run by private operators) have been built into the system	There were delays in the procurement process to appoint a service provider to develop a loyalty programme.

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	Fully operational Art Bank procuring and renting art works	CD 8	Entity (Art Bank) research completed; partnership with national museum finalised (Oliewenhuis Art Museum will be used as temporary space); funds transferred to the entity	Fully operational Art Bank procuring and renting art works	Not achieved – the Art Bank is not operational as yet; however, the project manager has been appointed and assumed duty on 1 April 2016	Email documentation from national museum	The Art Bank is not operational and has not started to acquire or rent out art works	Delays in the appointment of a project manager
	No. of key public art projects supported	CD 9	22 public art projects were	10	Achieved – 10 key public arts projects were supported	Submissions, MoAs and payment stubs	-	-
	No. of public art programmes supported through the open call process	CD 10	implemented	10	Achieved – 10 public art projects were supported through the open call process	Submissions, signed MoAs, payments and reports	None	None
	No. of key touring productions/seasons/exhibitions supported	CD 11	The staging of touring ventures with the 6 PAIs was supported. Two seasons were supported, i.e. China Season media launch on 15 March 2015 at the South African State Theatre; and the SA-UK season 2015-2016 (Phase 2) media launch on 6 March 2015	8	Achieved – 8 key touring productions/seasons/ exhibitions supported	Report	-	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of touring productions and exhibitions from the open call supported	CD 12	-	36	Achieved – 41 touring productions and exhibitions from the open call supported	Submissions, MoAs, grant letters	+5	More projects than anticipated were reviewed and approved for funding through the open call process
	No. of flagship cultural events supported	CD 13	-	25	Achieved – 25 flagship cultural events successfully supported	Submissions, grant letters, MoAs and some reports	-	-
	No. of cultural events from the open call supported	CD 14	87 cultural events were implemented	50	Achieved – 50 cultural events from the open call were supported	Signed submissions and MOAs	-	-
	No. of multi- disciplinary programmes implemented in support of Africa month	CD 15	-	1 multi–disciplinary programme implemented in support of Africa month	Achieved – 1 multi– disciplinary programme implemented in support of Africa month	Close out report	-	-
	No. of functional incubators established to support the development of arts and culture entrepreneurs	CD 16	-	8	Achieved – 8 incubators were successfully established and are functional to support and develop arts and culture entrepreneurs	Progress report, payment stubs, signed MoAs	-	-
	No. of entrepreneurs supported through the incubator linked venture capital programme	CD 17	-	40	Not achieved – No entrepreneurs were supported	-	-40	Delays in the initiation of the incubators have delayed the completion of the programme

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED	REASON FOR THE DEVIATION
	No. of work opportunities created across all MGE work streams and cultural development programmes	CD 18	17 001 jobs were created through implementation of 4 MGE work streams	<b>PERIOD</b> 20990	Not achieved – only 8 501 work opportunities were created across all MGE work streams and cultural development programmes	Reports with list of beneficiaries	-12489	Some projects are still pending and the reports
To ensure the development and maintenance of ACH infrastructure that can support local, regional, national and international ACH offerings as well as increase participation in, and access to ACH	No. of programmes implemented at the CACs	CD 19	10 CAC programmes supported	100	Achieved – 100 programmes were implemented at CACs	Payment stubs; MoAs and reports	-	-
To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector	No. of artists placed in schools	cD 20	240 arts practitioners placed in schools	300	Achieved – 352 arts practitioners were placed in schools	Payment stubs, report, and MoAs	+52	The total number was exceeded due to the additional partnerships created by the Free State and Eastern Cape province implementing agencies to increase the number of artists placed in schools

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of bursaries awarded towards the development of qualified language practitioners	NLS 6	284 bursaries were awarded	320	Achieved – 463 bursaries were awarded towards the development of qualified language practitioners	6 narrative and final audited reports from universities	+143	The awarding of bursaries is at the sole discretion of Universities and as such they decide on the number of students they award bursaries
	No. of arts career promotion programmes hosted	CD 21	-	2	Achieved – 2 arts career promotion programmes were successfully hosted	Reports, MoA and payment stub	-	-
	No. of master classes for arts practitioners hosted	CD 22	-	18	Achieved – 18 master classes for art practitioners were successfully hosted.	MGE template report, attendance register	-	-
	Number of NaCISA aligned training programmes offered	CD 23	-	10	Achieved – 10 NaCISA aligned training programmes were successfully offered	Profiles of 3 identified programmes	-	-





#### PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION

#### PROGRAMME PURPOSE:

The Programme is responsible to identify, collect, safeguard, promote and transform South African heritage, archives, heraldry and libraries.

The Heritage Promotion and Preservation Programme covers the work of the following subprogrammes:

- 1. Heritage Promotion and Preservation
- Heritage Institutional Development
- Bureau of Heraldry
- Living Heritage
- Policy, Research and Development
- 2. National Archives and Record Services of South Africa
- National Film, Video and Sound Archives
- Records Management and Information Services
- National Archives
- Library Policy Coordination and Library Services

The Programme has the following strategic objectives:

- To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH sector.
- To support efforts to forge a common national identity and actively drive the transformation of society.
- To promote the Bill of Responsibility, constitutional values and national symbols amongst children in schools.
- To promote the use of official languages, a culture of reading and writing across

- society, and respect for oral knowledge and histories.
- To ensure the development and maintenance of ACH infrastructure that can support local, regional, national and international ACH offerings as well as increase participation in, and access to ACH.
- To strengthen and modernise the records management and archives management systems.
- To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector.

#### Key Highlights for the 2015/16 financial year

#### Workshop on the transformation of the heritage landscape

The year under review saw the country experience a number of incidents of defacing, vandalism and removal of heritage objects (statues) as well as a strong call for the transformation of the South African heritage landscape. In response to these incidents, the Department hosted a consultative workshop on 17 April 2015 on the transformation of the heritage landscape in South Africa.

The workshop proposed the establishment of a task team to continue with consultative workshops in all nine provinces. The provincial consultative workshops served to examine the current status of transformation of the heritage landscape in the country, as well as the factors impeding heritage transformation. The recommendations of the workshops include a proposal to develop guidelines on the removal, relocation and disposal of statues/ symbols as well as the establishment of theme parks.

#### The National Heritage Monument and Heroes Acre

The transformation of the heritage landscape took a major step forward with the launch of the National Heritage Monument in September 2015 at the Groenkloof Nature Reserve. In partnership with the National Heritage Monument, forty statues were developed and erected in the 2015/16 financial year. The monument is situated in Pretoria and will house

400 bronze statues of important figures of pre-colonial, colonial and anti-apartheid struggle heroes and heroines.





The National Heritage Monument, Groenkloof Nature Reserve, Pretoria

Progress has also been made on the establishment of the Heroes Acre. During the year under review, a draft competition brief for the design of the National Heroes Acre was completed. Moreover, a draft Terms of Reference for the panel of experts who will appoint an architect to design the Heroes Acre was developed.

#### Unveiling of the Matola Raid Monument and Interpretative Centre

On 11 September 2015, President Jacob Zuma together with the Mozambican President, Filipe Nyusi, officially unveiled the Matola Monument and Interpretative Centre in memory of struggle heroes that were brutally killed during the Matola Raid. The centrepiece of the monument consists of three red obelisks, on which the names of the Matola martyrs are inscribed. Adjacent to the monument is a multimedia information centre containing photographs and documentation of the anti-apartheid struggle.



Overview of the Matola Raid Interpretative Centre

The Monument and Centre form part of the Liberation Heritage Route and seeks to showcase South Africa's liberation legacy outside its borders. The two countries share strong historic ties as well as strategic bilateral relations in many areas of cooperation.

#### **Delville Wood Memorial**

The Department through SAHRA has been pivotal in retelling the story of the First World War, especially the documentation of the participation of black soldiers in the war. Consequently, the transformation of the narrative of the Delville Wood memorial into one that is inclusive of all South African combatants who participated in World War 1 was imperative. A permanent exhibition, which will showcase the contribution of the South African Native Labour Corps, is being developed in the Delville Wood Museum. The exhibition will be opened before the end of the 2016/17 financial year.

## Transformation and standardisation of geographical names

The naming of geographical features in South Africa is part of the process of transforming the South African heritage landscape and forging a common national identity and nationhood. It also forms part of symbolic reparation as recommended by the Truth and Reconciliation Commission. In the period under review 226 geographical names were standardised.

#### **The National Identity Programme**

The National Identity Programme entails reciting of the Preamble of the Constitution and installation of the national flag in schools; distribution of the national symbols both the national and AU anthems, and distribution of posters and the national identity booklet called the Passport of Patriotism. In the period under review, the Department has hoisted 3532 national flags in schools.





Deputy Minister interacts with learners from Magoreng Primary School and a learner from Megoring recites the Preamble of the Constitution of South Africa

On 4 February 2016, the Department, in partnership with the SABC, launched the National Identity Campaign under the slogan, "Afurika Tshipembe lashu", meaning *Our South Africa*. On the aforementioned day, schools from the nine provinces simultaneously sang the national anthem in the morning. This campaign reached millions of South Africans through different SABC radio stations and digital/social platforms. Moreover, the YoTV Kids educational programme has also joined forces with the Department and has agreed to broadcast national identity activities at schools to millions of viewers.

# The library programme

The Department provides community library grants to provincial departments to transform and upgrade public library services in the country. Through the community library conditional grant, the Department completed 44 new library structures (11 brick and mortar and 33 modular libraries) and refurbished 35 Library structures. During Library Week in March 2016, the Department handed over a complete library to the community at Bolokanang, Petrusburg in Free State.







External and internal view of the Bolokanang Community Library

Furthermore, the Bill and Melinda Gates Foundation through its Global Libraries Programme provided South Africa with a grant of R120 million. The funds are intended for purchasing computers, enhancing internet access in libraries, purchasing educational toys, training staff and providing technology for visually impaired people. A total of 667 libraries will benefit from this generous donation.

#### The National Council for Library and Information Services inaugural meeting

The newly appointed National Council for Library and Information Services (NCLIS) held its inaugural meeting on 20 November 2015 at the National Library of South Africa. The NCLIS is an advisory council to the Ministers of Arts and Culture, and Basic and Higher Education on matters relating to library and information services. The term of office for the NCLIS runs from 1 January 2015 to 31 December 2017.

#### **The 12th National Oral History Conference**

The 12th National Oral History Conference, held under the theme "Freedom Charter, Memories and (Un)Freedoms", was opened by Deputy Minister at The Playhouse Company in Durban in October 2015. The event provided a platform for researchers, archivists and 50 learners to talk about freedom, what it meant and how it linked to the Freedom Charter. Speakers included activist Truman Magubane and author Tshepo Moloi.

# The heritage bursary programme

Recognising the ongoing need for heritage professionals, the Department provided bursaries to 71 new students. The bursary programme provides for studies in heritage,

archives and records management, including underwater cultural anthropologists and archaeologist.

# **Detailed Programme Performance**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRAT	EGIC GOAL 1 – A TRAI	NSFORMED,	COHERENT AND	DEVELOPMENT-FO	CUSED SECTOR			
To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH Sector	Annual progress report on implementation of approved policies and/or legislative frameworks	HPP 1	-	Annual progress report on implementation of the 3 approved policies and/ or legislative frameworks	Not achieved – annual progress report was not produced as envisaged; however, 3 polices (National Museums, National Underwater Cultural Heritage, and National Living Heritage policies) are in advanced stages of development	Draft National Museums Policy, draft National Underwater Cultural Heritage Policy and draft National Living Heritage Policy	The policies have not been approved or implemented	Delays arose in the process of appointing service provider to cost National Museums policy and incorporate additional comments from Cabinet on draft policies
SECTORAL STRAT	EGIC GOAL 2 – NATIO	N BUILDING	THROUGH EFFE	CTIVE SOCIAL COHE	SION PROGRAMME IMPLEM	ENTATION		
To support efforts to forge a common national identity and actively drive the transformation of society	No. of Government Gazette publications per annum as part of the geographical names plan	HPP 2	-	3	Achieved – 5 Government Gazettes published as part of the geographical names plan	Government Gazettes	+2	As a result of additional consultations from municipalities and the public at large
	No. of annual archives weeks hosted	HPP 3	8 outreach projects were implemented by the National Archives	1	Achieved –Annual Archives Awareness week was hosted from 11-15 May 2015. The launch of the National Annual Archives week was held in Limpopo and provinces undertook individual activities to celebrate Archives week	Report	-	-

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	Annual concept document for Heritage Day event approved	HPP 4	-	1 annual concept document for Heritage Day event approved	Achieved – 1 annual concept document for the Heritage Day event was approved and the celebrations were held on 24 September 2015	Approved concept document	-	-
	No. of hand-held flags distributed	HPP 5	-	100 000	Achieved – 109 700 hand- held flags were distributed	Removal permits	+9 700	Demands for the flags were high, particularly at official events such as national days
To promote the Bill of Responsibility, constitutional values and national symbols amongst children in schools	No. of schools receiving Preamble of the Constitution	HPP 6	-	6 000 (25% of schools)	Not achieved – 6 535 schools received the Preamble of the Constitution	Delivery stubs to districts	-	The Preamble of the Constitution was delivered to district offices and not directly to schools. As such the Department is not able to verify if schools did receive the documents
	No. of schools receiving booklets and posters of national symbols and orders	HPP 7	-	6 000 (25% of schools)	Not achieved – 6 535 schools received booklets and posters of national symbols and orders	Delivery stubs to districts	+535	The booklets and posters of national symbols and orders were delivered to district offices and not directly to schools. As such the Department is not able to verify if schools did receive the documents
	No. of schools receiving an installed flagpole and flag and a guide on flag use	HPP 8	14 415 flags were installed	2 000 (9% of schools)	Achieved – 3 532 schools received an installed flagpole and flag and a guide on flag use	Installation stubs	+1 532	The virement that was granted to the project allowed the Department to install more flags

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To promote the use of official languages, a culture of reading and writing across	No. of annual oral history conferences hosted	HPP 9	-	1	Achieved – 1 annual oral history conference was hosted in KwaZulu-Natal from 13-16 October 2015	Conference programme, photographs, report submission and attendance register.	-	-
society, and respect for oral knowledge and histories	No. of oral history methodology training for learners conducted	HPP 10		1	Achieved – 1 oral history methodology training for learners was conducted in KwaZulu-Natal	List of participating schools	-	-
	No. of oral history projects conducted	HPP 11	-	2	Achieved – 2 oral history projects were conducted	Release form	-	-
	No. of library materials provided	HPP 12	-	350 000	Achieved – 444 988 library materials were provided	Invoices	+94 988	Target exceeded due to information reported in the last quarter of the financial year
	Annual publication on progress in the programme to document the knowledge of the 10 living human treasures in provinces	HPP 13	-	Annual publication on progress in the programme to document the knowledge of the 10 living human treasures in provinces	Not achieved – annual publication on progress in the programme to document the knowledge of the 10 living human treasures in provinces was not published. However, 15 South African Living Human Treasures were identified and documented	Completed forms; list of identified and documented living human treasures; audio and video clips of the interviews conducted (available on site)	Change in the implementation strategy affected the time of completion	The implementation plan of the project was changed in the third quarter. Contract workers (interns) were used to document the living human treasures. This intervention resulted in a delay in the collection of data for the publication

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	No. of documented South African oral traditions	HPP 14	-	3	Not achieved – project was not implemented	Letters sent to the Universities	-3	Money for the project was incorrectly classified to the Goods and Services budget and as a result MoUs could not be signed with Universities
To ensure the development and Maintenance of ACH infrastructure that can support local, regional, national and	No. of approved concept documents for heritage infrastructure	HPP 15	-	2 (National Heritage Monument and Liberation Heritage Route)	Achieved – concept documents for heritage infrastructure (i.e. National Heritage Monument and the National Liberation Heritage Route) were approved.	Project plans	-	-
international ACH offerings as well as increase participation in, and access to ACH	No. of SOP agreements for heritage build projects signed with DAC Programme 2	HPP 16	-	1 SOP agreement for 17 legacy projects implemented by IDT or approved by implementing agency  1 SOP agreement for 1 legacy projects implemented by DPW	Not achieved – draft SOPs were developed but have not been implemented as envisaged	The SOP were not implemented	SOP was developed, consulted on and routed for approval	Consultation on the SOP took longer than anticipated
	No. of quarterly monitoring reports on progress in heritage build projects	HPP 17	-	3 quarterly monitoring reports on progress in heritage build projects	Not achieved – 2 quarterly monitoring reports on progress in heritage build projects were received	Project monitoring reports (3rd and 4th quarter)	-1	Delays in processing the consolidated second quarter report

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
	Annually updated Liberation Heritage Route online map application	HPP 18	-	1 annually updated Liberation Heritage Route online map application	Not achieved – Terms of Reference to appoint a service provider to develop the map was approved by the Bid Specifications Committee	Approved submission; approved Terms of Reference	1 annually updated Liberation Heritage Route online map application not developed	Advertising of the tender to appoint a service provider by end of April 2016
	No. of SOP agreements for archives upgrading projects signed with DAC Programme 2	HPP 19	-	2 SOP agreements for archives upgrading projects signed with DAC Programme 2	Not achieved – SOP for archives upgrading projects was developed but not implemented	SOP was not implemented	SOP was developed, consulted on and routed for approval	Consultation on the SOP took longer than anticipated
	No. of quarterly monitoring reports on progress in archives upgrading projects	HPP 20	-	3 quarterly monitoring reports on progress in archives upgrading projects	Achieved – 3 quarterly monitoring reports on progress in archives upgrading projects were completed	Progress and technical reports	-	-
	No. of community libraries built	HPP 21	17 new library infrastructures	20 new libraries built (10 dual purpose)	Achieved – 44 new libraries were built	Practical completion certificates and invoices	+24	Target exceeded due to accruals from previous financial year by Eastern Cape and Limpopo provinces
	No. of libraries upgraded/ maintained	HPP 22	20 library upgrades were completed	50	Not achieved – 35 upgrade/ maintenance projects completed	Practical completion certificates and/or invoices	-15	Late appointment of contractors by implementing agents in Mpumalanga province for maintenance projects

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	CODE	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
SECTORAL STRA	TEGIC GOAL 4 Sound g	overnance,	modernised syst	ems and processes,	and a sustainable ACH Secto	r		
To strengthen and modernise the records management and archives management systems	No. of multi–year digitisation projects completed	HPP 23		2 digitisation projects completed	Achieved – Dictabelts Projects: digitisation of all 591 dictabelts has been concluded and an official handover was done on 17 March 2016 at the Palace of Justice in Courtroom C.  Percy Yutar Papers: digitisation of the Percy Yutar Papers has been completed and external hard drives have been received by NARSSA. Copies were made and delivered to the Nelson Mandela Foundation and the Brenthurst Library.	Submission, newspaper clippings, asset donation letters, DG Submission, handover letters		
	Percentage of accepted disposal authorities issued	HPP 24	17 disposal authorities were issued	100% (of estimated 12)	Achieved – 19 applications were accepted and 19 disposal authorities were issued	Disposal authorities (application letter from client office; appraisal report; approval form signed by the NA; and the disposal authority letter), copies of disposal authority registers and activity report.	-	-
	Percentage of accepted file plans evaluated	HPP 25	6 file plans were evaluated	100% (of estimated 56)	Achieved – 73 file plans were accepted and evaluated	Register of file plans evaluated, emails to and from client offices confirming evaluations, approval letters signed by NA and activity report	-	-

STRATEGIC OBJECTIVE SECTORAL STRAT	PERFORMANCE INDICATOR EGIC GOAL 6 – A profe	CODE essional and	BASELINE FOR 2014/15	TARGET FOR 2015/16 FINANCIAL PERIOD  H Sector	ACTUAL ACHIEVEMENT AS AT 31 MARCH 2016	VERIFICATION SOURCE	DEVIATION FROM PLANNED TARGET	REASON FOR THE DEVIATION
To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector	No. of new bursaries awarded to heritage students	HPP 26	73 bursaries awarded during the period under review	A minimum of 65 new bursaries awarded across the Sector (qualifying applicant dependent)	Achieved – 71 new bursaries were awarded to heritage students	Lists of students, payments stubs, contracts with universities, letters of awards	+6	More qualifying applications were received for the year in question and hence the Unit was able to award more heritage bursaries than had been anticipated based on the previous year's uptake.





#### 2.3 SERVICE DELIVERY IMPROVEMENT PLAN

In the period under review, the Department developed a Service Delivery Improvement Plan (SDIP) but encountered delays in the approval thereof due to prolonged consultations.

# 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The White Paper on Arts, Culture and Heritage was approved in 1996. After 20 years of its existence, the Department has initiated a review process to assess the progress made thus far. The review was also necessitated by the need to align the policy framework of the Department to the National Development Plan (NDP) and ensure that the policy responds to current and future challenges.

During the year under review, the Department of Arts and Culture embarked on public hearings on the White Paper on Arts, Culture and Heritage in eight provinces. Moreover, a National White Paper Review Summit was held in November 2015 during which wideranging recommendations were made to reshape the policy framework.

# 2.5 CONDITIONAL GRANTS

The table below lists all transfers that were deposited by the DAC into the accredited bank accounts of the provincial treasuries for purposes of conditional grants for community libraries.

PROVINCE	ACCOUNT NAME	BANK	ACCOUNT NUMBER	BRANCH CODE
Eastern Cape	ECPG Exchequer Account	Standard Bank	273021524	050419
Free State	FSPG Exchequer Account	Standard Bank	240322398	05553400

			•	• •
PROVINCE	ACCOUNT NAME	BANK	ACCOUNT NUMBER	BRANCH CODE
Gauteng	Gauteng Exchequer Account	First National Bank	62298193500	255005 •
KwaZulu-Natal	KZN Prov. Gov. Exchequer Account	ABSA	4072455883	630495
Limpopo	Limpopo Exchequer Account	Standard Bank	301684677	057448
Mpumalanga	Department of Finance Exchequer Account	Standard Bank	330670034	052452
Northern Cape	NCPG Exchequer Account	ABSA	4078447359	630302
North West	NW Provincial Exchequer	ABSA	4075700170	630499
Western Cape	The Provincial Government of the Western Cape: Exchequer Account	Nedbank	1452045143	145209

Detailed conditional grant output information is provided as Annexure A.

# 2.6 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

In the 2015/16 financial year, one immovable asset was acquired for the National Library of South Africa (Cape Town) for storage; no immovable assets were disposed of, scrapped or stolen, closed down or down-graded.

Physical verification was conducted to ensure that the departmental immovable asset register was updated.

The condition assessment of all the facilities that are used by the DAC and its public entities was completed in 2011/12. According to the DAC Immovable Asset Management Policy, the condition assessment should be done at intervals of five years. Therefore, the following status quo of the condition of facilities will remain as is until the next assessment, which will commence in the fourth quarter of 2016/17:

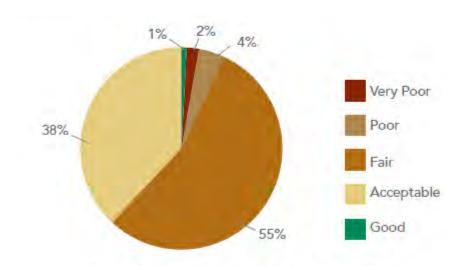


Figure 2: Overall condition of all facilities of the DAC

Facilities maintenance/management contracts were planned for the following institutions as major maintenance projects:

#### 1. Robben Island Museum (RIM)

A task team led by the Directors-General of the DAC and DPW was established to drive the implementation of the FM project for Robben Island Museum. Both the DAC and the DPW committed funds to maintain and upgrade the island. Implementation started in the 2015/16 financial year.

#### 2. Nelson Mandela Museum

A new DPW project manager was appointed to drive the project. Implementation started in the 2015/16 financial year



# Project list breakdown

INSTITUTION NAMES AND PROJECT DESCRIPTION	PROGRESS STATUS
Blind South Africa	
Acquisition of Additional Braille Printer	Completed
Iziko Museums of South Africa	
Construction of a storage structure in the court yard	Construction phase
National English Literary Museum	
Construction of the NELM	Construction phase
Ditsong Museums of South Africa	
Ditsong: civil and structural work	Final completion
Ditsong: mechanical and electrical work status quo report	Final completion
Heritage related studies to inform integrated conservation management plan: appointment of specialist	Planning phase
Sammy Marks Museum -Construction, renovation and upgrading	Project cancelled due to budget constraints
Repairs and Maintenance programme (Civil and structural)	Practical completion
Pioneer Museum-Renovation of educational facility	Design phase
KwaZulu-Natal Museum	
Natal Museum Installation of back- up generator	Practical Completion
Msunduzi Museum	
Upgrading of security measures and refurbishment of all the buildings	Design phase
Ncome Museum: Five(5) year facilities management contract	Design phase
Voortrekker Monument	
Voortrekker Monument	Construction phase
National Archives	
National Archives Building Pretoria: provision of facilities for the physical challenged	Construction phase
National Archive (Pretoria) Upgrading of fire protection system	Construction phase
National Archives: old library building remedial work	Construction phase
Nelson Mandela Museum	
Upgrade of Bhunga building	Practical completion
Facilities management and maintenance of buildings	Design phase

INSTITUTION NAMES AND PROJECT DESCRIPTION	PROGRESS STATUS
Robben Island Museum (various projects)	
Power generation ( diesel)	Design phase
New Power Plant Generator Engine (1000kva) no 5	Design phase
New Power Plant Generator Complete (2 x 450kva) - standby to replace 2 x 300kva (no 1 & no 4) - Coega recommended	Design phase
New Power Plant Generator Complete (2 x 450kva) no 2 & no 3	Design phase
Desalination Plant	Design phase
Effluent Plant - New	Design phase
Diesel Plant & Reticulation - new plant	Design phase
Bluestone Quarry Project(Direct transfer)	Design phase
Bluestone Quarry Project ( DPW payment)	Design phase
Old power station storage space restoration	Design phase
Harbour Precinct Project	Design phase
National Library of South Africa (various projects)	
Emergency repair to the damaged National Library Cape Town campus	Construction phase
Centre for the books - general repairs and upgrade	Practical completion
Installation of integrated security system CCTV & Optic installation PHASE 2	Design phase
Appointment of a 5year Facility/ maintenance contract (Pretoria)	Design phase
South African Library for the Blind	
Upgrading and Extension - Site clearance	Construction phase
Afrikaans Taal Museum	
Upgrading of workers change room and additional offices	Design phase
War Museum of the Boer Republics	
Construction guardhouse project	Predesign phase
Accessibility to disabled persons	Practical completion
Replacement of present climate control system	Practical completion
Expansion of fire protection system	Practical completion
Legacy projects	
Sarah Baartman Centre: construction of a centre of remembrance	Construction phase

INSTITUTION NAMES AND PROJECT DESCRIPTION	PROGRESS STATUS
Matola Raid Monument (Maputo): Construction of a remembrance site	Final completion
Mbuzini: Samora Machel Memorial Phase 2 construction	Planning phase •
Liberation Heritage Route	Construction phase
Liliesleaf Farm: archival infrastructure and exhibition	Construction phase
Valoyi Traditional Authority Trust (Nwamitwa Cultural Village)	Construction phase
Maropeng Virtual Lab (Cap)	Construction phase
National Heritage Project (Heroes Acres and Statues)	Construction phase
South African Heritage Resource Agency :Delville Wood Project	Design phase
Steve Biko Foundation: maintenance of facilities	Construction phase
Trevor Huddleston Centre	Construction phase
Arts Culture Promotion and Development	
Market Theatre	
Upgrading of COSAC building	Construction phase
Windybrow Theatre	
Windybrow Theatre- Refurbishment of heritage house	Design phase
The Playhouse Company	
Installation of backup generator	Initiation phase
Addional lighting for Drama and Opera theatres	Construction phase
Incubator Upgrading of the recording studio	Construction phase
State Theatre	
Refurbishment of foyer and ablutions	Construction phase
National Arts Council	
Upgrade of Disability access	Construction phase
Cultural precincts	
Red Location Cultural Precinct	Conceptual stage
Other cultural precincts	Conceptual stage
Community Arts Centres	
Upgrading of Community Art Centres	Initiation phase

INSTITUTION NAMES AND PROJECT DESCRIPTION	PROGRESS STATUS
Incubators	
National Academy of Africa's Performing Arts (Caiphus Katse Semenya)	Planning phase
Upgrading of public spaces	Planning phase
Upgrading of the Northern Cape Theatre	Final completion



# PART THREE



**HUMAN RESOURCES MANAGEMENT** 

# PART THREE: HUMAN RESOURCE MANAGEMENT

### 3.1 INTRODUCTION

The Chief Directorate: Human Resource Management serves the entire organisation as a strategic partner in developing and delivering innovative human resource programmes to attract, engage and retain skilled and knowledgeable people to assist the Department to consistently achieve organisational objectives. The departmental recruitment and selection policy together with all legislation that govern human resources were implemented with the aim of attracting and retaining employees with critical and scarce skills, as well as employees from designated groups. During the year under review, 72 positions were identified as critical and 22 suitably qualified people were recruited to fill these positions throughout the Department.

The Department finalised its draft organisational structure during the period under review, and together with the Minister of Public Service and Administration (MPSA) is in the process of finalising the consultations for the implementation of the revised structure. In addition, the Department continued with the maintenance of the PERSAL clean-up process.

The Department has maintained a vacancy rate of 7,21%. This is below the DPSA's recommended target vacancy rate of 10% or below. Competence and capacity building through training and development of staff remain vital instruments to the successful implementation of the departmental strategy. It is the philosophy of the Department that when employees are given the opportunity to improve and build new skills and capabilities, their levels of performance and personal job satisfaction increase as they feel engaged. In line with this philosophy, the Department implemented a total of 571 training interventions during the year under review.

The Performance Management and Development System (PMDS) Unit continues to provide advisory and administrative support in ensuring linkages between individual and organisational performance. Consequently, compliance with regard to the submission of performance agreements as well as the implementation of employees' work plans has improved significantly.

The Department is committed to promoting quality of work life. It is against this background that the Department has appointed an external service provider, HealthiChoices for employee wellness programmes. The service provider started operating on 1 November 2015 and is responsible for providing a 24/7 counselling service for employees and their immediate family members.

The Department subscribes to the Employment Equity Act, 1998 (Act No. 55 of 1998), which aims to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination. To this end the percentage of people with disabilities employed in the Department is 2,57%, which exceeds the set national target of 2%.

## **HUMAN RESOURCE CHALLENGES**

The Department is currently faced with workforce challenges relating to:

- The cut in the compensation budget for the 2017/2018 financial year; and
- Recruitment of women in senior management service.

## 3.2 HUMAN RESOURCE OVERSIGHT STATISTICS

# Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, home owner's allowances and medical aid.

Note: Please keep in mind that these tables only reflect expenditure incurred through Persal and might differ from the final financial statements in Part E of this report.

Table 3.2.1 Personnel expenditure by programme for the period 1 April 2015 to 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and Special Services expenditure (R'000)	Personnel expenditure as % of total expenditure	Average personnel expenditure per employee (R'000)	Employment
Administration	308 758	95 013	1 576	0	30,8	204	470
Arts and Culture Promotion and Development	969 468	43 420	0	0	4,5	93	470
Heritage Promotion and Preservation	2 252 397	48 113	0	0	2,1	103	470
Institutional Governance	146 020	27 805	0	0	19,0	60	470
Total	3 676 643	214 352	1 576	0	5,8	460	470

Table 3.2.2 Personnel expenditure by salary band for the period 1 April 2015 to 31 March 2016

Salary band	Personnel expenditure (R'000)	· NO OT EMPLOYEES		Average personnel expenditure per employee (R'000)
Lower skilled (levels 1-2)	2 255	1	15	150
Skilled (level 3-5)	6 566	3	48	137
Highly skilled production (levels 6-8)	39 088	17,6	131	298
Highly skilled supervision (levels 9-12)	91 018	41	174	523
Senior and top management (levels 13-16)	45 733	20,6	47	973
Contract (level 1-2)	1 267	0,6	30	42
Contract (level 3-5)	5 614	2,5	16	351

Salary band	Personnel expenditure (R'000)	% of total personnel expenditure	No. of employees	Average personnel expenditure per employee (R'000)
Contract (level 6-8)	2 442	1,1	2	1 221
Contract (level 9-12)	7 908	3,6	5	1 582
Contract (level 13-16)	11 569	5,2	2	5 785
Periodic remuneration	7 832	3,5	43	182
Total	222 184	99,7	513	433

Table 3.2.3 Salaries, overtime, home owner's allowance and medical aid by programme for the period 1 April 2015 to 31 March 2016

	Sala	ries	Overtime		Home owner's allowance (HOA)		Medical aid		Total personnel
Programme	Amount (R'000)	Salaries as % of personnel expenditure	Amount (R'000)	Overtime as % of person- nel expendi- ture	Amount (R'000)	HOA as % of personnel expenditure	Amount (R'000)	Medical aid as % of personnel expenditure	expenditure per programme (R0'000)
Administration	73 201	74,9	718	0,7	2 161	2,2	2 411	2,5	97 790
Arts and Culture Promotion and Development	3 375	76,1	309	0,7	1 183	2,7	1 312	3,0	43 830
Heritage Promotion and Preservation	36 860	68,3	264	0,5	1 216	2,3	1 463	2,7	53 938
Institutional Governance	22 147	72,2	128	0,4	661	2,2	534	1,7	30 681
Total	165 583	73,2	1 419	0,6	5 221	2,3	5 720	2,5	226 239

Table 3.2.4 Salaries, overtime, home owner's allowance and medical aid by salary band for the period 1 April 2015 to 31 March 2016

	Sala	ries	Overtime Home owner (HC			Medical aid		Total	
Salary band	Amount (R'000	Salaries as % of personnel expenditure	Amount (R'000)	Overtime as % of personnel expenditure	Amount (R'000)	HOA as % of personnel expenditure	Amount (R'000)	Medical aid as % of personnel expenditure	personnel expenditure per salary band (R'000)
Skilled (level 1-2)	1 296	57,4	20	0,9	194	8,6	333	14,8	2 256
Skilled (level 3-5)	4 358	66,2	58	0,9	392	6,0	386	5,9	6 579
Highly skilled production (levels 6-8)	27 302	69,2	669	1,7	1 503	3,8	2 041	5,2	39 439
Highly skilled supervision (levels 9-12)	70 038	75,7	498	0,5	1 996	2,2	2214	2,4	92 492
Senior management (level 13-16)	37 411	79,8	0	0	1 082	2,3	526	1,1	46 854

	Sala	aries	Over	rtime		ner's allowance (HOA)		cal aid	Total
Salary band	Amount (R'000	Salaries as % of personnel expenditure	Amount (R'000)	Overtime as % of personnel expenditure	Amount (R'000)	HOA as % of personnel expenditure	Amount (R'000)	Medical aid as % of personnel expenditure	personnel expenditure per salary band (R'000)
Contract (levels 1-2)	1 257	97,1	9	0,7	0	0	0	0	1 295
Contract (levels 3-5)	5 451	94,9	94	1,6	0	0	6	0,1	5 744
Contract (levels 6-8)	2 099	84,1	45	1,8	13	0,5	54	2,2	2 496
Contract (levels 9-12)	6 627	79,4	27	0,3	41	0,5	141	1,7	8 351
Contract (levels 13-16)	9 743	81,7	0	0	0	0	17	0,1	11 924
Periodic remuneration	0	0	0	0	0	0	0	0	8 809
Total	165 582	73,2	1 420	0.6	5 221	2,3	5 718	2,5	226 239

# 3.3 EMPLOYMENT AND VACANCIES

The following tables summarise the no. of posts on the establishment, the no. 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
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.3.1 Employment and vacancies by programme as at 31 March 2016

Programme	No. of posts on approved establishment	No. of posts filled	Vacancy rate	No. of employees addi- tional to the establish- ment
Administration, permanent	207	192	7,2	15
Arts and Culture Promotion and Development, permanent	101	96	4,9	15
Heritage Promotion and Preservation, permanent	138	125	9,4	13
Institutional Governance, permanent	62	57	8,0	12
Total	508	470	7,4	55

**NOTE:** The no. of posts filled additional to the establishment includes 28 interns, 22 clerical contract workers and special project management employees.

Table 3.3.2 Employment and vacancies by salary band as at 31 March 2016

Salary band	No. of posts on approved establishment	No. of posts filled	Vacancy rate	No. of employees additional to the establishment
Lower skilled (levels 1-2)	16	15	6,2	0
Skilled (levels 3-5)	50	48	4,0	0
Highly skilled production (levels 6-8)	142	131	7,7	0
Highly skilled supervision (levels 9-12)	189	174	7,9	0
Senior management (levels 13-16)	56	47	16,0	0
Contract (levels 1-2), permanent	30	30	0	30
Contract (levels 3-5), permanent	16	16	0	16
Contract (levels 6-8), permanent	2	2	0	2
Contract (levels 9-12), permanent	5	5	0	5
Contract (levels 13-16), permanent	2	2	0	2
Total	508	470	7,4	55

Table 3.3.3 Employment and vacancies by critical occupations as at 31 March 2016

Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy Rate	No. of employees additional to the establishment
Administrative related, permanent	48	43	10,4	0
Archivists, curators and related professionals, permanent	42	39	7,1	0.
Auxiliary and related workers, permanent	14	13	7,1	0
Building and other property caretakers, permanent	2	2	0	0
Cleaners in offices, workshops, hospitals, etc., permanent	16	15	6,2	0
Client inform clerks (switchboard, reception information clerks), permanent	3	3	0	0
Communication and information related, permanent	93	85	8,6	7
Communication and information related, temporary	1	1	0	0
Custodian personnel, permanent	1	1	0	0
Engineers and related professionals, permanent	3	1	66,6	0
Finance and economics related, permanent	15	15	0	0
Financial and related professionals, permanent	7	6	14,2	0
Financial clerks and credit controllers, permanent	8	8	0	0
Food services aids and waiters, permanent	6	6	0	0
General legal administration and related professionals, permanent	1	1	0	0
Head of department/chief executive officer, permanent	1	0	100	0
Human resources and organisational development and related, permanent	7	7	0	0
Human resources clerks, permanent	3	3	0	0
Human resources related, permanent	16	13	18,7	0
Information technology related, permanent	1	1	0	0
Language practitioners, interpreters and other communication related, permanent	20	20	0	0
Legal related, permanent	3	3	0	0
Librarians and related professionals, permanent	1	1	0	0
Library, mail and related clerks, permanent	5	5	0	0
Logistical support personnel, permanent	3	3	0	0
Material-recording and transport clerks, permanent	7	7	0	0

Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy Rate	No. of employees additional to the establishment
Messengers, porters and deliverers, permanent	6	5	16,6	0
Other administration and related clerks and organisers, permanent	60	60	0	46
Other administrative policy and related officers, permanent	15	11	26,6	0
Other information technology personnel, permanent	15	13	13,3	0
Other occupations, permanent	3	3	0	0
Risk management and security services, permanent	3	3	0	0
Secretaries and other keyboard-operating clerks, permanent	37	37	0	1
Security officers, permanent	10	10	0	0
Senior managers, permanent	31	25	19,3	2
Trade labourers, permanent	1	0	100	
Total	508	470	7,4	55

#### **Notes**

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

# 3.4 FILLING OF SENIOR MANAGEMENT SERVICE POSTS

The tables in this section provide information on employment and vacancies regarding members of the senior management service (SMS) by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.4.1 SMS post information as at 31 March 2016

SMS Level	Total no. of funded SMS posts	Total no. of SMS posts filled	% of SMS posts filled	Total no. of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary level 16	2	1	50	1	50
Salary level 15	5	5	100	0	0
Salary level 14	16	14	87,5	2	12,5
Salary level 13	33	28	84,8	5	15,1
Total	57	48	84,2	9	15,8

Table 3.4.2 SMS post information as at 30 September 2015

SMS Level	Total no. of funded SMS posts	Total no. of SMS posts filled	% of SMS posts filled	Total no. of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary level 16	2	2	100	0	0
Salary level 15	5	4	80,0	1	20,0
Salary level 14	15	12	80,0	3	20,0
Salary level 13	33	29	87,8	4	12,1
Total	56	47	83,9	9	15,8

Table 3.4.3 Advertising and filling of SMS posts for the period 1 April 2015 to 31 March 2016

	Advertising	Filling of posts			
SMS level	No. of vacancies per level advertised within 6 months of becoming vacant	No. of vacancies per level filled within 6 months of becoming vacant	No. of vacancies per level not filled within 6 months but filled within 12 months		
Director-General/Head of Department	1	0	0		
Salary level 16	0	0	0		
Salary level 15	1	0	1		
Salary level 14	1	0	1		
Salary level 13	0	0	0		
Total	3	0	2		

Table 3.4.4 Reasons for not having complied with the filling of funded vacant SMS posts - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016.

#### Reasons for vacancies not advertised within 6 months

NA

#### Reasons for vacancies not filled within 12 months

The position of Director-General could not be filled within 12 months, as the position had to be re-advertised twice due to the fact that no suitable candidate could be identified.

#### **Notes**

• In terms of the Public Service Regulations, Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts for the period 1 April 2015 to 31 March 2016

### Disciplinary steps taken

NA

#### **Notes**

• In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reasons for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

# 3.5 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any post in their organisation. In terms of the Regulations all vacancies at salary levels 9 and higher must be evaluated before they are filled. The following table summarises the no. of jobs that were evaluated during the year under review. The table also provides statistics on the no. of posts that were upgraded or downgraded.

Table 3.5.1 Job evaluation by salary band for the period 1 April 2015 to 31 March 2016

	No. of posts	No. of words	% of posts	Posts up	graded	Posts dow	ngraded
Salary band	on approved establishment		evaluated by salary bands	No. of posts evaluated	% of posts evaluated	No. of posts evaluated	% of posts evaluated
Contract (levels 1-2)	30	0	0	0	0	0	0
Contract (levels 3-5)	16	0	0	0	0	0	0
Contract (levels 6-8)	2	0	0	0	0	0	0
Contract (levels 9-12)	5	0	0	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band B)	6	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	2	0	0	0	0	0	0
Lower skilled (levels1-2)	16	0	0	0	0	0	0
Skilled (levels 3-5)	50	2	4,0	0	0	0	0
Highly skilled production (levels 6-8)	142	4	2,8	0	0	0	0
Highly skilled supervision (levels 9-12)	189	8	4,2	0	0	0	0
Senior Management Service (Band A)	31	1	3,2	0	0	0	0
Senior Management Service (Band B)	10	0	0	0	0	0	0
Senior Management Service (Band C)	4	0	0	0	0	0	0
Senior Management Service (Band D)	1	0	0	0	0	0	0
Total	508	17	3,3	0	0	0	0

The following table provides a summary of the no. of employees whose positions were upgraded due to their post being upgraded. The no. of employees might differ from the no. 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 3.5.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the no. of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

### Table 3.5.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 to 31 March 2016

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A				
Total no. of employees whose salarie	0			
Percentage of total employed	0			

# Table 3.5.4 Profile of employees with salary levels higher than those determined by job evaluation for the period 1 April 2015 to 31 March 2016

Total no. of employees whose salaries exceeded the grades determine by job evaluation	None	
1 otal no. of employees whose salanes exceeded the grades determine by job evaluation	INOTIC	

# 3.6 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 and critical occupations (see definition in notes below).

Table 3.6.1 Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

Salary band	No. of employees at 1 April 2015	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Lower skilled (levels 1-2)	15	0	1	6,7
Skilled (levels 3-5)	37	0	2	5,4
Highly skilled production (levels 6-8)	124	2	4	3,2
Highly skilled supervision (levels 9-12)	163	7	8	4,9
Senior Management Service (Bands A)	25	0	2	8,0
Senior Management Service (Bands B)	10	1	2	20,0
Senior Management Service (Bands B), temporary	0	1	0	0
Senior Management Service (Bands C)	3	1	1	33,3
Senior Management Service (Bands D)	2	0	0	0
Contract (levels 1-2)	4	30	2	50,0
Contract (levels 3-5)	8	0	3	37,5
Contract (levels 6-8)	7	3	1	14,3
Contract (levels 9-12)	14	1	4	28,6
Contract (Band A)	3	1	1	33,3
Contract (Band B)	7	1	4	57,1
Contract (Band C)	0	1	1	0
Contract (Band D)	1	0	1	100
Total	423	49	37	8,7

Table 3.6.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	No. of employees at 1 April 2015	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Administrative related, permanent	37	2	1	2,7
Archivists, curators and related professionals, permanent	44	1	5	11,4
Auxiliary and related workers, permanent	10	0	1	10,0
Building and other property caretakers, permanent	2	0	0	0
Cleaners in offices, workshops hospitals, etc., permanent	17	0	2	11,8
Client information clerks (switchboard, reception information clerks), permanent	3	0	0	0
Communication and information related, permanent	88	3	7	8,0
Communication and information related, temporary	0	1	0	0
Custodian personnel, permanent	1	0	0	0
Engineers and related professionals, permanent	0	1	0	0
Finance and economics related, permanent	13	0	1	7,7
Financial and related professionals, permanent	4	0	0	0
Financial clerks and credit controllers, permanent	8	0	0	0
Food services aids and waiters, permanent	7	0	0	0
General legal administration and related professionals, permanent	1	0	0	0
Head of department/chief executive officer, permanent	0	0	0	0
Human resources and organisational development and related, permanent	8	0	0	0
Human resources clerks, permanent	3	0	0	0
Human resources related, permanent	13	0	0	0
Information technology related, permanent	1	0	0	0
Language practitioners, interpreters and other communication related, permanent	20	0	0	0
Legal related, permanent	3	0	0	0
Librarians and related professionals, permanent	1	0	0	0
Library, mail and related clerks, permanent	6	0	1	16,7
Logistical support personnel, permanent	2	0	1	50,0
Material-recording and transport clerks, permanent	7	0	0	0
Messengers, porters and deliverers, permanent	6	0	1	16,7

Critical occupation	No. of employees at 1 April 2015	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Other administration and related clerks and organisers, permanent	15	30	4	26,7
Other administrative policy and related officers, permanent	12	1	2	16,7
Other information technology personnel, permanent	8	5	1	12,5
Other occupations, permanent	4	0	1	25,0
Risk management and security services, permanent	4	0	0	0
Secretaries and other keyboard-operating clerks, permanent	39	2	1	2,6
Security officers, permanent	10	0	0	0
Senior managers, permanent	26	4	8	30,8
Total	423	49	37	8,7

The table below identifies the major reasons why staff left the Department.

Table 3.6.3 Reasons why staff left the Department for the period 1 April 2015 to 31 March 2016

Termination type	No.	% of total resignations
Resignation, permanent	17	45,9
Death, permanent	2	5,4
Expiry of contract	9	24,3
Dismissal – misconduct	1	2,7
Retirement	8	21,6
Total	37	100
Total no. of employees who left as a % of total employment	8,7	

Table 3.6.4 Granting of employee-initiated severance packages

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by Department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled production (levels 9-12)	0	0	0	0
Senior management (level 13 and higher)	0	0	0	0
Total	0	0	0	0

Table 3.6.5 Promotions by salary band for the period 1 April 2015 to 31 March 2016

Occupation	No. of employees at 1 April 2015	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to another notch within a salary level	Notch progression as % of employees by occupation
Lower skilled (levels 1-2)	15	0	0	13	86,7
Skilled (levels 3-5)	37	0	0	27	73,0
Highly skilled production (levels 6-8)	124	2	1,6	103	83,1
Highly skilled production (levels 9-12)	163	9	5,5	119	73,0
Senior management (level 13 and higher)	40	5	12,5	23	57,5
Contract (levels 1-2)	4	0	0	0	0
Contract (levels 3-5)	8	1	12,5	0	0
Contract (levels 6-8)	7	0	0	0	0
Contract (levels 9-12)	14	2	14,3	2	14,3
Contract (levels 13-16)	16	0	0	0	0
Total	423	19	4,5	287	67,8

Table 3.6.6 Promotions by critical occupation for the period 1 April 2015 to 31 March 2016

Salary band	Employees at 1 April 2015	Promotions to another salary level	Salary band promotions as % of employees by salary level	Progressions to another notch within a salary level	Notch progression as % of employees by salary bands
Administrative related, permanent	37	5	13,5	22	59,5
Archivists, curators and related professionals, permanent	44	0	0	28	63,6
Auxiliary and related workers, permanent	10	0	0	5	50,0
Building and other property caretakers, permanent	2	0	0	2	100
Cleaners in offices, workshops, hospitals, etc., permanent	17	0	0	14	82,4
Client information clerks (switchboard, reception information clerks), permanent	3	0	0	0	0
Communication and information related, permanent	88	2	2,3	66	75,0
Custodian personnel, permanent	1	0	0	0	0
Finance and economics related, permanent	13	3	23,1	9	69,2
Financial and related professionals, permanent	4	2	50,0	3	75,0
Financial clerks and credit controllers, permanent	8	3	0	6	75,0
Food services aids and waiters, permanent	7	0	0	5	71,4
General legal administration and related professionals, permanent	1	0	0	1	100
Head of department/chief executive officer, permanent	0	0	0	0	0
Human resources and organisational development and related, permanent	8	0	0	8	100
Human resources clerks, permanent	3	0	0	3	100
Human resources related, permanent	13	1	7,7	12	92,3
Information technology related, permanent	1	0	0	0	0
Language practitioners, interpreters and other communication related, permanent	20	0	0	14	70,0
Legal related, permanent	3	1	33,3	2	66,7
Librarians and related professionals, permanent	1	0	0	0	0
Library, mail and related clerks, permanent	6	0	0	2	33,3
Logistical support personnel, permanent	2	0	0	2	100
Material-recording and transport clerks, permanent	7	0	0	7	100

Salary band	Employees at 1 April 2015	Promotions to another salary level	Salary band promotions as % of employees by salary level	Progressions to another notch within a salary level	Notch progression as % of employees by salary bands
Messengers, porters and deliverers, permanent	6	0	0	2	33,3
Other administration and related clerks and organisers, permanent	15	1	6,7	8	53,3
Other administrative policy and related officers, permanent	12	0	0	8	66,7
Other information technology personnel, permanent	8	0	0	8	100
Other occupations, permanent	4	1	25,0	0	0
Risk management and security services, permanent	4	0	0	4	100
Secretaries and other keyboard-operating clerks, permanent	39	1	2,6	28	71,8
Security officers, permanent	10	0	0	10	100
Senior managers, permanent	26	2	7,7	8	30,8
Total	423	19	4,5	287	67,8

# 3.7 EMPLOYMENT EQUITY

Table 3.7.1 Total no. of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2016

Occumational actors.		M	ale		Female				Total
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	10	0	1	1	10	1	1	3	27
Professionals, permanent	89	2	0	8	86	4	2	15	206
Professionals, temporary	1	0	0	0	0	0	0	0	1
Technicians and associated professionals	27	0	0	3	30	3	0	5	68
Clerks	36	0	0	1	76	3	1	7	124
Service and sales workers	6	1	0	3	2	1	0	0	13
Elementary occupations	12	0	0	0	19	0	0	0	31
Total	181	3	1	16	223	12	4	30	470
Employees with a disability	5	0	0	2	3	0	0	2	12

Table 3.7.2 Total no. of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2016

O		Mal	e			Fema	ale		Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	iotai
Top management	3	0	0	0	3	0	0	1	7
Senior management	15	1	0	1	13	1	1	2	34
Professionally qualified and experienced specialists and middle management	71	1	0	7	69	5	1	14	168
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	33	1	0	8	67	4	1	9	123
Semi-skilled and discretionary decision making	13	0	0	0	16	1	0	3	33
Unskilled and defined decision making	4	0	0	0	9	0	0	0	13
Contract (senior management), permanent	4	0	1	0	3	0	0	0	8
Contract (professionally qualified), permanent	8	0	0	0	3	1	1	0	13
Contract (skilled technical), permanent	4	0	0	0	4	0	0	1	9
Contract (semi-skilled), permanent	16	0	0	0	13	0	0	0	29
Contract (unskilled), permanent	10	0	0	0	23	0	0	0	33
Total	181	3	1	16	223	12	4	30	470

Table 3.7.3 Recruitment for the period 1 April 2015 to 31 March 2016

		Ma	ale			Fen	nale		Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	1	0	0	0	1
Senior management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and middle management	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Contract (top management), permanent	0	0	0	0	1	0	0	0	1
Contract (senior management), permanent	2	0	0	0	0	0	0	0	2
Contract (professionally qualified), permanent	1	0	0	0	0	0	0	0	1
Contract (skilled technical), permanent	2	0	0	0	1	0	0	0	3

Occupational band	Male				Female				Total
occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	iotai
Contract (semi-skilled), permanent	0	0	0	0	0	0	0	0	0
Contract (unskilled), permanent	9	0	0	0	21	0	0	0	30
Total	21	0	0	0	28	0	0	0	49
Employees with a disability	0	0	0	0	0	0	0	0	0

Table 3.7.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band		Ma	e		Female				Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	iotai
Top management, permanent	1	0	0	0	1	0	0	0	2
Senior management, permanent	14				8	1	1	2	26
Professionally qualified and experienced specialists and middle management	53	1	0	5	54	4	1	10	128
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	30	1	0	5	58	4	1	6	105
Semi-skilled and discretionary decision making	11	0	0	0	12	1	0	3	27
Unskilled and defined decision making	4	0	0	0	9	0	0	0	13
Contract (professionally qualified), permanent	2	0	0	0	0	0	1	1	4
Contract (semi-skilled), permanent	0	0	0	0	1	0	0	0	1
Total	115	2	0	10	143	10	4	22	306
Employees with a disability	1	0	0		2	0	0	1	4

Table 3.7.5 Terminations for the period 1 April 2015 to 31 March 2016

		Ma	le						
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top management	0	0	0	0	1	0	0	0	1
Senior management	2	0	0	0	2	0	0	0	4
Professionally qualified and experienced specialists and middle management	1	0	0	1	4	2	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	1	0	0	2	4
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2

		Ma	ile			Fem	ale		
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Unskilled and defined decision making, permanent	0	0	0	0	1	0	0	0	• 1
Contract (top management), permanent	1	0	0	0	1	0	0	0	2
Contract (senior management), permanent	1	0	0	0	4	0	0	0	5
Contract (professionally qualified), permanent	0	0	0	0	3	0	0	1	4
Contract (skilled technical), permanent	1	0	0	0	0	0	0	0	1
Contract (semi-skilled) permanent	2	0	0	1	0	0	0	0	3
Contract (unskilled) permanent	1	0	0	0	1	0	0	0	2
Total	11	0	0	2	19	2	0	3	37
Employees with a disability	0	0	0	0	1	0	0	0	1

# Table 3.7.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Dissiplinary action	Male					Total			
Disciplinary action	African	Coloured	Indian	White	African	Coloured	Indian	White	IOLAI
	2								2
TOTAL	2								2

Table 3.7.7 Skills development for the period 1 April 2015 to 31 March 2016

O		Ma	ale			Total			
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Iotai
Legislators, senior officials and managers	8	0	0	0	18	0	3	3	32
Professionals	84	2	0	6	108	2	1	12	215
Technicians and associate professionals	41	0	0	10	98	4	3	9	165
Clerks	27	0	0	2	26	1	0	3	59
Elementary occupations	29	0	0	0	71	0	0	0	100
Total	189	2	0	18	321	7	7	27	571
Employees with disabilities	1	0	0	0	3	0	0	1	5

# 3.8 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.8.1 Signing of performance agreements by SMS members as at 31 May 2015

SMS Level	Total no. of funded SMS posts	Total no. of SMS members	Total no. of signed performance agreements	Signed performance agreements as % of total no. of SMS members
Director-General/Head of Department	1	0	0	0
Salary level 16	2	2	0	0
Salary level 15	5	5	2	4,1
Salary level 14	16	14	9	18,7
Salary level 13	33	27	18	37,5
Total	57	48	29	60,4

#### Notes

• In the event of a national or provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2015.

### Table 3.8.2 Reasons for not having concluded performance agreements for all SMS members as at 31 May 2015

#### Reasons

Some of the SMS members who did not comply were appointed after 31 May 2015.

#### **Notes**

• The reporting date in the heading of this table should be aligned with that of Table 3.8.1.

Table 3.8.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2015

#### Disciplinary steps taken

The SMS members who submitted their performance agreements late will forfeit their performance rewards.

#### Notes

• The reporting date in the heading of this table should be aligned with that of Table 3.8.1.

# 3.9 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, disability, salary band and critical occupation (see definition in notes below).

Table 3.9.1 Performance rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

		Beneficiary profile		Expen	diture
Race and gender	No. of beneficiaries	No. of employees	% of total within group	Total expenditure (R'000)	Average expenditure per employee
African					
Male	47	175	26,9	1 040	22 131
Female	74	217	34,1	1 382	18 678
Asian					
Male	0	1	0	0	0
Female	1	4	25,0	24	24 069
Coloured					
Male	1	3	33,3	37	36 516
Female	4	12	33,3	70	17 595
White					
Male	12	14	85,7	310	25 826
Female	15	28	53,6	316	21 044
Employees with a disability	6	12	50,0	100	16 669
Total	160	466	34,3	3 279	20 493

Table 3.9.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2015 to 31 March 2016

		Beneficiary profile		Expen	diture
Salary band	No. of beneficiaries	No. of employees	% of total within salary bands	Total expenditure (R'000)	Average expenditure per employee
Lower skilled (levels 1-2)	14	13	107,7	123	8 786
Skilled (levels 3-5)	26	33	78,8	279	1 0731
Highly skilled production (levels 6-8)	63	122	51,6	1 091	1 7317
Highly skilled supervision (levels 9-12)	55	168	32,7	1 702	3 0945
Contract (levels 1-2)	0	31	0	0	0
Contract (levels 3-5)	0	29	0	0	0
Contract (levels 6-8)	0	9	0	0	0
Contract (levels 9-12)	0	13	0	0	0
Periodic remuneration	0	43	0	0	0
Total	158	461	34,3	3 195	20 222

Table 3.9.3 Performance rewards by critical occupation for the period 1 April 2015 to 31 March 2016

	Beneficia	ry profile	Expenditure			
Critical occupation	No. of beneficiaries	No. of employees	% of total within occupation	Total expenditure (R'000)	Average expenditure per employee	
Administrative related, permanent	15	43	34,9	444	29 600	
Archivists, curators and related professionals, permanent	16	39	41,0	333	20 813	
Auxiliary and related workers, permanent	5	13	38,5	55	11000	
Building and other property caretakers, permanent	2	2	100	21	10 500	
Cleaners in offices, workshops, hospitals, etc., permanent	15	15	100	143	9 533	
Client information clerks (switchboard, reception information clerks), permanent	2	3	66,7	25	12 500	
Communication and information related, permanent	21	86	24,4	666	31 714	
Custodian personnel, permanent	0	1	0	0	0	

	Beneficia	ry profile		Expenditure	
Critical occupation	No. of beneficiaries	No. of employees	% of total within occupation	Total expenditure (R'000)	Average expenditure per employee
Engineers and related professionals, permanent	0	1	0	0	0
Finance and economics related, permanent	8	15	53,3	233	29 125
Financial and related professionals, permanent	2	6	33,3	46	23 000
Financial clerks and credit controllers, permanent	6	8	75,0	91	15 167
Food services aids and waiters, permanent	4	6	66,7	31	7 750
General legal administration and related professionals, permanent	0	1	0	0	0
Human resources and organisational development and related, permanent	1	7	14,3	18	18 000
Human resources clerks, permanent	3	3	100	32	10 667
Human resources related, permanent	7	14	50,0	243	34 714
Information technology related, permanent	1	1	100	18	18 000
Language practitioners, interpreters and other communication related, permanent	4	20	20,0	80	20 000
Legal related, permanent	0	2	0	0	0
Librarians and related professionals, permanent	1	1	100	15	15 000
Library, mail and related clerks, permanent	2	5	40,0	29	14 500
Logistical support personnel, permanent	0	1	0	0	0
Material-recording and transport clerks, permanent	3	7	42,9	49	16 333
Messengers, porters and deliverers, permanent	5	6	60,0	30	10 000
Other administration and related clerks and organisers, permanent	5	60	8,3	65	13 000
Other administrative policy and related officers, permanent	6	11	54,5	117	19 500
Other information technology personnel, permanent	4	13	30,8	74	18 500
Other occupations, permanent	0	3	0	0	0
Risk management and security services, permanent	3	3	100	63	21 000
Secretaries and other keyboard-operating clerks, permanent	13	37	35,1	208	16 000
Security officers, permanent	7	10	70,0	103	14 714
Senior managers, permanent	1	24	4,2	49	49 000
Total	160	466	34,3	3 281	20 506

#### Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or subcategories within an occupation
  - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 3.9.4 Performance related rewards (cash bonus) by salary band for SMS for the period 1 April 2015 to 31 March 2016

		Beneficiary profile		Expen	Total expenditure as %	
Salary band	No. of beneficiaries	No. of employees	% of total within salary bands	Total expenditure (R'000)	Average expenditure per employee	of the total personnel expenditure
Band A	1	27	3,7	35	35 000	0,1
Band B	1	14	7,1	49	49 000	0,3
Band C	0	5	0	0	0	0
Band D	0	2	0	0	0	0
Total	2	48	4,2	84	42 000	0,2

# 3.10 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.10.1 Foreign workers by salary band for the period 1 April 2015 to 31 March 2016

Colony band	1 Apri	l 2015	31 Mar	ch 2016	Change		
Salary band	No.	% of total	No.	% of total	No.	% change	
Periodical Remuneration	0	0	1	100	1	100	
Total	0	0	1	100	1	100	

Table 3.10.2 Foreign workers by major occupation for the period 1 April 2015 to 31 March 2016

Majayassynatian	1 April 2015		31 Mar	ch 2016	Change		
Major occupation	No.	% of total	No.	% of total	No.	% change	
Professionals and managers	0	0	1	100	1	100	
Total	0	0	1	100	1	100	

# 3.11 LEAVE UTILISATION

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 and disability leave. In both cases, the estimated expenditure of the leave is also provided.

Table 3.11.1 Sick leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% days with medical certification	No. of employees using sick leave	% of total employees using sick leave	Average no. of days per employee	Estimated expenditure (R'000)	Total no.of employees using sick leave	Total no. of days with medical certification
Lower skills (levels 1-2)	98	87,8	10	3,0	10	44	334	86
Skilled (levels 3-5)	201	59,7	30	9,0	7	132	334	120
Highly skilled production (levels 6-8)	683	71,4	91	27,2	8	775	334	488
Highly skilled supervision (levels 9-12)	890	76,5	130	38,9	7	1 770	334	681
Top and senior management (levels 13-16)	130	65,4	27	8,1	5	471	334	85
Contract (levels 1-2)	41	75,6	14	4,2	3	11	334	31
Contract (levels 3-5)	93	78,5	20	6,0	5	55	334	73
Contract (levels 6-8)	16	81,3	5	1,5	3	17	334	13
Contract (levels 9-12)	28	92,9	7	2,1	4	53	334	26
Contract (levels 13-16)	0	0	0	0	0	0	334	0
Total	2 180	73,5	334	100	7	3 328	334	1 603

Table 3.11.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% days with medical certification	No. of employees using disability leave	% of total employees using disability leave	Average no. of days per employee	Estimated expenditure (R'000)	Total no. of days with medical certification	Total no. of employees using disability leave
Lower skilled (levels 1-2)	0	0	0	0	0	0	0	0
Skilled (levels 3-5)	26	100	4	16,7	7	17	26	24
Highly skilled production (levels 6-8)	296	100	14	58,3	21	333	296	24
Highly skilled supervision (levels 9-12)	65	100	5	20,8	13	116	65	24
Senior management (levels 13-16)	32	100	1	4,2	32	108	32	24
Total	419	100	24	100	17	574	419	24

The table below summarises the use 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.

Table 3.11.3 Annual leave for the period 1 January 2015 to 31 December 2015

Salary band	Total no. of days taken	No. of employees using annual leave	Average no. of days per employee
Lower skilled (levels 1-2)	342	14	24
Skilled (levels 3-5)	820	35	23
Highly skilled production (levels 6-8)	3 166	129	25
Highly skilled supervision(levels 9-12)	4 068	171	24
Senior management (levels 13-16)	1 000	44	23
Contract (levels 1-2)	243	33	7
Contract (levels 3-5)	563	32	18
Contract (levels 6-8)	142	8	18
Contract (levels 9-12)	259	19	14
Contract (levels 13-16)	102	12	9
Total	10 705	497	22

Table 3.11.4 Capped leave for the period 1 January 2015 to 31 December 2015

Salary band	Total no. of days of capped leave taken	No. of employees using capped leave	Average no. of days taken per employee	Average capped leave per employee as at 31 December 2015
Skilled (levels 3-5)	2	1	2	43
Highly skilled production (levels 6-8)	8	1	8	35
Highly skilled supervision(levels 9-12)	9	1	9	27
Senior management (levels 13-16)	2	1	2	32
Total	21	4	5	31

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.11.5 Leave pay-outs for the period 1 April 2015 to 31 March 2016

Reason	Total amount (R'000)	No of employees	
Capped leave pay-outs on termination of service for 2015/16	974	30	32 467
Current leave pay out on termination of service for 2015/16	454	18	25 222
Total	1 428	48	29 750

# 3.12 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

### Table 3.12.1 Steps taken to reduce the risk of occupational exposure

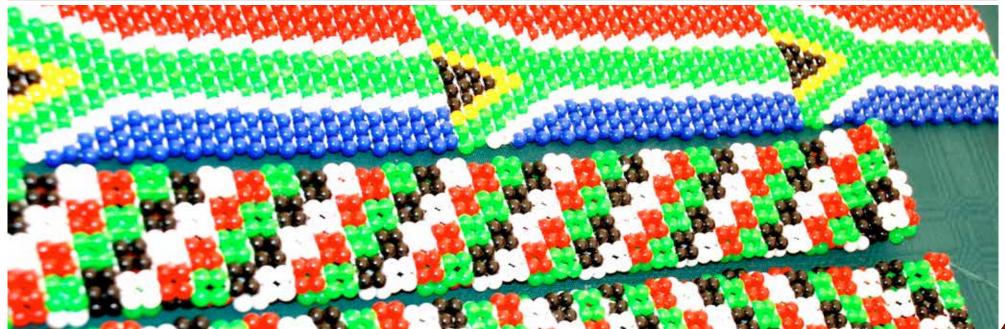
Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	NA

# Table 3.12.2 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.			CD: HRM (Mr C Greve)

Question	Yes	No	Details, if yes
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 no. of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Two. The responsibility for Health and Wellness lies in HRM. The Unit has a total complement of two staff members; the Deputy Director: Special Programmes and Assistant Director: Employee Wellness
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.	Yes		The Department has an Employee Wellness Assistance Programme. This entailed the following programmes:  Observance of health calendar days  Wellness days  Management of HIV and AIDS (through HCT)  Life skills programmes  Addiction  Loss and trauma  Disability  Holistic wellness and employee assistance programme
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.	Yes		The Employee Health and Wellness Advisory Committee is constituted by the following members:  Beauty Makaya-Manthata: PSA  MS Winnie Nkuna  Mr Languza Nkwenkwezi: Film Archives  Ms Sylvia Makapan: Kingsley Centre  Ms Opelo Thole: NEHAWU
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.	Yes		The following employee health and wellness policies are in place:  Bereavement Support Policy  Management of Sexual Harassment in the Workplace  Management of HIV & Aids in the workplace  Employee Assistance Programme
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.	Yes		Non-discrimination is addressed in the Employee Health and Wellness Policy. Other protective measures are covered in recruitment practices and employment relations policies.  Some of the measures are:  Training Information sessions Popularisation of the HIV and AIDS policy Continuous provision of information (print and electronic)

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 you achieved.	Yes		HCT was performed on a confidential basis. The Department conducted three HCT (HIV counselling and testing) drives through Wellness Days during the 2015/2016 financial year, and the results were as follows:
			Statistics for HCT (HIV Counselling and Testing):
			1. 28 August 2015
			Total no. of employees tested = 49
			Females = 33
			Tested positive: 0 (0,0%)
			The total HCT uptake was 54,1%
			Males = 16
			Tested positive: 0 (0,0%)
			The total HCT uptake was 69,4%
			The HCT was conducted by GEMS



Question	Yes	No	Details, if yes
			2. 4 December 2015
•			Total no. of employees tested = 42
			Females = 29
			Tested positive: 0 (0,0%)
			The total HCT uptake was 64,4%
			Males = 13
			Tested positive: 0 (0,0%)
			The total HCT uptake was 61,9%
			The HCT was conducted by GEMS
			3. 17 March 2016
			Total no. of employees tested = 47
			Females = 30
			Tested positive: 1 (3,3%)
			The total HCT uptake was 53,6%
			Males = 17
			Tested positive: 0 (0,0%)
			The total HCT uptake was 58,6%.
			The HCT was conducted by GEMS
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		A flu vaccination campaign was launched to minimise bacterial and viral-related illnesses and reduce the use of sick leave.
			Health promotion programmes with the focus on the prevention of HIV/AIDS infection and HIV counselling and testing were conducted.
			Other health promotions programmes conducted included management and prevention of chronic diseases such as hypertension, diabetes and cancer.

# 3.13 LABOUR RELATIONS

Table 3.13.1 Collective agreements for the period 1 April 2015 to 31 March 2016

Total no. of collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.13.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	No.	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	100
Not guilty	0	0
Case withdrawn	0	0
Total	1	100

Table 3.13.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

Type of misconduct	No.	% of total
Alleged fraud	1	100
Insubordination	1	100
Total	2	100

# Table 3.13.4 Grievances lodged for the period 1 April 2015 to 31 March 2016

Grievances	No.	% of total
No. of grievances resolved	24	88,9
No. of grievances not resolved	3	11,1
Total no. of grievances lodged	27	100

# Table 3.13.5 Disputes lodged with councils for the period 1 April 2015 to 31 March 2016

Disputes	No.	% of total
No. of disputes upheld	0	0
No. of disputes dismissed	4	100
Total no. of disputes lodged	4	100

# Table 3.13.6 Strike actions for the period 1 April 2015 to 31 March 2016

Total no. of persons working days lost	0
Total expenditure working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

# Table 3.13.7 Precautionary suspensions for the period 1 April 2015 to 31 March 2016

No. of people suspended	1
No. of people whose suspension exceeded 30 days	1
Average no. of days suspended	150
Expenditure of suspension (R'000)	R157

# **3.14 SKILLS DEVELOPMENT**

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

Table 3.14.1 Training needs identified for the period 1 April 2015 to 31 March 2016

		No. of constances	Training needs identified at start of the reporting period			
Occupational category	Gender	No. of employees as at 1 April 2015	Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	0	21	0	21
	Male	12	0	8	0	8
Professionals	Female	107	0	118	0	118
	Male	100	0	68	0	68
Technicians and associated professionals	Female	38	0	105	0	105
	Male	30	0	51	0	51
Clerks	Female	78	0	26	0	26
	Male	23	0	28	0	28
Elementary occupations	Female	13	0	26	0	26
	Male	6	0	12	0	12
Sub total	Female	252	0	296	0	296
	Male	171	0	167	0	167
Total		423	0	463	0	463

Table 3.14.2 Training provided for the period 1 April 2015 to 31 March 2016

		No. of ampleyeeses	Training provided within the reporting period				
Occupational category	Gender	No. of employees as at 1 April 2015	Learnerships	Skills programmes & other short courses	Other forms of training	Total	
Legislators, senior officials and managers	Female	16		24	0	24	
	Male	12		8	0	8	
Professionals	Female	107		123	0	123	
	Male	100		92	0	92	

		No. of employees as at 1 April 2015	Training provided within the reporting period			
Occupational category	Gender		Learnerships	Skills programmes & other short courses	Other forms of training	Total
Technicians and associated professionals	Female	38		114	0	114
	Male	30		51	0	51
Clerks	Female	78		30	0	30
	Male	23		29	0	29
Elementary occupations	Female	13		71	0	71
	Male	6		29	0	29
Sub total	Female	252		362	0	362
	Male	171		209	0	209
Total		423		571	0	571

# 3.15 INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 3.15.1 Injury on duty for the period 1 April 2015 to 31 March 2016

Nature of injury on duty	No.	% of total
Required basic medical attention only	4	66,6
Temporary total disablement	2	33,3
Permanent disablement	0	0
Fatal	0	0
Total	6	100

## 3.16 USE OF CONSULTANTS

The following tables relate information on the use of consultants in the Department.

In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad-hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.16.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 to 31 March 2016

Project title	Total no. of consultants that worked on project	Duration (working days)	Contract value in Rand
Mzansi Golden Economy	1	126	860 160
Heritage Legacy Projects	1	155	1 966 492
Library Conditional Grant	1	155	914 270
Library Conditional Grant	1	155	817 404
Library Conditional Grant	1	155	826 728
International Relations	1	142	1 624 260

Total no. of projects	Total individual consultants	Total duration (working days)	Total contract value in Rand
6	6	888	7 009 314

Table 3.16.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2015 to 31 March 2016

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups that worked on the project
Mzansi Golden Economy	100	100	1
Heritage Legacy Projects	100	100	1
Library Conditional	100	100	1
Library Conditional	100	100	1
Library Conditional	100	100	1
International Relations	100	100	1

Table 3.16.3 Report on consultant appointments using donor funds for the period 1 April 2015 to 31 March 2016

Project title	Total no. of consultants that worked on project	Duration (working days)	Donor and contract value in Rand
N/Å			

Total no. of projects	Total individual consultants	Total duration (working days)	Total contract value in Rand
N/A			

Table 3.16.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2015 to 31 March 2016

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups that worked on the project
N/A			





## PART FOUR



GOVERNANCE

## PART FOUR: GOVERNANCE

## 4.1 INTRODUCTION

The commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

## 4.2 RISK MANAGEMENT

The Department of Arts and Culture has an approved and maintained Risk Management Framework, in line with the risk management maturity of the Department. The current policies are subject to annual review and adoption by Executive Management and the Risk Committee, and are communicated to all the Department's stakeholders.

#### 4.2.1 Annual Risk Assessments

The Department conducted its annual risk assessment for the 2015/16 financial year. The risk profile for the Department was approved at Audit Committee level and informed the annual internal audit risk based audits.

The Department scanned the external environment and considered all risk factors from the Arts, Culture, and Heritage Sector that would impact the chosen strategy.

## 4.2.2 Risk & Ethics Committee

The Department has a fully functional and operational Risk and Ethics Committee chaired by an independent non-executive member. The Risk and Ethics Committee pursued a functionality diagnostic conducted independently to assess the risk management maturity within the Department in line with industry trends.

The Risk & Ethics Committee endorsed the implementation of Integrated Reporting with the aim of creating reporting synergies by management, risk management, financial management, monitoring and evaluation and internal audit.

The Committee held five meetings with an average attendance of 88% throughout the financial year. The Committee placed special emphasis on the following:

- Ensuring standardised processes are in place, informed by policies on Project Risk Management and organizational Compliance Frameworks, including the management of conflict of interest as articulated by the Ethics and Integrity Programme in the Department.
- Business Continuity Management with special emphasis on the aging ICT Infrastructure
- Oversight on the resource plans to assist the Infrastructure Development Unit in delivering of capital projects through aligned efforts.
- Ethics & Integrity oversight responsibilities to meet the requirements of organisational compliance in line with the Public Service Regulations.

## 4.3 FRAUD AND CORRUPTION

The Risk Committee monitored the status of allegations reported internally, including those referred by the Public Service Commission. The Department has an approved Fraud Prevention Implementation Plan, as informed by the Fraud Prevention Strategy, and existing Fraud Policy.

## 4.3.1 Fraud and Corruption Awareness

The Department undertook an annual Fraud Awareness Campaign in the last quarter of the financial year to all its employees and stakeholders, with the aim of increasing awareness and entrenching whistle blowing against fraud and corruption.

## 4.3.2 Reporting of Fraud

The Department has maintained processes to allow for walk-in, e-mail, written, and telephonic reporting to the Risk Management unit. All reported allegations are escalated to the Accounting Officer and Internal Audit in line with approved policy. Follow-up and feedback is consolidated internally to the Audit Committee.

## 4.3.3 Resolution of Fraud Allegations

Allegations of fraud, corruption and financial misconduct received through the Risk Management Directorate are forwarded in writing to the Accounting Officer and the Chief Audit Executive for investigation/resolution.

Reporting on the status of Allegations received as well as their status of investigation/ resolution is reported to the Accounting Officer and the Audit Committee quarterly for oversight through closed meetings. Further to the above concluded investigations are communicated to the Accounting Officer and Risk Management for noting and for reporting to relevant external stakeholders where relevant, i.e. National Anti-Corruption Hotline (NACH) which is managed by the Public Service Commission, and to Executive/ Senior Manager(s) responsible for the implementation of recommendations made.

The Accounting Officer and the Audit Committee provided oversight on allegations of fraud, corruption and misconduct reported to the Department, and is satisfied that the allegations are receiving attention.

## 4.4 MINIMISING CONFLICT OF INTEREST

The Department of Arts and Culture complies to the requirements of the Public Service Integrity Management Framework (PSIMF), including Chapter 3 of the Public Service Regulations.

The Department ensured that all designated employees declared their financial interests

on the e-disclosure system. Further to this, the Department has an approved Gift Disclosure Policy, and conducts awareness to all officials' monthly, leading to a quarterly report tabled to oversight committees.

#### 4.4.1 Remunerative Work Outside the Public Sector

The Department has maintained an Ethics and Integrity Programme which facilitates awareness initiatives to all officials on the current legislative requirements in conducting Remunerative Work outside the Public Sector. The Executive Authority considers all applications for Remunerative Work outside the Public Sector, in line with Chapter 3 of the Public Service Regulations.

Further to this a company registration check was conducted for all designated officials against the existing database of active companies registered on the Companies and Intellectual Property Commission database.

## 4.5 CODE OF CONDUCT

The Department complies with the Code of Conduct as articulated in Chapter 2 of the Public Service Regulations.

## 4.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) ("the OHS Act"), section 8, requires every employer to provide and maintain, as far as is reasonable and practical, a work environment that is safe and without risk to the health of employees. This means the employer must ensure that the workplace is safe and free of any hazards or potential hazards that may adversely affect the well-being of employees resulting in occupational injuries or diseases. Where this is not possible, the employer, in accordance with the requirements of section 13 of the OHS Act, has to inform the employees of risks and dangers and how these may be prevented.

The Department's occupational health and safety programme, therefore, continuously strives to assist the employer and employees to comply with the requirements of the OHS Act and maintain a healthy and safe working environment.

The Department has an approved health and safety policy since July 2013, as per the requirements of section 7 of the OHS Act. The main purpose of the policy is to establish minimum standards and requirements of occupational health and safety for the employees, contractors and visitors of the Department of Arts and Culture by:

- firstly identifying occupational hazards and possible risks causing incidents;
- secondly setting standards of practice, procedures and accountability; and
- thirdly correcting deficiencies, deviations from set standards and procedures to be followed.

All these measures help in creating and maintaining a healthy and safe work environment.

The health and safety plan and schedule were approved for the 2015/2016 year. The plan outlines the operational directives and dates for implementation.

The Department has a fully functional Occupational Health and Safety Committee comprising representatives who were nominated as per the section 17 directive of the OHS Act and designated in writing by the Director-General. The Committee met at least once a quarter to address pertinent issues. The health and safety representatives play an important role in assisting to create a safe and healthy working environment. All the necessary training has been provided to empower the health and safety representatives fulfil their duties.

The departmental health and safety programme conducted awareness training on various issues in order to ensure that employees are fully aware of how to fulfil the legal mandatory requirements as prescribed by section 14 of the OHS Act.

The Department was able to conduct biannual emergency evacuation drills as required by municipal by–laws.

Two forms of regular inspections were conducted: (a) formal inspections once a month using an OHS inspection checklist, which caters for the requirements of Department of Labour OHS inspections, and (b) informal inspections in the form of walk-through survey at least once a week. Issues identified during inspections that required corrective actions were dealt with both internally and externally.

There were many challenges experienced in the past year, at the DAC premises all of which were related to poor maintenance and the age of the building. As a result of these challenges the building was evacuated, at least one occassion.

The Executive Management team in the Department is currently investigating the feasibility of alternate accommodation to address long-term health and safety concerns.

## 4.7 INTERNAL AUDIT AND AUDIT COMMITTEE

## 4.7.1 Internal Audit

The objective of the Internal Audit Activity in the Department is to provide an effective, independent objective assurance and consulting activity designed to add value and improve the Department's operations. It achieves this by evaluating and improving the effectiveness of risk management, control and governance processes; and facilitates the full functioning of the Audit Committee in the Department.

The Internal Audit Activity (IAA) was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter based on Treasury Regulation 3.2 and the Standards for the Professional Practice of Internal Auditing. The scope of the Internal Audit Activity's work was derived from the approved Risk-Based Three Year Strategic and Annual Operational Plans approved by the Audit Committee for the 2015/2016 financial year.

The IAA assisted the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities. The following is a summary of the internal audit assignments

conducted during the year under review:

- Review of the Annual Performance Report - 2014/2015
- Review of the 2014/15 Annual Financial Statements
- Quarterly Reviews of Predetermined Objectives - 2015/16
- Quarterly Reviews of the Financial Statements -2015/16
- Review of the Senior Management Service (SMS) Moderation Process
- DAC Relocation Governance (Follow Up)

- Review of the Enterprise Risk Management
- Review of the Management Action Plan to address the AGSA 2014/15 findings (Adequacy and
- Information Technology General Controls Review
- MPAT 1.5 Verification
- Performance Plan (APP)

- Implementation Review)
- DAC Relocation Audit SCM Probity
- Review of the Draft 2016/17 Annual

## 4.7.2 Audit Committee

The Department's Audit Committee is appointed in terms of section 38 (1) (a) (ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1 and operated in accordance with the aforementioned regulations including the provisos prescribed in terms of sections 76 (4) (d) and 77 of the Public Finance Management Act; as well as its approved Charter.

The primary purpose of the Audit Committee is to assist the Accounting Officer of the Department in fulfilling his responsibilities to ensure that the Department has and maintains effective, efficient and transparent systems of financial, risk management, governance, and internal control by providing oversight on the following:

- financial reporting, systems of internal control and performance against pre-determined objectives;
- enhancing business ethics and trust in the Department;

- ensuring and enhancing the independence of the Internal Audit Activity
- reviewing the strategic and operational risk areas of the Department to be covered in the scope of Internal and External audits;
- ensuring the proper functioning of both the Internal and External audit processes, and other assurance services, including Fraud and Corruption Investigation Activities.
- monitoring compliance with Laws and Regulations and the Code of Conduct.

The Audit Committee was fully functional and comprised four members (external to the Department) as at 31 March 2016; and the details of membership and number of meetings is outlined as follows:



## DEPARTMENT OF ARTS AND CULTURE | **ANNUAL REPORT** | BUDGET VOTE 37 | 2015-2016

NAME	EMPLOYER	QUALIFICATIONS	DESIGNATION	DATE OF APPOINTMENT	END OF TERM	NO. OF MEETINGS ATTENDED
a) Adv. W.E. Huma	Self Employed	<ul> <li>LLM (Master of Laws)</li> <li>LLB. (Bachelor of Laws)</li> <li>BProc</li> <li>Post-Graduate Diploma in Company Direction (Corporate Governance)</li> <li>Financial Management (Finance for Non-Financial Managers)</li> <li>Fellow of the Institute of Directors.</li> </ul>	Chairperson (effective date: 20/02/2015)	14 May 2014 20/02/2015 (1st Term)	31 May 2017	13
b) Ms K. Rapoo	South African Post Office	<ul><li>Executive Development Programme;</li><li>Project Management;</li><li>Advanced Project Management.</li></ul>	<ul> <li>Audit Committee         Member; &amp;</li> <li>Chairperson - DAC         Risk Committee</li> </ul>	01 May 2013 (2nd Term)	31 August 2016	10
c) Ms F. Mdanda	Smith Capital	<ul><li>MBA</li><li>Hons BCom (Auditing)</li><li>B Compt;</li></ul>	Member	01 September 2014 (2nd Term)	31 August 2017	6
d) Mr. M.A.E. Amod	Self Employed	<ul> <li>MBA</li> <li>B COM Degree</li> <li>Certified Internal Auditor</li> <li>Certified Government Auditing Professional</li> <li>Certification in Risk Management Assurance</li> </ul>	Member	14 May 2014 (1st Term)	31 May 2017	9

The Audit Committee met on 13 occasions, out of which 11 were Committee meetings (4 Ordinary and 7 Special Meetings), and 2 were meetings with the Minister and the Acting Accounting Officer.

The special meetings held were for the following specific purposes:

- oversight and monitoring of the Management Action Plan to address the matters raised by the AGSA in the 2014/15 financial year;
- review and discussion of the emerging High Risks impacting the DAC as well as the monitoring of the development of management action plans to mitigate the High Risks;
- review and discussion of irregular expenditure and deviations, and plans to address these;
- review and discussion of the ethics and integrity management compliance by DAC officials to the DPSA framework for disclosures of financial interests and remunerated work outside the public service;
- review oversight on the Draft DAC Annual Performance Plan for 2016/17.
- review and adoption of the Department's unaudited Annual Financial Statements and Annual Performance reports for the 2014/15 financial year.

The Committee noted Management's action plans to address the above risk exposures and internal controls; and continues to monitor the effective implementation of the action plans.

## 4.8 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2016.

## (a) Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) ("the

PFMA"), and Treasury Regulation 3.1, and operated in accordance with the aforementioned regulations including the provisos prescribed in terms of sections 76 (4) (d) and 77 of the PFMA.

The Committee further reports that it has adopted appropriate formal Terms of Reference as its Charter which was duly approved, and has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

## (b) Effectiveness of Internal Controls

Internal Control is a cost effective process effected by the Senior Management of the Department, designed to provide reasonable assurance regarding the achievement of its objectives in categories of effectiveness and efficiency of operations, financial reporting, compliance to applicable Laws and Regulations and Policies and Procedures.

The Audit Committee provided oversight on business areas of the Department in line with the PFMA, Treasury Regulation requirements and its approved Charter. This was achieved through the assurance reviews conducted by the Internal Audit Activity as well as from the assurance reviews by the Auditor General of South Africa (AGSA). The IAA provided the Audit Committee and Management with assurance on the existence of internal controls; their appropriateness and effectiveness, and recommendations where weaknesses and / deficiencies in internal controls were noted.

From the various reports submitted by the Department's Internal Auditors, there are clear indications that although the systems of internal control were adequate; they were not effective in several instances. Certain matters reported on, indicated internal control deficiencies and deviations from business rules/policies and delays in either implementing the corrective actions or ensuring accountability. Also noted by the Committee are the recurring deficiencies in internal controls from prior years. Matters of serious concern to the Committee regarding internal controls were as follows:

 Policies and procedures - Instances wherein the periodic review and approval of certain policies and procedures was delayed and resulted in recurring AGSA findings,

- i.e. IT Disaster Recovery and Business Continuity; Asset Management Policy, Back up Policy.
- Instances of Non-Compliance with Policies and Procedures by employees which give rise to irregular, fruitless and wasteful expenditure;
- The poor management of Irregular Expenditure, i.e. identification (prevention and detection) and resolution process;
- Strategic and Annual Performance Planning; i.e. delayed and fragmented planning.
- Maintenance of sufficient reliable verification sources for reported performance information;
- Unsatisfactory IT General Controls;
- Delayed implementation of management action plans developed to improve internal controls and performance, as well as the application of consequence management;
- Some deficiencies/non-compliance noted within the SCM Procurement, and Contract Management; and
- Delays on the Relocation of the Department.

The above issues are recurring, and or delayed in implementation. The Committee has repeatedly communicated its discomfort with regards to the non-implementation as well as the non-enforcement of accountability on the part of senior managers/employees responsible.

Proper planning which has also been identified as a cause of most of the deficiencies has also been re-emphasised as an area that the Department is yet to improve upon.

The Committee monitored the improvement and turn-around of the internal control environment as well as the external audit outcome through oversight on the Management Action plan in relation to the 2014/15 AGSA audit outcomes, and has observed that although some improvements were made, they did not have much impact on the 2015/16 financial year as a result of delayed implementation, e.g. approval of policies, implementation

of adequate internal controls. Special Audit Committee meetings were held to assist management with the implementation of adequate control strategies.

## (c) Internal Audit

The Audit Committee monitored the work of the Internal Audit activity against the approved Internal Audit Annual Plan throughout the financial year through its quarterly Committee meetings; and is satisfied that the IAA addressed the risks pertinent to the Department in its audits, and that the resulting reported conclusions were independent and in full compliance with the approved Internal Audit Charter, and Treasury Regulations.

Nevertheless, the Committee considers the Internal Audit Activity to be under-resourced in order to function optimally to maximise its coverage of the risk exposures facing the Department, given its current human resources and budget.

## (d) Risk Management

The Department has a fully functional Risk Committee to account for the Department's risk mitigation effort in delivering the outcomes as agreed and presented in its strategic plans. The Committee has formal terms of reference as contained in the Risk Committee Charter and regulates its affairs in compliance with the Charter. The Committee also discharged all its responsibilities as contained in the Charter.

The existing role of the Risk Committee was expanded to include oversight over ethics and integrity; therefore, the Risk Committee Charter was amended and approved by the Accounting Officer.

The Risk Committee held four quarterly ordinary Risk Committee meetings, with an average maintained attendance rate of 88% for 2015/16, which is an improvement on the reported 79% in the prior year.

The following meetings were held during the year:

- **23 June 2015** First quarter reporting for 2015/16
- 7 August 2015 Second quarter reporting for 2015/16
- **31 October 2015** Third quarter reporting for 2015/16
- **19 February 2016** Fourth quarter reporting for 2015/16
- **22 April 2016** Annual reporting 2015/16

## 1. Ethics and integrity management

In order to manage conflict of interest, the Department, through its Ethic and Integrity Programme, administered the disclosure of financial interests by designated officials, including the disclosure of accepted gifts, hospitality and other benefits.

## 2. Organisational risk assurance

Extraordinary focused efforts, outside the above meeting dates, were applied by the Risk Committee of the Department to improve the risk management culture and efficacy of applied risk mitigation methods.

- **i. Risk management integration:** inadequate integration of risk management into performance agreements has improved over the years; senior management still has not fully committed to integrating risk management into their strategic planning processes to expedite the changes required in the Department's risk culture.
- *ii.* Alignment of the risk management process to the Department's outcomes and the National Development Plan, including the Department's Public Entities.
- *iii. Mapping of the risk-bearing capacity* and setting the risk appetite and tolerance statements for the Department.
- iv. Business Continuity Management with special emphasis on the BCM Strategy, ICT Disaster Recovery Plans and testing.

## 3. Risk exposures

## 3.1 Strategic risk exposures that had an impact on the Department's mandate

The following strategic risks had an impact on the full attainment of the Department's objectives for the 2015/16 financial year. These were influenced by the underestimation of the time it would take to fully mitigate the risk exposure and the misalignment of strategy and capacity [specialised skills to deliver on infrastructure], which directly affected the attainment of some performance targets.

- **Regulatory Framework** the White Paper on Arts, Culture and Heritage seeked to address broad challenges with regard to institutional arrangements [governing and funding of the public entities business model]; infrastructure [museums, legacy projects, etc.]; skills and development in the sector; cultural diplomacy; research and development; compliance with the Use of Official Languages Act, and its implementation. This process has had an impact on how the Department carried out its mandate and, if not finalised, will still influence the strategic planning process and the emanating risk in the next planning cycle.
- **ii. Increased social instability** racism increased domestic social instability and underemployment.
- **iii. Infrastructure risk** inadequate specialised skills in project management in the delivery and maintenance of infrastructure.
- **iv. Compliance risk** pervasive non-compliance with operational policy and failure to apply requisite directives when sourcing goods and services leading to increased irregular expenditure.

## 3.2 Key operational risk exposures that had an impact on the attainment of strategic objectives

## Status of vacant positions in support of delivery the Department's objectives

The vacant position of the Accounting Officer influenced the choice of strategy that was fostered for the remainder of the 2015/16 financial year and holds bearing on the leadership; however, an improvement has been noted in the filling of vacant positions at a Senior Manager level, as opposed to the prior financial year.

#### Monitoring and evaluation of capital projects

The shortage of specialised skills in project management has had an impact on the delivery and maintenance of infrastructure for public entities.

## Relocation of business premises (Department of Arts and Culture)

Emerging risks with regard to potential irregular expenditure and litigation were discussed and elevated to the Audit Committee for expanded oversight. Failure by the Department to be decisive has ultimately led to the envisaged risk incident occurring.

**Business Continuity Management** – The Business Continuity Management Strategy was approved after incidents of cyberattacks [defacing of the Department's intranet] and downtime due to inaccessibility of emails, which were reported as ICT risk incidents; this led to 360 hours being lost during the past financial year.

The funding of the ICT Strategy still remains a challenge and has affected the effective management of the National Archives digitisation migration strategy. Management was sensitised to emerging risks that may lead to inaccessible archival material for research purposes, not only to the local and national community but also to international stakeholders of the National Archives.

The Department's effort towards the integration of Risk Management into daily activities is noted. The Combined Assurance Integrated Report from all assurance providers, namely Executive Management; Monitoring and Evaluation; Financial Administration and Management; Risk Management and Internal Audit has been a noted improvement, which serves as an early warning system that will assist in key strategic decision making, early identification of looming risks and to ensure increased intervention towards full attainment of the Department's objectives.

## (e) Summary of the main activities undertaken by the Audit Committee during the financial year under review

The Committee has played an active oversight role in the Department's most challenging areas, and has recommended the following which are either implemented or on-going; or are still receiving attention in the Department:

- Performance Information internal monthly reporting and monitoring of the Department's performance;
- Development of quarterly and interim financial statements;
- Quarterly reporting and monitoring of the ICT Governance; Ethics and Integrity Management (framework);
- Enforcement of accountability and reporting to the Audit Committee on the projects undertaken by the Department, i.e. infrastructure development projects, Households and Transfers; and Public Entity performance monitoring;
- Integrated Assurance which has been implemented, and has been monitored by both the Risk Committee and Audit Committee of the Department;
- Development of Management Action Plans to the emerging High Risk areas brought to the attention of the Audit Committee during the financial year;
- Capacitating the Risk Management Unit and Internal Audit Activity;
- Early development of the Strategic Plan and Annual Performance Plan to ensure alignment between the plans and the Risk identification process;

 Enforcement of accountability where instances of non-compliance to Policies, Laws and Regulations are identified.

Management of the Department has agreed to the recommendations and has made an undertaking to implement the recommended improvements.

## (f) The Quality of In-Year monitoring and Quarterly Reports

The Department has reported monthly and quarterly to the National Treasury as required by the PFMA and Treasury Regulations.

## (g) Forensic Investigations

The Committee monitored and provided oversight on allegations of fraud, corruption and financial misconduct reported to the Department, and is satisfied that the allegations are receiving attention. The Committee will continue to monitor the investigation of allegations including the implementation of recommended actions.

## (h) Evaluation of Financial Statements

The Audit Committee reports that:

- it has reviewed and discussed the audited annual financial statements together with the audited annual performance report with management of the Department and the AGSA;
- reviewed the Auditor-General's Audit Report and Management Report including management's response thereto;
- reviewed any changes in accounting policies and practices,
- reviewed the Department's compliance with certain legal and regulatory provisions in so far as they related to risks, audits and other related matters,
- reviewed the information on predetermined objectives to be included in the annual report; and

reviewed any significant adjustments resulting from the audit.

#### (i) Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised by the AGSA in the previous year (2014/2015) and we are **not** satisfied that these issues have been adequately addressed. However, Management has assured the Audit Committee that they are addressing all these issues.

The Audit Committee has met with the Auditor-General South Africa and Management to ensure that there are no unresolved issues.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the **audited** Annual Financial Statements and Performance Information, and is of the opinion that the **audited** Annual Financial Statements and the Performance Information Report be accepted and be read together with the report of the Auditor-General.

Wohna

ADV. W.E. HUMA
CHAIRPERSON OF THE AUDIT COMMITTEE
DEPARTMENT OF ARTS AND CULTURE
DATE: 13 SEPTEMBER 2016



## PART FIVE



FINANCIAL INFORMATION

#### Vote 37

#### **ACCOUNTING POLICIES**

for the year ended at 31 March 2016

# 5.1 ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2016

I hereby acknowledge that the Annual Financial Statements of the Department of Arts and Culture have been audited by the Auditor-General in terms of section 40(2) of the PFMA.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and confirm, to the best of my knowledge and belief, the following:

- the financial statements have been prepared in accordance with the National Treasury determined framework as prescribed by treasury regulations and the PFMA;
- the financial statements are complete and accurate;
- all amounts appearing on the financial statements have been cast and cross-cast and accurately cross referenced;

- the financial statements are free from material misstatements, including omissions; and
- accounting estimates are reasonable in the circumstances.

The Department of Arts and Culture annual financial statements for the year ended 31 March 2016 have been audited by external auditors and their report is presented on page 123.

The Annual Financial Statements of the Department as set out on page 132 to page 208 have been approved.

fishtian )

MR VUSITHEMBA NDIMA
ACTING DIRECTOR-GENERAL
DATE: 31 JULY 2016



#### Vote 37

#### REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2016

## 5.2 REPORT OF THE AUDITOR-GENERAL

## Report of the Auditor-General to Parliament on vote no. 14: Department of Arts and Culture

## **Report on the financial statements**

#### Introduction

1. I have audited the financial statements of the Department of Arts and Culture set out on pages 132 to 187, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

## Accounting officer's responsibility 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 Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act, (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor-General's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- 4. An audit involves performing procedures to obtain audit evidence about, the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Arts and Culture as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the PFMA.

## **Emphasis of matter**

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Restatement of corresponding figures**

As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during 2015-16 in the financial statements of the Department of Arts and Culture at, and for the year ended, 31 March 2015.

#### Vote 37

#### REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2016

## **Additional matter**

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited supplementary schedules**

10. The supplementary information set out on pages 188 to 208 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## **Predetermined objectives**

- 12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following programmes presented in the annual performance report of the Department of Arts and Culture for the year ended 31 March 2016:
  - Programme 3: Arts, Culture Promotion and Development on pages 42 to 54
  - Programme 4: Heritage Preservation and Promotion on pages 55 to 64
- 13. I evaluated the usefulness of the reported performance information to determine

- whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
- 14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 5. The material findings in respect of the selected programmes are as follows:

## **Programme 3: Arts, Culture Promotion and Development**

## Usefulness of reported performance information

16. I did not identify any material findings on the usefulness of the reported performance information for the Arts, Culture Promotion and Development programme.

## Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of the important indicator – number of work opportunities created across all MGE work streams and cultural development programmes.

## **Programme 4: Heritage Preservation and Promotion**

## Usefulness of reported performance information

18. I did not identify any material findings on the usefulness of the reported performance information for the Heritage Promotion and Preservation Programme.

#### Vote 37

#### REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2016

## Reliability of reported performance information

- 19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets for the following important indicators:
  - number of hand held flags distributed;
  - number of schools receiving preamble of the constitution;
  - number of schools receiving booklets and posters of the national symbols and orders (in all official languages);
  - number of library materials provided.

#### Additional matter

20. I draw attention to the following matters.

## **Achievement of planned targets**

21. Refer to the annual performance report on pages 42 to 64 for information on the achievement of planned targets for the year. This information should be considered in the context of the qualified conclusion expressed on reliability of the reported performance information in paragraphs 17 and 19 of this report.

## **Compliance with legislation**

22. I performed procedures to obtain evidence that the Department of Arts and Culture had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## Annual financial statements, performance and annual reports

23. The financial statements submitted for auditing were not prepared fully in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were adequately corrected and supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

## **Procurement and contract management**

- 24. Invitations for competitive bidding were not always advertised for a required minimum period, as required by Treasury Regulations 16A6.3(c).
- 25. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers whose tax matters have been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.
- 26. Quotations were in certain instances awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
- 27. Quotations were in certain instances awarded to bidders based on points given for criteria that were not stipulated in the original invitation for quotations, in contravention of Treasury Regulations 16A6.3(a) and the Preferential Procurement Regulations.
- 28. Quotations were in certain instances awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.

#### Vote 37

#### REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2016

## **Expenditure management**

- 29. Contractual obligations and money owed by the Department were not in all instances settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.
- 30. Effective steps were not always taken to prevent irregular expenditure amounting to R403 552 000 as disclosed in note 24 of the AFS as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
- 31. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R11 523 000 as disclosed in note 25 of the AFS, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

#### Internal control

I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

## Leadership

33. The accounting officer has implemented processes and monitoring controls that were inadequate to ensure that reliable performance and financial information is produced. Furthermore the controls implemented were inadequate to ensure compliance with laws and regulations at all times.

## Financial and performance management

34. Management has implemented systems that were not always adequate to prepare reliable monthly performance and financial reports that are supported by adequate evidence. Furthermore the monitoring controls prepared were inadequate for

compliance to all laws and regulations including those related to supply chain management requirements.

## **Other Reports**

## **Investigations**

- 35. An independent consulting firm was appointed to perform an investigation at the request of the executive authority. This investigation was initiated based on allegations of misappropriation of the department's resources and funds. The investigation was completed in the current year under review and the results were provided to the Department.
- Several investigations were conducted/are in progress by the internal audit unit during the period under review at the request of the Accounting Officer arising from allegations against officials of the Department. Those completed investigations resulted in recommendations for disciplinary and/or criminal proceedings to be instituted against the Department officials concerned.

Auditor-General

31 July 2016



Auditing to build public confidence

## Vote 37 ACCOUNTING POLICIES

for the year ended at 31 March 2016

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. 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 2006.

#### 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 Going concern

The Annual Financial Statements have been prepared on a going concern basis and the Department has assessed the going concern principle as required by the Modified Cash Standard.

#### 1.3 Presentation

#### 1.3.1 Financial statements

The Annual Financial Statements presents fairly the Department's primary and secondary information as required by Modified Cash Standard.

#### 1.3.2 Currency

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

## 1.4 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 roll-over the funds to

## Vote 37

#### **ACCOUNTING POLICIES**

for the year ended at 31 March 2016

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 and 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 and forfeits

Fines, penalties and 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 are 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 become stale.

## 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.

## Vote 37 ACCOUNTING POLICIES

for the year ended at 31 March 2016

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 underspending 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.

#### Vote 37

#### **ACCOUNTING POLICIES**

for the year ended at 31 March 2016

## 3.4. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefor is provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

#### 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

Inventory 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 comprise of amounts being owed to other governmental entities and are disclosed as an annexure in the financial statements.

Other payables as a result of tax, pension deductions or medical aid are recognised at their nominal amounts in the statement of financial position. Payables not recognised are separately disclosed and that each has age analysis.

## 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

## Vote 37

#### **ACCOUNTING POLICIES**

for the year ended at 31 March 2016

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. Accruals not recognised are separately disclosed and that each has age analysis

## 5.4 Payable not recognised

Payables not recognised are liabilities to pay for goods or services whose invoices have been received or supplied and have been invoiced or formally agreed with the supplier (and include payments in respect of social benefits where formal agreements for specified amounts exist).

## 5.5 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.

## 5.6 Contingent assets

Contingent assets are included in the disclosure notes to the annual financial statements when it is probable that an inflow of economic benefits will flow to the Department.

#### 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 Director-General, the Deputy Director(s)-General and the Chief Directors. The Executive Authority is the Minister of Arts and Culture supported by the Deputy Minister.

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

## Vote 37

## **APPROPRIATION STATEMENT**

				2014	/15				
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Voted funds and direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'00
Programme									
1. Administration	242,412	7,595	28,280	278,287	253,932	24,355	91.2%	266,251	253,193
2. Institutional Governance	397,558	(3,308)	(170,124)	224,126	231,730	(7,604)	103.4%	275,859	283,198
3. Arts and Culture Promotion and Development	1,076,224	(4,277)	(72,111)	999,836	973,035	26,801	97.3%	998,311	995,030
4. Heritage Promotion and Preservation	2,109,853	(10)	213,955	2,323,798	2,303,656	20,142	99.1%	1,984,327	1,960,800
TOTAL	3,826,047	-	_	3,826,047	3,762,353	63,694	98.3%	3,524,748	3,492,22
Reconciliation with Statement of Financia Add:	l Performance								
Departmental receipts NRF receipts Aid assistance				2,970				3,301	
Actual amounts per Statement of Financia	l Performance (1	otal Rever	nue)	3,829,017				3,528,049	
Add: Aid assistance					-				
Prior year unauthorised expendit	ure approved with	out funding	9		0				
<b>Actual amounts per Statement of Financia</b>	I Performance Ex	kpenditure	9		3,762,353				3,492,22

## Vote 37

## **APPROPRIATION STATEMENT**

		APPROPRIAT	ION PER EC	ONOMIC CLASS	IFICATION				
				2015/16				2014/15	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R′000	R'000	R'000	R'000	R′000	R'000	%	R'000	R'000
Current payments	634,730	(2,145)	(8,653)	623,932	590,639	33,293	94.7%	615,458	536,300
Compensation of employees	220,350	(1,576)	900	219,674	214,352	5,322	97.6%	207,051	206,286
Salaries and wages	195,713	(3,043)	900	193,570	189,900	3,670	98.1%	183,101	182,452
Social contributions	24,637	1,467	-	26,104	24,452	1,652	93.7%	23,950	23,834
Goods and services	414,380	(789)	(9,553)	404,038	376,062	27.971	93.1%	408,136	329,885
Administrative fees	1,277	135	-	1,412	8,169	(6,757)	578.5%	2,253	4,614
Advertising	10,899	1,372	(4,000)	8,271	7,807	464	94.4%	14,385	14,385
Minor assets	782	(400)	-	382	204	178	53.4%	212	212
Audit costs: External	6,350	6,092	_	12,442	12,442	-	100.0%	8,223	8,223
Bursaries: Employees	700	(181)	_	519	519	-	100.0%	699	699
Catering: departmental activities	4,015	797	_	4,812	4,399	413	91.4%	3,695	3,695
Communication (G&S)	7,629	1,697	_	9,326	8,881	445	95.2%	9,356	9,260
Computer services	11,225	3,011	(2,808)	11,428	11,428	-	100.0%	12,214	12,214
Consultants: business and advisory services	33,644	(1,106)	(12,000)	20,538	12,820	7,718	62.4%	5,050	4,452
Legal services	5,624	(1,973)	_	3,651	2,969	682	81.3%	4,882	4,882
Contractors	87,070	295	9,945	97,310	89,269	8,041	91.7%	79,300	79,286
Agency and support/outsourced services	61,109	(5,845)	(32,338)	22,926	20,930	1,996	91.3%	54,770	51,925
Entertainment	214	(66)	-	148	148	-	100.0%	121	121
Fleet services (including government motor									
transport)	2,640	(314)	-	2,326	2,326	-	100.0%	2,765	2,765
Inventory: other supplies	-	194	12,000	12,194	12,194	-	100.0%	46,118	46,118
Consumable supplies	5,502	111	-	5,613	737	4,876	13.1%	1,720	1,720
Consumable: stationery, printing and office									
supplies	2,704	(1,272)	-	1,432	1,108	324	77.4%	1,319	1,314
Operating leases	61,158	(236)	28,617	89,539	66,711	22,828	74.5%	60,551	14,992
Property payments	35,138	(7,117)	(8,969)	19,052	40,087	(21,035)	210.4%	42,575	11,271
Travel and subsistence	64,255	6,343	-	70,598	63,682	6,916	90.2%	46,856	46,856
Training and development	2,499	(803)	_	1,696	1,576	120	92.9%	1,844	1,844

## Vote 37

## **APPROPRIATION STATEMENT**

		APPROPRIAT	ION PER <u>EC</u>	ONOMIC CLASS	FICATION				
				2015/16				2014/15	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R′000	R'000	%	R′000	R′000
Operating payments	5,251	(513)	-	4,738	4,638	100	97.9%	3,921	3,868
Venues and facilities	4,695	(1,046)	-	3,649	2,987	662	81.9%	4,910	4,910
Rental and hiring	_	53	-	53	53	-	100.0%	44	44
Interest and rent on land	-	220	-	220	220	-	100.0%	271	129
Interest (including interest on unitary payments (PPP))	_	220	-	220	220	-	100.0%	237	95
Rent on land	_	_	-	_	-	-	-	34	34
Transfers and subsidies	3,073,773	1,586	20,404	3,095,763	3,058,104	37,659	98.8%	2,898,312	2,807,003
Provinces and municipalities	1,274,314	3	-	1,274,317	1,274,317	-	100.0%	1,019,713	1,019,713
Provinces	1,274,314	3	-	1,274,317	1,274,317	-	100.0%	1,019,711	1,019,711
Provincial Revenue Funds	_	_	-	_	-	-	-	1,016,210	1,016,210
Provincial agencies and funds	1,274,314	3	-	1,274,317	1,274,317	-	100.0%	3,501	3,501
Municipalities	_	_	-	_	-	-	-	2	2
Municipal agencies and funds	_	_	-	_	-	-	-	2	2
Departmental agencies and accounts	1,428,725	(73)	34,541	1,463,193	1,459,809	3,384	99.8%	1,570,156	1,496,707
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	1,428,725	(73)	34,541	1,463,193	1,459,809	3,384	99.8%	1,570,156	1,496,707
Higher education institutions	-	80	-	80	80	-	100.0%	580	570
Foreign governments and international organ-									
isations	4,197	-	-	4,197	3,998	199	95.3%	3,189	3,127
Public corporations and private enterprises	175,963	(14,671)	(38,251)	123,041	108,059	14,982	87.8%	69,310	147,278
Public corporations	175,963	(56,886)	(100,997)	18,080	3,098	14,982	17.1%	4,009	4,009
Subsidies on products and production (pc)	_	-	-	-	-	-	-	1,489	1,489
Other transfers to public corporations	175,963	(56,886)	(100,997)	18,080	3,098	14,982	17.1%	2,520	2,520
Private enterprises	-	42,215	62,746	104,961	104,961	-	100.0%	65,301	65,301
Other transfers to private enterprises	-	42,215	62,746	104,961	104,961	-	100.0%	65,301	65,301
Non-profit institutions	161,999	14,671	25,258	201,928	186,258	15,670	92.2%	208,594	193,058
Households	28,575	1,576	(1,144)	29,007	25,583	3,424	88.2%	26,770	24,518
Social benefits	_	1,122	-	1,122	1,122	-	100.0%	2,039	2,039

## Vote 37

## **APPROPRIATION STATEMENT**

		APPROPRIAT	ION PER EC	ONOMIC CLASSI	FICATION				
				2015/16				2014/15	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R′000	R'000	%	R'000	R'000
Other transfers to households	28,575	454	(1,144)	27,885	24,461	3,424	87.7%	24,731	22,479
Payments for capital assets	117,544	-	(11,751)	105,793	113,051	(7,258)	106.9%	10,493	148,433
Buildings and other fixed structures	107,146	-	(12,427)	94,719	104,155	(9,436)	110.0%	_	137,802
Buildings	107,146	-	(12,427)	94,719	104,155	(9,436)	110.0%	-	137,802
Machinery and equipment	7,398	(406)	(2,846)	4,146	2,645	1,501	63.8%	6,856	6,994
Transport equipment	-	-	-	-	-	-	-	1,840	1,840
Other machinery and equipment	7,398	(406)	(2,846)	4,146	2,645	1,501	63.8%	5,016	5,154
Heritage assets	-	15	568	583	283	300	48.5%	-	-
Software and other intangible assets	3,000	391	2,954	6,345	5,968	377	94.1%	3,637	3,637
Payment for financial assets	-	559	-	559	559	-	100.0%	485	485
	3,826,047	-	-	3,826,047	3,762,353	63,694	98.3%	3,524,748	3,492,221

## Vote 37

## **APPROPRIATION STATEMENT**

		PROC	GRAMME 1: A	<b>DMINISTRATIO</b>	N				
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'00
Subprogramme									
Ministry	4,056	148	-	4,204	4,204	=	100.0%		4,18
Management	42,757	18,198	-	60,955	60,955	4 504	100.0%	53,621	53,62
Corporate Services Office of the CFO	81,547	(3,551)	8,632	86,628	85,127	1,501	98.3%	87,912	87,91
Office Accommodation	25,133 88,919	5,667 (12,867)	19,648	30,800 95,700	30,800 72,846	22,854	100.0% 76.1%	27,533 92,999	27,53 79,94
Office Accommodation	242,412	7,595	28,280	278,287	253,932	24,355	91.2%	266,251	253,19
	242,412	7,333	20,200	270,207	233,732	27,333	J1.2 /0	200,231	233,13
Economic classification									
Current payments	235,014	6,453	27,980	269,447	246,593	22,854	91.5%	253,611	176,74
Compensation of employees	91,684	3,330	-	95,014	95,014	-	100.0%	89,501	89,50
Salaries and wages	80,871	3,930	-	84,801	84,801	-	100.0%	80,009	80,00
Social contributions	10,813	(600)	-	10,213	10,213	=	100.0%	9,492	9,49
Goods and services	143,330	2,984	27,980	174,294	151,440	22,854	86.9%	164,015	87,1
Administrative fees	539	(169)	-	370	370	-	100.0%	327	32
Advertising	2,002	133	-	2,135	2,135	-	100.0%	800	80
Minor assets	272	(122)	-	150	150	-	100.0%	171	17
Audit costs: external	6,350	3,403	-	9,753	9,753	=	100.0%	8,140	8,14
Bursaries: employees	700	(181)	-	519	519	-	100.0%	699	69
Catering: departmental activities	587	202	-	789	789	-	100.0%	491	49
Communication (G&S)	3,564	1,484	-	5,048	5,048	-	100.0%	5,047	5,04
Computer services	7,965	3,125	-	11,090	11,090	-	100.0%	8,361	8,30
Consultants: business and advisory services	1,281	295	_	1,576	1,576	-	100.0%	612	6
Legal services	872	(294)	-	578	578	-	100.0%	1,601	1,60
Contractors	3,368	(9,443)	8,332	2,257	2,257	-	100.0%	3,446	3,44

## Vote 37

## **APPROPRIATION STATEMENT**

		PROC	GRAMME 1: A	<b>DMINISTRATIO</b> N	N				
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R′000	R'000	R'000	R'000	R′000	%	R'000	R'000
Agency and support/outsourced services	2,129	611	-	2,740	2,740	-	100.0%	6,603	6,603
Entertainment	160	(64)	-	96	96	-	100.0%	72	72
Fleet services (including government motor	2.540	(24.0)		2 224	2 224		4.00.00/	2742	2.742
transport)	2,640	(319)	-	2,321	2,321	-	100.0%	2,743	2,743
Consumable supplies	224	105	-	329	329	-	100.0%	1,029	1,029
Consumable: stationery, printing and office supplies	1,102	(360)	-	742	742	-	100.0%	996	996
Operating leases	59,707	307	28,617	88,631	65,803	22,828	74.2%	60,129	14,570
Property payments	35,138	(8,099)	(8,969)	18,070	18,044	26	99.9%	42,554	11,250
Travel and subsistence	11,210	12,477	-	23,687	23,687	-	100.0%	16,901	16,901
Training and development	2,229	(653)	-	1,576	1,576	-	100.0%	1,554	1,554
Operating payments	916	71	-	987	987	-	100.0%	938	938
Venues and facilities	375	469	-	844	844	-	100.0%	796	796
Rental and hiring	-	23	-	23	23	-	100.0%	5	5
Interest and rent on land	-	139	-	139	139	-	100.0%	95	95
Interest (including interest on unitary payments		120		120	120		100.00/	0.5	0.5
(PPP))	-	139	-	139	139	-	100.0%	95	95
Transfers and subsidies	-	1,072	-	1,072	1,072	-	100.0%	3,751	67,556
Provinces and municipalities	-	3	-	3	3	-	100.0%	3	3
Provinces	-	3	-	3	3	-	100.0%	1	1
Provincial agencies and funds	-	3	-	3	3	-	100.0%	1	1
Municipalities	-	-	-	-	-	-	-	2	2
Municipal agencies and funds	-	-	-	-	-	-	-	2	2
Departmental agencies and accounts	-	7	-	7	7	-	100.0%	639	64,444

## Vote 37

## **APPROPRIATION STATEMENT**

		PROC	GRAMME 1: AI	<b>DMINISTRATIO</b> N	I				
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R′000	R'000	R'000	R'000	R'000	R'000	%	R'000	R′000
Departmental agencies (non-business entities)	-	7	-	7	7	-	100.0%	639	64,444
Households	-	1,062	-	1,062	1,062	-	100.0%	3,109	3,109
Social benefits	-	352	-	352	352	-	100.0%	1,488	1,488
Other transfers to households	-	710	-	710	710	-	100.0%	1,621	1,621
Payments for capital assets	7,398	(187)	300	7,511	6,010	1,501	80.0%	8,586	8,586
Machinery and equipment	7,398	(593)	(2,846)	3,959	2,458	1,501	62.1%	4,949	4,949
Transport equipment	-	-	-	-	-	-	-	1,840	1,840
Other machinery and equipment	7,398	(593)	(2,846)	3,959	2,458	1,501	62.1%	3,109	3,109
Software and other intangible assets	_	406	3,146	3,552	3,552	-	100.0%	3,637	3,637
Payment for financial assets	_	257	-	257	257	-	100.0%	303	303
	242,412	7,595	28,280	278,287	253,932	24,355	91.2%	266,251	253,193

## Vote 37

## **APPROPRIATION STATEMENT**

		PROGRAMME	2: INSTITUT	IONAL GOVERN	IANCE				
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R′000	R′000	R′000	R′000	%	R′000	R'000
Sub programme									
1. International Cooperation	38,180	1,136	-	39,316	31,255	8,061	79.5%	33,654	33,52
<ol> <li>Social Cohesion and Nation Building</li> <li>Coordination, Monitoring, Evaluation and Good</li> </ol>	48,795	(1,038)	-	47,757	33,386	14,371	69.9%	41,766	38,73
Governance	16,933	(2,122)	5,150	19,961	13,854	6,107	69.4%	9,382	9,38
4. Capital Works	293,650	(1,284)	(175,274)	117,092	153,235	(36,143)	130.9%	191,057	201,56
	397,558	(3,308)	(170,124)	224,126	231,730	(7,604)	103.4%	275,859	283,19
Economic classification									
Current payments	74,331	(3,450)	3,750	74,631	84,146	(9,515)	112.7%	60,133	63,59
Compensation of employees	30,622	(3,330)	900	28,192	27,805	387	98.6%	26,755	26,68
Salaries and wages	27,555	(3,223)	900	25,232	24,845	387	98.5%	23,919	23,85
Social contributions	3,067	(107)	-	2,960	2,960	-	100.0%	2,836	2,83
Goods and services	43,709	(147)	2,850	46,412	56,314	(9,902)	121.3%	33,378	36,90
Administrative fees	285	(158)	-	127	6,884	(6,757)	5420%	158	3,82
Advertising	700	267	-	967	503	464	52.0%	210	21
Minor assets	234	(33)	-	201	23	178	11.4%	8	
Audit costs: external	-	225	-	225	225	-	100.0%	-	
Bursaries: employees	-	-	-	_	-	=	-	-	
Catering: departmental activities	1,516	(166)	-	1,350	937	413	69.4%	618	61
Communication (G&S)	1,767	115	-	1,882	1,437	445	76.4%	1,569	1,56
Computer services	-	-	-	-	-	-	-	-	
Consultants: business and advisory services	8,250	(219)	-	8,031	313	7,718	3.9%	42	4
Contractors	2,529	3,173	2,000	7,702	6,389	1,313	83.0%	10,278	10,27

## Vote 37

## **APPROPRIATION STATEMENT**

PROGRAMME 2: INSTITUTIONAL GOVERNANCE										
	2015/16						2014/15			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R′000	R′000	R'000	R′000	%	R'000	R′000	
Agency and support/outsourced services	6,811	(1,763)	850	5,898	5,701	197	96.7%	8,187	8,187	
Entertainment	24	(5)	-	19	19	-	100.0%	17	17	
Inventory: other supplies	-	31	-	31	31	-	100.0%	_	-	
Consumable supplies	48	(1)	-	47	13	34	27.7%	168	168	
Consumable: stationery, printing and office supplies	273	(173)	-	100	66	34	66.0%	75	75	
Operating leases	141	142	-	283	283	-	100.0%	130	130	
Property payments	_	-	-	-	21,061	(21,061)	-	_	-	
Travel and subsistence	18,976	(948)	-	18,028	11,622	6,406	64.5%	9,963	9,963	
Training and development	170	(50)	-	120	-	120	-	290	290	
Operating payments	865	(568)	-	297	197	100	66.3%	611	611	
Venues and facilities	1,120	(23)	-	1,097	603	494	55.0%	1,016	1,016	
Rental and hiring	-	7	-	7	7	-	100.0%	38	38	
Interest and rent on land	-	27	-	27	27	-	100.0%	_	-	
Interest (including interest on unitary payments (PPP))	-	27	-	27	27	-	100.0%	_	-	
Transfers and subsidies	213,081	(16)	(159,015)	54,050	43,003	11,047	79.6%	213,892	79,830	
Departmental agencies and accounts	116,920	-	(116,720)	200	-	200	-	165,148	43,103	
Departmental agencies (non-business entities)	116,920	-	(116,720)	200	-	200	-	165,148	43,103	
Foreign governments and international organisations	2,497	-	-	2,497	2,298	199	92.0%	2,089	2,027	
Public corporations and private enterprises	63,584	50	(63,584)	50	50	-	100.0%	1,489	1,489	
Public corporations	63,584	-	(63,584)	-	-	-	-	1,489	1,489	
Subsidies on products and production (pc)	-	-	-	-	-	-	-	1,489	1,489	
Other transfers to public corporations	63,584	-	(63,584)	-	-	-	-	-	-	
Private enterprises	-	50	-	50	50	-	100.0%		-	

## Vote 37

## **APPROPRIATION STATEMENT**

		2015/16							2014/15	
	Adjusted appropriation		Virement R'000	Final appropriation		Variance R'000	Expenditure as % of final appropriation %	Final appropriation	Actual expenditure	
	R'000									
Other transfers to private enterprises	-	50	-	50	50	-	100.0%	-		
Non-profit institutions	21,212	(50)	21,289	42,451	35,154	7,297	82.8%	39,510	27,555	
Households	8,868	(16)	-	8,852	5,501	3,351	62.1%	5,656	5,656	
Social benefits	-	255	-	255	255	-	100.0%	87	87	
Other transfers to households	8,868	(271)	-	8,597	5,246	3,351	61.0%	5,569	5,569	
Payments for capital assets	110,146	38	(14,859)	95,325	104,461	(9,136)	109.6%	1,826	139,766	
Buildings and other fixed structures	107,146	-	(12,427)	94,719	104,155	(9,436)	110.0%	-	137,802	
Buildings	107,146	-	(12,427)	94,719	104,155	(9,436)	110.0%	_	137,802	
Machinery and equipment	-	38	-	38	38	-	100.0%	1,826	1,964	
Other machinery and equipment	-	38	-	38	38	=	100.0%	1,826	1,964	
Heritage assets	-	-	568	568	268	300	47.2%	_		
Software and other intangible assets	3,000	-	(3,000)	-	-	=	-	_		
Payment for financial assets	-	120	_	120	120	-	100.0%	8	8	
	397,558	(3,308)	(170,124)	224,126	231,730	(7,604)	103.4%	275,859	283,198	

## Vote 37

## **APPROPRIATION STATEMENT**

	2015/16							2014/15	
	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′00
Sub programme									
1. National Language Services	45,885	(2,927)	-	42,958	42,955	3	100.0%	44,064	43,48
2. Pan South African Language Board	87,338	-	1,956	89,294	90,905	(1,611)	101.8%	83,497	83,49
3. Cultural and Creative Industries Development	343,243	8,350	2,410	354,003	338,198	15,805	95.5%	343,431	340,73
4. Performing Arts Institutions	329,265	(9,700)	(55,288)	264,277	263,177	1,100	99.6%	286,835	286,83
5. National Film and Video Foundation	116,721	-	-	116,721	116,721	-	100.0%	147,619	147,61
6. National Arts Council	96,089	1,500	-	97,589	97,589	-	100.0%	91,865	91,86
7. Capital Works of Performing Arts Institutions	57,683	(1,500)	(21,189)	34,994	23,490	11,504	67.1%	1,000	1,00
	1,076,224	(4,277)	(72,111)	999,836	973,035	26,801	97.3%	998,311	995,03
Economic classification									
Current payments	197,913	(4,585)	(49,575)	143,753	140,300	3,453	97.6%	144,582	144,00
Compensation of employees	48,068	(1,195)	-	46,873	43,420	3,453	92.6%	41,985	41,40
Salaries and wages	45,068	(4,623)	-	40,445	38,014	2,431	94.0%	37,022	36,44
Social contributions	3,000	3,428	-	6,428	5,406	1,022	84.1%	4,963	4,96
Goods and services	149,845	(3,417)	(49,575)	96,853	96,853	-	100.0%	102,594	102,59
Administrative fees	40	192	-	232	232	-	100.0%	149	14
Advertising	6,191	(269)	(4,000)	1,922	1,922	-	100.0%	11,707	11,70
Minor assets	92	(71)	-	21	21	-	100.0%	11	1
Audit costs: External	-	344	-	344	344	-	100.0%	-	
Catering: departmental activities	1,231	347	-	1,578	1,578	-	100.0%	597	59
Communication (G&S)	1,047	(232)	-	815	815	-	100.0%	872	87
Computer services	338	_	-	338	338	-	100.0%	_	

## Vote 37

## **APPROPRIATION STATEMENT**

	2015/16					2014/15			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R′000	R'000	R'000	R'000	%	R'000	R'000
Consultants: business and advisory services	22,910	(486)	(12,000)	10,424	10,424	-	100.0%	2,926	2,926
Legal services	2,742	(989)	-	1,753	1,753	-	100.0%	2,206	2,206
Contractors	50,377	7,277	(387)	57,267	57,267	-	100.0%	41,946	41,946
Agency and support/outsourced services	40,495	(1,307)	(33,188)	6,000	6,000	-	100.0%	29,191	29,191
Entertainment	18	(4)	-	14	14	-	100.0%	13	13
Consumable supplies	3	9	-	12	12	-	100.0%	7	7
Consumable: stationery, printing and office supplies	509	(342)	-	167	167	-	100.0%	95	95
Operating leases	472	(164)	-	308	308	-	100.0%	144	144
Property payments	_	918	-	918	918	-	100.0%	_	-
Travel and subsistence	19,183	(6,955)	-	12,228	12,228	-	100.0%	9,213	9,213
Operating payments	2,743	(1,443)	-	1,300	1,300	-	100.0%	1,460	1,460
Venues and facilities	1,454	(255)	-	1,199	1,199	-	100.0%	2,057	2,057
Rental and hiring	_	13	-	13	13	-	100.0%	_	-
Interest and rent on land Interest (including interest on unitary payments	-	27	-	27	27	-	100.0%	3	3
(PPP))	-	27	-	27	27	-	100.0%	-	-
Rent on land	-	-	-	-	-	-	-	3	3
Transfers and subsidies	878,311	149	(22,536)	855,924	832,576	23,348	97.3%	853,612	850,912
Provinces and municipalities	-	-	-	-	-	-	-	3,500	3,500
Provinces	-	-	-	-	-	-	-	3,500	3,500
Provincial agencies and funds	-	-	-	-	-	-	-	3,500	3,500
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	627,765	(80)	(50,329)	577,356	575,244	2,112	99.6%	623,150	620,460

#### Vote 37

# **APPROPRIATION STATEMENT**

	PROGRAMI	ME 3: ARTS AN	ID CULTURE P	ROMOTION AN	D DEVELOPM	ENT			
		2015/16					2014/15		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R′000	R'000	R'000	R'000	R'000	R′000	%	R'000	R′000
Departmental agencies (non-business entities)	627,765	(80)	(50,329)	577,356	575,244	2,112	99.6%	623,150	620,460
Higher education institutions	-	80	-	80	80	-	100.0%	580	570
Public corporations and private enterprises	112,379	(14,721)	25,333	122,991	108,009	14,982	87.8%	67,821	67,821
Public corporations	112,379	(56,886)	(37,413)	18,080	3,098	14,982	17.1%	2,520	2,520
Other transfers to public corporations	112,379	(56,886)	(37,413)	18,080	3,098	14,982	17.1%	2,520	2,520
Private enterprises	-	42,165	62,746	104,911	104,911	-	100.0%	65,301	65,301
Other transfers to private enterprises	-	42,165	62,746	104,911	104,911	-	100.0%	65,301	65,301
Non-profit institutions	123,507	14,721	3,604	141,832	135,578	6,254	95.6%	146,907	146,907
Households	14,660	149	(1,144)	13,665	13,665	-	100.0%	11,654	11,654
Social benefits	-	134	-	134	134	-	100.0%	29	29
Other transfers to households	14,660	15	(1,144)	13,531	13,531	-	100.0%	11,625	11,625
Payments for capital assets	-	149	-	149	149	-	100.0%	81	81
Machinery and equipment	-	149	-	149	149	-	100.0%	81	81
Other machinery and equipment	-	149	-	149	149	-	100.0%	81	81
Payment for financial assets	-	10	-	10	10	-	100.0%	36	36
	1,076,224	(4,277)	(72,111)	999,836	973,035	26,801	97.3%	998,311	995,030

#### Vote 37

# **APPROPRIATION STATEMENT**

	- FROGI			OTION AND PRI					
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Heritage Promotion	86,998	(88)	12,000	98,910	86,136	12,774	87.1%	123,659	115,74
2. National Archive Services	40,239	69	-	40,308	39,413	895	97.8%	40,490	40,37
3. Heritage Institutions	462,934	-	163,351	626,285	629,291	(3,006)	100.5%	571,981	559,46
4. National Library Services	105,694	-	13,424	119,118	115,220	3,898	96.7%	103,641	103,64
5. Public Library Services	1,302,474	9	-	1,302,483	1,299,079	3,404	99.7%	1,039,829	1,036,85
6. South African Heritage Resources Agency	48,552	-	25,000	73,552	73,552	-	100.0%	46,417	46,41
7. South African Geographical Names Council	4,487	-	-	4,487	2,490	1,997	55.5%	2,393	2,39
8. National Heritage Council	58,475	-	180	58,655	58,475	180	99.7%	55,917	55,91
	2,109,853	(10)	213,955	2,323,798	2,303,656	20,142	99.1%	1,984,327	1,960,80
Economic classification									
Current payments	127,472	(563)	9,192	136,101	119,600	16,501	87.9%	157,132	151,95
Compensation of employees	49,976	(381)	-	49,595	48,113	1,482	97.0%	48,810	48,69
Salaries and wages	42,219	873	-	43,092	42,240	852	98.0%	42,151	42,15
Social contributions	7,757	(1,254)	-	6,503	5,873	630	90.3%	6,659	6,54
Goods and services	77,496	(209)	9,192	86,479	71,460	15,019	82.6%	108,149	103,23
Administrative fees	413	270	-	683	683	-	100.0%	1,619	31
Advertising	2,006	1,241	-	3,247	3,247	-	100.0%	1,668	1,66
Minor assets	184	(174)	-	10	10	-	100.0%	22	2
Audit costs: external	-	2,120	-	2,120	2,120	-	100.0%	83	8
Bursaries: employees	-	-	-	-	_	-	_	-	
Catering: departmental activities	681	414	-	1,095	1,095	-	100.0%	1,989	1,98

# Vote 37 APPROPRIATION STATEMENT

	PROGI	RAMME 4: HEF	RITAGE PROM	OTION AND PR	ESERVATION				
				2015/16				2014	/15
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R′000	R'000	R′000	R′000	R'000	R'000	%	R′000	R′00
Communication (G&S)	1,251	330	-	1,581	1,581	-	100.0%	1,868	1,77
Computer services	2,922	(114)	(2,808)	-	-	-	-	4,206	4,20
Consultants: business and advisory services	1,203	(696)	-	507	507	-	100.0%	1,470	87
Legal services	2,010	(690)	-	1,320	638	682	48.3%	1,075	1,07
Contractors	30,796	(712)	-	30,084	23,356	6,728	77.6%	23,630	23,61
Agency and support/outsourced services	11,674	(3,386)	-	8,288	6,489	1,799	78.3%	10,789	7,94
Entertainment	12	7	-	19	19	-	100.0%	19	1
Fleet services (including government motor transport)	_	5	-	5	5	-	100.0%	22	2
Inventory: other supplies	-	163	12,000	12,163	12,163	-	100.0%	46,118	46,11
Consumable supplies	5,227	(2)	-	5,225	383	4,842	7.3%	516	51
Consumable: stationery, printing and office supplies	820	(397)	-	423	133	290	31.4%	153	14
Operating leases	838	(521)	-	317	317	-	100.0%	148	14
Property payments	-	64	-	64	64	-	100.0%	21	2
Travel and subsistence	14,886	1,769	-	16,655	16,145	510	96.9%	10,779	10,7
Training and development	100	(100)	-	-	-	-	_	-	
Operating payments	727	1,427	-	2,154	2,154	-	100.0%	912	85
Venues and facilities	1,746	(1,237)	-	509	341	168	67.0%	1,041	1,04
Rental and hiring	_	10	-	10	10	-	100.0%	1	
Interest and rent on land	_	27	-	27	27	-	100.0%	173	
Interest (including interest on unitary payments (PPP))	_	27	-	27	27	-	100.0%	142	
Rent on land	_	-	-	_	_	-	_	31	

#### Vote 37

# **APPROPRIATION STATEMENT**

	PROGI	RAMME 4: HEF	RITAGE PROM	OTION AND PR	ESERVATION				
				2015/16				2014/15	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R′000	R′000	R′000	R′000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	1,982,381	381	201,955	2,184,717	2,181,453	3,264	99.9%	1,827,057	1,808,705
Provinces and municipalities	1,274,314	-	-	1,274,314	1,274,314	-	100.0%	1,016,210	1,016,210
Provinces	1,274,314	-	-	1,274,314	1,274,314	=	100.0%	1,016,210	1,016,210
Provincial agencies and funds	1,274,314	-	-	1,274,314	1,274,314	-	100.0%	1,016,210	1,016,210
Departmental agencies and accounts	684,040	-	201,590	885,630	884,558	1,072	99.9%	781,219	768,700
Departmental agencies (non-business entities) Foreign governments and international	684,040	-	201,590	885,630	884,558	1,072	99.9%	781,219	768,700
organisations	1,700	-	-	1,700	1,700	=	100.0%	1,100	1,100
Public corporations and private enterprises	-	-	-	-	-	=	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	17,280	-	365	17,645	15,526	2,119	88.0%	22,177	18,596
Households	5,047	381	-	5,428	5,355	73	98.7%	6,351	4,099
Social benefits	-	381	-	381	381	-	100.0%	435	435
Other transfers to households	5,047	-	-	5,047	4,974	73	98.6%	5,916	3,664
Payments for capital assets	-	-	2,808	2,808	2,431	377	86.6%	-	-
Heritage assets	-	15	-	15	15	-	100.0%	-	-
Software and other intangible assets	-	(15)	2,808	2,793	2,416	377	86.5%	-	-
Payment for financial assets	_	172	-	172	172	-	100.0%	138	138
	2,109,853	(10)	213,955	2,323,798	2,303,656	20,142	99.1%	1,984,327	1,960,800

# Detail of transfers and subsidies as per Appropriation Act (after virement):

Detail of these transactions can be viewed in the note of transfers and subsidies and Annexure 1 (A-H) of 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) of the Annual Financial Statements.

# 3 Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note of payments for financial assets of the Annual Financial Statements.

# 4 Explanations of material variances from amounts voted (after virement):

#### 4.1 Per programme:

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R′000	R′000	R'000	%
	278,287	253,932	24,355	8.8
to delays in the processing of municipal charges and operating le	ase invoices from the Department of	Public Works		
	224,126	231,730	(7,604)	3.4
pital Works projects				
evelopment	999,836	973,035	26,801	2.7
elays in Capital Works and Mzansi Golden Economy projects				
ervation	2,323,798	2,303,656	20,142	0.9
to delays with the installation of flags in schools and the transform	nation of heritage landscape nationa	consultative workshop, v	which was not conduct	ed.

#### 4.2 Per economic classification:

#### **Current expenditure**

Compensation of employees

Goods and services

Interest and rent on land

#### Transfers and subsidies

Provinces and municipalities

Departmental agencies and accounts

Higher education institutions

Public corporations and private enterprises

Foreign governments and international organisations

Non-profit institutions

Households

#### **Payments for capital assets**

Buildings and other fixed structures

Machinery and equipment

Heritage assets

Software and other intangible assets

#### Payments for financial assets

Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation.
R′000	R'000	R'000	%
219,674	214,352	5,322	2.4
404,038	376,067	27,971	7.0
220	220	-	-
1,274,317	1,274,317	-	-
1,463,193	1,459,809	3,384	0.2
2,939	2,939	-	-
123,041	108,059	14,982	12.2
4,197	3,998	199	4.7
201,928	186,258	15,670	7.8
26,148	22,724	3,424	13.1
94,719	104,155	(9,436)	10.0
4,146	2,645	1,501	36.2
583	283	300	51.5
6,345	5,968	377	5.9
559	559	-	-

#### Compensation of Employees

- The underspending was due to delays in filling vacant positions. It must be noted that filling of vacancies was ongoing and at year-end the process was at different stages, e.g. candidate interviewed waiting for vetting results or positions have been advertised and busy with shortlisting processes.

#### Goods and Services

- Underspending was mainly due to delays in DPW invoicing the Department's municipal charges and operating leases.
- A secondary contributor to the underspending in this area was due to delays with the installation of flags in schools.

#### Transfers and subsidies

- The variance was due to upgrade and refurbishment managed by DPW not yet invoiced by year-end. The amount refers to Capital Works projects taking place at heritage and performing arts institutions and libraries.

#### Payments for capital assets

- The underspending was due to delays by DPW in invoicing the Department for construction works at the old library building for National Archives and the Sarah Baartman Centre of Remembrance.

#### 4.3 Per conditional grant

COMMUNITY LIBRARY CONDITIONAL GRANTS RECEIVED

Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
R'000	R'000	R'000	%
1 27/ 21/	1 27/ 21/		

# Vote 37

# STATEMENT OF FINANCIAL PERFORMANCE

	Nata	2015/16	2014/15
	Note	R′000	R′000
ppropriation	1	3,826,047	3,524,748
tmental revenue	2	2,970	3,301
ZENUE ZENUE	_	3,829,017	3,528,049
ITURE			
ent expenditure	_		
pensation of employees	3	214,352	206,286
ds and services	4	376,067	329,885
est and rent on land	<u>5</u>	220	129
ent expenditure		590,639	536,300
s and subsidies	_		
and subsidies	7	3,058,104	2,807,003
tance		-	-
s and subsidies		3,058,104	2,807,003
re for capital assets	_		
le assets	8	107,083	144,798
gible assets	8	5,968	3,635
nditure for capital assets		113,051	148,433
or financial assets	<u>6</u>	559	485
PENDITURE		3,762,353	3,492,221
DEFICIT) FOR THE YEAR	_	66,664	35,828

# Vote 37

# STATEMENT OF FINANCIAL PERFORMANCE

•		2015/16	2014/15
	Note	R'000	R′000
Reconciliation of net surplus for the year			
Voted funds		63,694	32,527
Annual appropriation		63,694	32,527
Conditional grants		-	-
Departmental revenue and NRF receipts	13	2,970	3,301
SURPLUS FOR THE YEAR		66,664	35,828

#### Vote 37

#### STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

		2015/16	2014/15
	Note	R′000	R′000
issets		150,037	88,531
cash equivalents	9	146,650	2,107
nts and advances	<u>10</u>	2,618	85,194
	<u>11</u>	769	1,230
ent assets		135	4,542
	11	135	4,542
rs ·		150,172	93,073
S bilities		150,172	93,073
nds to be surrendered to the Revenue Fund	12	148,324	20,321
nental revenue and NRF receipts to be surrendered to the Revenue Fund	<u>13</u>	184	326
verdraft	14	-	71,450
es es	<u>15</u>	1,664	976
BILITIES		150,172	93,073
TS			

# Vote 37

# **CASH FLOW STATEMENT**

•		2015/16	2014/15
	Note	R′000	R′000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,828,892	3,528,024
Annual appropriated funds received	1.1	3,826,047	3,524,748
Departmental revenue received	2	2,837	3,264
Interest received	2.3	8	12
		22.422	0.5.450
Net (increase)/decrease in working capital		88,132	25,650
Surrendered to Revenue Fund		61,197	(162,544)
Current payments		(590,419)	(536,171)
Interest paid	5	(220)	(129)
Payments for financial assets		(559)	(485)
Transfers and subsidies paid		(3,058,104)	(2,807,003)
Net cash flow available from operating activities	16	328,919	(47,342)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(113,051)	(148,433)
Proceeds from sale of capital assets	2	125	25
Net cash flows from investing activities	_	(113,926)	(148,408)
Net increase/(decrease) in cash and cash equivalents		215,993	(101,066)
Cash and cash equivalents at beginning of period		(69,343)	31,723
Cash and cash equivalents at end of period	17	146,650	(69,343)

#### Vote 37

#### NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

1

2

# 1.1 Annual appropriation

Programmes
Administration
Institutional Governance
Arts and Culture Promotion and Development
Heritage Promotion and Preservation
Total

2015/16				
Final appropriation	Actual funds received	Funds not requested/ not received		
R′000	R'000	R′000		
278,287	242,412	35,875		
224,126	397,558	(173,432)		
999,836	1,076,224	(76,388)		
2,323,798	2,109,853	213,945		
3,826,047	3,826,047	-		

Note

2014/15				
Final Appropriatio receive				
R'000	R′000			
266,251	266,251			
275,859	275,859			
998,311	998,311			
1,984,327	1,984,327			
3,524,748	3,524,748			

2014/15

R'000

2015/16

R'000

	74016	11 000	11 000
Departmental revenue			
Sales of goods and services other than capital assets	2.1	322	263
Fines, penalties and forfeits	2.2	-	4
Interest, dividends and rent on land	2.3	8	12
Sales of capital assets	2.4	125	25
Transactions in financial assets and liabilities	2.5	2,515	2,997
Departmental revenue collected		2,970	3,301

The Department disposed of assets by auction in February 2016. The refund from DIRCO for the presidential inauguration is under transactions in financial assets and liabilities.

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

•		Note	2015/16 R'000	2014/15 R'000
2.1	Sales of goods and services other than capital assets Sales of goods and services produced by the department Sales by market establishment Administrative fees Other sales	2	322 15 5 302	263 15 5 243
	Total	_	322	263
Unde	r administrative fees is a revenue in relation to photocopying, parking and replacement of security cards.			
2.2	Fines, penalties and forfeits Penalties Total	2 —	<u>-</u>	4 4
2.3	Interest, dividends and rent on land Interest Total	2	<u>8</u>	12 12
2.4	Sales of capital assets Tangible assets Machinery and equipment Total	28	125 125 125	25 25 25
2.5	Transactions in financial assets and liabilities Receivables Other receipts including recoverable revenue Total	2	105 2,410 <b>2,515</b>	142 2,855 <b>2,997</b>

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

3

				2015/16	2014/15
			Note	R′000	R′000
3	Com	pensation of employees			
		,			
	3.1	Salaries and wages			
		Basic salary		146,627	141,235
		Performance award		3,326	2,706
		Service based		111	147
		Compensative/circumstantial		4,169	4,266
		Other non-pensionable allowances		35,667	34,098
		Total		189,900	182,452
	3.2	Social contributions			
		<b>Employer contributions</b>			
		Pension		17,485	17,773
		Medical		6,936	6,031
		Bargaining council		31	30
		Total		24,452	23,834
		Total compensation of employees		214,352	206,286
		Average number of employees		513	413

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

		2015/16	2014/15
	Note	R′000	R′000
Goods and services			
Administrative fees		8,169	4,614
Advertising		7,809	14,385
Minor assets	4.1	203	212
Bursaries (employees)		519	699
Catering		4,399	3,695
Communication		8,863	9,260
Computer services	4.2	11,429	12,567
Consultants: business and advisory services		12,819	4,438
Legal services		2,969	4,882
Contractors		89,269	79,301
Agency and support/outsourced services		20,929	51,925
Entertainment		147	121
Audit cost – external	4.3	12,442	8,223
Fleet services		2,326	2,765
Inventory	4.4	12,194	46,118
Consumables	4.5	1,843	2,896
Operating leases		66,712	14,992
Property payments	4.6	40,087	11,270
Rental and hiring		53	44
Travel and subsistence	4.7	63,684	46,856
Venues and facilities		2,987	4,910
Training and development		1,576	1,844
Other operating expenditure	4.8	4,639	3,868
Total		376,067	329,885

#### Vote 37

#### NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

	2015/16	2014/1
Note	R'000	R'00

Administrative fees include bank charges and travel agent fees; the increase in this category is due to high subsistence and travelling expenditure, while advertising is reducing due to Africa month expenditure, which will be accounted for in the 2016/17 financial statements.

Also consultants: business and advisory services increased as a result of researchers for Cultural Observatory and event promoters – omnibus companies. However, the decline in agency and support/outsourced services were caused by professional staff whose contract came to an end – no renewal took place.

Audit cost – external also increased because of forensic audit carried out in the Department.

Inventory reduction was due to installation of flags which was not incurred.

There was an increase in operating leases and property payments due to DPW municipal charges and some accrued invoices and maintenance and repairs to National Archives.

Venues and facilities declined due to the Department using its own institutions instead of hiring a venue.

4.1	Minor assets	4		
	Tangible assets		203	212
	Machinery and equipment		203	212
	Total		203	212
4.2	Computer services	4		
	SITA computer services		5,901	8,127
	External computer service providers		5,528	4,087
	Total		11,429	12,214
4.3	Audit cost – external	4		
	Regularity audits		8,705	8,056
	Performance audits		76	-
	Investigations		3,661	167
	Total		12,442	8,223

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

			2015/16	2014/15
		Note	R′000	R′000
4.4	Inventory	<u>4</u>		
1.1	Materials and supplies	<u> </u>	12,194	46,118
	Total		12,194	46,118
	i vedi		12/174	40/110
4.5	Consumables	<u>4</u>		
	Consumable supplies		736	1,582
	Uniform and clothing		-	103
	Household supplies		390	470
	Building material and supplies		15	54
	Communication accessories		-	6
	IT consumables		28	459
	Other consumables		303	490
	Stationery, printing and office supplies		1,107	1,314
	Total		1,843	2,896
4.6	Property payments	<u>4</u>		
	Municipal services		10,722	5,640
	Property management fees		32	-
	Property maintenance and repairs		21,980	5
	Other		7,353	5,625
	Total		40,087	11,270
4.7	Travel and subsistence	<u>4</u>		
	Local	<u>.</u>	45,609	28,146
	Foreign		18,075	18,710
	Total		63,684	46,856
	1 4 2001		03/00-1	-10,000

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

			2015/16	2014/15
		Note	R′000	R'00
.8	Other operating expenditure	4		
	Professional bodies, membership and subscription fees		1,435	39
	Resettlement costs		86	3
	Other		3,118	3,43
	Total		4,639	3,868
	and courier services/publications.			
nte	erest and rent on land			
ntere	est paid		125	129
enal	ties		95	
otal			220	12
ay	ments for financial assets			
the	r material losses written off	6.1	559	48
<b>Total</b>			559	485
.1	Other material losses written off	6		
	Nature of losses			
	Damages to hired vehicles		559	48
	Total		559	48

5

6

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

		2015/16	2014/15
	Note	R′000	R'000
Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1A	1,274,317	1,019,713
Departmental agencies and accounts	ANNEXURE 1B	1,459,809	1,496,707
Higher education institutions	ANNEXURE 2A	80	570
Foreign governments and international organisations	ANNEXURE 2C	3,998	3,127
Public corporations and private enterprises	ANNEXURE 2B	108,059	69,310
Non-profit institutions	ANNEXURE 2D	186,258	193,058
Households	ANNEXURE 2E	25,583	24,518
Total		3,058,104	2,807,003
Expenditure for capital assets			
Tangible assets		107,083	144,798
Tangible assets  Buildings and other fixed structures	29	<b>107,083</b> 104,155	<b>144,798</b> 137,802
_	29 29		137,80
Buildings and other fixed structures		104,155	137,80. 1,82
Buildings and other fixed structures Heritage assets	29	104,155 283	
Buildings and other fixed structures Heritage assets Machinery and equipment	29 29	104,155 283 2,645	137,80 1,82 5,17

The buildings and other fixed structures amounting to R25,203,000 is in relation to construction of the Sarah Baartman monument and R5,968,000 for NARSA website development as well as NAAIRS Project – some accrued invoices from prior year.

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

			2015/16	2014/15
		Note	R′000	R'000
8.1	Analysis of funds utilised to acquire capital assets - 2015/16			<u> </u>
		Voted funds	Aid assistance	TOTAL
		R'000	R'000	R'000
	Tangible assets	107,083	-	107,083
	Buildings and other fixed structures	104,155	-	104,155
	Heritage assets	283	-	283
	Machinery and equipment	2,645	-	2,645
	Intangible assets	5,968	-	5,968
	Software	5,968	-	5,968
	Total	113,051	-	113,051
8.2	Analysis of funds utilised to acquire capital assets - 2014/15	Veted founds	A::	TOTAL
		Voted funds R'000	Aid assistance R'000	TOTAL R'000
	Tangible assets		K 000	144,798
		144,798	-	137,802
	Building and other fixed structures	137,802	-	
	Heritage assets	1,826		1,826
	Machinery and equipment	5,170	-	5,170
	Intangible assets	3,635	_	3,635
	Software	3,635	-	3,635
		2,522		

Total

148,433

148,433

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

•		Note	2015/16 R′000	2014/15 R'000
9	Cash and cash equivalents			
	Consolidated Paymaster-General Account		146,650	2,131
	Cash receipts		-	(6)
	Cash on hand			(18)
	Total		146,650	2,107
10	Unspent funds represented about 4% of our budget and prior year we had an overdraft created by advanced pay  Prepayments and advances	ments to IDT, which were later reversed	to expenditure.	
	Travel and subsistence		74	450
	Advances paid	10.1	2,544	84,744
	Total		2,618	85,194
	10.1 Advances paid			
	National departments	Annex 10	2,544	114
	Public Entities		<u>-</u>	84,630
	Total		2,544	84,744

#### Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		2015/16			2014/15	
	Current	Non-current	Total	Current	Non-current	Total
Note	R'000	R'000	R'000	R'000	R'000	R'000
11.1	264	-	264	36	1,381	1,417
11.2	452	-	452	1,131	-	1,131
11.3	53	135	188	63	139	202
11.4					3,022	3,022
	769	135	904	1,230	4,542	5,772

Amount receivable from PanSALB was written-off against our compensation expenditure

		2015/16	2014/15
	Note	R′000	R'000
11.1 Claims recoverable	11		
National departments		264	36
Public entities		=	1,381
Total		264	1,417
11.2 Recoverable expenditure (disallowance accounts)	11		
Disallowance damages and losses		389	686
Salary disallowance accounts	_	63	445
Total	_	452	1,131
11.3 Staff debt	11		
Staff debts	_	188	202
Total		188	202

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

		2015/16	2014/15
	Note	R′000	R′000
11.4 Other debtors	11		
Exchequer grant account		<u> </u>	3,022
Total		-	3,022
The amount of R3, 022,000 which was owed to the Department by Exchequer grant account was received.			
		2015/16	2014/15
	Note	R'000	R'000
12 Voted funds to be surrendered to the Revenue Fund			
Opening balance		20,321	22,630
Prior period error		-	124,721
Transfer from statement of financial performance (as restated)		63,694	32,527
Paid during the year		64,309	(159,557)
Closing balance		148,324	20,321

The amount of R64,309,000 was received from National Treasury. The cash book was improved. An amount of R149,403,000 will be surrendered.

Unspent funds represented about 4% of our budget versus 2% underspending of prior year.

National Treasury paid R64,309,000 to the department for funds that were over surrendered in the financial 2013/14 as a result of reversing the advance to expenditure in the prior years.

The increase is due to underspending of the budget. Prior year was offset by the over surrendering as a result of IDT transaction.

# 13 Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

Opening balance	326	12
Transfer from statement of financial performance	2,970	3,301
Paid during the year	(3,112)	(2,987)
Closing balance	184	326

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

			2015/16	2014/15
		Note	R′000	R′000
14	Bank overdraft			
	Consolidated Paymaster-General Account  Total		<u>-</u> _	71,450 <b>71,450</b>
	The overdraft amount was recovered and the financial position has improved.			
15	Payables - current			
	Clearing accounts	15.1	513	904
	Other payables	15.2	1,151	72
	Total		1,664	976
	15.1 Clearing accounts	15		
	Deduction disallowance account		13	39
	South African Revenue Services (income tax)		500	849
	Government Employee Pension Fund			16
	Total		513	904
	15.2 Other payables	15		
	Debt payables		67	67
	Debt payables interest		5	5
	Advance owing to other entities		1,079	
	Total		1,151	72

#### Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

•			2015/16	2014/15
		Note	R′000	R′000
16	Net cash flow available from operating activities			
,10	There easi flow available from operating activities			
	Net surplus/(deficit) as per statement of financial performance		66,664	75,919
	Add back non-cash/cash movements not deemed operating activities		262,255	(28,577)
	(Increase)/decrease in receivables – current		4,868	3,676
	(Increase)/decrease in prepayments and advances		(82,576)	(564)
	Increase/(decrease) in payables – current		688	(17,553)
	Proceeds from sale of capital assets		(125)	(25)
	Expenditure on capital assets		113,051	148,433
	Surrenders to Revenue Fund		61,197	(162,544)
	Net cash flow generated by operating activities		328,919	47,342
17	Reconciliation of cash and cash equivalents for cash flow purposes			
	Consolidated Paymaster-General account		146,650	(69,319)
	Cash receipts		-	(6)
	Cash on hand		-	(18)
	Total		146,650	(69,343)

#### Vote 37

#### NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

	2015/16	2014/15
Note	R'000	R′000

#### 18 Contingent liabilities and contingent assets

#### **18.1 Contingent liabilities**

Liable to	Nature			
Housing loan guarantees	Employees	Annex 4	42	42
Claims against the Department		Annex 5	28,270	21,181
Intergovernmental payables (unconfirmed balances)		Annex 7	3,494	2,000
Total			31,806	23,223

The possible obligation has risen as a result of housing loan guarantees issued by the Department which are not recognised because it is not probable that an outflow of resource will be required to settle the obligation.

The possible obligation has risen as a result of claims against the Department which are not recognised because it is a possible obligation that arises from past events, and whose existence will be confirmed only by finalisation of a court case involved.

The possible obligation has risen as a result of unconfirmed intergovernmental claims which are not recognised because it is a possible obligation that arises from past events, and the amount cannot be measured with sufficient reliability and existence will be confirmed by investigation.

There is an increase in contingent liabilities which is due to new claims received during the year.

#### **Contingent assets**

#### **Nature of contingent asset**

Litigation case	4,756	9,069
Total	4,756	9,069

A contingent asset rose from unplanned and unexpected events not under the control of the Department. An inflow of resources will become virtually certain when their existence are confirmed and finalised by courts involved. The related asset will then be recorded as a receivable for departmental revenue in the notes. The decrease in contingent assets is due to right to claim being waved or amount being received.

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

Commitments		
Current expenditure		
Approved and contracted	300,275	77,900
Approved but not yet contracted	83,156	170,088
	383,431	247,988
Capital expenditure		
Approved and contracted	117,079	-
Approved but not yet contracted	-	-
	117,079	-
Total commitments	500,510	247,988

#### The Department signed new contracts as follows:

- 1. Service provider for establishment of the DAC Cultural Observatory for R45 million;
- 2. Events management for R3 million; and
- 3. Safety & Security for office building amounting to R15 million. However, some of the contracts we had in a previous year were paid up.

# Accruals and payables not recognised

#### 20.1 Accruals

19

Listed by economic classification

Goods and services

Total

Total	30+ days	30 days
6,865	811	6,054
6,865	811	6,054

Note

Total
81,453
81,453

2014/15

R'000

2015/16

R'000

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

			2015/16	2014/15
		Note	R′000	R'000
by programme level				
gramme 1			5,978	51,878
gramme 2			398	335
ogramme 3			122	2,730
rogramme 4			367	26,510
otal			6,865	81,453
20.2 Payables not recognised				
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	16,179	89,216	105,395	4,129
Total	16,179	89,216	105,395	4,129
isted by programme level				
Programme 1			4,460	188
Programme 2			99,684	3,941
Programme 3			765	=
Programme 4			486	_
otal			105,395	4,129
Included in the above totals are the following:				
Confirmed balances with departments		Annex 7	1,881	3,966
Confirmed balances with other government entities		Annex 7	103,514	163
otal			105,395	4,129

#### Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

•			2013/10	2017/13
		Note	R′000	R′000
21	Employee benefits			
	Leave entitlement		8,790	8,444
	Service bonus (thirteenth cheque)		5,328	5,156
	Performance awards		3,295	3,147
	Capped leave commitments		4,942	4,761
	Total		22,355	21,508

At this stage the Department is not able to reliably measure the long-term portion of the long service awards.

#### 22 Leas

# 22.1

Operating leases expenditure			
2015/16	Buildings and other fixed structures	Machinery and equipment	Tota
	R'000	R′000	R'000
Not later than 1 year	-	632	63.
Later than 1 year and not later than 5 years		277	27
Later than five years			
Total lease commitments		909	90
2014/15	Buildings and other fixed structures	Machinery and equipment	Tota
	R′000	R'000	R'00
Not later than 1 year	-	2,027	2,02
Later than 1 year and not later than 5 years	=	301	30
Later than five years			
Total lease commitments	-	2,328	2,32

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

			2015/16	2014/15
		Note	R'000	R′000
23	Accrued departmental revenue			
	Interest, dividends and rent on land	23.1	12,448	10,728
	Total		12,448	10,728
	23.1 Analysis of accrued departmental revenue	23		
	Opening balance		10,728	6,806
	Add: amounts recognised		1,720	3,922
	Closing balance		12,448	10,728
24	Irregular expenditure			
	24.1 Reconciliation of irregular expenditure			
	Opening balance		292,059	211,416
	Add: irregular expenditure - relating to current year		111,493	80,643
	Irregular expenditure awaiting condonation	_	403,552	292,059
	Analysis of awaiting condonation per age classification			
	Current year		111,493	80,643
	Prior years Prior years		292,059	211,416
	Total		403,552	292,059

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

•			2015/16
24.2	Details of irregular expenditure - current year		R'000
	Incident	Disciplinary steps taken/criminal proceedings	
	Appointment of consultants without following a competitive bidding process	Investigation finalised and disciplinary action is in progress	6,807
	Competitive bidding process was not followed in the award of bids	Investigation finalised and disciplinary action is in progress	12,353
	A bid was awarded to a service provider who did not pass functionality criteria	Investigation finalised and disciplinary action is in progress	3,345
	Contract was extended without justification	Investigation finalised and disciplinary action is in progress	520
	Decision to award bids was not taken by a delegated committee/official	Investigation finalised and disciplinary action is in progress	20,255
	Reasons for not obtaining the prescribed minimum number of quotes were not justifiable and in some cases were not obtained	Investigation finalised and disciplinary action is in progress	8,016
	Procurement of services was not done through SCM Unit and reasons provided for the deviation were not justifiable/not provided	Investigation finalised and disciplinary action is in progress	3,132
	Requests for quotations did not stipulate the preference point system to be used	Investigation finalised and disciplinary action is in progress	8,335
	Appointment of service providers without valid tax clearance certificates	Investigation finalised and disciplinary action is in progress	19,358
	Three quotations were not obtained and no reasons provided; in some cases reasons provided were not justifiable	Investigation finalised and disciplinary action is in progress	1,558
	Supplier scoring the highest points was not selected and reasons provided were not approved by a delegated official	Investigation finalised and disciplinary action is in progress	1,019
	Expenditure was not committed by a delegated official	Investigation finalised and disciplinary action is in progress	196
	Reasons for deviation from normal procurement process was not approved by a delegated official	Investigation finalised and disciplinary action is in progress	17
	Quotation not obtained in procurement of goods and services	Investigation finalised and disciplinary action is in progress	3
	No evidence that the bid was received before the closing date and time	Investigation finalised and disciplinary actions is in progress	62
	Reasons to deviate from normal procurement processes were not justifiable	No disciplinary steps taken yet, since the matter has only recently been reported	26,517

111,493

Total

#### Vote 37

#### NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

			2015/16	2014/15
<b>Fruitl</b>	less and wasteful expenditure		R′000	R'000
25.1	Reconciliation of fruitless and wasteful	l expenditure		
	Opening balance		4,614	7,825
	Fruitless and wasteful expenditure – relating to pri	or year	6,689	-
	Fruitless and wasteful expenditure – relating to cu	rrent year	220	330
	Less: amounts resolved			(3,541)
	Closing balance		11,523	4,614
25.2	Analysis of awaiting resolution per eco	onomic classification		
	Current		4,614	4,484
	Capital		-	-
	Transfers and subsidies		6,909	130
	Total		11,523	4,614
25.3	Analysis of current year's fruitless and	wasteful expenditure		
	Incident	Disciplinary steps taken/criminal proceedings		
	Interest paid on overdue account	Recently reported	107	
	Interest paid on Telkom account	Recently reported	18	
	Penalties on additional PAYE payments to SARS	Recently reported	95	
	1 /			

Included in the fruitless and wasteful expenditure for prior year is an amount of R6,6 million paid to a beneficiary with no value for money

#### Vote 37

#### NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **26** Related party transactions

#### Payments made

Goods and services

Total

# Related party relationships

The Department has a relationship with the following entities:

1	Artscape	Department's public entity
2	State Theatre	Department's public entity
3	Playhouse company	Department's public entity
4	Performing Arts Centre of the Free State	Department's public entity
5	Market Theatre Foundation	Department's public entity
6	Windybrow Theatre	Department's public entity
7	National Arts Council	Department's public entity
8	National Film and Video Foundation	Department's public entity
9	Northern Flagship Institution	Department's public entity
10	Iziko Museums of South Africa	Department's public entity
11	War Museum of the Boer Republics	Department's public entity
12	Natal Museum	Department's public entity
13	National Museum	Department's public entity
14	Die Afrikaanse Taalmuseum	Department's public entity
15	The National English Literature Museum	Department's public entity
16	Voortrekker Museum	Department's public entity
17	Robben Island Museum	Department's public entity
18	William Humphreys Art Gallery	Department's public entity
19	Nelson Mandela Museum	Department's public entity
20	Freedom Park	Department's public entity
21	Luthuli Museum	Department's public entity
22	South African Heritage Resources Agency	Department's public entity
23	National Heritage Council	Department's public entity
24	National Library of South Africa	Department's public entity
25	South African Library for the Blind	Department's public entity
26	Pan South African Language Board	Department's constitutional entity

	2015/16	2014/15
Note	R′000	R'000
	7.740	10.760
	7,749	18,768
	7.749	18.768

#### Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

			2015/16	2014/15
		No. of		
		individuals	R′000	R'000
27	Key management personnel			
	Political office bearers	2	4,405	3,129
	Officials:			
	Level 15 to 16	7	6,776	10,219
	Level 14 (including CFO)	25	20,958	18,385
	Total		32,139	31,733
	Key management personnel (Parliament/Legislatures)			
	Chief Financial Officer	1	1,050	1,200
	Legal Advisor	2	2,423	1,161
	Total		3,473	2,361
	Minister 2,465; Deputy Minister 1,938	_		
28	Provisions			
	Assets and liabilities to be written off		189	527
	Interest on overdue account with a travel agent		<u> </u>	107
	Total		189	634

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

#### • 28.1 Reconciliation of movement in provisions - 2015/16

R'000	2/222			
11 000	R′000	R'000	R'000	R'000
=	527	107	=	634
-	189	-	-	189
_	(527)	(107)	_	(634)
-	189	-	-	189
	-	- 189 - (527)	- 189 - - (527) (107)	- 189 - (527) (107) -

	Provision I	Provision 2	Provision 3	Provision 4	iotal provisions
	R'000	R′000	R'000	R'000	R′000
palance	121	-	-	-	121
in provision	-	527	-	-	527
ovision	-	-	107	-	107
d	(121)	_	-		(121)
		527	107	-	634

The Department has a present obligation (legal or constructive) to defray the expenditure or recover expenditure once the liabilities have been determined. The accounts are measured reliably on the invoices that were received.

Provision 2 remains with a balance, the whole balance disclosure is in relation to damages to hired vehicles that are under investigation by the loss and control committee. The committee made the recommendation after investigations revealed that the Department was liable to defray the expenditure and thereafter the provision rose.

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

# 29 Movable tangible capital assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R′000	R′000	R'000	R′000
HERITAGE ASSETS	11,971	-	283	15	12,239
Heritage assets	11,971	-	283	15	12,239
MACHINERY AND EQUIPMENT	43,359	-	2,644	1,777	44,226
Transport assets	2,618	-	-	-	2,618
Computer equipment	29,052	-	2,194	1,606	29,640
Furniture and office equipment	11,080	-	155	171	11,064
Other machinery and equipment	609	-	295	-	904
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	55,330	-	2,927	1,792	56,465

#### Movable tangible capital assets under investigation

	Number	Value
Included in the above total of movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Heritage assets	-	-
Machinery and equipment	26	458

All assets under investigation were lost.

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

#### **Additions**

#### 29.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash	Non-cash	(Capital work- in-progress cur- rent costs and finance lease payments)	Received cur- rent, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	283	-	-	=	283
Heritage assets	283	-	-	-	283
MACHINERY AND EQUIPMENT	2,644	-	-	-	2,644
Transport assets	-	-	-	-	-
Computer equipment	2,194	-		=	2,194
Furniture and office equipment	155	-	-	=	155
Other machinery and equipment	295	-	-	-	295
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,927	-	-	-	2,927

#### Disposals

#### 29.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash dis- posal	Total disposals	Cash received Actual
	R'000	R'000	R′000	R′000
HERITAGE ASSETS	-	15	15	
Heritage assets	-	15	15	-
MACHINERY AND EQUIPMENT	1,777	-	1,777	125_
Transport assets	-	-	-	-
Computer equipment	1,606	-	1,606	54
Furniture and office equipment	171	-	171	71
Other machinery and equipment	-			_
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1,777	15	1,792	125

The Heritage assets amounting to 15,000.00 were transfered out to another Department. The 125,000.00 realised from disposal of assets include assets disposed from minor assets category.

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

#### 29.3 Movement for 2014/15

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R′000	R′000	R′000	R′000
HERITAGE ASSETS	10,145	-	1,826	-	11,971
Heritage assets	10,145	-	1,826	-	11,971
MACHINERY AND EQUIPMENT	51,801	(394)	5,169	13,217	43,359
Transport assets	1,172	(394)	1,840	-	2,618
Computer equipment	28,160	=	2,952	2,060	29,052
Furniture and office equipment	21,860	=	239	11,019	11,080
Other machinery and equipment	609	_	138	138	609
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	61,946	(394)	6,995	13,217	55,330
29.3.1 Prior period error			Note		2014/15 R′000
Nature of prior period error					
Relating to 2014/15 (affecting the opening balance)					(394)
Transport Assets					(394)
Total					(394)

G-Fleet leased vehicles were recognised into the asset register as part of departmental assets due to complexity of initial arrangement with G-Fleet.

#### Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

#### 29.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE	VEAD ENDED 31 MADCH 2016

Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
R'000	R′000	R′000	R′000	R′000
1	220	17,370	-	17,591
-	-	-	-	-
-	-	203	-	203
	_	950		950
1	220	16,623	-	16,844
	<b>R′000</b>	R'000   R'000     220   -   -   -   -     -     -     -	R'000         R'000         R'000           1         220         17,370           -         -         -           -         -         203           -         -         950	R'000         R'000         R'000         R'000           1         220         17,370         -           -         -         -         -           -         -         203         -           -         -         950         -

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	- 80	5,939	-	6,019
Number of minor assets at cost	1	200	13,461	=	13,662
TOTAL NUMBER OF MINOR ASSETS	1	280	19,400	-	19,681

#### Minor capital assets under investigation

	Number	value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	3	12

#### Minor assets

#### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
R'000	R'000	R′000	R′000	R′000
-	220	25,010	-	25,230
1	-	211	-	212
	-	7,851		7,851
1	220	17,370		17,591

#### Vote 37

# **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	80	464	-	544
Number of minor assets at cost	1	-	14,244	-	14,245
TOTAL NUMBER OF MINOR ASSETS	1	80	14,708	-	14,789
29.5 Movable assets written off					
MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016					
	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R′000	R′000	R′000	R'000	R'000
Assets written off	=	-	=	=	-
TOTAL MOVABLE ASSETS WRITTEN OFF		-	-	-	
MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2015					
	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R′000	R'000
Assets written off		-	260		260

# 30 Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

Opening balance	Value adjustments	Additions	Disposals	Closing balance
R'000	R′000	R'000	R'000	R'00
19,344	-	5,968	_	25,31
19,344	-	5,968		25,31
	<b>balance R'000</b> 19,344	balance adjustments R'000 R'000 19,344 -	balance         adjustments         Additions           R'000         R'000         R'000           19,344         -         5,968	balanceadjustmentsAdditionsDisposalsR'000R'000R'000R'00019,344-5,968-

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

				<b>.</b>	
	Cash	Non-cash	(Development work-in- progress current costs)	Received current, not paid (paid current year, received prior year)	Total
	R′000	R'000	R'000	R′000	R'000
SOFTWARE	5,968	-	-	-	5,968
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	5,968	-	-		5,968
		Sold for cash	Non-cash disposal	Total disposals	Cash received actual
SOFTWARE		R′000	R′000	R′000	R'000
SOFTWARE  TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	R'000	R'000	R′000	R'000
	ER FOR THE YEAR I	-	-	R'000	R'000
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS  Movement for 2014/15	ER FOR THE YEAR I	-	-	R'000	Closing balance
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS  Movement for 2014/15	Opening	ENDED 31 MAR	- - RCH 2015	-	
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS  Movement for 2014/15	Opening balance	ENDED 31 MAR Prior period error	CCH 2015 Additions	- Disposals	Closing balance

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

# 31 Immovable tangible capital assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	balance	adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R′000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES		-	-		
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	_	-	_
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS					

#### Additions

#### 31.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash	Non-cash	(Capital work- in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R′000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	104,155	-	(104,155)	-	=
Dwellings	-	-	-	-	-
Non-residential buildings	104,155	-	(104,155)	-	-
Other fixed structures	-	-	-	-	_
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	104,155	-	(104,155)	-	-

#### Vote 37

#### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

#### Movement for 2014/15

#### 31.2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	balance	error	Additions	Disposais		Closing balance	
	R'000	R'000	R'000	R'000		R'000	
BUILDINGS AND OTHER FIXED STRUCTURES		-	-	-	_		
Dwellings	-	-	-	-		-	
Non-residential buildings	-		-	-		-	
Other fixed structures	_	-	_			_	
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-		-	

Opening

Prior period

# 32 Principal-agent arrangements

			_	and the second second
22 1	Departmen	44:	. Alla a .	[
- イノ	IJANARTMAN	t actina as	Thei	nrincinai
22.1	DCDGI GIICII	t attilla as		DITICIDAL

Advance transferred to IDT Management fees paid **Total** 

2015/16	2014/15
Fee paid	Fee paid
R'000	R'000
-	67,545
-	10,423
-	77,968

# Vote 37

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# 33 Prior period errors

33.1 Correction of prior p	eriod errors	2014/15
		R′000
Accruals		68,065
Principal-agent arrangeme	nts	77,968
Related party transactions		18,768
Net effect		164,801
Expenditure: (goods and s	rvices)	3,667
Expenditure: (tangible cap	al assets)	114,392
Expenditure: (transfer and	ubsidies)	(77,968)
Net effect		36,424
Assets: (prepayment and a	(vances)	
Assets: (prepayment and a	lvances)	84,630
Net effect		84,630

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 1A**

#### • STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

		GRANT AL	LOCATION			TRANSFER			SPENT		2014/15
	Division of Revenue Act	Roll-overs	Adjustments	Total available	Actual transfer	Funds withheld	Reallocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act (DORA)
NAME OF PROVINCE/GRANT	R′000	R′000	R′000	R′000	R′000	R′000	R'000	R′000	R′000	%	R′000
Summary by province					11 000					,,,	
Eastern Cape	143,694	-	(718)	142,976	142,976	-	-	142,976	142,976	100%	111,616
Free State	155,776	-	(18)	155,758	155,758	-	-	155,758	155,758	100%	127,721
Gauteng	155,693	-	(2,678)	153,015	153,015	-	-	153,018	153,018	100%	128,108
KwaZulu-Natal	157,696	-	(127)	157,569	157,569	-	-	157,569	157,569	100%	126,254
Limpopo	112,156	-	(14,435)	97,721	97,721	-	-	97,721	97,721	100%	99,024
Mpumalanga	150,325	-	-	150,325	150,325	-	-	150,325	150,325	100%	115,897
Northern Cape	147,121	-	(1,576)	145,545	145,545	-	-	145,545	145,545	100%	123,859
North West	130,096	-	(17,160)	112,936	112,936	-	-	112,936	112,936	100%	106,939
Western Cape	158,469	_	-	158,469	158,469	-	-	158,469	158,469	100%	127,847
	1,311,026	-	(36,712)	1,274,314	1,274,314	_	-	1,274,317	1,274,317	100%	1,067,265

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		GRANT AL	LOCATION			TRANSFER			SPENT		2014/15
NAME OF	Division of Revenue Act	Roll-overs	Adjustments	Total available	Actual transfer	Funds withheld	Reallocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act (DORA)
PROVINCE/GRANT	R′000	R′000	R′000	R′000	R′000	R′000	R'000	R'000	R′000	%	R′000
Community Library Conditional Grants Received National and Provincial Flagship Events/Cultural	1,311,026	-	(36,712)	1,274,314	1,274,314	-	-	1,274,314	1,274,314	100%	1,050,665
Events  Events  Municipal  Agencies and	-	-	-	-	-	-	-	-	-	-	16,000
Funds	-	-	3	3	3	-	-	3	3	100%	600
	1,311,026	-	(36,709)	1,274,317	1,274,317	-	-	1,274,317	1,274,317		1,067,265

The schedule indicates that a grant of R 1 274 317 000 was paid to provinces in the current financial year. The amount includes R 300 000 which was paid for municipal agencies.

The schedule indicates that a grant of R 1 067 265 000 was paid to provinces in the current financial year. The amount includes R 600 000 which was paid for municipal agencies and R 16 000 000 for provincial flagships.

#### Vote 37

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		GRANT AL	LOCATION			TRANSFER			SPENT		2014/15
NAME OF	Division of Revenue Act	Roll-overs	Adjustments	Total available	Actual transfer	Funds withheld	Reallocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act (DORA)
PROVINCE/GRANT	R'000	R'000	R'000	R'000	R'000	R'000	R′000	R'000	R'000	%	R'000
COMMUNITY LIBRAI	RY CONDITIONAL	L GRANTS REC	EIVED								
Eastern Cape	143,694		(718)	142,976	142,976	-	-	142,976	142,976	100%	111,316
Free State	155,776		(18)	155,758	155,758	-	-	155,758	155,758	100%	124,721
Gauteng	155,693		(2,678)	153,015	153,015	-	-	153,015	153,015	100%	125,608
KwaZulu-Natal	157,696		(127)	157,569	157,569	-	-	157,569	157,569	100%	122,754
Limpopo	112,156		(14,435)	97,721	97,721	-	-	97,721	97,721	100%	95,024
Mpumalanga	150,325		-	150,325	150,325	-	-	150,325	150,325	100%	115,897
Northern Cape	147,121		(1,576)	145,545	145,545	-	-	145,545	145,545	100%	123,559
North West	130,096		(17,160)	112,936	112,936	-	-	112,936	112,936	100%	105,439
Western Cape	158,469			158,469	158,469	-	-	158,469	158,469	100%	126,347
	1,311,026	-	(36,712)	1,274,314	1,274,314	-	-	1,274,314	1,274,314		1,050,665
MUNICIPAL AGENCI	ES AND FUNDS										
Eastern Cape	-	-	-	-	-	-	-	-	-	-	300
Gauteng	-	-	3	3	3	-	-	3	3	100%	-
Northern Cape		_	-				-	-	-	-	300
	-	-	3	3	3	-	-	3	3		600

National Departments are reminded of the DORA requirements to indicate any reallocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 1B**

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

		TRANSFER A	LLOCATION		TRA	NSFER	2014/15	
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act	
DEPARTMENT/AGENCY/ACCOUNT	R′000	R′000	R′000	R'000	R'000	%	R′000	
Performing arts institutions:				-				
Artscape	54,690	-	(1,600)	53,090	53,090	100%	50,755	
State Theatre	48,699	-	(1,600)	47,099	47,099	100%	45,028	
Playhouse Company	41,176	-	(1,600)	39,576	39,576	100%	43,085	
Performing Arts Centre of the Free State	41,024	-	(1,600)	39,424	39,424	100%	37,690	
Market Theatre Foundation	30,789	-	(1,700)	29,089	29,089	100%	27,810	
Windybrow Theatre	12,795	-	(1,600)	11,195	11,195	100%	10,703	
National Arts Council	96,089	-	-	96,089	96,089	100%	97,365	
National Film and Video Foundation	116,721	-	-	116,721	116,721	100%	147,588	
Capital transfer - performing arts institutions	92,444	-	(54,888)	37,556	37,556	100%	69,800	
National Language Services	-	-	-	-			4,254	
Mzanzi Golden Economy projects		-	17,123	17,123	14,500	85%	10,923	
Total	534,427	_	(47,465)	486,962	484,339		545,001	

# Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		TRANSFER A	LLOCATION		TRA	NSFER	2014/15
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
DEPARTMENT/AGENCY/ACCOUNT	R'000	R′000	R'000	R'000	R'000	%	R′000
Heritage Institutions:							
Ditsong Museums	69,402	-	-	69,402	69,402	100%	66,350
Iziko Museums of South Africa	68,336	-	-	68,336	68,336	100%	65,331
War Museum of the Boer Republics	9,121	-	-	9,121	9,121	100%	8,613
Natal Museum	18,175	-	-	18,175	18,175	100%	17,376
National Museum	43,333	-	-	43,333	43,333	100%	41,085
Die Afrikaanse Taalmuseum	5,597	-	-	5,597	5,597	100%	5,308
The National English Literary Museum	9,055	-	-	9,055	9,055	100%	8,657
Voortrekker Museum	12,484	-	-	12,484	12,484	100%	11,935
Robben Island Museum	68,419	-	26,029	94,448	94,448	100%	66,805
William Humphreys Art Gallery	6,234	-	-	6,234	6,234	100%	5,960
Nelson Mandela Museum	21,143	-	-	21,143	21,143	100%	20,124
Freedom Park	65,665	-	-	65,665	65,665	100%	70,470
Luthuli Museum	9,329	-	-	9,329	9,329	100%	8,890
South African Heritage Resources Agency	48,552	-	-	48,552	48,552	100%	46,417
National Heritage Council	58,475	-	180	58,655	58,475	100%	55,917
Capital transfer - heritage institutions	56,339	-	137,415	193,754	178,441	92%	174,000
Engelenburg House Art Collection: Pretoria							
	569,659	-	163,624	733,283	717,790		685,757

# Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		TRANSFER A	LLOCATION		TRA	NSFER	2014/15
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
DEPARTMENT/AGENCY/ACCOUNT	R′000	R′000	R′000	R′000	R'000	%	R'000
Libraries:							
National Library of South Africa	75,716	-	-	75,716	75,716	100%	72,387
South African Library for the Blind	17,376	-	-	17,376	17,376	100%	16,612
National Library of SA (Community Libraries)	15,795	-	-	15,795	15,795	100%	11,690
Capital transfer - libraries	5,494	-	10,953	16,447	6,622	40%	-
	114,381	-	10,953	125,334	115,509		100,689
Capital Works:							
Capital Works of Performing Arts projects	6,000	-	(4,900)	1,100	-	0%	2,096
Capital Works of Heritage Legacy projects	-	-	200	200	-	0%	73,224
Capital Works of libraries	116,920	-	(116,920)	-	-	0%	79,251
	122,920	-	(121,620)	1,300	-		154,571
Other:							
Office accommodation (municipal charges and operating leases)	-	-	28,969	28,969	54,826	189%	-
Pan South African Language Board	87,338	-	-	87,338	87,338	100%	83,497
Public sector SETA	-	-	-	-	-		630
TV licences		-	7	7	7	100%	11
	87,338	-	28,976	116,314	142,171	-	84,138
Total	1,428,725	-	34,468	1,463,193	1,459,809	-	1,570,156

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 2A**

#### • STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

				2014/15				
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual Transfer	Amount not transferred	% of available funds transferred	Appropriation Act
INSTITUTION NAME	R′000	R'000	R'000	R'000	R'000	R'000	%	R'000
Mzansi Golden Economy projects	-	-	80	80	80	-	0%	580
Human Language Technologies		_	2,859	2,859	2,859	-	0%	
Total		-	2,939	2,939	2,939	-		_

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 2B**

#### STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	1	TRANSFER ALLOCATION					DITURE		2014/15
NAME OF DURING CORDORATIONS	Adjusted appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Appropriation Act
NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	R′000	R′000	R′000	R′000	R'000	%	R′000	R′000	R′000
Private enterprises									
Transfers	175,963	-	(52,922)	123,041	108,059	87.8%	8,895	99,164	69,310
Arts social development and youth	-	-	50	50	50	100.0%	-	50	1,489
Mzansi Golden Economy Projects	46,800	-	53,917	100,717	91,113	90.5%	-	91,113	61,045
National Language Services	4,396	-	-	4,396	4,393	99.9%	-	4,393	-
Capital Works of Performing Arts projects	51,683	-	(37,413)	14,270	8,895	62.3%	8,895	-	1,000
Cultural and Creative Industries	9,500		(5,892)	3,608	3,608	100.0%	-	3,608	5,776
Capital Works of Heritage Legacy projects	63,584	-	(63,584)	-	-		-	-	_
TOTAL	175,963	-	(52,922)	123,041	108,059	87.8%	8,895	99,164	69,310

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 2C**

#### • STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

		TRANSFER	ALLOCATION	EXPEN	DITURE	2014/15	
FOREIGN GOVERNMENT/INTERNATIONAL	Adjusted appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
ORGANISATION	R'000	R′000	R'000	R'000	R′000	%	R′000
Transfers							
African World Heritage Fund	1,200	-	500	1,700	1,700	100%	1,100
Subfees: Commonwealth	2,497	-	-	2,497	2,298	92%	2,089
				-			
Total	3,697	-	500	4,197	3,998		3,189

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 2D**

#### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

		TRANSFER ALLO	CATION		EXP	ENDITURE	2014/15
	Adjusted appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R′000	%	R′000
Transfers							
Arts, social development and youth	15,872	-	(50)	15,822	11,365	72%	12,427
Gcwala Ngamasiko Cultural Festival	2,340	-	-	2,340	2,000	85%	1,000
Kauru Visual Arts Exhibition	-	-	-	-	-	-	2,000
Cultural and Creative Industries	22,531	-	(14,178)	8,353	8,228	99%	18,919
Northern Cape Theatre - Capital	-	-	4,000	4,000	-	-	-
Mzansi Golden Economy projects	93,328	-	11,779	105,107	105,107	100%	119,468
National Language Services	-	-	-	-	-	-	1,208
Heritage projects	4,000	-	1,400	5,400	3,870	72%	4,700
Library and Information Association of South Africa	4,518	-	-	4,518	2,566	57%	4,500
South African National Council for the Blind(SANCB)	982	-	-	982	982	100%	-
Capital Works of Heritage Legacy projects	3,000	-	19,889	22,889	21,789	95%	28,631
Capital Works of Performing Arts projects	-	-	16,724	16,724	14,595	87%	-
iAri	370	-	-	370	333	90%	-
	146,941	-	39,564	186,505	170,835		192,853

# Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

		TRANSFER ALLO	CATION		EXPENDITURE		2014/15
	Adjusted appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R′000	R′000	R'000	R′000	R′000	%	R′000
Subsidies							
Business Arts South Africa	7,648	-	-	7,648	7,648	100%	7,312
Engelenburg House art collection: Pretoria	302	-	-	302	302	100%	289
Blind SA	7,108	-	-	7,108	7,108	100%	8,140
Blind SA - Capital		_	365	365	365	100%	
	15,058	-	365	15,423	15,423		15,741
Total	161,999	-	39,929	201,928	186,258		208,594

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 2E**

#### STATEMENT OF TRANSFERS TO HOUSEHOLDS

		TRANSFER AI	LOCATION		EXPE	NDITURE	2014/15
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
HOUSEHOLDS	R′000	R′000	R'000	R'000	R′000	%	R′000
Transfers							
Employee social benefits	-	-	1,832	1,832	1,832	100%	3,660
Language development projects	8,860	-	(2,859)	6,001	6,000	100%	7,789
Cultural and Creative Industries	1,500	-	(616)	884	884	100%	1,081
Mzansi Golden Economy projects	4,300	-	(512)	3,788	3,788	100%	2,755
Heritage promotion	5,047	-	-	5,047	4,974	99%	5,916
Arts, social development and youth	8,868	-	(272)	8,596	5,246	61%	5,569
Total	28,575	-	(2,427)	26,148	22,724		26,770

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 3**

# • STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15	
(Group major categories but list material items including name of organisation)	R′000	R′000	
Made in kind			
Gifts	-	36	
Donations	-	138	
Act of grace		22	
TOTAL		196	

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 4**

#### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	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
	Housing								
Standard Bank		139	23	-	-	-	23	-	-
ABSA		290	19	-	-	-	19	-	-
	Total	429	42	-	-	-	42	-	-

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 5**

# • STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

NATURE OF LIABILITY	Opening balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Legal (arbitration and litigation case)	21,182	10,000	2,912	-	28,270
North West provincial government payable	2,000	-	2,000	-	
TOTAL	23,182	10,000	4,912	-	28,270

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 5 (continued)**

# STATEMENT OF CONTINGENT ASSETS AS AT 31 MARCH 2016

Nature of assets recoverable	Opening balance 1 April 2015	Details of asset and recoverability	Movement during the year	Closing balance 31 March 2016
	R′000		R′000	R'000
Litigation case: double payment of invoices	161	Double payment of invoices	(80)	81
Litigation case: funding, no report received	8,548	Refund on a project that was never implemented	(4,510)	4,038
Litigation case: legal costs	91	Legal fees incurred	420	511
Litigation case: poor service	269	Refund on a project that was never implemented	(143)	126
Total	9,069	_	(4,313)	4,756

# Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 6**

# • CLAIMS RECOVERABLE

	Confirmed balan	ce outstanding	Unconfirmed bala	nce outstanding	Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Department of Communication	264	-	-	-	264	-
Department of Water and Sanitation	-	-	-	36	-	36
Total	264	-	-	36	264	36

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 7**

#### INTER-GOVERNMENT PAYABLES

	Confirmed balance	outstanding	Unconfirmed balance	outstanding	Total	
GOVERNMENT ENTITY	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R′000	R′000	R'000
DEPARTMENTS						
Current						
South African Police Service	-	25	-	-	-	25
Department of Public Works	85	-	-	-	85	-
Limpopo provincial government	765	-	-	-	765	-
KZN Department of Arts and Culture	484	-	-	-	484	-
KZN Department of Arts and Culture	-	-	100	-	100	-
Free State Premier Office	-	-	1,131	-	1,131	-
Free State Premier Office	-	-	2,263	-	2,263	-
Department of Justice and Constitutional Development	223				223	
Department of International Relations and Cooperation	324				324	
Total departments	1,881	25	3,494	-	5,375	25
OTHER GOVERNMENT ENTITIES						
Current						
G Fleet	19	126	-	-	19	126
Government printers	2	37	-	-	2	37
Department of Public Works	99,599	3,941	-	-	99,599	3,941
State Information Technology Agency	2,143	-	-	-	2,143	-
Special Investigation Unit	1,751	-	-	-	1,751	-
Total other government entities	103,514	4,104	-	-	103,514	4,104
TOTAL INTERGOVERNMENTAL	105,395	4,129	3,494	-	108,889	4,129

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 8**

# **INVENTORY**

		2015/16		2014/15	
	Note	Quantity	R'000	Quantity	R'000
Inventory					
Opening balance		4,751	821	80,853	7,300
Add/(Less): adjustments to prior year balances		-	36	-	(5,907)
Add: additions/purchases – cash		38,087	13,374	88,537	45,513
Add: additions – non-cash		-	-	-	-
(Less): disposals		-	-	(49)	-
(Less): issues		(38,109)	(13,375)	(164,590)	(46,087)
Add/(Less): adjustments			(24)	-	3
Closing balance		4,729	832	4,751	821

#### Vote 37

#### **ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended at 31 March 2016

#### **ANNEXURE 9**

#### MOVEMENT IN CAPITAL WORK-IN-PROGRESS (WIP) FOR THE YEAR ENDED 31 MARCH 2016

Opening balance	Current year capital WIP	Completed assets	Closing balance
R′000	R′000	R′000	R′000
169,268	104,155		273,4
169,268	104,155	-	273,
169,268	104,155	-	273,4

In terms of the Quantity Surveyor's report, the Independent Development Trust did not make sure that contractors charged us market related tariffs. This resulted in the Department losing an opportunity to negotiate better rates where they could have achieved a reduction in cost of R28,6 million on Enyokeni Project.

Included in the non-residential buildings total is the following: Sarah Baartman – R62,023 and Independent Development Trust – R211,449,671

#### Vote 37

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2016

# **ANNEXURE 10**

# **INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balan	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	
	R′000	R′000	R′000	R′000	R′000	R'000	
NATIONAL DEPARTMENTS							
Department of International Relations and Cooperation	-	-	2,395	-	2,395	-	
Government Communication and Information System	149	-	-	114	149	114	
Subtotal	149	-	2,395	114	2,544	114	

# PART SIX



ANNEXURE

# PART SIX: ANNEXURE

# 6.1 ANNEXURE A: DETAILED CONDITIONAL GRANT-OUTPUT INFORMATION

# 6.2.1 The table and graph below details the conditional grants and earmarked funds received by the Department for the period 1 April 2015 to 31 March 2016

Department to whom the conditional grant has been transferred	National Department of Arts and Culture
Purpose	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Monitoring mechanism	<ul> <li>The Department allows provinces to use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial coordination of the grant.</li> <li>The Department advises provinces to utilise these funds for the purpose it is meant for and to improve project management skills and capacity.</li> <li>The Department continues to provide oversight over the implementation of the project through quarterly MinMEC and TIC meetings to ensure regular communication and reporting.</li> <li>The National Treasury through the Government Technical Assistance Unit also provides technical expertise and knowledge, especially on infrastructure projects.</li> </ul>

EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
<ul> <li>350 000 items of library materials (books, periodicals, toys, etc.) purchased</li> <li>20 new library structures</li> <li>50 upgraded and maintained library structures</li> <li>Library information and communication technology (ICT) infrastructure and systems using open source software in all provinces</li> <li>Establishment and maintenance of services for the visually impaired at community libraries in three provinces</li> <li>Existing library staff appointed in all provinces</li> <li>Funds were transferred to municipalities to address the Schedule 5 impasse in provinces</li> </ul>	<ul> <li>444 988 library materials were purchased</li> <li>44 new library services were established (33 dual-purpose services and 11 brick and mortar libraries were established in EC, FS, KZN, LP, MP, NC, NW and WC provinces)</li> <li>35 upgraded libraries were completed</li> <li>706 libraries' ICT infrastructure was upgraded</li> <li>532 libraries were connected with free public Internet access</li> <li>33 libraries established services for the visually impaired in EC and KZN; NW maintained existing services</li> <li>1 827 contracts were renewed</li> <li>Funds were transferred to municipalities to address the Schedule 5 impasse in EC, FS, GP, KZN, NC, NW and WC</li> </ul>	R190 816 unspent	Funds were not spent on new projects, upgrading of infrastructure projects and staff compensation by the receiving provincial departments of arts and culture.

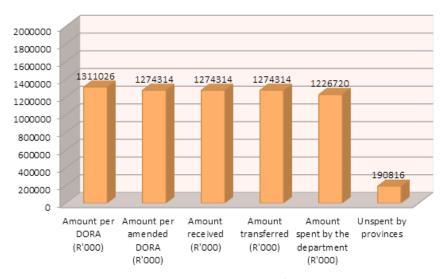


Figure 3: Conditional Grant and earmarked funds received by the Department

# 6.2,2 The table and graph below details the conditional grants and earmarked funds paid for the period 1 April 2015 to 31 March 2016

Purpose	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Monitoring mechanism	<ul> <li>Quarterly meetings are held in a year with all nine provinces to discuss the progress, challenges and the way forward in the implementation of the grant projects.</li> <li>Monthly financial reports are submitted by provinces to the Department to monitor their spending.</li> <li>Monitoring visits to projects and site meetings are attended regularly.</li> <li>The Department conducts an evaluation of the performance of the grant annually as required by the DORA.</li> </ul>

PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
Eastern Cape	4 new library completed     5 original libraria and and all librari	0 new community libraries completed	R5 174	Available funds could not be spent on new and
	5 existing libraries upgraded	0 existing libraries upgraded.		upgraded infrastructure
	<ul> <li>13 modular structures purchased for communities in rural areas to have access to library facilities</li> </ul>	<ul> <li>21 modular structures purchased for communities in rural areas to have access to library facilities</li> </ul>		projects due to delays in implementation and extended completion dates of projects.
	<ul> <li>90 000 library materials provided to community libraries</li> </ul>	<ul> <li>20 051 library materials provided to community libraries</li> </ul>		
	■ 127 automated facilities maintained and serviced	<ul> <li>automated facilities maintained and serviced</li> </ul>		
	<ul> <li>20 visually impaired services maintained in community libraries</li> </ul>	<ul> <li>25 visually impaired services maintained in community libraries</li> </ul>		
	■ 157 conditional grant personnel compensated	■ 153 conditional grant personnel compensated		

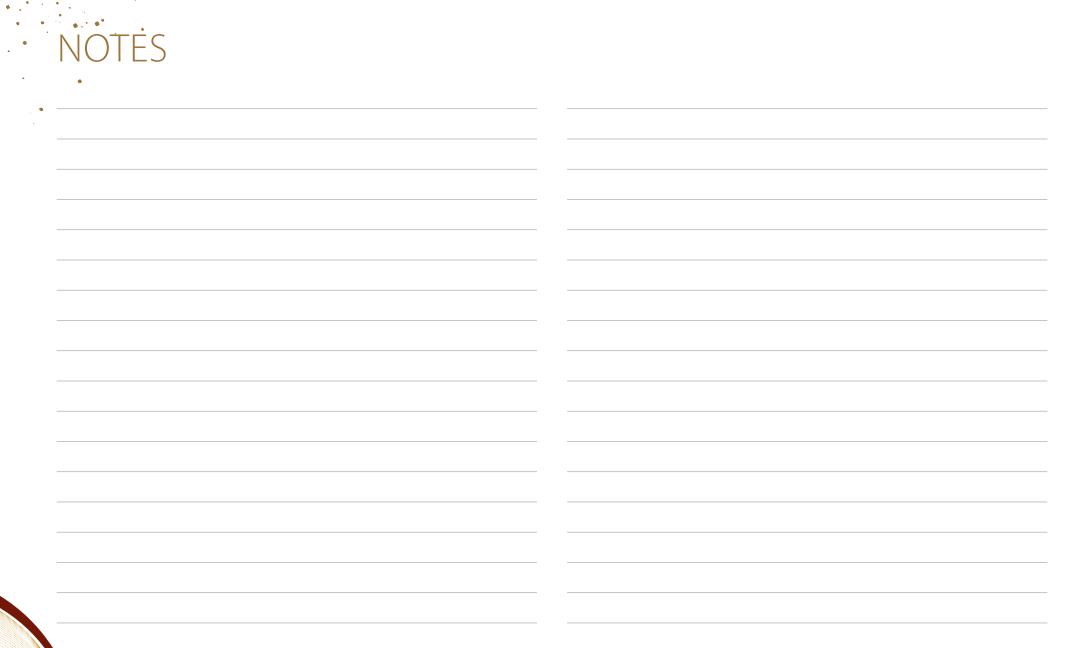
PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
Free State	<ul> <li>76 590 additional library materials purchased</li> <li>6 new library structures built</li> <li>2 existing buildings upgraded</li> <li>180 libraries with ICT infrastructure maintained (public Internet access, equipment)</li> <li>131 libraries provided with burglar alarms maintained</li> <li>86 libraries where electronic gates are maintained</li> <li>143 libraries where photocopiers are maintain</li> <li>160 library staff members maintained</li> <li>26 staff members appointed at departmental level</li> <li>19 bursaries provided to library staff</li> <li>1 project to promote a culture of reading provided</li> </ul>	<ul> <li>104 550 additional library materials purchased</li> <li>2 new library structures built</li> <li>0 existing buildings upgraded</li> <li>177 libraries with ICT infrastructure maintained (public Internet access, equipment)</li> <li>133 libraries provided with burglar alarms maintained</li> <li>86 libraries where electronic gates are maintained</li> <li>143 libraries where photocopiers are maintained</li> <li>140 library staff members appointed and maintained</li> <li>19 staff members appointed at departmental level</li> <li>23 bursaries provided to library staff</li> <li>1 project to promote a culture of reading provided</li> </ul>	R459	Underspending is due to infrastructure projects that were not completed.
Gauteng	<ul> <li>106 203 additional library materials (books, periodicals, etc.) purchased</li> <li>5 new library structures build</li> <li>Existing libraries upgraded and maintained</li> <li>7 reading and library programmes</li> <li>168 staff contracts renewed</li> <li>11 SLAs signed between the province and municipalities</li> </ul>	<ul> <li>64 255 additional library materials (books, periodicals, etc.) purchased</li> <li>0 new library structures build</li> <li>3 libraries upgraded/maintained</li> <li>7 reading and library programmes</li> <li>185 staff contracts renewed</li> <li>11 SLAs signed between the province and municipalities</li> </ul>	R49 534	Incomplete infrastructure projects. 5 projects could not be completed and 6 new projects were at design stage by the end of the financial year. Commitments were made to that effect.

PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
KwaZulu-Natal	<ul> <li>80 000 additional library materials purchased</li> <li>126 libraries provided with Internet access.</li> <li>5 new library structures built</li> <li>4 existing libraries upgraded</li> <li>44 additional community library staff members appointed</li> <li>88 existing staff members maintained or existing contracts renewed.</li> <li>7 visually impaired services</li> <li>48 library awareness programmes</li> <li>100 monitoring visits to municipalities</li> </ul>	<ul> <li>83 365 additional library materials purchased</li> <li>126 libraries provided with Internet access.</li> <li>0 new library structures built</li> <li>1 modular library completed</li> <li>3 existing libraries upgraded</li> <li>27 additional community library staff members appointed</li> <li>88 existing staff members maintained or existing contracts renewed</li> <li>7 visually impaired services</li> <li>33 library awareness programmes</li> <li>105 monitoring visits to municipalities</li> </ul>	R38 995	<ul> <li>Delays in awarding infrastructure bids for new projects</li> <li>Delays in payments of IDT by the Department and disputes between IDT and the contractor delayed the project</li> </ul>
Limpopo	<ul> <li>20 000 library material procured</li> <li>8 new library structures built</li> <li>21 libraries upgraded/maintained</li> <li>4 libraries provided with data lines/networking</li> <li>68 libraries provided with public Internet access</li> <li>115 existing staff members maintained</li> <li>4 library awareness programmes implemented in community libraries</li> </ul>	<ul> <li>23 031 library material procured</li> <li>11 new libraries built (1 brick and mortar, and 10 modulars)</li> <li>11 libraries upgraded and maintained</li> <li>4 libraries provided with cabling and networking</li> <li>58 libraries provided with public Internet access</li> <li>115 existing staff members maintained</li> <li>7 library awareness programmes implemented in community libraries</li> </ul>	R15 502	Funds could not be spent on new and upgraded projects due to the late approval and submission of projects to Public Works as the implementing agent.

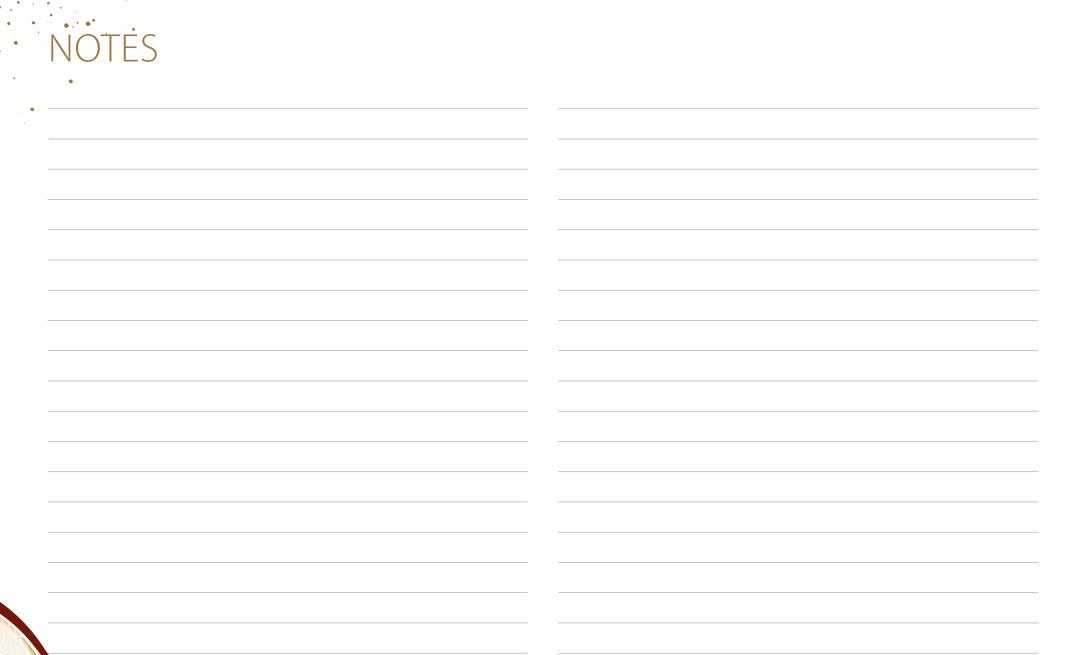
PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
Mpumalanga	35 000 library material purchased	25 766 library material purchased	R36 186	Funds could not be spent
	3 toy library service established	<ul> <li>2 toy library service established</li> </ul>		on maintenance projects due a directive (received
	<ul> <li>112 libraries' ICT infrastructure and SLIMS maintained</li> </ul>	<ul> <li>112 libraries' ICT infrastructure and SLIMS maintained</li> </ul>		late in the financial year) that all infrastructure
	<ul> <li>Internet maintained at 112 libraries</li> </ul>	<ul> <li>Internet maintained at 114 libraries</li> </ul>		projects should be handed over to Public Works.
	4 new library structures built	2 new libraries structures built		
	17 existing library structure upgraded	2 existing library structure upgraded		
	20 libraries provided with new furniture	<ul> <li>150 library staff contracts renewed</li> </ul>		
	■ 150 library staff contracts renewed	<ul> <li>40 library staff members bursaries maintained</li> </ul>		
	40 library staff members awarded with bursaries	18 library awareness programmes implemented		
	3 library awareness programmes implemented in libraries	in libraries		
Northern cape	60 000 additional library materials purchased	• 5 555 additional library materials purchased	R23 976	New infrastructure and up-
	<ul> <li>10 libraries to establish a service to the visually impaired</li> </ul>	<ul> <li>0 libraries established a service to the visually impaired</li> </ul>		graded projects that were not completed as planned.
	<ul> <li>15 toy library services established at community libraries</li> </ul>	<ul> <li>15 toy library services established at community libraries</li> </ul>		Under-expenditure was caused by late appointment of contractors.
	<ul> <li>16 library awareness and literacy programmes implemented in community libraries</li> </ul>	<ul> <li>45 library awareness and literacy programmes implemented in community libraries</li> </ul>		The projects are now in progress.
	10 new library structures built	3 new library structure completed		
	20 existing libraries upgraded/maintained	■ 10 existing libraries upgraded/maintained		
	140 libraries converted to SLIMS maintained	<ul> <li>32 libraries converted to SLIMS</li> </ul>		
	145 libraries' Internet maintained	■ 135 libraries' Internet maintained		
	112 existing library staff members' contracts renewed	<ul> <li>171 existing library staff members' contracts renewed</li> </ul>		

PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
North West	<ul> <li>45 000 library material provided to all community libraries</li> <li>20 toy library services established at identified community libraries.</li> <li>20 libraries to be provided with equipment and computers for services to the visually impaired</li> <li>5 new library structures build</li> <li>4 existing libraries upgraded and maintained</li> <li>6 libraries provided with specialised library furniture</li> <li>1 service for the visually impaired established</li> <li>8 community libraries provided with library electronic gates</li> <li>SLIMS implemented and maintained at 117 libraries</li> <li>111 libraries' Internet connectivity maintained</li> <li>1 Setswana campaign planned</li> <li>191 existing staff members remunerated</li> <li>20 bursaries offered to staff</li> </ul>	<ul> <li>68 501 library material provided to all community libraries</li> <li>8 toy library services established at identified community libraries</li> <li>1 library provided with equipment and computers for services to the visually impaired</li> <li>1 new library structure completed</li> <li>No library upgrades were completed by the end of the financial year</li> <li>9 libraries provided with specialised library furniture.</li> <li>15 community libraries provided with library electronic gates</li> <li>SLIMS implemented and maintained at 117 libraries</li> <li>20 libraries' Internet connectivity maintained</li> <li>1 Setswana campaign executed</li> <li>168 existing staff members remunerated</li> <li>4 bursaries offered to staff</li> </ul>	R20 526	Projects: The projects of Khunwana, Tlakgameng and Papi Ntjana were not completed. All three projects were granted an extension until February 2016 for practical completion. Khunwana could not be finalised by the practical completion date, due to the electricity connection by Eskom. The Tlakgameng project requested further extension until the end of March 2016. Papi Ntjana library was very far behind schedule and the implementing agent was in the process of placing the contractor on terms at the end of the reporting period.

PROVINCES	EXPECTED OUTPUT	ACTUAL OUTPUT	UNSPENT FUNDS	REASON FOR UNSPENT FUNDS
Western Cape	<ul> <li>540 existing staff members maintained</li> <li>30 libraries provided with book detection systems</li> <li>79 rural libraries were provided with Internet access</li> </ul>	<ul> <li>657 existing staff members maintained</li> <li>32 libraries provided with book detection systems</li> <li>79 rural libraries were provided with Internet access</li> </ul>	R464	Funds could not be spent on internet for rural areas due to delayed billing from Telkom
	<ul> <li>1 new library structures built</li> <li>5 existing libraries upgraded</li> <li>3 library services established in under-served areas (wheelie wagons)</li> <li>30 800 library material purchased</li> </ul>	<ul> <li>1 new library structures built</li> <li>5 existing libraries upgraded</li> <li>3 library services established in under-served areas (wheelie wagons)</li> <li>49 914 library material purchased</li> </ul>		



# NOTES



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