

# Annual Report

## 2018/2019



LAYING THE FOUNDATION FOR GREATNESS



arts & culture

Department:  
Arts and Culture  
REPUBLIC OF SOUTH AFRICA



Department of Arts and Culture

# Annual Report

**2018/2019**

**Budget Vote 37**

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**Part A**  

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**General Information**





## 1.1 GENERAL DEPARTMENTAL INFORMATION

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## 1.2 LIST OF ABBREVIATIONS/ACRONYMS

Abbreviation	Full name
<b>4IR</b>	4 <sup>th</sup> Industrial Revolution
<b>AAANW</b>	Annual Archives Awareness National Week
<b>ACH</b>	Arts, Culture and Heritage
<b>ADM</b>	Arts Development Manager
<b>AENE</b>	Adjusted Estimates of National Expenditure
<b>AfLIA</b>	African Library & Information Associations & Institutions
<b>AGSA</b>	Auditor-General of South Africa
<b>APP</b>	Annual Performance Plan
<b>AtoM</b>	Access to Memory
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CFO</b>	Chief Financial Officer
<b>COE</b>	Compensation of Employees
<b>DAC</b>	Department of Arts and Culture
<b>DBSA</b>	Development Bank of Southern Africa
<b>DDG</b>	Deputy Director-General
<b>DG</b>	Director-General
<b>DORA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration
<b>DPW</b>	Department of Public Works
<b>ECM</b>	Enterprise Content Management

Abbreviation	Full name
<b>GBV</b>	Gender-based Violence
<b>GDP</b>	Gross Domestic Product
<b>GRC</b>	Governance, Risk and Compliance
<b>GTAC</b>	Government Technical Advisory Centre
<b>HDI</b>	Historically Disadvantaged Individuals
<b>HLT</b>	Human Language Technologies
<b>HRA</b>	Health Risk Assessment
<b>HRBP</b>	Human Resource Budget Plan
<b>HRM</b>	Human Resource Management
<b>IAA</b>	Internal Audit Activity
<b>ICA</b>	International Council on Archives
<b>ICH</b>	Intangible Cultural Heritage
<b>ICT</b>	Information and Communication Technology
<b>IMPRA</b>	Independent Music Performance Rights Association
<b>INA</b>	Institut National de l'Audiovisuel
<b>LIASA</b>	Library and Information Association of South Africa
<b>MGE</b>	Mzansi Golden Economy
<b>MISS</b>	Minimum Information Security Standards
<b>MOA</b>	Memorandum of Agreement
<b>MRM</b>	Moral Regeneration Movement
<b>MTF</b>	Market Theatre Foundation
<b>NAAIRS</b>	National Automated Archival Information Retrieval System



Abbreviation	Full name
<b>NARSSA</b>	National Archives and Records Service of South Africa
<b>NFVF</b>	National Film and Video Foundation
<b>NFVSA</b>	National Film, Video and Sound Archives
<b>NLS</b>	National Language Service
<b>NLSA</b>	National Library of South Africa
<b>NPA</b>	National Prosecuting Authority
<b>NYDA</b>	National Youth Development Agency
<b>OHASA</b>	Oral History Association of South Africa
<b>OLB</b>	Old Library Building
<b>OHS</b>	Occupational Health and Safety
<b>PACOFS</b>	Performing Arts Centre of the Free State
<b>PFMA</b>	Public Finance Management Act
<b>PFNM</b>	Policy Framework for National Museums
<b>POPIA</b>	Protection of Personal Information Act
<b>RIM</b>	Robben Island Museum
<b>RLHR</b>	Resistance and Liberation Heritage Route

Abbreviation	Full name
<b>SABC</b>	South African Broadcasting Corporation
<b>SACO</b>	South African Cultural Observatory
<b>SAFI</b>	South African Film Industry
<b>SAHRA</b>	South African Heritage Resources Agency
<b>SALW</b>	South African Library Week
<b>SANTACO</b>	South African National Taxi Association
<b>SARA</b>	South African Roadies Association
<b>SCM</b>	Supply Chain Management
<b>SCOA</b>	Standard Chart of Accounts
<b>SONA</b>	State of the Nation Address
<b>SOPA</b>	State of the Province Address
<b>TYPP</b>	The Young Patriots Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WSP</b>	Workplace Skills Plan

## 1.3 LIST OF FIGURES

**Figure 1:** Departmental performance overview

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## 1.4 FOREWORD BY THE MINISTER


On 8 May 2019, South Africans from all walks of life descended on voting stations in the exercise of renewing their democratic mandate. This act reminded those who were given the mandate to serve as public representatives, both in Parliament and at the executive level, that it is time to report back on the mandate that they were entrusted with. This is also the time for all South Africans to interrogate these reports and evaluate the achievements of those entrusted with the responsibility of delivering on their mandates. It is prudent that the two arms of the democratic state reflect on the work that was done over the last 25 years to improve the lives of our people. We should ask ourselves hard questions such as whether we have conducted ourselves in a manner that enhances the contract we have with the people. The success or failure of the nation-building project depends on how we, the public representatives, conduct ourselves in relation to this contract.

Among the important programmes that we embarked on during this reporting period was the process of reviewing the White Paper that governs the creative industry as a whole.

### White Paper Review

The Department deemed it appropriate to review the White Paper after almost two decades of its existence and implementation. We therefore embarked on consultations, which have happened over a period of two years. The revision of the White Paper will seek to develop new financing instruments, rationalise the institutional framework and suggest new structures to fill the gaps identified in the sector. Among other things, the White Paper should address the protection and promotion of the rights and status of artists.

While pursuing these constitutional injunctions in our endeavour to create a better life for all we should be aware that we are operating in a global environment that may not always be that eager to assist the developing world to realise these objectives.



Today the world faces unprecedented challenges of high and continuously rising levels of youth unemployment and disenfranchisement, a deep economic recession, growing evidence of the impact of climate change and a wave of migration into and across Europe not seen since World War II as people flee terrible conflict in their countries.

Our efforts at nation building and social cohesion are taking place within the world environment and challenges characterised above. In actively encouraging nation building and social cohesion among all our people, we continuously strive to maintain the spirit of building a better life for all, and we are committed to continuing to focus on these challenges and opportunities in our work and in our daily lives.

It is the task of our government to discover, develop and encourage national talent for the enhancement of our cultural life. Efforts are being made to ensure that all cultural treasures of humanity are being made available to all by the exchange of books and ideas, and by collaborations with other countries through programmes such as cultural seasons. Our participation in cultural activities is aimed at teaching the youth to love their people and their culture, and to honour humanity, liberty and peace.

As the poet and novelist Ben Okri tells us: "It is love that drives the seed into becoming the future tree; it is love that makes people extend their hands across seas, across race, across creeds, forging links that make the human dream grow into splendid human realities."



In the term that lies ahead, the government in all its facets will put the shoulder to the wheel as we intensify our efforts to develop our arts, culture and heritage, to radically transform the creative sector and to ensure the transformation of our heritage landscape.

In whatever we do, we should be aware that South Africa's efforts at fundamental change represent a social experiment that resonates with humanity's progressive endeavours. As in the past when it touched the conscience of humanity, South Africa is a giant social laboratory, the success or failure of whose undertakings has global implications.



**E N Mthethwa (MP)**

Minister of Sports, Arts and Culture

Date: 13 September 2019



## 1.5 STATEMENT BY THE DEPUTY MINISTER

The year 2018 was the year our nation commemorated the centenary of the birth of former President Nelson Rolihlahla Mandela and Ma Albertina Nontsikelelo Sisulu. These stalwarts' selfless commitment and dedication to a better life for all South Africans inspired the Department of Arts and Culture's Annual Performance Plan for the financial year 2018/2019.

For the centenary celebrations of Tata Mandela and Mama Sisulu, several rural sites were nominated for the dossier of Human Rights, Liberation Struggle and Reconciliation: Nelson Mandela legacy sites, such as Fort Hare University and Mqekkezweni.

As part of recognising our heroes and heroines who waged wars against colonialism and fought apartheid tooth and nail, we have supported and sometimes implemented legacy projects such as Chief Jongumsobomvu Maqoma/Ntaba-Ka-Ndoda in the Eastern Cape, Dr Esther Mahlangu in Mpumalanga, Winnie Madikizela Mandela in the Free State, and Zwelethemba Freedom Fighters' Graves and Memorial Wall in the Western Cape.

All these endeavours must be seen as socio-economic projects which, if properly managed, can also deliver continuing streams of revenue for economic development in our communities. Through these legacy projects, the Department has positioned itself as a hub of socio-economic development for all our sectors - be it musicians, actors, film-makers, poets, dancers, crafters, keepers of our heritage, etc.

We want to ensure that our Department finds new development pathways that encourage creativity and innovation in the pursuit of an inclusive, equitable and sustainable Arts, Culture and Heritage Sector in South Africa. This means that

the cultural and creative industries have a bigger role to play in the development of a nation and a better world for all. Many policy makers and researchers have demonstrated that the Sector can serve not only as a tool for social cohesion, but is also a key component of high-impact economic development programmes, assisting our nation to leverage human capital and cultural resources, a process that could result in the generation of economic vitality.

Against the backdrop of the current high unemployment rate in South Africa, it should therefore be appreciated that arts and cultural heritage tourism can also provide employment, revitalize communities and generate new economic opportunities.

Looking forward to the 2019/2020 financial year, the Department will finalise the White Paper on Arts, Culture and Heritage. This process will ultimately culminate in the realization of a strong, active and effective coordinating national department that not only looks after the interests of the Arts, Culture and Heritage Sector, but also ensures that the Sector is more equitable, regulated and cohesive.

Consequently, progressive partnerships and programmes such as those between the Independent Music Performance Rights Association (IMPRA) and the





Department, will continue to ensure that a tribunal is introduced that will handle artists' disputes and matters related to copyright and other matters affecting the Sectors in South Africa.



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**Ms Nocawe Mafu**

Deputy Minister of Sports, Arts and Culture

Date: 13 September 2019



# 1.6 REPORT OF THE ACCOUNTING OFFICER

## 1. GENERAL REVIEW OF THE STATE OF AFFAIRS

### 1.1 Spending Trends

	2018/19 R'000	2017/18 R'000
Amount voted	4 338 737	4 371 738
Actual expenditure	4 237 985	4 141 480
<b>Surplus</b>	<b>100 752</b>	<b>230 258</b>

In the 2018/19 financial year, the unspent amount represents 2,3% of voted funds.

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

Economic classification	R'000
<b>Compensation of employees</b> The variance of R14,7 million is due to underspending caused by vacant posts that are in the process of being filled.	14 689
<b>Goods and services</b> The variance of R3,6 million is due to the resignation of one community library consultant, including travel and subsistence costs.	3 557
<b>Transfers and subsidies</b> <b>Departmental agencies and accounts (Cur/Cap)</b> The variance of minus R18,4 million under-expenditure is mainly due to: (i) Artscape and the State Theatre, which did not submit the Incubator Trade Fair report on time to enable payment processing, and (ii) Capital works projects and payments made on claims from DPW based on work done at entities.	18 441
<b>Foreign government organisations</b> The variance of R544 000 is due to the exchange rate, which was lower than the estimated transfer to the Commonwealth Foundation.	544

Economic classification	R'000
<b>Households</b> The variance of R362 000 is attributed to less than projected transfers made due to changed funding strategy for heritage bursaries as a result of challenges experienced with the previous implementation strategy. Transfers were only made to renewed bursaries with existing universities.	362
<b>Public corporations (Cur/Cap)</b> The variance of R4,7 million under-expenditure is due to: (i) delays in concluding the memorandum of agreement (MoA) for the upgrading of community arts centres, and (ii) compliance documents that were not submitted on time for the upgrading of public spaces.	4 680
<b>Non-profit Institutions (Cur/Cap)</b> The variance of R10,8 million is due to the under-expenditure relating to: (i) transfer not made to Dennis Goldberg Foundation due to non-compliance with tax clearance certificate, and (ii) late enactment of the Adjusted Appropriation Bill, which had an impact on the facilitation process for transfer of funds to the Albany Museum for the management of operations of Ingquza Hill Museum and to Barberton Museum for the management of operations of Samora Machel and Matola Monuments and Interpretative Centre.	10 849
<b>Buildings and other fixed structures</b> The variance of R20,7 million is due to approval granted by National Treasury to re-classify funds from non-profit institutions to buildings and other fixed structures, necessitating that DAC make payment to DBSA on recoverable basis.	20 700
<b>Higher education institutions</b> The variance of R1,5 million is due to funds for the implementation of the Chief Tyali project at the University of Fort Hare and the family not having finalised the concept document before the end of 2018/19 financial year.	1 501
<b>Heritage assets</b> The variance of R25,4 million is attributed to late submission of claims from the Department of Public Works for the construction of Sarah Baartman Centre of Remembrance.	25 429
<b>Total</b>	<b>100 752</b>



## 1.2 Virements and Shifting of Funds

All virements were approved during and post the Adjusted Estimates of National Expenditure (AENE). Approval for all virements above the 8% threshold was granted by Parliament. Virements were derived from MGE workstreams, legacy projects reprioritisation and the reclassification of items. Approvals were granted prior to incurring the expenditure.

The shifting of funds was implemented to augment the economic classifications that were over-spending in line with section 43 of the Public Finance Management Act (PFMA) and the Standard Charts of Accounts (SCOA), as outlined below:

- 1.2.1 Shifts to cover thefts and losses;
- 1.2.2 Shifts within the same economic classifications; and
- 1.2.3 Leave payments to officials who left the Department

The table below provides a summary of virements and shifts per programme:

Programme	Adjusted appropriation 2018/19	Shifting of funds	Virement	Final appropriation 2018/19
	R'000	R'000	R'000	R'000
Administration	310 317	18 288	(13 293)	315 312
Institutional Governance	287 823	213	(27 645)	260 391
Arts and Culture Promotion & Development	1 167 540	(13 071)	17 131	1 171 600
Heritage Promotion & Preservation	2 573 057	(5 430)	23 807	2 591 434
<b>Total</b>	<b>4 338 737</b>	<b>-</b>	<b>-</b>	<b>4 338 737</b>

## 2. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

### 2.1 Africa Month Programme

In May 2018, Africa Month was successfully celebrated in all nine provinces and across various cultural genres under the theme "The Year of Nelson Mandela: Building a Better Africa and Better World". Africa Month events contribute towards social cohesion, regional integration and further provide a platform for people-to-people contacts.

### 2.2 Africa Seasons

In the 2018/19 financial year, the DAC successfully participated in Africa Seasons in Ghana and Kenya.

### 2.3 BRICS

The Department has prioritized collaborations with BRICS member countries. To this end, South Africa hosted the 3<sup>rd</sup> BRICS Film Festival Forum Panel Discussion in July 2018 under the theme: *Content Travelability among BRICS Countries: Opportunities and challenges of the 4<sup>th</sup> Industrial Revolution for Content Creators in the BRICS market*. South Africa also signed a film co-production treaty with Brazil and further presented a South Africa Week in Brazil in September 2018.

### 2.4 Cultural Diplomacy Programme

The Department, in partnership with the South African Fashion Week, hosted the BRICS Fashion Show and the Fashion Business Forum, showcasing some of the best local and international designs BRICS had to offer. The fashion extravaganza was aimed at showcasing textile and retail opportunities within BRICS countries, creating a platform for fashion designers to participate in each other's premier fashion shows, discussions and collaborations on fashion-related issues, as well as creating market access and consumption of fashion among BRICS countries. The Fashion Week concluded with a business forum on Friday, 26 October 2018 at Lesedi Cultural Village.

## 2.5 Multilateral Engagements

The Department also contributed to the following key international conferences:

- UNWTO/UNESCO Conference on Culture and Tourism (2<sup>nd</sup> and 3<sup>rd</sup> Conference)
- World Culture Forum on Sustainable Development
- 4<sup>th</sup> World Forum on Inter-Cultural Dialogue
- World Conference on Creative Economy
- International Conference on Heritage in Danger
- UNESCO Conference on Culture for Sustainable Cities

## 2.6 National Days

All six national days were successfully held and celebrated (i.e. Human Rights Day, Freedom Day, Youth Day, Women's Day, Heritage Day and the Day of Reconciliation).

## 2.7 Twenty-Five-Year Review

The Department, as the lead coordinator of Outcome 14, was requested to coordinate the compilation of the Twenty-Five Year Review. This process was supported by various stakeholders, especially the Outcome-14 delivery partners and culminated in the generation of a report that was submitted to Cabinet.

## 2.8 Living Heritage

Two books were commissioned and written during the 2018/2019 financial year. The two books were on two of South Africa's Living Human Treasures, Dr Esther Mahlangu and Noria Mabasa. The naming of geographical features in South Africa is part of the process of transformation of South African Heritage Landscape in order to forge a common national identity and nationhood. The changing of the name of the town Grahamstown to Makhanda during 2018/2019 is one of the highlights recorded by the Department.

## 2.9 National Oral History Programme 2018

NARSSA hosted the 15<sup>th</sup> Annual National Oral History Conference from 9–12 October 2018 in the Western Cape in partnership with the Oral History Association of South Africa and the Western Cape Provincial Archives. The Conference theme was "*Freedom and Egalitarianism: Nelson Mandela, The Symbol of Democracy*".

## 2.10 International Archives Day

The National Archives, with its slogan "taking the archives to the people", celebrated the International Archives Day event at Es'kia Mphahlele Community Library, Sammy Marks Square in Pretoria on 8 June 2018.

## 2.11 South African Library Week (SALW)

The celebration of the South African Library Week was held from 18–24 March 2019, under the theme "Collaborate @ your library".

## 2.12 Annual National Archives Awareness Week 2018

The 2018 Annual Archives Awareness Week, under the theme "*Archives: Our Lives, Our Legacy: Workers' Rights*" was launched in partnership with the Free State Provincial Archives (Department of Sport, Arts, Culture and Recreation). The Annual Archives Awareness National Week (AAANW) was held from the 7–11 May 2018.

## 2.13 The Annual Library and Information Association of South Africa Conference

The Department supported the Library and Information Association of South Africa (LIASA) to host its annual conference, which was held from 8–12 October 2018 at the International Convention Centre, Cape Town.

The Minister delivered a keynote address and officially opened the Conference on 9 October 2018. The theme of the Conference was "Library and Information Services: agents of community development and social transformation".

## **2.14 Ministerial Roundtable on Information Access**

The Ministry of Arts and Culture, in cooperation with the African Library & Information Associations & Institutions (AfLIA) hosted the African ministers responsible for the provision of library and information services on the continent from 5–6 July 2018. The purpose of the Ministerial Roundtable was to report on progress in the library and information services sector across the Continent. The meeting was attended by 12 Ministers and 41 countries were represented.

## **2.15 Addressing the Scourge of Gender-based Violence (GBV) and Racism**

The Department held an imbizo in Acornhoek, Mpumalanga, on 23 November 2018. Minister Mthethwa interacted with the community, who raised issues and challenges and made recommendations on GBV and victims of GBV. This imbizo sought to create social partnerships and contribute positively to government endeavours, including initiatives aimed at good governance, improved external citizen and stakeholder morale, and public confidence in efforts aimed at reigniting the economy, creating jobs and building a prosperous society all can benefit from. On 15 June 2018, the Minister also presided over a Youth Day Dialogue with students at the Johannesburg University of Technology sharing the platform with the Vice-President for Human. Resources: Unilever, following the controversial Dove advertisement.

## **3. SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR END**

### **3.1 Hand-Over of Radio Freedom Equipment**

The Department hosted the Hand-Over Ceremony of Radio Freedom equipment on 24 April 2019 at Freedom Park. The equipment consists of a recorder, mixer and microphone. This equipment will serve as a reminder of the crucial role played by

Radio Freedom, based in Madagascar, in the liberation struggle during the apartheid years in South Africa.

## **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 the 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 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 both by government and private bodies or individuals. Its aims are as follows:

- To preserve public and non-public audio-visual records or documents with enduring value for use by the public and the State;
- To make such records accessible to 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 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 of Heraldry**

#### **4.3.1 Type of service**

The Bureau of 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 (NLS) provides a translation and editing service to all national government departments. The NLS also provides policy development support relating to official language development, particularly related to the Use of Official Languages Act.

#### **4.4.2 Tariff policy**

Translation and editing services, and policy advice and support are provided to all national government departments at no cost.

## **5. CAPACITY CONSTRAINTS**

In the 2018/19 financial year there was an increase in the Compensation of Employees (COE) budget. The increase allowed the Department to fill some of its critical vacancies and 61 positions were advertised during the financial year. The headcount was managed through the Human Resource Budget Plan (HRBP). The staff establishment was maintained to reflect only funded positions. The vacancy rate was at 6,60% by year-end.

## **6. UTILISATION OF DONOR FUNDS**

No donor funds were received by the Department in the 2018/19 financial year.

## **7. PUBLIC ENTITIES (RELATED PARTIES)**

The Department funded the public entities, a constitutional institution and non-profit organisations as outlined in the sections below. In the 2018/19 financial year the actual amounts transferred to each entity included subsidies, capital transfers, Mzansi Golden Economy (MGE) related project partnerships, cost of compliance, leasing (private owned) and municipal charges as indicated below.

### **7.1 Heritage Entities**

Thirteen entities are declared cultural institutions in terms of the Cultural Institutions Act, 1998, one is a non-profit institution and one, the National Heritage Council, was established in terms of the National Heritage Council Act, 1999, as outlined in the table on the following page.



Institution	2018/19 R'000	2017/18 R'000
Afrikaanse Taalmuseum, Paarl	11 027	9 711
Ditsong/Northern Flagship, Pretoria	108 212	125 777
Engelenburg House Collection, Pretoria (NPI)	353	334
Freedom Park, Pretoria	97 275	115 613
Iziko Museums of Cape Town	86 886	109 150
KwaZulu-Natal Museum, Pietermaritzburg	60 809	36 686
Luthuli Museum, Groutville	14 828	14 863
Msunduzi/Voortrekker Museum, Pietermaritzburg	18 296	18 297
National English Literary Museum, Makhanda (Grahamstown)	14 493	16 272
National Heritage Council, Pretoria	68 493	64 653
National Museum, Bloemfontein	57 281	100 378
Nelson Mandela Museum, Mthatha	62 833	26 779
Robben Island Museum, Cape Town	115 351	99 782
War Museum of the Boer Republics, Bloemfontein	13 210	23 084
William Humphreys Art Gallery, Kimberley	14 486	10 967
<b>Total</b>	<b>743 833</b>	<b>772 346</b>

## 7.2 South African Heritage Resources Agency

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

- Introduce an integrated and interactive system for the management of 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.

2018/19 R'000	2017/18 R'000
<b>60 650</b>	<b>70 861</b>

## 7.3 Performing Arts Entities

Five performing arts entities are declared institutions in terms of the Cultural Institutions Act, 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	2018/19 R'000	2017/18 R'000
Artscape, Cape Town	78 762	77 467
State Theatre, Pretoria	61 353	59 011
Playhouse Company, Durban	82 984	53 544
Performing Arts Centre of the Free State, Bloemfontein	53 059	47 589
Market Theatre Foundation, Johannesburg	52 303	61 762
<b>Total</b>	<b>328 461</b>	<b>299 373</b>

#### 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.

2018/19 R'000	2017/18 R'000
<b>9 946</b>	<b>8 456</b>

#### 7.5 National Film and Video Foundation

In terms of the National Film and Video Foundation Act, 1997, the Foundation develops and promotes the film and video industry. It provides and encourages the provision of opportunities for persons from disadvantaged communities to participate in the industry.

The Foundation also promotes local film and video products, supports the development of and access to the industry and addresses historical imbalances in infrastructure, skills and resources in the industry.

2018/19 R'000	2017/18 R'000
<b>133 472</b>	<b>129 052</b>

#### 7.6 National Arts Council

In terms of the National Arts Council Act, 1997, the Council facilitates opportunities for people to practice and appreciate the arts.

The Council also promotes the general application of arts in the community, fosters the expression of a national identity by means of the arts, promotes freedom in the practice of the arts, and gives historically disadvantaged people greater access to the arts.

Other functions include addressing historical imbalances in the provision of infrastructure and promoting national and international liaison.

2018/19 R'000	2017/18 R'000
<b>111 477</b>	<b>106 241</b>

#### 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. The Board actively promotes an awareness of multilingualism as a national resource and supports the previously marginalised languages by developing, administering and monitoring access, information and implementation programmes.

These activities are in accordance with the provisions of the Pan South African Language Board Act, 1999.

2018/19 R'000	2017/18 R'000
113 587	108 634

## 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 and related matters.

Institution	2018/19 R'000	2017/18 R'000
National Library of SA	153 001	150 312
South African Library for the Blind	22 323	19 221
Blind SA	8 315	7 859
<b>Total</b>	<b>183 639</b>	<b>177 392</b>

## 8. OTHER ORGANISATIONS, PROVINCES AND MUNICIPALITIES TO WHICH TRANSFER PAYMENTS WERE MADE

The Department supports and promotes projects that aim to promote arts, culture and heritage, the functional objectives of the National Archives, and language. It makes grant-in-aid payments to institutions, boards, committees and other public bodies or persons.

Various funding panels in the Department review project proposals received from role players and make recommendations to management with regard to the allocation of funds.

Once funding is approved, the DAC and the beneficiaries enter into memorandums of agreement, which regulate, among other things, the payment of tranches and reporting requirements. Further, funds were transferred to provinces for the conditional grant in terms of the Division of Revenue Act (DORA). The table below provides details of the amounts expended from various programmes in the 2018/19 financial year:

Transfers and subsidies	2018/19 R'000	2017/18 R'000
Provinces and municipalities (conditional grant payments)	1 423 686	1 419 963
Higher education institutions	5 440	7 575
Public corporations & private enterprises	120 134	89 470
Foreign organisations	4 265	2 899
Non-profit institutions	188 353	158 824
Households	24 197	29 605
<b>Total</b>	<b>1 766 075</b>	<b>1 708 336</b>

## 9. INFRASTRUCTURE PROJECTS

### 9.1 Legacy Projects

In the 2018/19 financial year, multi-year heritage legacy infrastructure projects implemented included the development and installation of the Nelson Mandela Statue at the UN Headquarters in New York, completion of the destroyed Khananda

site, signing of an implementation protocol with the KZN DAC for completion of the Enyokeni project, construction of the Sarah Baartman Centre of Remembrance, contractor procurement and construction of the incomplete OR Tambo Garden of Remembrance site in Nkantolo in the Eastern Cape, contractor procurement and construction of the incomplete Winnie Mandela Brandfort site, alternative site approval and site clearance process for the Archie Gumede statue, and King Cetswayo statue and memorial wall planning (stakeholder decision still pending following the clarification of implementation options).

## **9.2 Upgrading and Refurbishment**

The upgrading and refurbishment of the Old Library Building (OLB) was completed and the official hand-over of the complex by the Department of Public Works to the DAC, represented by the Infrastructure Development Unit, took place on 9 May 2018. Up to 31 March 2019, approximately 200 linear metres of DAC registry records have been transferred to the OLB.

# **10. CORPORATE GOVERNANCE ARRANGEMENTS**

## **10.1 Corporate Governance**

The Department has a functional Internal Audit Activity (IAA) and Audit Committee established in line with section 38(1)(a)(ii) of the Public Finance Management Act, 1999, the Treasury Regulations (Chapter 3) and the King IV Report on Corporate Governance.

## **10.2 Internal Audit**

The 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 2018/19; which was informed by the Department's approved Strategic and Operational Risk Assessment results and approved by the Audit Committee.

The results of all the assurance activities/assignments referred to above were duly reported to the Department's senior and 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 implemented.

The IAA played a significant role in performance information management and reporting by the Department through its quarterly audit assurance reviews on financial and performance reporting; the pre-determined objectives through the review of the 2019/20 Annual Performance Plan and advice to the management of the Department through consulting engagements held.

In addition 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 as developed by management on the basis of the outcomes of the Auditor-General's audit report for the year ended 2017/18, to ensure that internal controls are improved through the identification and implementation of adequate controls/action plans. Significant improvements to the action plans are still required to strengthen the preventative and detective internal controls.

Internal Audit adhered to the approved Annual/Operational Risk-Based Internal Audit Plan with the assistance of the Internal Audit service provider appointed in November 2017 for a period of three years to supplement the insufficient human resource capacity and the required specialized audit skills, i.e. information technology audits.



The Department has filled 1 out of the 6 existing vacancies to date. The remaining 5 vacancies will be reviewed for prioritisation and filling in the 2019/20 financial year.

### **10.3 Audit Committee**

The primary purpose of the Audit Committee is to assist the Accounting Officer 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 has a functional Audit Committee, which comprises four independent (non-executive) members, including the chairperson. The Committee conducted its oversight role in line with its approved Charter/Terms of Reference throughout the financial year.

Among other critical oversight responsibilities, the Committee played a significant role in providing oversight on the Department's systems of internal control, performance information and pre-determined objectives, improvement of the financial statements, and ethics and integrity management. In addition, the Committee encouraged the management of the Department to adopt a system of combined assurance to improve accountability.

The Committee also played a significant role in providing oversight on the internal control status by recommending the development of a detailed management action plan, including stringent monitoring 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 pre-determined objectives aimed at realising the mandate of the Department.

Another area of emphasis highlighted by the Committee is for the Department to develop a grant-funding policy since there is none available in the Department. The

materiality framework has also been raised as a concern that the Department should address.

### **10.4 Forensic Investigations**

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

Only minimum capacity to conduct investigations into the allegations exists within the IAA. In the interim, Internal Audit utilises the available permanent capacity and is participating in an existing panel of Forensic Service Providers already appointed in the National Department of Public Works up until November 2019.

However, this capacity is not sufficient. The post of Assistant Director: Forensic Investigations was prioritised and filled in order to increase the current capacity, whilst additional capacity will be addressed through the appointment of a panel of forensic investigation service providers during the 2019/20 financial year in order to address the backlog of allegations experienced and new allegations received that have been delayed and had not been resolved at year-end.

## **11. RISK MANAGEMENT**

11.1 The Department has an approved Enterprise Risk Management policy regime that is maintained and applied within its operational risk environment.

The current policies are subject to annual review by management and are endorsed by both the Risk Management Committee and Audit Committee.

## 11.2 Risk Committee Governance

### 11.2.1 Constitution and Terms of Reference

The Department has a risk management committee comprising of Top Management and the Executive Management Team, and chaired by a non-executive member. The Risk Management Committee is responsible for oversight on the following areas:

- Operational and Strategic Risk Management
- Risk Incident Management
- Compliance Risk Management
- Ethics & Integrity (financial disclosures; conflict of interest; and remunerative work outside the Public Sector)
- Fraud Risk Assessments

### 11.3 Meetings and Reporting

The Risk Management Committee met its scheduled quorum and was able to meet quarterly to address matters affecting the organization on risk management.

The Committee chairperson reported quarterly to the Audit Committee on matters discussed and resolved during each meeting.

The Committee self-assessed its efficacy within the Department and implemented recommended changes through a quality improvement plan. An organization-wide 360° assessment was conducted for the past financial year to measure the impact of Enterprise Risk Management within the organization, with the oversight of the Audit Committee.

### 11.4 Risk Advisory Services

The Risk Management Committee Chairperson advised the Accounting Officer on the following risk assignments that required management attention:

- Setting of risk appetite and tolerance statements at an organizational level.
- Review of the Regulatory Universe and Compliance Risk Management Plans
- Strategic risk mitigation on Occupational health & safety risks.
- Financial misconduct; and
- ICT governance matters

## 12. ASSET MANAGEMENT

12.1 The Department continuously maintains and manages moveable assets on the system called I-Chain assetware.

12.2 On 28 February 2019, the Department had a public auction to dispose of redundant and obsolete moveable assets (i.e. furniture, office equipment, computer equipment and other machinery and equipment, and the proceeds were deposited into the revenue account only in April 2019 (2019/2020) financial year.

12.3 The Department also donated office furniture and computer equipment to schools, churches and non-governmental organizations. Year-end verification of all moveable assets started on 2 January 2019.

12.4 All 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.

## 13. SUPPLY CHAIN MANAGEMENT

13.1 In the 2018/2019 financial year, the Department procured goods and services according to the approved procurement plan. As per National Treasury requirement, the Department provided quarterly reports on the procurement of goods and services.



13.2 The Department continues to utilize the approved panel of service providers for the procurement of events management to facilitate the rapid procurement of services for major events. Where approval was not within the delegated powers of the Accounting Officer the Department requested prior approval from National Treasury to deviate from competitive bidding.

#### **14. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

- 14.1 In the 2018/19 financial year the irregular expenditure opening balance was R428 million and the irregular expenditure relating to 2018/19 amounted to R17 million.
- 14.2 An amount of R9 million was condoned during the 2018/19 financial year.
- 14.3 The Department incurred fruitless and wasteful expenditure amounting to R8,8 million on interest paid in arbitration awards.

#### **15. APPROVAL**

The Annual Financial Statements as set out on pages 141 to 233 have been approved by the Accounting Officer.

**Mr Vusumuzi Mkhize**

Director-General: Department of Arts and Culture

Date: 12 September 2019

## 1.7 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

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.

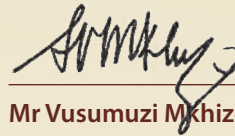
The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

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, performance information, human resources information and financial affairs of the Department for the financial year ended 31 March 2019.



**Mr Vusumuzi Mkhize**

Director-General: Department of Arts and Culture

Date: 12 September 2019



## 1.8 STRATEGIC OVERVIEW

### VISION

A creative and inclusive nation.

### MISSION

To develop, preserve, protect and promote arts, culture and heritage.

### VALUES

- **Responsiveness:** a department that is quick to react to requests from and provide feedback to the public and other stakeholders.
- **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.
- **Creative/Innovative:** in everything we do, we strive for **CREATIVE/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 quest to provide them with high-quality services.

### STRATEGIC OUTCOME-ORIENTED GOALS

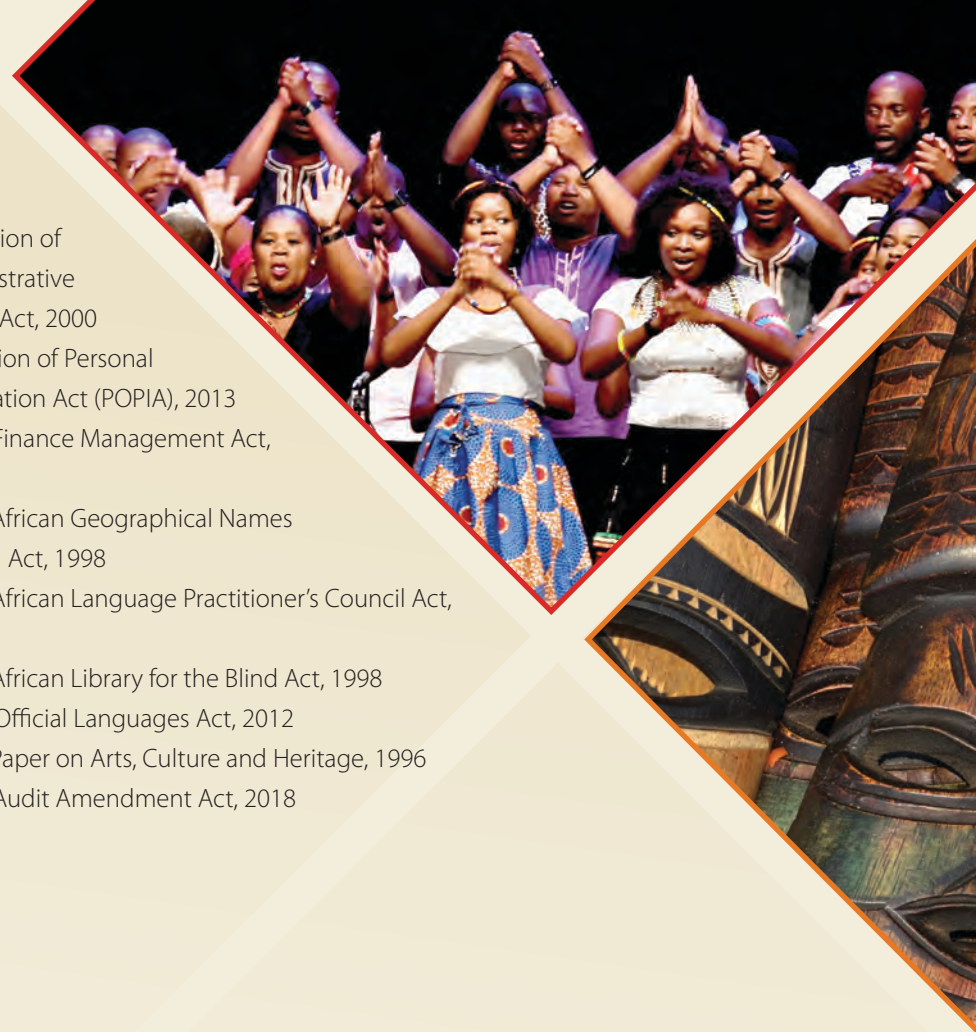
- A transformed and productive ACH Sector – A sector that actively develops, preserves, protects and promotes diverse ACH.
- An effective and efficient AHC Sector – A sound governance system to ensure service delivery.

- An integrated and inclusive society – An effective/impactful nation-building and social-cohesion programme.
- A professional and capacitated ACH Sector – A skilled and capacitated ACH Sector to ensure excellence.



## 1.9 LEGISLATIVE AND OTHER MANDATES

- Constitution of the Republic of South Africa, 1996
- Copyright Act, 1978
- Cultural Institutions Act, 1998
- Cultural Promotion Act, 1983
- Division of Revenue Act, 2007
- Electronic Communications and Transactions Act, 2002
- Government Immovable Asset Management Act, 2007
- Government-wide Planning, Monitoring and Evaluation Framework, 2007
- Heraldry Act, 1962
- Legal Deposit Act, 1997
- Legislation pertaining to provincial library services (including the previous provincial ordinances)
- Local Government: Municipal Structures Act, 1998
- Minimum Information Security Standards (MISS), 1998
- Municipal Systems Act, 2002
- National Archives and Records Service of South Africa Act, 1996
- National Arts Council Act, 1997
- National Council for Library and Information Services Act, 2001
- National Development Plan (Vision 2030)
- National Film and Video Foundation Act, 1997
- National Heritage Council Act, 1999
- National Heritage Resources Act, 1999
- National Library of South Africa Act, 1998
- National Youth Policy, 2009
- Pan South African Language Board Act, 1995
- Promotion of Access to Information Act, 2000
- Promotion of Administrative Justice Act, 2000
- Protection of Personal Information Act (POPIA), 2013
- Public Finance Management Act, 1999
- South African Geographical Names Council Act, 1998
- South African Language Practitioner's Council Act, 2014
- South African Library for the Blind Act, 1998
- Use of Official Languages Act, 2012
- White Paper on Arts, Culture and Heritage, 1996
- Public Audit Amendment Act, 2018



# 1.10 ORGANISATIONAL STRUCTURE



**MINISTER**  
Mr Nathi Mthethwa



**DEPUTY MINISTER**  
Ms Nocawe Mafu



**DIRECTOR-GENERAL**  
Mr Vusumuzi Mkhize



**DDG: HERITAGE PRESERVATION AND PROMOTION**  
Mr Vusithemba Ndima



**ACTING DDG: ARTS AND CULTURE PROMOTION AND DEVELOPMENT**  
Mr Charles Mabaso



**ACTING DDG: ADMINISTRATION**  
Mr Makoto Matlala



**ACTING DDG: INSTITUTIONAL GOVERNANCE**  
Ms Sizakele Shongwe



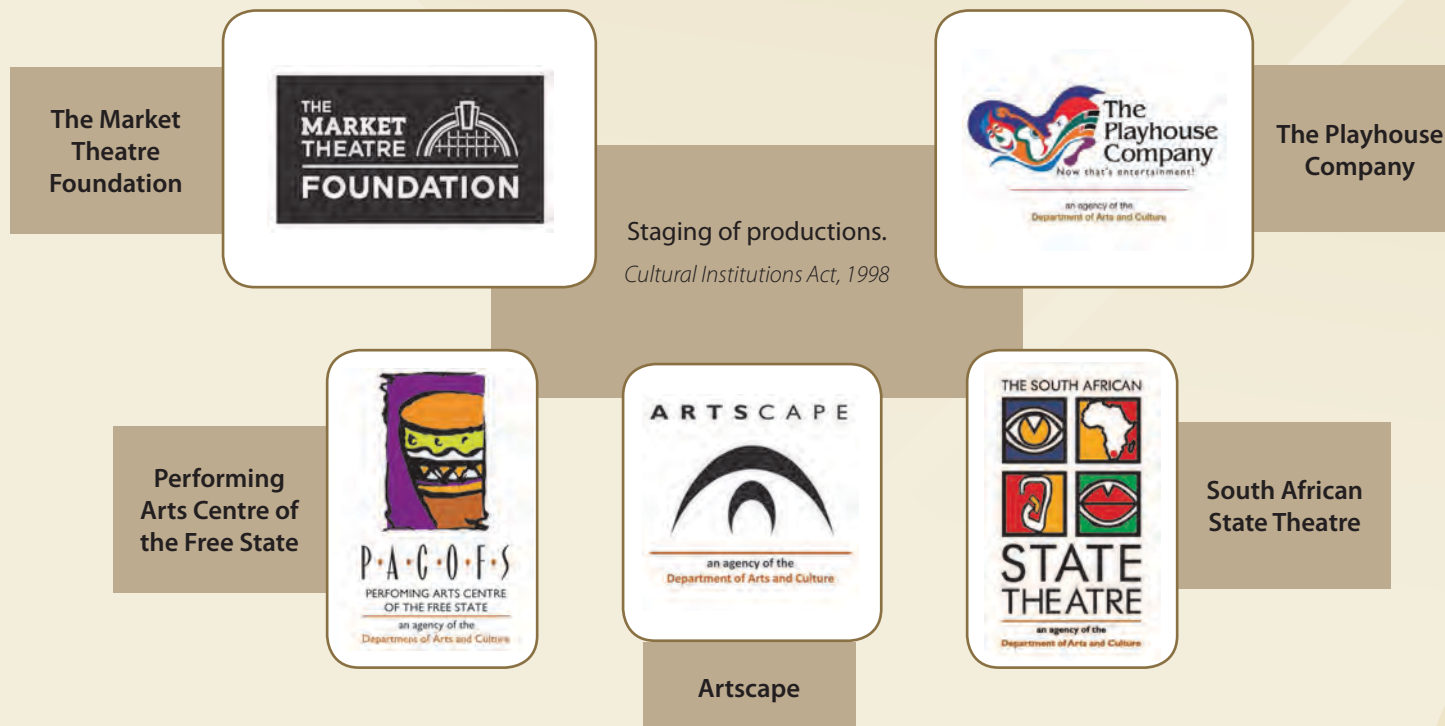
**CHIEF FINANCIAL OFFICER**  
Mr Makoto Matlala

# 1. 11 PUBLIC ENTITIES REPORTING TO THE MINISTER

## Development (Funding) Bodies



## Performing Arts Institutions



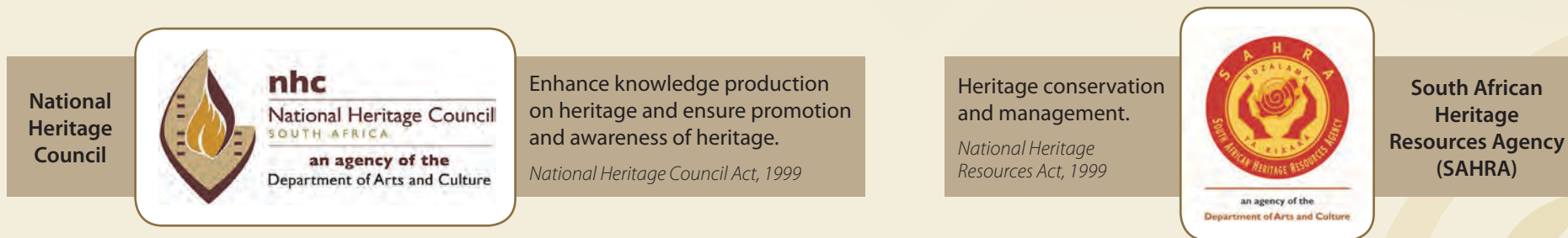


## Museums





## Heritage



## Libraries

**National Library of South Africa**



Collect, record, preserve and make available the national documentary heritage and promote an awareness and appreciation thereof by fostering information literacy, and by facilitating access to the country's information resources.

*National Library of South Africa Act, 1998*

Provides a national library and information service to serve the blind and print-handicapped readers in South Africa by collecting, recording, providing access and bibliographic service to readers, to produce documents in Braille and audio and to preserve this heritage, to research standards and technology for the production of the material.

*South African Library for the Blind Act, 1998*



**South African Library for the Blind**

## Language

**Pan South African Language Board (PanSALB)**



Promote multilingualism in South Africa.

*Pan South African Language Board Act, 1995*



# Part B

## Performance Information



## 2.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report

on other legal and regulatory requirements section of the auditor's report.

Refer to page 135 of the Report of the Auditor-General, published as Part E: Financial Information.

## 2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

Through policy development, the Department of Arts and Culture seeks to bring about better conditions for the production, distribution and consumption of art, culture and heritage in order to yield greater economic and social benefits for our communities and the nation as a whole. The Department is adamant that by focusing its efforts on raising the profile of the creative sector and enhancing its contribution to the cultural life and economic development of our country, the national cultural landscape will change to better serve and benefit the arts community.

Moreover, as the country strives towards the National Development Plan vision of a diverse, socially cohesive society with a common national identity, the Department has been mandated to lead in the area of social cohesion, including promotion of a national cultural identity. Ours is to ensure that South Africans are more conscious of the things they have in common than their differences. Furthermore, their lived experiences should progressively undermine and cut across the divisions of race, gender, disability, space and class.

### 2.2.1 Performance trends over the past five years

The graph below provides an overview of the performance of the Department over the past five years. As depicted in the graph, a progressive improvement in the

achievement of the predetermined objectives (annual targets) can be observed during the period 2014/15 to 2018/19.

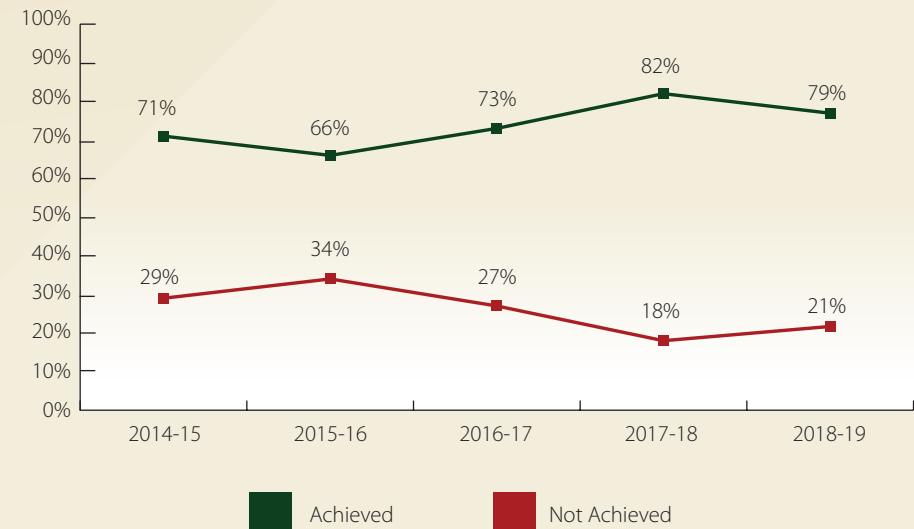


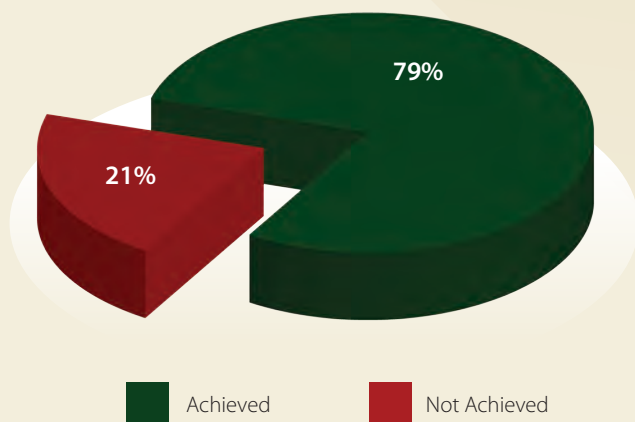
Figure 1: Departmental performance overview in the 5<sup>th</sup> Administration (2014–19)



The improvement in performance can be, in part, attributed to:

- Setting performance indicators and targets that are within the control of the Department.
- Crafting of performance indicators and targets that are in line with the SMART principles.
- Strengthening of internal systems and controls.

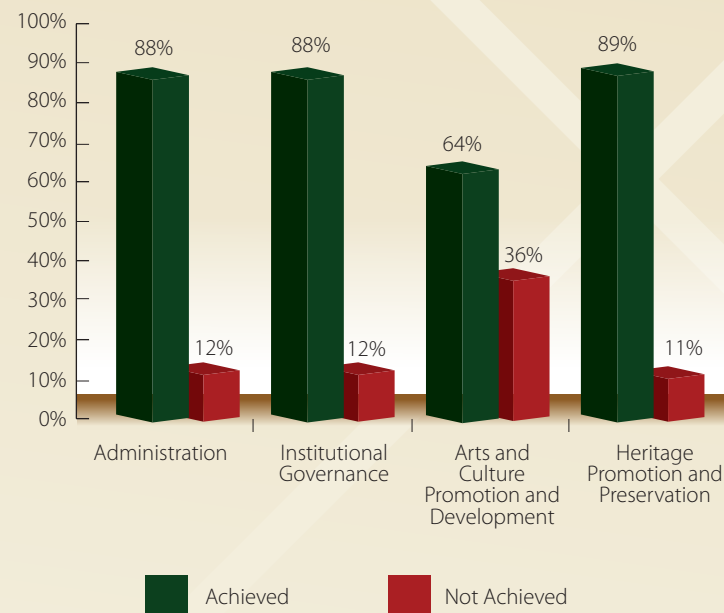
In the year under review, 1 April 2018–31 March 2019, the Department planned to achieve 39 targets. The chart below depicts that 31 targets, i.e. 79% of the planned targets, were fully achieved by the end of the 2018/19 financial year.



**Figure 2: Departmental performance overview (predetermined objectives)**

### 2.2.2 Branch-specific performance

The Department is comprised of four branches, i.e. Administration, Institutional Governance, Arts and Culture Promotion and Development, and Heritage Promotion and Preservation. The graph below portrays the performance of each of the aforementioned branches.



**Figure 3: Programme-specific performance (predetermined objectives)**

### 2.2.3 Key highlights

## PROGRAMME 1: ADMINISTRATION

### Izimbizo

Public participation in the government programme of action is one of the cornerstones of our democracy. To this end, government has established izimbizo as a platform to engage with the public. In the period under review, 38 izimbizo were held by the Department including a crafters' imbizo at the Bumbane Royal Palace on 9 November 2018. The aforementioned imbizo emanated from a follow-up meeting with stakeholders where a group of women requested sewing machines from the Department.

The Deputy Minister of Arts and Culture and the Acting King, Azenathi Zanelizwe Dalindyebo, handed over the sewing machines that will be placed in the Community Arts Centre for crafters. The machines are expected to enhance the productivity and ability to generate income for the crafters. The Deputy Minister emphasised that the sewing machines belonged to the community and that every community member should have access to them.

### #I am the flag campaign

The Department of Arts and Culture is the custodian of all the national symbols and is tasked with educating all South Africans about the meaning and history thereof. National symbols tell a story and play a crucial role in building pride and a sense of belonging. South Africa's national symbols are rich in heritage and tell the stories of the country's abundant natural and cultural diversity. The Minister of Arts and Culture launched the **#I am the flag campaign** to promote national consciousness, social cohesion, nation building and patriotism for all citizens of South Africa. The campaign, done in partnership with the South African National Taxi Association (SANTACO), was launched at the Randburg Taxi Rank, in Johannesburg. The campaign entailed the

distribution of flyers, handheld flags, the National Identity Passport of Patriotism, mirror socks, and other promotional materials to taxi drivers, vendors, commuters and the general masses to mobilise ordinary South Africans around the campaign.

The Minister emphasised that national symbols assist us to remember who we are and symbolise unity, diversity and our pride as a nation. Further, the Department encouraged corporates, civic organisations, NGOs, celebrities and the public to embrace the campaign and to creatively come up with their own plans to support this national effort.

### Automation of business process

The Information and Communication Technology (ICT) Unit within the Department is laying the foundation for the fourth industrial revolution through initiatives aimed at modernisation of business processes. The Unit has successfully implemented an Enterprise Content Management System with digital signatures leading to the automation of the submissions approval process. Usage of the system has led to the following benefits for the Department:

1. Savings on printing costs;
2. Improved turnaround time on approval of submissions;
3. Easier tracking and tracing of submissions; and
4. Reduction in lost or misplaced submissions.

Furthermore, the ICT Unit partnered with the State Information Technology Agency to successfully develop a Grants Management System for grants disbursed through the Mzansi Golden Economy (MGE) programme. In addition to this, a call centre was set up for all MGE enquiries. The Unit also continued with the customisation and upgrade of the National Automated Archival Information Retrieval System (NAAIRS) to ensure that there is one instance of the AtoM module for use by all provincial archives. All these systems are enabling the Department to improve its services to the general public.

## PROGRAMME 2: INSTITUTIONAL GOVERNANCE

### Addressing the scourge of Gender-Based Violence (GBV)

The DAC is implementing different models to contribute to the socio-economic transformation whereby the artists especially the Legends and Divas participated in the Gender Based Violence Campaigns. This is a four pronged model of taking theatre to the people which includes the use of Industrial Theatre, Cultural Performance, dialogue and media interviews and social media platforms to convey messages of "No Violence". The Legends and the Divas are the Ambassadors of the campaign within the arts to change the mind set of communities on issues of how to take care and to respect women and children. More than 30 artists are participating in the programme. A CD and a Video has been produced to create awareness on GBV. Campaigns were hosted in Evaton on Mandela Day where killings of women were reported, the Cape Town Peninsula University of Technology together with Limpopo Merit Awards After School Programme to support the launch of the university GBV Policy during the Women's Month (16 August 2018); and also supported the Ministerial imbizo in Acornhoek, Mpumalanga, on, 23 November 2018. Minister Mthethwa interacted with community members, who raised challenges on GBV and made recommendations. This imbizo sought to create social partnerships and contribute positively to government endeavours, including initiatives aimed at good governance, improved stakeholder morale, and public confidence.

### Interventions on Racism

In a bid to address the scourge of Racism, following the controversial Dove advertisement, on 15 June 2018 the Minister hosted a Youth Month Dialogue at the University of Johannesburg Soweto Campus where Unilever was part of the panel discussion. This session presented Unilever with the opportunity to correct its wrong and also positively identify initiatives to partner with the Department to end the scourge of racism.

The After School Programme is being implemented in Mokopane, Limpopo with learners from 4 primary schools. The programme teach learners to play musical instruments, acting, dancing and singing. The topics that are addressed in the dramas contributes to building the learners characters and the characters of their peers in schools and in the communities. This also build the learners self-esteem, they become open minded and assertive. This model use the arts (music, drama, singing) to convey message on issues of GBV, Racism, HIV and AIDS, substance abuse, bullying and also awareness about the legislation such as the Constitution of the country and several relevant Acts of Parliament. The programme also teaches discipline and responsibility by using the arts. The skills acquired during the programme are life-time skills because learners get an opportunity to perform on stage with Legend Artist thus improving English language and indigenous languages through acting. The racism drama was performed at Cornelius Masebe Primary School in Armoed on 12 September 2018 for parents, on 11 September 2018 at Lephale to support the provincial event and at the Limpopo Merit Award ceremony on 3 November 2018 to celebrate the National Children's Day.

### Recognising the plight of People with Disability

The Minister is committed to addressing the plight of people with disabilities especially people with albinism. On 13 June 2018, the Minister launched International Albinism Awareness Day under the theme **SHINE YOUR LIGHT**. The launch was held in Hlalakahle in Mpumalanga where two (2) girls were killed and their body parts disembodied. The Minister also had the opportunity to meet with the affected family. There was also a performance on the DAC funded drama: **"MAMA I WANT TO BE THE BLACK THAT YOU ARE"** featuring issues affecting people with albinism. Legends with disabilities host workshops and events in various theatres and at special schools nationally. The project also empowers people with disabilities including people with albinism to express their artistic abilities, liberation from stigma and rejection. The **"I Can Campaign Programme"** is implemented through dialogues and workshops in all special schools.

### **Twenty-five (25) Year Review on Outcome 14 (Social Cohesion)**

The Department successfully coordinated and compiled the Twenty-five (25) Year Review on Outcome 14 (Social Cohesion).

### **Celebrating Nelson Mandela Day.**

On 18 July 2018, Minister Nathi Mthethwa dedicated his 67 minutes of service to uMthwalume High School, Durban, as part of Nelson Mandela Day celebrations. During his visit, Minister Mthethwa donated 67 wheelchairs to underprivileged and unrecognised living legends to promote nation building and social cohesion. The Minister led by example by painting the school to encourage learners to work hard in their studies. The school has been consistently performing well and has had a good matric pass rate in the past despite the fact that it is in a typical rural area. Minister Mthethwa also showed some of his skill as he put some finishing touches on a portrait of Madiba on the school's wall.

On 18 July 2018, the Department of Arts and Culture visited the Re bafenyi Orphanage in Atteridgeville, west of Pretoria, as part of the annual Nelson Mandela Day celebrations. DAC officials dedicated more than 67 minutes of their times through washing, cooking, gardening, cleaning, painting, repairing of electrical appliances and other forms of refurbishments. The Department also donated non-perishable food, T-shirts, electrical appliances and other goodies to the orphanage.

### **Youth Day Commemoration**

National days as articulated in the South African calendar include Human Rights Day, Freedom Day, Youth Day, National Women's Day, Heritage Day and Day of Reconciliation. Through this project, government strives to bring together South African communities from different cultural backgrounds, with the aim of educating them about the importance of each national day. Further, platforms are created for

communities to share their cultural practices in order to foster social cohesion and nation building. Although these days are celebrated nationally, government decides on the province that will host a national day for a particular year.

President Cyril Ramaphosa accompanied by Minister Nathi Mthethwa attended the Youth Day commemoration on 16 June 2018, at Orlando Stadium in Soweto. Every year on 16 June, South Africa commemorates the event in 1976 where the youth stood up against the apartheid government and laid down their lives fighting for freedom and the right to equal education. This year's Youth Month took place during the centenary year of Nelson Mandela and Albertina Sisulu, and was commemorated under the theme "*Live the legacy: Towards a socio-economically empowered youth*".

During his keynote address, President Cyril Ramaphosa paid tribute to the heroic deeds of the youth of 1976 and all the young lions that came after them. He said that these were gallant freedom fighters who selflessly sacrificed their own lives for the liberation of their people.

### **BRICS Summit**

As a result of globalisation, states can no longer exist individually. Therefore, communication must also work horizontally between countries or states, not only at political-diplomatic levels, but also at other less conventional levels. Cultural diplomacy is aimed at identifying cultural patterns of behaviour and the commonalities between two or more competing groups to find a common ground for dialogue while preserving culturally sensitive aspects. Arts, culture and heritage (ACH) transcends borders and the Department manages a number of collaborative initiatives with various countries on the African continent and in the rest of the world through signed cultural agreements and treaties. The Minister hosted a delegation of BRICS Ministers of Culture to provide strategic leadership and guidance on how governments can best strengthen collaboration among member states and market



access, and to promote cultural diplomacy for a broader government socio-economic agenda.

The event formed part of the 10<sup>th</sup> BRICS Summit recently hosted under the theme, "*BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4<sup>th</sup> Industrial Revolution*". Minister Mthethwa held a gala dinner as part of the networking session, and also to entertain and showcase South African music.

The BRICS fashion show and fashion business forum showcased some of the best local and international designs. The fashion extravaganza was aimed at showcasing textile and retail opportunities within BRICS countries; creating a platform for fashion designers to participate in each other's premier fashion shows; discussing and collaborating on fashion-related issues; creating market access; and promoting the consumption of fashion among BRICS countries. The fashion show concluded with a business forum on 26 October 2018 at the Lesedi Cultural Village.

### The Young Patriots Programme

The National Youth Development Agency and the Department of Arts and Culture invited young people to take part in The Young Patriots Programme (TYPP) for a period of 12 months. TYPP is aimed at educating the youth about history and heritage through practical experience. The participants in TYPP were community activists. The programme targets out-of-school youths and they were placed at DAC entities and community libraries. TYPP entails young people that have been identified to drive and entrench a culture of patriotism and nation building in the country. In the period under review, the Department supported a total of 300 young patriots. The Department implemented TYPP throughout the country and the graph below illustrates the provincial spread of the young patriots supported.

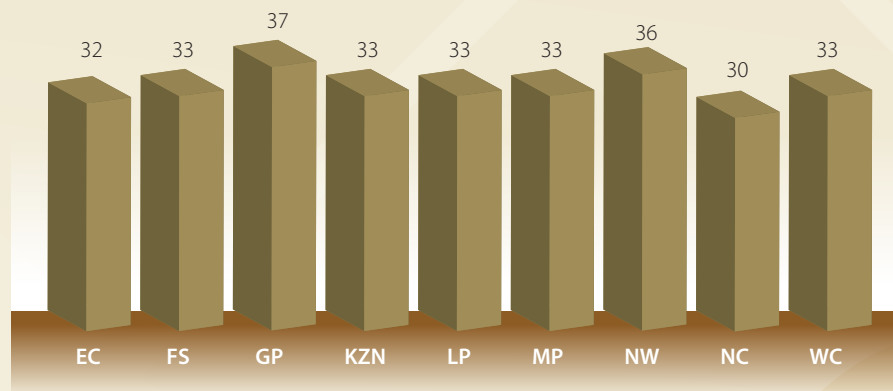


Figure 4: Provincial spread of the Young Patriots



## PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT

### Mzansi Golden Economy

The Mzansi Golden Economy (MGE) programme permeates all sectors of society. Improvements have been made to ensure that the neediest communities in remote provinces, towns and villages benefit from the MGE.

On 30 November 2018, in Johannesburg, Minister Nathi Mthethwa handed over cheques for the payment of royalties to some local artists. These payments were for songs played from 2014–2015 on all 18 SABC radio stations. The SABC released payment to the Independent Music Performance Rights Association (IMPRA) as airplay royalties to the musicians and songwriters. It was the first time musicians received their needle time royalties. The musicians and stakeholders who attended had the opportunity to raise the challenges faced by the industry, which included copyright issues, payola (bribery) and piracy. The Minister raised a concern about artists who have been in the industry for many years, yet financially they have nothing to show for their work. He spoke about the tribunal that would be established to handle disputes and matters related to copyrights for artists.

The Minister hosted the USIBA Creative and Cultural Industries Awards on 1 June 2018, at Emperor's Palace. These awards celebrate the immense richness of the arts heritage across the creative arts landscape. The aim of the awards is to celebrate our nation's creative arts genius. The awards honoured people who have made outstanding contributions to heritage and museums, visual arts and crafts, design and technical support services, literary arts, arts education, language and publishing, performance and celebration, and audiovisual and interactive media.

The Department successfully hosted the South African Film Summit (Summit) from 4–5 February 2019, in Johannesburg, South Africa, at Skyrink Studios. The Summit

attracted delegates from the audiovisual industry, government stakeholders, local and international delegates, and members of the media. Over 900 delegates attended the Summit over the two days. The Summit was informed by the theme "*Transformation and innovation in the South African Film/Audiovisual Industry and the 4<sup>th</sup> Industrial Revolution. Are we geared for change?*" The discussions of the South African Film Summit were guided by the following key themes:

- Owning the South African story
- Policy, structure and institutions
- Disruption and innovation in the value chain
- Funding and resourcing for growth
- Empowerment, inclusivity and capacity building.

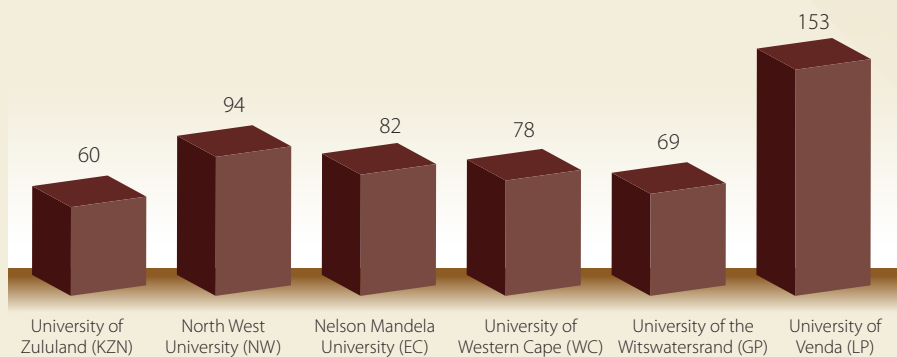
A keynote address by Minister Mthethwa and plenary presentations on both days set the tone for the summit's key concepts of transformation and innovation in the 4<sup>th</sup> Industrial Revolution. The complete report approved by Minister Nathi Mthethwa is available on the DAC's website: <http://bit.ly/SAFilmSummitReport>

### Language Programme

In recognition of the historically diminished use and status of indigenous languages, section 6(2) of the Constitution of the Republic of South Africa, 1996, obliges the state to take practical and positive measures to elevate the status and advance the use of these languages. In this regard, the Department provides bursaries to students studying official South African languages at various institutions of higher learning, with emphasis on previously marginalised languages. The scholarship remains a critical pillar in advancing the lives of young people. The Department provided bursaries to more than 2 000 students from various institutions of higher learning across the country over the past five years. Graduated students are absorbed in government institutions, private institutions such as banks, e.g. Absa, while others have their own companies that offer various language services.

The Department partnered with the following universities over the past five years: University of Venda, University of Limpopo, University of Witwatersrand, North-West University, Nelson Mandela University, University of South Africa, University of the Western Cape, and the University of Zululand. Most of these institutions have branches in all provinces and thus reach a wide range of people. This programme contributes towards skills development through recruitment of youth in the language profession. The Department will continue to offer language bursaries to students to ensure that government and other institutions have qualified and professional staff to work in the language field. The figure below provides the number of language bursaries awarded per institution in the 2018/19 financial period.

Furthermore, the development of language technologies seeks to improve or uplift the status of all the official languages of South Africa. In this regard, the Department developed a software for speech transcription systems, machine translation systems, speech to speech systems and mobile dictionaries. This software is available for use free of charge by all stakeholders.



**Figure 5: Number of language bursaries awarded per institution**

The current reporting period also saw the Department develop an Autshumato translation software, which enables the Department to make government information available in all official languages. This software enables translators to translate information faster within a short space of time. Traditionally, translation of the SONA used to take five to seven days to be completed. Since the introduction of the Autshumato integrated translation environment/machine translation together with the translation memories of previous SONAs, the longest time to translate a SONA is 24 hours.

## PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION

### Workshop on human rights, liberation struggle and reconciliation

The Department of Arts and Culture, in partnership with the National Heritage Council, held a workshop on the Human Rights, Liberation Struggle and Reconciliation: Nelson Mandela legacy sites world heritage nomination. The workshop took place from 19–20 July 2018, in Gauteng. The workshop brought together the relevant decision-makers and stakeholders of the affected sites to provide the necessary information as required by the UNESCO World Heritage Guidelines. The workshop aimed to achieve the following objectives:

- Demonstrable stakeholder involvement and engagement;
- Unlock blockages by demonstrating the highest level of support from government for this initiative – stakeholders must provide what is needed;
- Help site managers to internalise the contents of the management plan and influence it;
- Build capacity of each site and the collective of 10 sites to start functioning as a collective in line with the serial nomination;
- Workshop the draft management plans and the draft integrated management plan; and
- Determine steps towards constituting a management authority.

### Resistance and Liberation Heritage Route (RLHR) Programme

Below are broader highlights from the RLHR Programme:

- Ministerial bilateral engagement between South Africa and Angola in April 2018, culminating in the signing of a joint statement listing agreed areas of collaboration between the two countries.

- Engagement with the Government of Botswana in October 2018 regarding the proposal to construct monuments in Botswana to acknowledge and recognise the contribution of the people of Botswana to South Africa's liberation struggle.
- Engagement with the Government of the Republic of Madagascar in February 2019 regarding the repatriation of Radio Freedom Equipment, and preparations for the repatriation and handover ceremonies to coincide with the 25 Years of Democracy celebrations.
- Procurement of 30 sets of the 9-volume Hashim Mbita Publication which documents the liberation struggles of the southern African region.

### Infrastructure Development Programme

The Infrastructure Development Programme has continuously throughout the year assisted its public entities with their accommodation needs, including maintenance planning of its buildings by annually producing a User Asset Management Plan and also by providing entities with funding for their infrastructure needs. The health, safety and disabilities access has been of critical importance to the entities' infrastructure. Interim maintenance solutions have been provided to entities by giving them funding during virement periods to make sure that their infrastructure maintenance planning was activated. It was noted that technical expertise at entities level was a challenge. Entities such as the Nelson Mandela museum, KwaZulu-Natal Museum and Msunduzi Museum were advised to appoint a project management company to manage their infrastructure programmes.

One of the capital projects that reached practical completion on 18 December 2018 is the Luthuli Resource Centre at Luthuli Museum in KZN. The objective of the project was to provide increased operational space for museum staff; public programming and visitors. The facility's operational efficiency must be increased as the organisation continues to grow with increased public interest in the legacy of Chief Albert Luthuli and appreciation of the value of museums within the community.

The scope of work included the following: a two story building with four new staff offices; one storeroom; one resource room; one kitchenette; one boardroom; gallery/exhibition space; multipurpose space or auditorium; ablutions on the ground and first floor; and a balcony.

Below are some of the infrastructure development projects that were undertaken in the reporting period.

### ***Unveiling of the Nelson Mandela Statue in New York, USA***

1. The unveiling ceremony of the statue of Nelson Mandela in New York City on 24 September 2018 was one of the highlights celebrating the centenary of Nelson Mandela. The statue was unveiled by the President of the Republic of South Africa, HE Cyril Ramaphosa.
2. The unveiling of the statue was followed by the Nelson Mandela Peace Summit, which was a result of UNGA resolution 72/243, adopted on 22 December 2017, whereby UN Member States decided to hold a high-level plenary meeting on global peace in honour of the centenary of the birth of Nelson Mandela.
3. On the evening of 24 September 2018, President Ramaphosa hosted a high-level reception in honour of the centenary of the late President Nelson Mandela.

### ***Winnie Madikizela-Mandela's house in Brandfort***

On 26 September 2018, the Deputy Minister held an event to express government's intention to declare the house of Mama Winnie Madikizela-Mandela in Majwemasweu Township, Brandfort, as a national heritage site, and to unveil an artistic impression of the museum design. This heritage house will be converted into a museum together with the bombed clinic that Mama Winnie used as a clinic. A multipurpose centre with Wi-Fi connectivity will also be constructed on the museum site.

### ***Khananda Hill Museum***

The scope of work for the Khananda Memorial Site project includes the redesigning of the plan, and rehabilitation and completion of the existing interpretative centre structure. The contractor was appointed on 25 June 2018 and the site was handed over on 3 July 2018. This work was completed and the site was handed over to the DAC on 5 February 2019. The Mbizana Local Municipality has committed to appoint a security services company post-handover and to operationalise the museum.

### ***Sarah Baartman Centre of Remembrance***

Progress on the Sarah Baartman Centre of Remembrance construction site, Hankey, Eastern Cape: 75% complete in terms of funds payable for construction of the Centre which spans both sides of the R300 at Vergaderingskop, Hankey. Sarah Baartman's grave is situated on the sacred side of the Centre, at the apex of Vergaderingskop, while the administrative side is situated on the secular or northern side of the R300. By February 2019, the construction created 2 580 days of employment for Hankey residents, which is above the target of 1 850 days. The target is calculated as a percentage (R0,6 million) of the construction value.

### ***Bo-Kaap residents***

In December 2018, the Minister of Arts and Culture, Minister Nathi Mthethwa, met with representatives of various community organisations representing the Bo-Kaap residents. The Bo-Kaap residents have been campaigning for the declaration of sites related to the history and culture of Muslim residents. These sites including the Auwal Masjid, the oldest mosque in South Africa, and relate to the early to mid-19<sup>th</sup> century residential architecture in the country. The Minister assured the community that the government would ensure that the various sites would be granted national



status to ensure its protection against encroaching gentrification of the Bo-Kaap and other areas in the greater Cape Town municipal area. By the end of March 2019, the South African Heritage Resources Agency in consultation with the various Bo-Kaap community groups published the declaration notice.

### **Heritage Day celebration**

On 24 September 2018, a Heritage Day celebration was held at the Riverview Stadium in Kokstad under the theme "*The Year of Nelson Rholihlahla Mandela: advancing transformation of South Africa's heritage landscape*". The day's activities commenced with the unveiling of the statue of Adam Kok by Deputy President David Mabuza. The statue has been erected at the municipal building to honour the late leader of the Griqua people in the country. Heritage day provides an opportunity for South Africans to showcase and be proud of their culture and heritage. Without culture there is no identity. South Africa is a country blessed with diverse culture and rich history. Every year the nation joins hands to celebrate their heritage.

Deputy President David Mabuza urged South Africans to unite in celebrating heritage day as the divisions of the past were threatening national unity. Through the Heritage Day celebration we pay tribute to all those who came before us in making the South Africa of our dreams – a country united in diversity. We celebrate our heritage and wallow in this spring of diversity with the single objective of raising the sun of hope that unity, despite all our differences, is our defining strength. The formal programme culminated in a cultural parade showcasing diverse colourful South African attire to affirm the country as a truly rainbow nation.

### **Annual National Archives Awareness Week**

The management of records and archives is a distinctive discipline with its own body of knowledge. Archives include documents, materials, items or information of long-term value that need to be preserved. Archives and records management are

essential because they extend and corroborate human and corporate memory and play a critical role in maintaining awareness of how the present is shaped by the past. A decision was taken at the International Council on Archives (ICA) conference that countries need to celebrate archives week annually in their respective countries. The Deputy Minister of Arts and Culture, in partnership with the Free State Provincial Archives (Department Sport, Arts, Culture and Recreation) MEC, launched the 2018 Annual Archives Awareness Week under the theme "*Archives: Our Lives, Our Legacy: Workers Rights*".

The aim of the event was to popularise the profession and engage with communities about the importance of archives in the preservation of societal memory. The archives week promoted the importance of good record keeping practices and allowed members of the public access to archival buildings for them to witness archival functions and services.

In addition, the Annual National Archives Awareness Week celebration was intended to promote the use of archives and the profession in general by exposing individuals to how research was conducted in archives. The Annual Archives Awareness Week is a nationwide project that is celebrated by national and provincial archives. Members of the public and interested parties visited archival repositories to learn more about the services rendered by archival repositories.

### **National Oral History Programme 2018**

The National Archives and Records Service of South Africa (NARSSA) hosted the 15<sup>th</sup> Annual National Oral History Conference from 9–12 October 2018 in the Western Cape in partnership with the Oral History Association of South Africa and the Western Cape Provincial Archives. The Conference theme was "*Freedom and Egalitarianism: Nelson Mandela, The Symbol of Democracy*". The Conference was officially opened by the Deputy Minister of Arts and Culture. The Deputy Minister of Cooperative Governance



and Traditional Affairs addressed delegates during the opening programme. The guest speakers invited were Judge Albie Sachs (former Constitutional Court Justice), Dr Yvette Abrahams, Prof Uma Mesthrie and Ms Shirley Gunn. The MEC of Cultural Affairs and Sport, Ms Anroux Marais, hosted the opening function in Kwa-Langa, Guga S'thebe. The Conference included presentations given by learners as part of the oral history training programme that the NARSSA undertakes annually.

### **International Archives Day**

The ICA is an international non-governmental organisation founded on 9 June 1948, with support from UNESCO, to strengthen cooperation among archival institutions around the world, to develop activities for preserving archival records, and to ensure their availability for use. To commemorate the day on which the ICA was founded, International Archives Day was celebrated on 8 June 2018 to disseminate the activities and significant roles of archives. The National Archives, with its slogan "taking the archives to the people", celebrated the event at Eskia Mphahlele Community Library, Sammy Marks Square in Pretoria on 8 June 2018.

### **UNESCO World Day for Audiovisual Heritage**

The 2018 theme was "*Access to information, Building Knowledge Societies and Information Preservation*". The Ministry and the DAC issued a media statement whereby a commitment was made to provide resources for the safeguarding and promotion of audiovisual heritage. As part of the celebration, the NFVSA entered into a partnership with the SABC Radio Archives to select inserts from the Rivonia Trial dictabelt recordings to broadcast on all SABC radio stations.

### **South African Library Week (SALW)**

The Department financially supported LIASA to host the launch and celebration of the SALW. The launch was held on 14 March 2019 at the Botshabelo Community Library in

the Free State. The launch was successful and was attended by departmental officials, professionals within the sector and learners.

The celebration of the South African Library Week was held from 18–24 March 2019, with the theme "*Collaborate@yourlibrary*". The theme aligns with the LIASA presidential theme: "*Libraries: Advancing development through collaboration, partnerships and innovation*". The term collaboration directs action to working together, sharing resources, forming teams, developing relationships and partnerships, indicating that libraries and communities from all walks of life will derive mutual benefits from forging relationships.

During the SALW, libraries, through educational programmes, dialogues and public engagements, promote unity in diversity among all sectors of the South African society.

### **International training initiatives**

Four officials of the NARSSA attended the first phase of training in the digitisation of dictabelts in Paris from 9–20 April 2018. This is in accordance with the train-the-trainer programme stipulated in the training agreement between the Department of Arts and Culture and the *Institut national de l'audiovisuel* (INA) (the French National Audiovisual Institute) that was signed on 17 March 2016.

The second phase of the train-the-trainer programme, as per the training agreement and schedule, was held from 25–28 September 2018 at the South African Broadcasting Corporation (SABC) and from 1–3 October 2018 at the National Film, Video and Sound Archives respectively.

The third phase of the training was held from 18 February to 1 March 2019 at the National Film, Video and Sound Archives. In a nutshell, the two weeks were divided as follows:

- Week 1 was dedicated to dealing with principles of digitisation and restoration, ethics, understanding and appropriating the concepts and terminology, discovering tools (on Pro Tools) and techniques (to digitise) using various practical exercises; and
- Week 2 was dedicated to individual experimentation, using specially designed practical exercises. Each trainee was expected to decide which tool(s) to use for each exercise, based on their own thoughts, experience, understanding and the training they had received up to that point. This part of the training was meant for each trainee to identify their own skills and further experiment with various plug-ins and tools. It also gave trainers the opportunity to determine the success of their training up to that point.

### **Upgrading and refurbishment of the Old Library Building**

The upgrading and refurbishment of the OLB was completed and the official hand-over of the complex by the Department of Public Works to the DAC, represented by the Infrastructure Development Unit, took place on 9 May 2018. Up to 31 March 2019, approximately 200 linear metres of DAC registry records have been transferred to the OLB.

### **Annual Library and Information Association of South Africa Conference**

The Department supported the Library and Information Association of South Africa (LIASA) to host its annual conference, which was held from 8–12 October 2018 at the International Convention Centre, Cape Town. The Minister delivered a keynote address and officially opened the Conference on 9 October 2018. The theme of the Conference was, "*Library and Information Services: agents of community development and social transformation*".

The Conference is one of the highlights on the calendar for LIASA members, partners and all library workers. Approximately seven hundred (700) delegates attended the Conference. A number of speakers, national, international and from the continent, presented papers.

### **Rivonia Trial dictabelts**

In accordance with a partnership between the *Institut National de l'Audiovisuel* (INA) and the NARSSA, the INA digitised 591 dictabelts of the Rivonia Trial. Since the National Archives received these digitised files, restored copies with a watermark have been uploaded on the newly revamped NAAIRS for worldwide access. The watermark is used to protect the illegal use of these audio files. As a result of the partnership, four archivists were also trained to digitise dictabelts. This means that in the near future voices and testimonies recorded on the Treason Trial dictabelt collection and many others will soon be digitised and available for access and research. The collaboration between these institutions continued as the last leg of training took place at the National Film, Video and Sound Archives from 18 February to 1 March 2019. To take forward the project of digitising dictabelts, the Department of Arts and Culture acquired two Archeophones (equipment to digitise dictabelts) to allow the trained officials to continue with the digitisation of dictabelts in the holdings of the National Archives and other repositories in South Africa.

Furthermore, the NARSSA collaborated with the INA and IFAS (*Institut Français d'Afrique du Sud*) and participated in a hackathon as part of a public showcase at Tshimologong Digital Content Hub on 27 October 2018.

The Rivonia Trial audio archive was used to spatialise and reconstitute the space of this historical moment by sourcing and staging the different elements of the participant's experience. It consisted of a technical and/or artistic profile such as a producer, journalist, sound designer, documentarian, sound engineer and director who was expected to work on a binaural sound experience with the following three experts: Arnault Labaronne (artistic director), Ulrico Grech-Cumbo (CEO of the company, Deep VR) and Samkelo Mahlalela (audio/spatial guru).

### **Bloke Modisane Papers**

The Bloke Modisane Papers that were donated by the German Embassy consisted of five boxes of paper records. In total, 35 files were donated to the National Archives for preservation and as a way of bringing home the intellectual heritage of this iconic figure in South African journalistic history.

A project is underway to digitise the entire collection for both preservation and access. In terms of access, the project will provide digital copies that will be accessed via the National Archives Electronic Archival Management System in AtoM or online via the National Archives website. Users will have the opportunity to access the collection from anywhere in the world and multiple users will be able to access the collection simultaneously. With regard to preservation, access to the original material will be discouraged in favour of the digital copies as this will prolong the usable lives of the original material.

### **Ahmed Timol Records**

The NARSSA/NFVSA received a special and urgent request from the National Prosecuting Authority (NPA) to digitise the dictabelts (about 210) for a court case dealing with the death of Ahmed Timol (The State versus Essop, Essack, Moodley and Desai). This was partially as a result of a ruling by Judge Billy Motlale on 12 October 2017 that witness and former apartheid era security policeman, Mr Joao Rodrigues (now 78), was an accomplice to the murder and committed perjury at the 1972 and 2017 inquests. The reopening of the 1972 inquest was the first of its kind in South Africa and the 2017 inquest was constrained because about 600 pages of the 1972 inquest records are missing.

### **Ministerial Roundtable on Information Access**

The Ministry of Arts and Culture, in cooperation with the African Library Institutions

and Associations hosted the African ministers responsible for the provision of library and information services on the continent from 5–6 July 2018, prior the African Public Libraries Summit, which was held at the Durban International Convention Centre from 3–4 July 2018. The purpose of the Ministerial Roundtable was to report progress in the library and information services sector across the Continent towards the implementation of the Cape Town Declaration. The ministers noted the significant progress in the sector and further adopted the 2018 Durban Communiqué. They encouraged institutional networks and partnerships between libraries, nationally, regionally, and on the continent to exchange knowledge and experiences.

### **Access to Memory**

In terms of the NARSSA Act, contributing to the NAAIRS is a legal requirement for the NARSSA and provincial archives. The NAAIRS, using the AtoM solution, is an archival information retrieval system that has the capability of identifying archival material on a given subject, irrespective of whether it is public or non-public, and regardless of its location or format. It serves as a finding tool to assist users of archives to identify and locate archival material that is relevant to their requirements and is accessible from the NARSSA website. Provincial archival institutions will participate in the NAAIRS by using a single instance of AtoM, to ensure that provincial archives services follow international standards for archival description as set by the NARSSA.

### **Books on Living Human Treasures**

Two books were commissioned and written in 2018. The books highlight the lives and achievements of two of South Africa's living human treasures Dr Esther Mahlangu and Noria Mabasa. Dr Esther Mahlangu's book titled "Indigenous Lines" documents her life and achievements as one of the most celebrated artists who promotes and protects Ndebele art and heritage through her drawings. Noria Mabasa carves world-renowned sculptures using wood she harvests from her area in Limpopo. She gets her inspiration from dreams and this is all captured in her book titled "Sculptor of Dreams".

Both Dr Esther Mahlangu and Noria Mabasa have been awarded with National Orders for their excellent work in the field of arts, culture and heritage.

### **Name change of Grahamstown to Makhanda**

The Minister of Arts and Culture approved the changing of the name of the town Grahamstown to Makhanda during 2018. This was done as part of the transformation of the heritage landscape and also as part of one of the recommendations of the Truth and Reconciliation Commission, which recommended name changes as part of symbolic reparations.

The name change is significant as Grahamstown was named after a British colonial soldier, Colonel Graham, who led the invasion and war in 1819, which led to the death of many indigenous people in the area and the dispossession of their land and sovereignty. Makhanda was an advisor to Inkosi Ndlambe, who ruled the area at the time of the war. Makhanda surrendered after the defeat and was imprisoned on Robben Island where he died.

### **Popularisation of national symbols**

The Bureau of Heraldry in the Department of Arts and Culture is responsible for popularising national symbols. To this effect, the Bureau undertook various projects and campaigns to promote the national symbols, especially the South African flag. In this financial year, 1 114 flags were installed in schools. The Bureau contributed positively to the **#I am the flag** campaign by making available 100 000 handheld South African flags. These flags were distributed to the public throughout the campaign period. Furthermore, the Bureau of Heraldry produced a big flag to be used in government public events such as national days. The flag measures 12m X 8m and was used, among other events, during the Curry Cup rugby finals held in Cape Town in 2018.





## 2.3 OVERVIEW OF ORGANISATIONAL ENVIRONMENT

The ability of the Department to deliver on its strategic objectives is directly dependent on the quality and performance of its employees. A need was identified to conduct a work study and an organisational review exercise to examine the overall functioning of the whole organisation and included aspects such as systems, processes and people-related issues that are relevant to improve performance. A comprehensive progress report on the work study has been developed and will guide the Department in its future endeavours.

In the reporting period, the Department has identified the internship programme as one of the priority programmes targeting graduates that are unemployed. The intension is to contribute towards finding a solution to the major problem of unemployment, especially among the youth. In 2006, Cabinet approved that the number of young people involved in internship and learnership programmes should reach 5% of the establishment of government departments. In the 2018/19 financial year, the Department appointed a total number of 28 interns, which constituted 6,8% of the establishment. The interns were placed in all departmental branches and were assigned mentors with whom they entered into performance agreements to ensure that the programme is well structured and monitored.

Furthermore, the Department, in partnership with the National School of Government, organised a training programme for all interns. The training programme titled "Breaking Barriers to Entry into the Public Service" is aimed at orienting interns to the public service, how public service is organised and the way public service functions. In addition, the programme prepares interns to access employment opportunities in the public service. The training programme was considered a success as the feedback received

from attendees was highly positive. Besides the above-mentioned training, some interns attended soft skills programmes and other programmes like project management and supply chain management.





## 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

### 2.4.1 Cabinet-approved policies

#### National Policy Framework on Underwater Cultural Heritage

South Africa's seas and coast contain a wealth of archaeological sites and remains that show evidence of long human occupation and use of marine resources. Together with buildings and other structures these attest to the role of the sea in South African life for almost five hundred years and the significance of the sea route around the southern tip of Africa to global politics, trade and economy.

Historical shipwrecks represent another important source of archaeological and historical information. Archival research has, so far, identified more than 2 700 vessels known to have been lost around South Africa's coast since the 1500s. Shipwrecks have often been likened to time capsules because, when wrecked, everything on board these floating communities was often preserved together in one place, and can therefore be dated accurately to no later than the date of the wreck. A low-oxygen, anaerobic underwater environment means that material – particularly organic remains – not often preserved on other archaeological sites, can be found on shipwrecks and in other submerged sites. Shipwrecks can therefore be an invaluable source of information about the past. Collectively, these wrecks preserve evidence of the process of globalisation that has transformed South Africa, and the world, over hundreds of years. They can give an insight into aspects such as slavery, the impact of wreck survivors on local communities, and military conflicts. The wrecks of vessels associated with South Africa's own shipping industry can provide information on the growth of mining, industry, agriculture, etc.

But underwater cultural heritage also incorporates internal waters and submerged landscapes. The changing levels of rivers mean that sites that may provide important evidence about the lives and interactions of people who lived along their banks are now submerged. Additionally, the construction of dams has resulted in the inundation

of sensitive cultural landscapes associated with early hunter-gatherers and Iron Age communities. Internal waters, which include sacred lakes, constitute an important part of our underwater cultural heritage. Additionally, underwater cultural heritage also resides in the intangible cultural heritage and the legacy of interaction between indigenous and non-indigenous people.

Although underwater cultural heritage sites and objects are safeguarded by legislation, there is an urgent need to make special provision for the efficient and effective protection, preservation and promotion of this fragile and irreplaceable heritage resource.

The Policy establishes an integrated approach whereby the Minister and the Department, as the custodians of South African heritage, will work in partnership with relevant government departments and a range of other stakeholders to ensure that underwater cultural heritage is safeguarded for the benefit of all South Africans and for the world. It requires a protective regime that addresses threats not addressed adequately in the current legislation. The Policy also underpins the principle that underwater cultural heritage belongs to all the people of South Africa. It acknowledges the fact that heritage is inherently linked to people and communities. The Policy therefore identifies a range of stakeholders and actions to promote underwater cultural heritage and to create awareness of its significance as well as capacity building.

The Underwater Cultural Heritage Policy will significantly enhance the preservation and promotion of South Africa's underwater cultural heritage.

#### National Policy on South African Living Heritage

Living heritage is the foundation of most communities in South Africa; it is an essential source of identity and continuity. Aspects of living heritage may include cultural tradition, oral history, performance, ritual, popular memory, skills and techniques,

indigenous knowledge systems, and a holistic approach to nature, society and social relationships. In South Africa, the term 'intangible cultural heritage' is used interchangeably with the term 'living heritage'.

The White Paper on Arts, Culture and Heritage (1996) stipulates that the DAC and the National Heritage Council should start initiatives to facilitate and empower the development of living heritage projects in provinces and local communities. However, more than half of the Department's budget goes to maintaining tangible cultural heritage, leaving intangible cultural heritage expressions largely underfunded, hence the need for the National Living Heritage Policy to address the structural inequities between tangible and intangible cultural heritage.

### **Policy Framework for National Museums**

South African museums contain a wealth of collections that illuminate the forming of a South African society. This Policy seeks to provide a framework for museums to contribute effectively to the socio-economic objectives of the country by guiding the development of a service-oriented museum practice, informing the development of institutional and governance frameworks, providing norms and standards for the management of museums, proposing mechanisms for a categorisation (grading) and accreditation system, and highlighting issues around a sustainable funding framework for national museums and nationally significant collections.

### **South African Public Library and Information Services Bill**

The Department has developed and submitted the South African Public Library and Information Services Bill to Cabinet for consideration and approval during the reporting period. The strategic focus of the Bill is, among others–

- to provide for measures to redress the inequality for the provision of public library and information services and resources;

- to provide principles for public library and information services;
- to provide guidelines for the Minister to determine national norms and standards in order to maintain consistency for the delivery of public library and information services;
- to promote access to public library and information services by providing free membership and free admission to public library and information services;
- to promote cooperative governance and coordination for the responsibility of public library and information services;
- to establish the National Public Library and Information Services Committee;
- to provide for the composition, disqualification of membership, functions, meetings and decisions of the Committee;
- to provide for the Minister to dissolve the Committee and to appoint an interim Committee;
- to empower the Minister to make regulations; and
- to provide for the assignment of functions.

The Bill was developed in consultation with national and provincial departments as well as other relevant stakeholders across the sector. The Bill was approved by the Minister and the Department of Planning, Monitoring and Evaluation for presentation to other government clusters. In this regard, the Bill was presented to the Social Protection, Community, and Human Development Cluster and a legal opinion was obtained from the State Law Adviser. In addition, the Bill was presented to the Governance and Administration Cluster working committee and ultimately approved by Cabinet during the reporting period to allow for public consultation and amendment of the Act in the 2019/20 financial year.

## 2.5 PERFORMANCE PER PROGRAMME

### PROGRAMME 1: ADMINISTRATION

#### Purpose of the Programme

Administration provides leadership to the organisation to achieve its strategic objectives and to deliver high quality public services. The different Directorates bring together a range of corporate functions which work collectively and consistently together to help the Department to plan by offering expert knowledge, professional advice and effective internal controls. It also has a coordinating role in standardising governance and accountability oversight across the Department.

#### The Administration Programme Contributes to the Following Strategic Objectives:

- To develop, protect and promote the cultural and creative sector.
- To develop, preserve, protect and promote heritage.
- To develop and promote official languages.
- To build relationships and partnerships locally and internationally.
- To provide access to information.
- To create a coherent policy and legislative environment for the ACH Sector.
- To implement sound financial management and control systems.
- To lead, coordinate and implement social cohesion programme.
- To build human resource capacity and promote excellence.

#### Key Subprogrammes

The Administration Programme has been organised to carry out its work according to the following subprogrammes:

- Ministry
- Management

- Corporate Services
- Office of the Chief Financial Officer

Achieved	Not achieved
88% (7/8)	12% (1/8)



Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
<p>To develop, protect and promote the cultural and creative sector</p> <p>To develop, preserve, protect and promote heritage</p> <p>To develop and promote the official languages</p> <p>To build relationships and partnerships locally and internationally</p>	No. of communication and marketing campaigns implemented to profile the Department	CS 1	3	8	8 communication and marketing campaigns were implemented to profile the Department	Approved close-out report by the DDG on the implemented communication and marketing campaigns	–	–
To provide access to information	No. of services modernised (processes automated)	CS 2	–	3	<p>3 services were modernised (processes automated) as follows:</p> <ul style="list-style-type: none"> <li>• Enterprise Content Management (ECM)</li> <li>• Grant management system</li> <li>• National Automated Archival Information Retrieval System (NAAIRS) (phase 2)</li> </ul>	System development reports approved by the DDG	–	–

Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
To implement sound financial management and control systems	% of total value of procurement awarded to BBBEE-compliant service providers	CS 3	>79,75%	>70%	77,86% of total value of procurement was awarded to BBBEE-compliant service providers	BBBEE report signed by the CFO and sample of top 20 CSD reports signed by the CFO	+7.86%	More contracts were awarded to BBBEE-compliant service providers
<b>STRATEGIC GOAL 2: AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social-cohesion programme	No. of Izimbizo held	CS 4	31	20	38 Izimbizo were held	Izimbizo reports approved by Chief of Staff and photographic images of Izimbizo	+18	The overachievement was a result of the Minister and Deputy Minister responding to flare-ups in the Sector that required their urgent and immediate engagements, e.g. the engagement with Rastafarians
<b>STRATEGIC GOAL 4: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resource capacity and promote excellence	Approved workplace skills plan (WSP)	CS 5	4 WSP reports were generated	WSP approved by DG by 30 April 2018	WSP was approved by DG on 25 April 2018	WSP as approved by DG	–	–
	No. of quarterly monitoring reports approved	CS 6	–	4	4 quarterly monitoring reports were approved	Copies of the 4th 2017/18, 1st 2018/19, 2nd 2018/19, and 3rd 2018/19 quarterly monitoring reports approved by the DDG/CS	–	–



Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
To build human resource capacity and promote excellence	Work Study Report approved	CS 7	–	Work study report approved	The progress report on the work study was approved by the DG on 29 March 2019	Work study report approved by the DG and submission approved by the DG	–	The consultation process on the work-study report took longer than expected in order to obtain more input to inform the DAC organisational structure
	% of interns enrolled against funded posts	CS 8	–	5% (of approved funded posts establishment) of interns	6,8% of interns were enrolled against funded posts (28 interns against 408 funded posts)	Workforce profile and Persal report signed by DDG: CS, approved appointment letters by Director: HRM, and submission approved by DG for the implementation of the internship programme for 24 months	1,8%	There was an urgent need for interns in the newly established call centre of the Department



## PROGRAMME 2: INSTITUTIONAL GOVERNANCE

### Purpose of the Programme

To lead and coordinate social cohesion and nation building, monitor and evaluate performance of the Department and its entities, ensure good governance in DAC entities, mainstream target groups, facilitate international relations with other countries and provide infrastructure support to the DAC and its entities.

### The Institutional Governance Programme Contributes to the Following Strategic Objectives:

- To drive integrated outcomes-based research, planning, monitoring and evaluation across the Sector
- To create a coherent policy and legislative environment for the ACH Sector
- To build relationships and partnerships locally and internationally
- To lead, coordinate and implement social cohesion programme

### Key Subprogrammes

The Institutional Governance Programme has been organised to carry out its work according to the following subprogrammes:

- Target Groups, Nation Building and Social Cohesion
- International Relations
- Coordination, Monitoring & Evaluation, and Entities Management

Achieved	Not achieved
88% (7/8)	12% (1/8)



Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 3: AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To drive integrated outcomes-based research, planning, monitoring and evaluation across the Sector	No. of departmental and entities' performance information reports or documents approved	IG 1	–	15	11 departmental and 4 entities' performance information reports or documents were approved as follow: <ul style="list-style-type: none"> <li>• 4 Outcome 14 reports</li> <li>• 4 DAC quarterly performance reports</li> <li>• 1 DAC annual report</li> <li>• 1 end-of-term report for the DAC</li> <li>• 1 APP for the DAC</li> <li>• 4 analysis reports on performance of public entities</li> </ul>	Quarterly Outcome 14 reports approved by the DG; quarterly performance reports approved by the DG; submission approved by the Minister, tabling letter and copy of approved annual report; submission approved by the DG and end-of-term report; submission approved by the Minister, tabling letter and copy of the approved APP; and submission on quarterly performance analysis approved by the Minister	–	–
To create a coherent policy and legislative environment for ACH Sector	Approved governance tools for DAC public entities	IG 2	–	Approved governance framework for DAC public entities	Governance framework was approved by the DG on 28 March 2019	Submission approved by the DG and Governance Framework for Public Entities	–	–
	No. of CEO's forum held	IG 3	–	2	2 CEO's forum were held as follows: 26 August 2018 and 28 February 2019	Invitations, agenda, attendance register and draft/ approved minutes	–	–
To create a coherent policy and legislative environment for ACH Sector	Approved feasibility and due diligence reports on amalgamation of DAC public entities	IG 4	–	Approved feasibility and due diligence reports on amalgamation of DAC public entities	Consultations with entities were conducted during the fourth quarter, which culminated in an interim report that was submitted to the DAC on 29 March 2019	Submission approved by the DG and feasibility and due diligence reports on the amalgamation of DAC public entities	–	The amounts quoted by service providers in the request for proposal (RFP) prompted the Department to opt for a tender process, which delayed the appointment of service providers and completion of the project

Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To build relationships and partnerships locally and internationally	No. of cultural diplomacy engagements coordinated	IG 5	–	20	20 cultural diplomacy engagements were coordinated	Approved submissions and reports approved by the DG	–	–
<b>STRATEGIC GOAL 2: AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programmes	No. of national days commemorated	IG 6	6	6	6 national days were commemorated as follows: Freedom Day, Youth Day, Women's Day, Heritage Day, Day of Reconciliation, Human Rights Day	Reports approved by the DDG	–	–
	No. of social cohesion projects implemented	IG 7	–	12	17 social cohesion projects were implemented	Submission approved by the DDG, reports approved by the DDG and appointment letters of social cohesion advocates, and 2018/19 annual report without audited financial statements signed by the Chairperson of the MRM	+5	–
	No. of target-group programmes supported	IG 8	–	3	3 target-group programmes were supported as follows: • Arts and Youth Development Programme • Arts Education and Training Programme • Arts and Social Development Programmes	Submission approved by the DDG, payment stubs and report as per MoA	–	–

## PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT

### PROGRAMME PURPOSE:

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

### The Arts and Culture Promotion and Development Programme Contributes to the Following Strategic Objectives:

- To develop, protect and promote cultural and creative sector
- To develop and promote official languages
- To provide access to information
- To lead, coordinate and implement social cohesion programme
- To build human resource capacity and promote excellence

### Key Subprogrammes

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 (HLT)
- 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

Achieved	Not achieved
64% (9/14)	36% (5/14)





Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To develop, protect and promote cultural and creative sector	No. of flagship projects supported	ACPD 1	20	20	10 flagship projects were supported	Submission approved by the delegated authority, MoA for direct grant funding or Z59 for interdepartmental transfers, grant letters, reports as per requirements of MoA or amended agreement document and payment stub as per MoA	-10	10 projects were declared as not achieved due to inadequate corroborating evidence during the assessment period
	No. of professional artists' projects supported	ACPD 2	–	6	6 professional artists' projects were supported financially	Submission approved by delegated authority, MoA, grant letter, report as per the MoA requirements, payment stubs and register of proposals received (walk-ins/unsolicited)	–	–
	No. of cultural and creative sector projects supported through MGE work streams	ACPD 3	–	30	32 cultural and creative sector projects were supported through MGE work streams	Grant letter, submission approved by delegated authority, MoA, reports as per requirements of MoA, payment stubs and register of MGE open call proposals received	+2	More deserving projects were adjudicated and funded during the reporting period
To develop and promote official languages	No. of domains in which terminologies are developed	ACPD 4	4	4	Terminologies were developed in 4 domains as follows: <ul style="list-style-type: none"> <li>• 400 Road Safety terminologies</li> <li>• 400 Pharmaceutical terminologies</li> <li>• 400 Engineering and Construction terminologies</li> <li>• 400 Indigenous Plants and Animals terminologies</li> </ul>	Terminology lists for relevant domains and quarterly activity reports approved by the Chief Director	–	–

Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
	No. of multi-year HLT projects supported	ACPD 5	9	6	6 multi-year HLT projects were supported	Managerial report approved by the Director detailing the progress of projects	–	–
To develop, protect and promote cultural and creative sector	No. of market access platforms supported	ACPD 6	13	13	10 market access platforms were supported	Submission approved by delegated authority, MoA or confirmation letter, grant letter; reports as per requirements of MoA and payment stubs.	-3	Three of the projects were declared as not achieved due to inadequate corroborating evidence during assessment
To provide access to information	% of documents received and accepted that are translated and/or edited	ACPD 7	100%	100%	100% (731) of documents received and accepted were translated and/or edited	Approved document registers and quarterly activity reports approved by the Chief Director	–	–
<b>STRATEGIC GOAL 2: AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programme	No. of community arts projects supported	ACPD 8	150	150	86 community arts projects were supported financially	Submission approved by delegated authority, MoA, grant letter; reports as per requirements of the MoA or amended agreement documentation, payment stubs and register of open call proposals received	-64	The other projects were declared as not achieved due to inadequate corroborating evidence during assessment

Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 4: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resource capacity and promote excellence	No. of bursaries awarded for development of qualified language practitioners	ACPD 9	429	300	536 bursaries were awarded for the development of qualified language practitioners	MoAs with universities, payment stubs, contracts between universities and students, student lists from universities, proof of registration and proof of payment of student fees	+236	Universities award bursaries at their discretion based on the financial needs of students; this year they were able to award additional bursaries within the budget allocation of the DAC
	No. of sector organisations supported	ACPD 10	–	10	6 sector organisations were supported	MoA, grant letter; reports as per requirements of MoA or amended agreement documentation, payment stubs and register of proposals received	-4	Four of the projects were declared as not achieved due to inadequate corroborating evidence
	No. of capacity-building programmes supported	ACPD 11	–	23	11 capacity-building programmes were supported	Submission approved by delegated authority, MoA, grant letter; reports as per requirements of MoA or amended agreement documentation and payment stub	-12	Insufficient budget to support other capacity-building projects

## PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION

### Programme Purpose

The Programme is responsible for the identification, collection, safeguarding, promotion and transformation of South African heritage, archives, heraldry and libraries.

### The Heritage Promotion and Preservation Programme Contributes to the Following Strategic Objectives:

- To develop, protect and promote heritage
- To provide access to information
- To create a coherent policy and legislative environment for the ACH Sector

### Key Subprogrammes

The Heritage Promotion and Preservation Programme has been organised to carry out its work according to the following subprogrammes:

#### 1. National Archives and Libraries

- Records Management and Information Services
- Archives Services
- National Film, Video and Sound Archives
- Library Policy and Coordination

#### 2. Heritage Preservation and Promotion

- Heritage Policy and Research Development
- Living Heritage
- Heritage Institutional Development
- Bureau of Heraldry

Achieved	Not achieved
89% (8/9)	11% (1/9)



Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To develop, preserve, protect and promote heritage	No. of Gazette notices on standardisation of geographical names published	HPP 1	3	3	4 Gazette notices on standardisation of geographical names were published	Copies of Gazettes	+1	Due to public interest generated during consultations and recommendations by the Council, one more Gazette was published
	No. of living human treasures documented per annum	HPP 2	18	2	2 living human treasures were documented	Books, including a biography, with photographs of the living human treasures	–	–
	No. of heritage infrastructure projects financially supported	HPP 3	–	4	4 heritage infrastructure projects were financially supported as follows: <ul style="list-style-type: none"> <li>• OR Tambo Garden of Remembrance project</li> <li>• Winnie Madikizela Mandela Brandfort House project</li> <li>• J.L. Dube Ohlange project</li> <li>• Khananda Memorial project</li> </ul>	Progress reports approved by the DDG and payment stubs	–	–
	Feasibility study report on Resistance and Liberation Movements Museum completed	HPP 4	–	Draft feasibility study report on Resistance and Liberation Movements Museum	Draft feasibility study report on Resistance and Liberation Movements Museum was completed	Approved terms of reference, appointment letter and draft feasibility study report	–	–
	No. of flags installed in schools	HPP 5	528	1 000	1 114 flags were installed in schools	Appointment letters, order numbers for service providers and flag installation notes	+114	More flags were installed with assistance from the Northern Cape Young Patriots and the KwaZulu-Natal provincial government

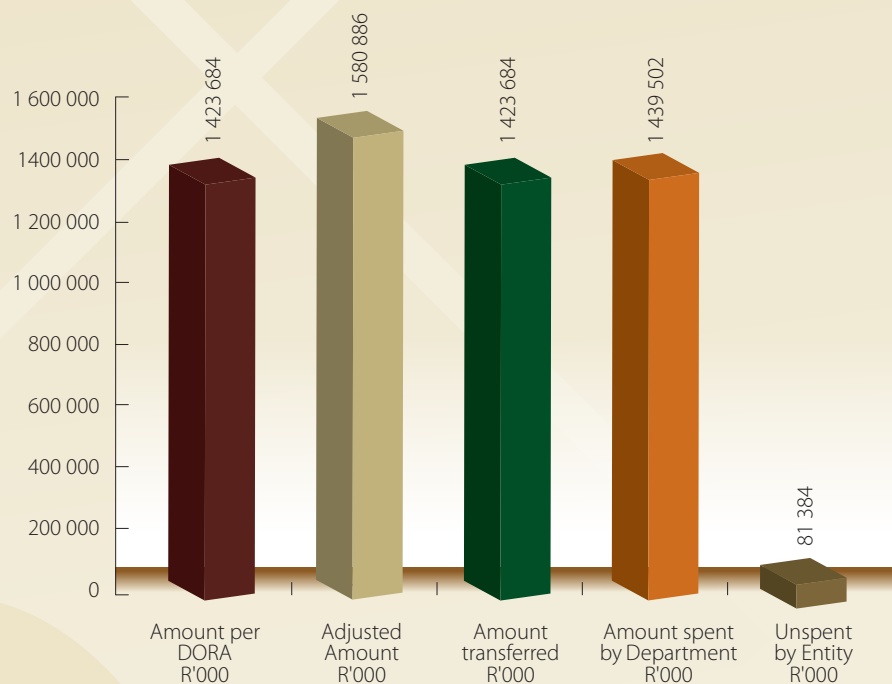


Strategic objective	Performance indicator	Code	Baseline for 2017/18	Target for 2018/19 as per annual performance plan (APP)	Actual achievement as at 31 March 2019	Verification source(s)	Deviation from planned target	Reason for deviation
To provide access to information	No. of collections digitised	HPP 6	3	3	2 collections were digitised: 1. Truth and Reconciliation Commission Audio Tapes 2. The Bloke Modisane project	Project reports approved by the DDG and digitised records	-1	Treason Trial Dictabelts: The actual work on the digitisation of the Treason Trial Records did not start as a result of a special request by the NPA to prioritise the digitisation of the dictabelts of the Ahmed Timol Court Case.
	No. of newly built and/or modular libraries supported financially	HPP 7	27	29	29 newly built and/or modular libraries were financially supported	Payment stubs and quarterly progress reports approved by the DDG.	-	-
<b>STRATEGIC GOAL 3: AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To create a coherent policy and legislative environment for the ACH Sector	Legislative framework (SALIS Bill) developed	HPP 8	Socio-economic impact assessment report on the South African Public Library and Information Services Bill was completed	SALIS Bill submitted to Cabinet for approval	South African Public Library and Information Services Bill was submitted to Cabinet for approval	Approved Ministerial submission, draft Bill and presentation, approved Ministerial submission on the Cabinet memorandum, and a copy of the SAMLIS Bill	-	It must be noted that the DAC 2018/19 APP refers to the SALIS Bill.  Both the SALIS and SAMLIS Bills refer to the Bill that was submitted to Cabinet. The "P" was included in abbreviation of the name of the Bill to emphasise the fact that libraries are built for public use.
	No. of heritage policies developed	HPP 9	Socio-economic impact assessment report on Underwater Cultural Heritage Policy developed	1 policy on underwater cultural heritage developed	1 policy on underwater cultural heritage was developed	Policy, presentation and approved Ministerial submission on the Cabinet memorandum	-	-

## 2.6 CONDITIONAL GRANTS

Through the Conditional Grant for Community Libraries Programme, the Department seeks 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.

The graph below details the conditional grants and earmarked funds paid for the period 1 April 2018 to 31 March 2019.



**Figure 6: Conditional grants and earmarked funds received by the Department**

Confirmation that all transfers were deposited into the accredited bank account of the provincial treasuries remains a priority to the Department. The table below contains a list of all transfers that were deposited into the accredited bank account of the provincial treasuries for the purpose of the conditional grant 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	055534
Gauteng	Gauteng Exchequer Account	First National Bank	62298193500	210554
KwaZulu-Natal	KZN Provincial Government – Exchequer Account	ABSA	4072455883	630305
Limpopo	Limpopo Exchequer Account	Standard Bank	301684677	057448
Mpumalanga	Mpumalanga Provincial Treasury	Standard Bank	330670 034	002852
Northern Cape	NCPG Exchequer Account	Standard Bank	043399029	050002
North West	North West Provincial Exchequer	ABSA	4075700170	632005
Western Cape	Provincial Government of the Western Cape: Exchequer Account	Nedbank	1452045143	145209

Below are some of the achievements worth noting in the Conditional Grant for Community Libraries Programme:

- 33 new library services were established
- 46 libraries were upgraded
- 432 363 additional library materials were purchased

- 2 697 libraries were connected with free public internet access
- 29 services for the visually impaired established and 157 maintained at community libraries in all provinces
- 2 036 existing library staff contracts maintained in all provinces
- 188 new staff appointed at public libraries to support function shift
- 36 library assistants in the Free State and Mpumalanga received bursaries

### **Monitoring the Conditional Grant for Community Libraries Programme**

Whenever there is a financial transaction, monitoring plays an important role for the purpose of accounting and transparency in the utilisation of state funds. The Department continued to allow provinces to use a maximum of 5% of the total amount allocated to them for capacity building and provincial coordination of the grant. The Department advised provinces to use these funds for the purpose it was meant for and to improve project management skills and capacity.

In the financial period under review, the Department further provided oversight over the implementation of the project through MinMEC and the Technical Intergovernmental Committee on a quarterly basis to ensure regular communication and reporting. The National Treasury through the Government Technical Advisory Centre (GTAC) also provides technical expertise and knowledge, especially on infrastructure projects.

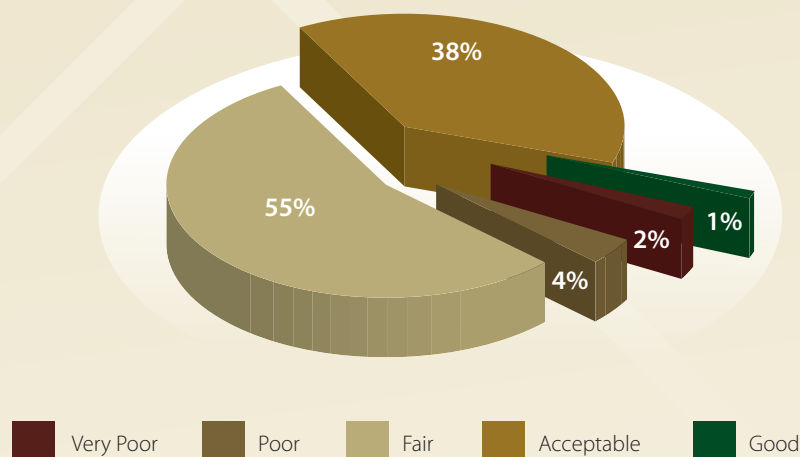
An amount of R81 384 000,00 was unspent on books procurement, new and upgrading of infrastructure projects, and staff compensation by the receiving provincial departments of arts and culture. In conclusion, it is worth noting that all provinces complied with the requirements of the Division of Revenue Act.



## 2.7 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

In the 2018/19 financial year, no immovable assets were acquired, disposed of, scrapped or hi-jacked, closed down or down-graded.

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, this assessment should be done at intervals of five years. In December 2017, a service provider was appointed to do a condition assessment of all facilities that are used by the DAC and its public entities. Due to non-compliance with the terms of reference, the DAC withdrew the appointment and started a new procurement process. Subsequently, a new service provider was appointed on 27 March 2019. Therefore, the following status quo of the condition of facilities will remain as is until the next assessment:



**Figure 7: 2011/12 – overall condition of all facilities of the DAC**

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

### 2.7.1 Robben Island Museum (RIM)

Coega was appointed as the service provider for the implementation of facilities management for the maintenance of the island, but the contract has expired. The process to appoint a new service provider is underway. For the interim, a short-term contract was awarded for the continuation of the maintenance on the island.

### 2.7.2 Nelson Mandela Museum

The Nelson Mandela Museum has appointed a service provider to implement facilities management for the maintenance of the Bhunga Building and Qunu Youth and Heritage Centre. The appointed service provider is busy with the condition assessment of the Museum.

### 2.7.3 Project list breakdown

Institution name and project description	Progress status
<b>Heritage Promotion and Preservation</b>	
<b>South African Library for the Blind</b>	
Upgrading of the Jossie Wood Building	Planning – currently in the process of consolidating several events
<b>Iziko Museums of South Africa</b>	
Construction of a storage structure in the court yard	Construction – project in construction phase with an anticipated practical completion date towards the end of December 2019
<b>National English Literary Museum</b>	
Construction of the new <b>National English Literary Museum</b>	Final completion – currently finalising the final account
Facilities Management Contract	Tender stage – finalising the appointment of a facilities management contractor who will be appointed in the 2019/20 financial year

Institution name and project description	Progress status
<b>Ditsong Museums of South Africa</b>	
Reconstruction of Tswaing Building	Planning – appointed a project manager to assist with the implementation of their infrastructure programme
Security upgrades for Ditsong	Planning – in the process of appointing a service provider for the security upgrades
Procurement of backup generators for all Ditsong Museums of South Africa buildings	Planning – appointed a service provider to install backup generators
Signage upgrades for all Ditsong Museums of South Africa buildings	Planning – appointed a project manager to assist with implementation of the infrastructure programme
Emergency repairs for Ditsong Museums of South Africa buildings	Planning – appointed a service provider for the emergency repairs project
Procurement of split air conditioning units for the offices at various Ditsong Museums of South Africa buildings	Planning – appointed a project manager to assist with implementation of the infrastructure programme
Upgrade of climate control for collections at Ditsong Museums of South Africa buildings	Planning – appointed a project manager to assist with implementation of the infrastructure programme
Condition assessment and facilities management contract for all Ditsong Museums of South Africa buildings	Planning – appointed a project manager to assist with implementation of the infrastructure programme
<b>KwaZulu-Natal Museum</b>	
Providing security and upgrading of the Old St Anne's Hospital	Planning – finalising the appointment of a project management company that will manage the implementation of the museum's infrastructure programme, including this project
General maintenance for KZN Museum	Planning – finalising the appointment of a project management company that will manage the implementation of the museum's infrastructure programme, including this project

Institution name and project description	Progress status
<b>Nelson Mandela Museum</b>	
Upgrading of Bhunga Building	Final completion – currently finalising the final account
Facilities management contract and maintenance of Nelson Mandela Museum buildings	Planning – finalising the appointment of a project management company that will manage the infrastructure programme of the museum, including the facilities management contract.
Qunu building – condition-based maintenance	Design stage – consultants appointed and busy with designs for submission to the sketch plan committee
Erection of statues	Planning – finalising the appointment of a project management company that will implement the museum's infrastructure programme.
<b>Robben Island Museum (various projects)</b>	
Effluent plant: new wastewater treatment works	Tender stage – in the process of appointing a service provider to implement this project
Harbour precinct: new floating jetty	Practical completion – installation completed
Harbour precinct: new safety handrail	Practical completion – installation completed
Restoration and repairs to helicopter landing site and transport depot	Tender stage – in the process of appointing a service provider to implement this project
Restoration and conservation of built environment (high, medium, low priority, village precinct)	Construction stage – appointed a service provider and implementation has commenced.
Feasibility study for the Robben Island Interpretation Centre and alternative location for Mayibuye Archives	Planning – appointed a service provider to conduct a feasibility study and submit a report to the museum with recommendations and estimates on different options to explore
Upgrading of facilities to enhance interpretation and visitor management: maximum security prison, Sobukwe House, visitors' centre, alpha 1 ablutions and multi-purpose learning centre kitchen	Design stage – in the process of appointing consultants for the detailed design aspects of this project



Institution name and project description	Progress status
Nelson Mandela Gateway: reconfiguration of space to accommodate exhibition and executive office space, fire and OHS compliance	Planning – in the process of appointing consultants for the implantation of this project
<b>National Library of South Africa (Pretoria and Cape Town)</b>	
Total revamp of Information and Communication Technology	Construction – appointed a service provider and implementation has commenced
Facility management contract (maintenance for both Pretoria and Cape Town Campus)	Construction – appointed a service provider and implementation is ongoing
<b>Afrikaanse Taalmuseum en -monument</b>	
Upgrading of workers' changing room	Planning – appointed a project manager to assist with implementation of the infrastructure programme
Maintenance of all facilities	Construction – appointed a service provider and implementation is ongoing as per the maintenance plan
<b>War Museum of the Boer Republics</b>	
Upgrading of security fencing	Construction – appointed a service provider for the upgrading of security fencing and the installation is underway
<b>William Humphreys Art Gallery</b>	
Replacement of HVAC system	Planning – in the process of appointing a consultant for the detailed design aspects of this project
<b>Institutional Governance</b>	
<b>National Archives</b>	
Old library building remedial work	Final account – the project has been handed over to the Department. The implementing agent is working on the final account with the project consultants.

Institution name and project description	Progress status
Upgrading of fire protection installation and refurbishment of HVAC and related installations	Construction – installations and refurbishment are underway
Maintenance of National Archives Building	Construction – general maintenance of the National Archives Building is ongoing on a needs basis
<b>Adams College</b>	
Upgrading of the old house to a museum	Construction – the project is under construction and will be finalised in the 2019 financial year
<b>Steve Biko Foundation</b>	
Maintenance of the Steve Biko Centre	Construction – maintenance of the Steve Biko Centre is ongoing
<b>Legacy projects</b>	
Sarah Baartman Centre: construction of a centre of remembrance	Construction – the project is at 75% complete
Matola Raid Monument (Maputo): construction of a remembrance site	Completed
Mbuzini: Samora Machel memorial – phase 2 construction	Pre-Planning
Liberation Heritage Route	Planning – provincial projects; feasibility for 21 of 27 Projects: Botswana monuments x2, rehabilitation of Viana camp in Angola and construction of a monument, tomb of the unknown soldier, development of standardized head/tombstones for all RLHR graves, restoration and upgrade of Kongwa and other graves in Tanzania
Liliesleaf Farm: archival infrastructure and exhibition	Completed
Valoyi Traditional Authority Trust (Nwamitwa Cultural Village)	Completed
Maropeng Virtual Lab	Completed

Institution name and project description	Progress status
National Heritage Project (heroes acres and statues)	Planning
South African Heritage Resources Agency: Delville Wood Memorial upgrading	Planning – remedial work
Trevor Huddleston Centre	Completed
Isibhubhu Cultural Arena	Planning – commissioning of the structural engineering assessment
Dr JL Dube Memorial Centre	Planning – remedial work
OR Tambo Memorial Centre	Construction at 18%
Winnie Mandela House Museum	Construction at 43%
Ingquza Hill Massacre Museum	Completed
Waaiohoek (Wesleyan Church) Museum Exhibition	Completed
Khananda Massacre Museum	Completed
SANKOFA Arts Charitable Trust	Completed
<b>Arts and Culture Promotion and Development</b>	
<b>Market Theatre Foundation</b>	
Upgrading and refurbishment of the Windybrow Theatre Heritage House	Planning – in the process of appointing consultants for this project
Facilities management contract	Planning – appointed a service provider for the implementation of this project
<b>Artscape</b>	
Space Optimisation Project	Phase 1 – completed; Phase 2 – practical completion: the project has been handed over to the theatre
Facilities management contract	Planning – in the process of appointing a service provider for the implementation of this project

Institution name and project description	Progress status
<b>The Playhouse Company</b>	
Facilities management contract	Planning – in the process of appointing a service provider for the implementation of this project
Installation of backup generator	Completed – installation is complete and the generator has been commissioned
Opera theatre: flybar automation	Planning – in the process of appointing a service provider for the implementation of this project
Opera theatre: stage lifts	Practical completion – the site was handed over to the Playhouse Company by the service providers and lifts have been commissioned
<b>National Film and Video Foundation</b>	
Creation of film centres	Planning – started negotiations with the Buffalo City Municipality for the acquisition of a building to be used for the construction of the Buffalo City Film Centre
<b>State Theatre</b>	
Facilities management contract	Planning – in the process of appointing a service provider for the implementation of this project
Replacement of stage lighting equipment	Planning – in the process of appointing a service provider for the implementation of this project
Refurbishment of foyer and ablution	Planning – in the process of appointing a service provider for the implementation of this project
<b>Performing Arts Centre of Free State</b>	
Mechanical ventilation and air conditioning system	Planning – in the process of appointing a service provider for the implementation of this project
Facilities management contract	Planning – in the process of appointing a service provider for the implementation of this project
<b>National Arts Council</b>	
Upgrading of the lift, aluminium windows and air conditioners	Completed

## **2.7.4 Upgrading of Community Arts Centres**

### **Music Academy of Gauteng (Gauteng)**

Soundproofing and treatment of main recording studio; completion of post-production studio; tiling and soundproofing of eight practice cubicles; eight digital pianos for practice cubicles; furnishing of studio reception area and studio management offices; equipment for the post-production studio; movable partitioning screens; air conditioning for the auditorium and acoustic treatment; painting of the palisade fence; burglar bars and doors; library equipment and material; and boarding furnishing.

### **Sibikwa Community Arts Project (Gauteng)**

Upgrading of training facilities.

### **National Arts Festival (Eastern Cape)**

Makhanda Power Station – replacing the asbestos roof of the building; repairing the perimeter fence; and addressing the dire state of the electrical and plumbing work on site.

### **Upgrading of three Community Arts Centres in the North West:**

1. Kanana Community Arts Centre – upgrading of toilets, water systems, fences, gates, electrical system, roof, ceiling and painting.
2. Atamelang Community Arts Centre – upgrading window panes, burglar bars, and doors, wooden flooring, tiling and electrical system.
3. Steve Biko Centre – upgrading of roof, ceiling and windows.

### **Bat Centre Trust (KwaZulu-Natal)**

Upgrading the hall, air conditioning, and accessibility to dance and visual arts studio.

### **KwaMashu Community Advancement Project (KCAP) – Multi-Arts Centre (KwaZulu-Natal)**

Final phase – upgrading of theatre and lighting (theatre seats, music recording and video and editing equipment, and roof).

### **Wushini Arts Centre, (KwaZulu-Natal)**

Upgrading of the theatre, outdoor theatre and roof of the multipurpose hall.

### **Mpumalanga Economic Growth Agency (MEGA)**

1. Johannes Stegman Theatre – upgrading and fixing of the roof, electrical system and air conditioning.
2. Mbombela Civic Theatre – upgrading of wooden stage, stage curtains and theatre seating.
3. Emalahleni Theatre – upgrading of theatre carpets, auditorium and top banquet hall chairs, soft drama queen, and theatre and foyer curtains.

### **Polokwane Theatre**

The project was not supported due to delays by the province in identifying the best payment processes for the project. Funds were reclassified very late in February for GTAC to assist. GTAC was unhappy with the reclassification, which was goods and services.

# Part C

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## Human Resource Management





## 3.1 INTRODUCTION

The overall purpose of human resource management (HRM) is to ensure that the organization is able to achieve success through people. The Chief Directorate: HRM aims to improve organizational effectiveness, capability and making the best use of the resources available to it.

The Department experienced a staff turnover rate of 9,7%; 6, 4% was due to natural attrition and 3, 3% was due to promotions. The Department was able to maintain a vacancy rate of less than 10%. Only funded positions are captured and maintained in the Department's establishment. The vacancy rate was 6, 6% as at 31 March 2019.

### PERFORMANCE MANAGEMENT

The performance management and development system (PMDS) is seen as a vehicle to increase organisational effectiveness by obtaining better performance from employees. Viewed from this point, the PMDS system becomes a very important factor in assisting the Department to achieve its strategic objectives. The submission rate of performance agreements for the 2018/19 financial year was 91% for salary levels 1-12 and 87, 23% for the senior management service.

### WELLNESS

The Wellness Programme continues to provide employees with appropriate interventions to deal with challenges they encounter on a daily basis. Support to employees is provided through an external service that can be accessed 7 days a week/24 hours a day. Screening campaigns offered through the Wellness Programme assisted with early detection of prostate, breast and cervical cancer. This provided employees with an opportunity to get appropriate treatment and register on the disease management programme in time.

The Unit also managed to implement initiatives meant to promote work-life balance, improve morale and promote productivity in the form of two wellness sports days.

The opportunity to take part in sporting codes such as soccer, netball and aerobics continue to play a big role in promoting the Healthy Living Programme.

### ACHIEVEMENTS

In line with government key priorities to develop and implement an efficient and effective diversity management and transformation system, the Department exceeded the 50% mark for women appointed at SMS level. By the end of the 2018/19 financial year, the Department had achieved 53, 06%. The Department also exceeded the legislated 2% of people with disabilities. The percentage of people with a disability as at 31 March 2019 was 2, 64%.

DAC entered into a partnership with EOH for the purpose of contributing towards national initiatives for skills development and job creation. A total of 69 students with national vocational certificates (NVC) (NQF Level 4) were placed in the Department as a host employer and EOH as a lead employer.





## 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, homeowner's allowances and medical aid.

Note: please keep in mind that these tables reflect only expenditure occurred through Persal and may differ from the final financial statements in Part E of this Report.

**Table 3.2.1 - Personnel cost by programme for the period 1 April 2018 to 31 March 2019**

Programme	Total expenditure (R'000)	Personnel cost (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)	Employment
Administration	308 387	100 671	0	0	32,60	575	175
Arts and Culture Promotion & Development	1 131 081	47 597	0	0	4,20	610	78
Heritage Promotion & Preservation	2 568 981	53 561	0	0	2,10	470	114
Institutional Governance	225 124	37 011	0	0	16,40	661	56
<b>Z = Total as on Financial Systems (BAS)</b>	<b>4 233 573</b>	<b>238 840</b>	<b>0</b>	<b>0</b>	<b>5,64</b>	<b>565</b>	<b>423</b>

**Table 3.2.2 - Personnel cost by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Personnel cost including transfers (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total personnel cost including goods and services (R'000)	No. of employees
Contract (levels 1-2)	184	0,10	61 333	243 314	3
Contract (levels 3-5)	1 282	0,50	256 400	243 314	5

Salary band	Personnel cost including transfers (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total personnel cost including goods and services (R'000)	No. of employees
Contract (levels 6-8)	1 410	0,60	352 500	243 314	4
Contract (levels 9-12)	8 356	3,30	759 636	243 314	11
Contract (levels 13-16)	8 409	3,30	1 632 400	243 314	7
Contract other	564	0,20	1 201 286	243 314	26
Lower skilled (levels 1-2)	2 302	0,90	236 125	243 314	12
Skilled (levels 3-5)	7 556	3,00	232 182	243 314	32
Highly skilled production (levels 6-8)	45 446	18,00	385 136	243 314	118
Highly skilled supervision (levels 9-12)	111 352	44,00	683 141	243 314	163
Senior management (levels 13-16)	52 455	21,00	1 248 929	243 314	42
<b>Total</b>	<b>239 316</b>	<b>94,40</b>	<b>565 759</b>	<b>243 314</b>	<b>423</b>

Note:

The personnel cost includes leave gratuity, pro rata bonus, etc.

**Table 3.2.3 - Salaries, overtime, homeowners' allowances and medical aid by programme for the period 1 April 2018 to 31 March 2019**

Programme	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per programme (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost	
Administration	86 236	84,50	855	0,80	2 110	2,10	3 179	3,10	102 092
Arts and Culture Promotion & Development	40 193	83,60	23	0,00	1 035	2,20	1 825	3,80	48 078
Heritage Promotion & Preservation	45 128	82,40	120	0,20	1 389	2,50	2 254	4,10	54 794
Institutional Governance	32 304	84,20	76	0,20	749	2,00	742	1,90	38 350
<b>Total</b>	<b>203 861</b>	<b>83,80</b>	<b>1 074</b>	<b>0,40</b>	<b>5 283</b>	<b>2,20</b>	<b>7 999</b>	<b>3,30</b>	<b>243 314</b>

**Table 3.2.4 - Salaries, overtime, home owners' allowances and medical aid by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per salary band (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost	
Contract (levels 1-2)	184	100	0	0,00	0	0,00	0	0,00	184
Contract (levels 3-5)	1 241	95,90	2	0,20	0	0,00	0	0,00	1 294
Contract (levels 6-8)	1 373	96,80	0	0,00	0	0,00	0	0,00	1 419
Contract (levels 9-12)	8 091	94,50	3	0,03	2	0,02	40	0,50	8 740
Contract (levels 13-16)	8 297	96,00	0	0,00	0	0,00	0	0,00	8 646
Contract other	559	96,70	5	0,90	0	0,00	0	0,00	578
Lower skilled (levels 1-2)	1 487	64,60	0	0,00	190	8,30	416	18,10	2 303
Skilled (levels 3-5)	5 651	74,70	76	1,00	449	5,90	669	8,80	7 564
Highly skilled production (levels 6-8)	35 704	77,60	561	1,20	1 595	3,50	3 137	6,80	45 988
Highly skilled supervision (levels 9-12)	94 662	83,70	431	0,40	2 180	1,90	3 203	2,80	113 035
Senior management (levels 13-16)	46 613	86,70	0	0,00	868	1,60	537	1,00	53 742
<b>Total</b>	<b>203 861</b>	<b>83,80</b>	<b>1 074</b>	<b>0,40</b>	<b>5 283</b>	<b>2,20</b>	<b>7 999</b>	<b>3,30</b>	<b>243 314</b>

## 3.3 EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

The Department has 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 2019**

Programme	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Administration, permanent	189	175	7,40	4
Arts and Culture Promotion & Development, permanent	86	78	9,30	0
Heritage Promotion and Preservation, permanent	121	114	5,80	0
Institutional Governance, permanent	59	56	5,10	0
<b>Total</b>	<b>453</b>	<b>423</b>	<b>6,60</b>	<b>4</b>

**Table 3.3.2 - Employment and vacancies by salary band as at 31 March 2019**

Salary band	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Contract (levels 1-2), permanent	3	3	0,00	0
Contract (levels 3-5), permanent	5	5	0,00	2
Contract (levels 6-8), permanent	4	4	0,00	0

Salary band	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Contract (levels 9-12), permanent	11	11	0,00	1
Contract (levels 13-16), permanent	7	7	0,00	1
Contract other	26	26	0,00	0
Lower skilled (levels 1-2)	12	12	0,00	0
Skilled (levels 3-5)	32	32	0,00	0
Highly skilled production (levels 6-8)	130	118	9,20	0
Highly skilled supervision (levels 9-12)	172	163	5,20	0
Senior management (levels 13-16)	51	42	15,60	0
<b>Total</b>	<b>453</b>	<b>423</b>	<b>6,60</b>	<b>4</b>

**Table 3.3.3 - Employment and vacancies by critical occupations as at 31 March 2019**

Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Administrative related, permanent	44	43	2,30	1
Archivists, curators and related professionals, permanent	47	40	14,90	0
Auxiliary and related workers, permanent	12	12	0,00	0
Cleaners in offices, workshops, hospitals, etc., permanent	12	12	0,00	0
Client information clerks (switchboard, reception, information clerks), permanent	3	3	0,00	0
Communication and information related, permanent	89	85	4,50	0
Engineers and related professionals, permanent	2	2	0,00	0
Finance and economics related, permanent	14	13	7,10	0
Financial and related professionals, permanent	8	7	12,50	0
Financial clerks and credit controllers, permanent	8	8	0,00	0
Food services aids and waiters, permanent	7	7	0,00	0



Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
General legal admin. and related professionals, permanent	1	1	0,00	0
Human resources and organisational development and related, permanent	6	5	16,70	0
Human resources clerks, permanent	2	2	0,00	0
Human resources related, permanent	17	14	17,60	0
Information technology related, permanent	1	1	0	0
Language practitioners, interpreters and other communication related, permanent	18	15	16,70	0
Legal related, permanent	3	3	0,00	0
Library, mail and related clerks, permanent	5	5	0,00	0
Logistical support personnel, permanent	4	4	0,00	0
Material-recording and transport clerks, permanent	5	5	0,00	0
Messengers, porters and deliverers, permanent	6	6	0,00	0
Other admin. and related clerks and organisers, permanent	42	40	4,80	2
Other admin. policy and related officers, permanent	8	7	12,50	0
Other information technology personnel, permanent	12	11	8,30	0
Other occupations, permanent	3	3	0,00	0
Risk management and security services, permanent	3	3	0,00	0
Secretaries and other keyboard-operating clerks, permanent	30	30	0,00	0
Security officers, permanent	13	13	0,00	0
Senior managers, permanent	28	23	17,90	1
<b>Total</b>	<b>453</b>	<b>423</b>	<b>6,60</b>	<b>4</b>

**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 –
  - (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 of 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 as it relates to members of the senior management service (SMS) by salary level. It also provides information on advertising and filling SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 3.4.1 - SMS post information as at 31 March 2019**

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	1	100	0	0,00
Salary level 16	2	2	100	0	0,00
Salary level 15	6	4	66,66	2	33,33
Salary level 14	16	13	81,25	3	18,75
Salary level 13	33	29	87,87	4	12,12
<b>Total</b>	<b>58</b>	<b>49</b>	<b>85,19</b>	<b>9</b>	<b>15,50</b>

**Table 3.4.2 - SMS post information as at 30 September 2018**

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	1	100	0	0
Salary level 16	2	2	100	0	0
Salary level 15	6	4	66,66	2	33,33
Salary level 14	16	14	87,50	2	12,50
Salary level 13	33	28	84,84	5	15,15
<b>Total</b>	<b>58</b>	<b>49</b>	<b>85,19</b>	<b>9</b>	<b>15,50</b>

**Table 3.4.3 - Advertising and filling of SMS posts for the period 1 April 2018 to 31 March 2019**

SMS level	Advertising	Filling of posts	
	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	0	0	0
Salary level 16	0	0	0

SMS level	Advertising	Filling of posts	
	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
Salary level 15	0	0	0
Salary level 14	1	0	0
Salary level 13	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>

**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 2018 to 31 March 2019**

Reasons for vacancies not advertised within six months
The CoE budget cuts in previous financial years resulted in the Department not being able to advertise within 6 months of the date that the posts became vacant.
Reasons for vacancies not filled within twelve months
Some positions had to be re-advertised due to the first round deemed unsuccessful.

*Note:*

*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 within 12 months for the period 1 April 2017 and 31 March 2018**

Reasons for vacancies not advertised within six months
N/A
Reasons for vacancies not filled within six months
N/A

*Note:*

*In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason 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 job in their organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

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

**Table 3.5.1 - Job evaluation by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	No. of posts on approved establishment	No. of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				No.	% of posts evaluated	No.	% of posts evaluated
Contract (levels 1-2)	3	0	0,00	0	0,00	0	0,00
Contract (levels 3-5)	5	0	0,00	0	0,00	0	0,00
Contract (levels 6-8)	4	0	0,00	0	0,00	0	0,00
Contract (levels 9-12)	11	0	0,00	0	0,00	0	0,00
Contract (levels 13-16), permanent	7	0	0,00	0	0,00	0	0,00
Other	26	0	0,00	0	0,00	0	0,00
Lower skilled (levels 1-2)	12	0	0,00	0	0,00	0	0,00
Skilled (levels 3-5)	32	0	0,00	0	0,00	0	0,00
Highly skilled production (levels 6-8)	130	0		0	0,00	0	0,00
Highly skilled supervision (levels 9-12)	172	5	2,91	0	0,00	0	0,00
Senior management (levels 13-16)	51	0	0,00	0	0,00	0	0,00
<b>Total</b>	<b>453</b>	<b>5</b>	<b>2,91</b>	<b>0</b>	<b>0,00</b>	<b>0</b>	<b>0,00</b>

**Table 3.5.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>					<b>0</b>

The following table summarises the number 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 2018 to 31 March 2019**

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director: Entities Management	2	11	12	Horizontal transfer from another occupational group.
<b>Total no. of employees whose salaries exceeded the level determined by job evaluation</b>				<b>2</b>
<b>Percentage of total employed</b>				<b>0,47%</b>

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

**Table 3.5.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 to 31 March 2019**

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	0	0	0	1
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Employees with a disability</b>					<b>0</b>



## 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 2018 to 31 March 2019**

Salary band	No. of employees as at 1 April 2018	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate %
Contract (levels 1-2), permanent	1	2	0	0,00
Contract (levels 3-5), permanent	7	8	6	85,70
Contract (levels 6-8), permanent	6	4	3	50,00
Contract (levels 9-12), permanent	11	11	10	90,90
Other, permanent	2	27	3	150,00
Contract (Band A), permanent	1	1	0	0,00
Contract (Band B), permanent	4	2	1	25,00
Contract (Band C), permanent	1	2	2	200,00
Lower skilled (levels 1-2), permanent	12	0	0	0,00
Skilled (levels 3-5), permanent	33	2	1	3,00
Highly skilled production (levels 6-8), permanent	113	4	4	3,50
Highly skilled supervision (levels 9-12), permanent	158	6	8	5,10
Senior Management Service Band A, permanent	26	0	0	0,00
Senior Management Service Band B, permanent	9	0	0	0,00
Senior Management Service Band B, temporary	4	0	0	0,00
Senior Management Service Band C, permanent	3	0	0	0,00
Senior Management Service Band D, permanent	2	27	3	150,00
<b>Total</b>	<b>391</b>	<b>69</b>	<b>38</b>	<b>9,70</b>

**Table 3.6.2 - Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019**

Critical occupation	No. of employees as at 1 April 2018	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate %
Administrative related, permanent	41	8	9	22,00
Archivists, curators and related professionals, permanent	38	2	2	5,30
Auxiliary and related workers, permanent	14	1	1	7,10
Building and other property caretakers, permanent	1	0	1	100,00
Cleaners in offices, workshops hospitals, etc., permanent	12	0	0	0,00
Client information clerks (switchboard, reception, information clerks), permanent	2	0	0	0,00
Communication and information related, permanent	85	6	8	9,40
Communication and information related, temporary	1	0	0	0,00
Custodian personnel, permanent	1	0	0	0,00
Engineers and related professionals, permanent	2	0	0	0,00
Finance and economics related, permanent	13	0	0	0,00
Financial and related professionals, permanent	7	1	1	11,10
Financial clerks and credit controllers, permanent	9	1	1	14,29
Food services aids and waiters, permanent	5	2	0	0,00
General legal, admin and related professionals, permanent	1	0	0	0,00
Human resources and organisational development and related personnel, permanent	3	0	1	33,30
Human resources clerks, permanent	4	0	0	0,00
Human resources related, permanent	13	0	0	0,00
Language practitioners, interpreters and other communication related, permanent	16	0	1	6,30
Legal related, permanent	2	2	2	100,00
Library, mail and related clerks, permanent	5	0	0	0,00
Logistical support personnel, permanent	1	0	0	0,00
Material-recording and transport clerks, permanent	5	0	0	0,00

Critical occupation	No. of employees as at 1 April 2018	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate %
Messengers, porters and deliverers, permanent	6	2	1	16,70
Other admin and related clerks and organisers, permanent	14	34	6	42,90
Other admin policy and related officers, permanent	7	0	0	0,00
Other information technology personnel, permanent	11	0	0	0,00
Other occupations, permanent	3	0	0	0,00
Risk management and security services, permanent	3	0	0	0,00
Secretaries and other keyboard-operating clerks, permanent	31	5	4	12,90
Security officers, permanent	13	0	0	0,00
Senior managers, permanent	22	4	2	9,10
<b>Total</b>	<b>391</b>	<b>69</b>	<b>38</b>	<b>9,70</b>

**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 –
  - (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 of 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.

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 2018 to 31 March 2019**

Termination type	Number	% of total resignations	% of total employment	Total	Total employment
Death	1	2,60	0,20	38	421
Resignation, permanent	11	28,90	2,60	38	421
Expiry of contract, permanent	23	60,50	5,50	38	421

Termination type	Number	% of total resignations	% of total employment	Total	Total employment
Discharge due to ill health, permanent	1	2,60	0,20	38	421
Retirement, permanent	2	5,30	0,50	38	421
<b>Total</b>	<b>38</b>	<b>100</b>	<b>9,00</b>	<b>38</b>	<b>421</b>

**Table 3.6.4 - Promotions by critical occupation for the period 1 April 2018 to 31 March 2019**

Salary band	No. of employees at 1 April 2018	Promotions to another salary level	Salary band promotions as % of employees by salary level	Progressions to another notch within salary level	Notch progression as % of employees by salary band
Administrative related, permanent	41	3	7,30	26	63,40
Archivists, curators and related professionals, permanent	38	3	7,90	28	73,70
Auxiliary and related workers, permanent	14	0	0,00	12	85,70
Cleaners in offices, workshops, hospitals, etc., permanent	12	0	0,00	3	25,00
Client information clerks (switchboard, reception, information clerks), permanent	2	0	0,00	2	100,00
Communication and information related, permanent	85	1	1,20	65	76,50
Custodian personnel, permanent	1	0	0,00	1	100,00
Engineers and related professionals, permanent	2	1	50,00	1	50,00
Finance and economics related, permanent	13	0	0,00	11	84,60
Financial and related professionals, permanent	7	0	0,00	4	57,10
Financial clerks and credit controllers, permanent	9	0	0,00	8	88,90
Food services aids and waiters, permanent	5	0	0,00	2	40,00
General legal admin, and related professionals, permanent	1	0	0,00	1	100,00

Salary band	No. of employees at 1 April 2018	Promotions to another salary level	Salary band promotions as % of employees by salary level	Progressions to another notch within salary level	Notch progression as % of employees by salary band
Human resources and organisational development and related personnel, permanent	6	0	0,00	6	100,00
Human resources clerks, permanent	3	0	0,00	2	66,70
Human resources related, permanent	13	1	7,70	12	92,30
Language practitioners, interpreters and other communication related, permanent	16	1	6,30	13	81,30
Legal related, permanent	2	0	0,00	2	100,00
Library, mail and related clerks, permanent	5	0	0,00	3	60,00
Logistical support personnel, permanent	1	0	100,00	0	0,00
Material-recording and transport clerks, permanent	5	0	0,00	3	50,00
Messengers, porters and deliverers, permanent	6	0	0,00	3	50,00
Other admin. and related clerks and organisers, permanent	14	0	0,00	7	50,00
Other admin. policy and related officers, permanent	7	0	0,00	3	42,90
Other information technology personnel, permanent	11	1	9,10	8	72,70
Other occupations, permanent	3	0	0,00	1	33,30
Risk management and security services, permanent	3	0	0,00	3	100,00
Secretaries and other keyboard-operating clerks, permanent	31	0	0,00	22	71,00
Security officers, permanent	13	0	0,00	11	84,60
Senior managers, permanent	22	0	0,00	13	59,10
<b>Total</b>	<b>391</b>	<b>13</b>	<b>3,30</b>	<b>278</b>	<b>71,10</b>

**Table 3.6.5 - Promotions by salary band for the period 1 April 2018 to 31 March 2019**

Occupation	No. of employees at 1 April 2018	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to another notch within salary level	Notch progression as % of employees by occupation
Contract (levels 1-2), temporary	1	0	0,00	0	0,00
Contract (levels 3-5), temporary	7	0	0,00	0	0,00
Contract (levels 6-8), temporary	6	0	0,00	0	0,00
Contract (levels 9-12), temporary	11	1	9,10	1	9,10
Contract (levels 13-16), temporary	6	0	0,00	1	16,70
Other, permanent	2	0	0,00	0	0,00
Lower skilled (levels 1-2), permanent	12	0	0,00	1	8,30
Skilled (levels 3-5), permanent	33	0	0,00	31	93,90
Highly skilled production (levels 6-8), permanent	113	4	3,50	92	81,40
Highly skilled supervision (levels 9-12), permanent	158	8	5,10	122	77,20
Senior management (levels 13-16), permanent	42	0	0,00	30	71,40
<b>Total</b>	<b>391</b>	<b>13</b>	<b>3,30</b>	<b>278</b>	<b>71,10</b>



## 3.7 EMPLOYMENT EQUITY

**Table 3.7.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	0	13	1	1	1	25
Professionals	82	2	0	7	83	5	1	14	194
Technicians and associated professionals	25	1	0	2	34	1	0	3	66
Clerks	24	0	0	0	60	1	1	7	93
Service and sales workers	10	1	0	3	4	1	0	0	19
Skilled agriculture and fishery workers	9	0	0	0	17	0	0	0	26
<b>Total</b>	<b>159</b>	<b>4</b>	<b>0</b>	<b>12</b>	<b>211</b>	<b>9</b>	<b>3</b>	<b>25</b>	<b>423</b>
<b>Employees with disabilities</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>

**Table 3.7.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	4	0	0	0	3	0	0	0	7
Senior management, permanent	14	1	0	0	17	1	1	1	35
Professionally qualified and experienced specialists and mid-management, permanent	67	2	0	5	69	5	1	14	163
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	35	1	0	7	62	2	1	8	116
Semi-skilled and discretionary decision making, permanent	14	0	0	0	17	1	0	2	34
Unskilled and defined decision making, permanent	3	0	0	0	9	0	0	0	12
Internship, permanent	8	0	0	0	18	0	0	0	26

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (top management), permanent	1	0	0	0	0	0	0	0	1
Contract (senior management), permanent	3	0	0	0	3	0	0	0	6
Contract (professionally qualified), permanent	6	0	0	0	5	0	0	0	11
Contract (skilled technical), permanent	2	0	0	0	2	0	0	0	4
Contract (semi-skilled), permanent	2	0	0	0	3	0	0	0	5
Contract (unskilled), permanent	0	0	0	0	3	0	0	0	3
<b>Total</b>	<b>159</b>	<b>4</b>	<b>0</b>	<b>12</b>	<b>211</b>	<b>9</b>	<b>3</b>	<b>25</b>	<b>423</b>

**Table 3.7.3 - Recruitment for the period 1 April 2018 to 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, permanent	3	1	0	0	0	1	0	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	0	0	0	0	4	0	0	0	4
Semi-skilled and discretionary decision making, permanent	1	0	0	0	1	0	0	0	2
Internship, permanent	8	0	0	0	19	0	0	0	27
Contract (top management), permanent	2	0	0	0	0	0	0	0	2
Contract (senior management), permanent	1	0	0	0	2	0	0	0	3
Contract (professionally qualified and experienced specialists and mid-management), permanent	5	0	0	0	4	0	0	2	11
Contract (skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents), permanent	0	0	0	0	4	0	0	0	4

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (semi-skilled and discretionary decision making), permanent	3	0	0	0	5	0	0	0	8
Contract (unskilled), permanent	0	0	0	0	2	0	0	0	2
<b>Total</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>69</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.7.4 - Promotions for the period 1 April 2018 to 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	2	0	0	0	2	0	0	0	4
Senior management, permanent	13	1	0	0	10	0	1	1	26
Professionally qualified and experienced specialists and mid-management, permanent	57	0	0	4	54	4	1	10	130
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	27	1	0	5	54	1	1	7	96
Semi-skilled and discretionary decision making, permanent	13	0	0	0	15	1	0	2	31
Unskilled and defined decision making, permanent	0	0	0	0	1	0	0	0	1
Contract (senior management), permanent	0	0	0	0	1	0	0	0	1
Contract (professionally qualified) permanent	1	0	0	0	1	0	0	0	2
Contract (skilled technical) permanent	0	0	0	0	0	0	0	0	0
Contract (semi-skilled) permanent	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>113</b>	<b>2</b>	<b>0</b>	<b>9</b>	<b>138</b>	<b>6</b>	<b>3</b>	<b>20</b>	<b>291</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>

**Table 3.7.5 - Terminations for the period 1 April 2018 to 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management, permanent	1	0	0	1	4	2	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	1	0	0	0	3	0	0	0	4
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Not available, permanent	0	0	0	0	3	0	0	0	3
Contract (top management), permanent	1	0	0	0	1	0	0	0	2
Contract (senior management) permanent	1	0	0	0	0	0	0	0	1
Contract (professionally qualified), permanent	6	0	0	0	2	0	0	2	10
Contract (skilled technical), permanent	0	0	0	0	3	0	0	0	3
Contract (semi-skilled), permanent	3	0	0	0	3	0	0	0	6
Contract (unskilled), permanent	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>38</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

**Table 3.7.6 - Disciplinary action for the period 1 April 2018 to 31 March 2019**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Negligence & poor work performance	0	0	0	0	1	0	0	0	1
Insubordination, displaying disrespectful conduct	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

**Table 3.7.7 - Skills development for the period 1 April 2018 to 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	0	0	0	41	0	5	2	77
Professionals	72	1	0	0	76	4	4	13	170
Technicians and associated professionals	8	2	0	1	22	1	0	0	34
Clerks	50	0	0	2	154	1	1	0	208
Elementary occupations	0	0	0	0	3	0	0	0	3
<b>Total</b>	<b>159</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>296</b>	<b>6</b>	<b>10</b>	<b>15</b>	<b>492</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 2018**

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 Dept.	1	1	1	100
Salary level 16	2	2	0	0
Salary level 15	6	4	3	75
Salary level 14	16	14	12	85
Salary level 13	33	28	25	89
<b>Total</b>	<b>58</b>	<b>49</b>	<b>41</b>	<b>84</b>

*Note:*

*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 2018.*

**Table 3.8.2 - Reasons for not having concluded performance agreements for all SMS members as at 31 May 2018**

Reasons
Some SMS members who did not comply had not been appointed by 31 May 2018.

*Note:*

*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 2018**

Disciplinary steps taken
SMS members who submitted late will forfeit their performance rewards.

*Note:*

*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 bands and critical occupations (see definition in notes below).

**Table 3.9.1 - Performance rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018**

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	8	154	5,20	202,59	25 324,00
Female	5	207	2,40	132,73	26 546,00
<b>Asian</b>					
Male	0	0	0,00	0,00	0,00
Female	0	3	0,00	0,00	0,00
<b>Coloured</b>					
Male	0	4	0,00	0,00	0,00
Female	0	9	0,00	0,00	0,00
<b>White</b>					
Male	1	11	9,10	38,19	38 193,00
Female	0	24	0,00	0,00	0,00
<b>Total</b>	<b>14</b>	<b>423</b>	<b>3,30</b>	<b>373.52</b>	<b>26 680,00</b>
<b>Employees with a disability</b>	<b>0</b>	<b>11</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

**Table 3.9.2 - Performance rewards by salary band for personnel below SMS for the period 1 April 2017 to 31 March 2018**

Salary band	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee
Contract (levels 1-2)	0	3	0,00	0	0
Contract (levels 3-5)	0	5	0,00	0	0
Contract (levels 6-8)	0	4	0,00	0	0
Contract (levels 9-12)	1	11	9,10	22,29	22 287,00
Other	0	26	0,00	0	0
Lower skilled (levels 1-2)	1	12	8,30	8,50	8 503,00
Skilled (levels 3-5)	0	34	0,00	0	0
Highly skilled production (levels 6-8)	6	116	5,20	120,70	20 117,00
Highly skilled supervision (levels 9-12)	7	163	4,30	244,31	34 902,00
<b>Total</b>	<b>14</b>	<b>374</b>	<b>3,80</b>	<b>373,52</b>	<b>26 680,00</b>

**Table 3.9.3 - Performance rewards by critical occupation for the period 1 April 2017 to 31 March 2018**

Critical occupation	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total occupation	Total cost (R'000)	Average cost per beneficiary
Administrative related, permanent	1	43	2,30	3,91	3 908,00
Archivists, curators and related professionals, permanent	3	40	7,50	78,79	26 263,00
Auxiliary and related workers, permanent	0	12	0	0	0
Cleaners in offices, workshops, hospitals, etc., permanent	1	12	8,30	8,50	8 503,00
Client information clerks (switchboard, reception, information clerks), permanent	0	3	0	0	0

Critical occupation	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total occupation	Total cost (R'000)	Average cost per beneficiary
Communication and information related, permanent	2	85	2,35	520,07	37 148,00
Custodian personnel	0	1	0	0	0
Engineers and related professionals, permanent	0	2	0	0	0
Finance and economics related, permanent	1	13	7,70	48,89	48 893,00
Financial and related professionals, permanent	0	7	0	0	0
Financial clerks and credit controllers, permanent	0	8	0	0	0
Food services aids and waiters, permanent	0	7	0	0	0
General legal admin. and related professionals, permanent	0	1	0	0	0
Human resources and organisational development and related professionals, permanent	0	5	0	0	0
Human resources clerks, permanent	0	2	0	0	0
Human resources related, permanent	0	14	0	0	0
Language practitioners, interpreters and other communication related, permanent	0	15	0	0	0
Legal related, permanent	0	3	0	0	0
Library, mail and related clerks, permanent	0	5	0	0	0
Logistical support personnel, permanent	0	4	0	0	0
Material-recording and transport clerks, permanent	1	5	20	22,51	22 513,00
Messengers, porters and deliverers, permanent	0	6	0	0	0
Other admin. and related clerks and organisers, permanent	0	40	0	0	0
Other admin. policy and related officers, permanent	0	7	0	0	0
Other information technology personnel, permanent	2	11	18,20	51,02	25 509,00

Critical occupation	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total occupation	Total cost (R'000)	Average cost per beneficiary
Other occupations, permanent	0	3	0	0	0
Risk management and security services, permanent	1	3	33,33	25,36	25 362,00
Secretaries and other keyboard-operating clerks, permanent	2	30	6,70	32,23	16116,00
Security officers, permanent	0	13	0	0	0
Senior managers, permanent	0	23	0	0	0
<b>Total</b>	<b>14</b>	<b>423</b>	<b>3,30</b>	<b>373,52</b>	<b>26 680,00</b>

**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 –
  - (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 of 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 2017 to 31 March 2018**

Salary band	Beneficiary profile			Cost		Total cost as % of total personnel cost	Personnel cost SMS (R)
	No. of beneficiaries	No. of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee		
Band A	0	29	0	0	0	0	31 667,31
Band B	0	12	0	0	0	0	16 578,15
Band C	0	5	0	0	0	0	7 775,53
Band D	0	3	0	0	0	0	6 667,26
<b>Total</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62 388,24</b>

**Note:**

Personnel cost means salaries received over the financial term.

## 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 2018 to 31 March 2019**

Salary band	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.10.2 - Foreign workers by major occupation for the period 1 April 2018 to 31 March 2019**

Major occupation	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 cost of the leave is also provided.

**Table 3.11.1 - Sick leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total no. of days	% of days with medical certificate	No. of employees using sick leave	% of employees using sick leave	Average no. of days per employee	Estimated cost (R'000)	Total no. of employees using sick leave	Total no. of days with medical certificate
Contract (levels 1-2)	0	0	0	0	0	0	306	0
Contract (levels 3-5)	0	0	0	0	0	0	306	0
Contract (levels 6-8)	14	85,70	4	1,30	4	17	306	12
Contract (levels 9-12)	51	96,10	5	1,60	10	128	306	49
Contract (levels 13-16)	4	75,00	2	0,70	2	21	306	3
Contract, other	4	25,00	3	1,00	1	1	306	1
Lower skilled (levels 1-2)	89	62,90	12	3,90	7	51	306	56
Skilled (levels 3-5)	230	73,50	27	8,80	9	184	306	169
Highly skilled production (levels 6-8)	718	75,90	95	31,00	8	1 024	306	545
Highly skilled supervision (levels 9-12)	903	74,50	124	40,50	7	2 314	306	673
Senior management (levels 13-16)	243	74,50	34	11,10	7	1 067	306	181
<b>Total</b>	<b>2 256</b>	<b>74,90</b>	<b>306</b>	<b>100</b>	<b>7</b>	<b>4 808</b>	<b>306</b>	<b>1 689</b>

**Table 3.11.2 - Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018**

Salary band	Total no. of days	% of days with medical certificate	No. of employees using disability leave	% of total no. of employees using disability leave	Average no. of days per employee	Estimated cost (R'000)	Total no. of days with medical certificate	Total no. of employees using disability leave
Skilled (levels 3-5)	297	100	3	16,70	99	272	297	18
Highly skilled production (levels 6-8)	290	100	6	8,00	36	330	290	18



Salary band	Total no. of days	% of days with medical certificate	No. of employees using disability leave	% of total no. of employees using disability leave	Average no. of days per employee	Estimated cost (R'000)	Total no. of days with medical certificate	Total no. of employees using disability leave
Highly skilled supervision (levels 9-12)	64	100	5	27,80	13	152	64	18
Senior Management (Levels 13-16)	29	100	1	5,60	29	120	29	18
Contract (Levels 9-12)	13	100	1	5,60	13	35	13	18
<b>Total</b>	<b>693</b>	<b>100</b>	<b>18</b>	<b>100</b>	<b>39</b>	<b>909</b>	<b>693</b>	<b>18</b>

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

**Table 3.11.3 - Annual leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total no. of days taken	No. of employees using annual leave	Average no. of days per employee
Contract (levels 1-2)	21	1	21
Contract (levels 3-5)	86	9	10
Contract (levels 6-8)	63	7	9
Contract (levels 9-12)	189	13	15
Contract (levels 13-16)	64	6	11
Contract, other	102	24	4
Lower skilled (levels 1-2)	301	12	25
Skilled (levels 3-5)	717	33	22
Highly skilled production (levels 6-8)	2 920	123	24
Highly skilled supervision (levels 9-12)	4 249	164	26
Senior management (levels 13-16)	987	41	24
<b>Total</b>	<b>9 699</b>	<b>433</b>	<b>22</b>

**Table 3.11.4 - Capped leave for the period 1 January 2018 to 31 December 2018**

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 March 2018
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	3	2	2	51
Highly skilled production (levels 6-8)	10	3	3	39
Highly skilled supervision (levels 9-12)	0	0	0	27
Senior management (levels 13-16)	0	0	0	35
<b>Total</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>33</b>

The following table summarises payments made to employees for leave that was not taken.

**Table 3.11.5 - Leave pay-outs for the period 1 April 2018 to 31 March 2019**

Reason	Total amount (R'000)	No. of employees	Average per employee (R'000)
Annual – discounting with resignation (working days)	232	12	19 333
Annual – discounting unused vacation credits (working days)	102	1	102 000
Annual – Gratuity: death/retirement/medical retirement (working days)	180	4	45 000
Capped - Gratuity: death/retirement/medical retirement (working days)	85	3	28 333
<b>Total</b>	<b>599</b>	<b>20</b>	<b>29 950</b>

## 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	N/A

**Table 3.12.2 - Details of health promotion and HIV/Aids programmes**

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.	Yes		Ms Mathilda C Mogotsi: DDG/Corporate Services is designated to implement the provision contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Three  Employees are paid from the compensation budget and projects from the goods and services budget (HRM).
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		<p><b>By offering key services the Employee Health and Wellness Unit aims to achieve the following goals:</b></p> <p><b>Implementing the National Strategic Plan for HIV/Aids, STIs and TB 2017-2022 by–</b></p> <ul style="list-style-type: none"> <li>• addressing the social and structural drivers of HIV, TB and STIs;</li> <li>• accelerating prevention of new HIV, TB and STI infections;</li> <li>• sustaining health and wellness; and</li> <li>• grounding the response to HIV, TB and STIs in human rights principles and approaches</li> </ul> <p><b>Promoting and enhancing DAC employees' performance and organisational performance through–</b></p> <ul style="list-style-type: none"> <li>• developing, implementing and popularising of the wellness management policy; and</li> <li>• implementing a wellness management operational plan with the following objectives: <ul style="list-style-type: none"> <li>- to promote physical wellness of employees;</li> <li>- to promote psychosocial wellness of employees; and</li> <li>- to promote and encourage organisational wellness.</li> <li>- to promote work-life balance.</li> </ul> </li> </ul> <p><b>Addressing all aspects of employees' health that affect their work performance through–</b></p> <ul style="list-style-type: none"> <li>• developing, implementing and popularising the Health and Productivity Management Policy to DAC employees;</li> <li>• providing health education and promotion;</li> <li>• promoting the management of non-communicable and communicable diseases;</li> <li>• promoting the management of mental health in the workplace;</li> <li>• promoting the management of incapacity leave due to ill-health and retirement.</li> </ul>

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<p>The Employee Health and Wellness Unit appointed the following DAC employees as members and champions of the Employee Health and Wellness Committee:</p> <ul style="list-style-type: none"> <li>• Opelo Thole: Subdirector: Terminology Coordination</li> <li>• Sylvia Makapan: Subdirector: Terminology Coordination</li> <li>• Hlwaela Mphuloane: Subdirector: Payment &amp; Asset Management</li> <li>• Mokgadi Matemane: Chief Directorate: National Language Service</li> <li>• Corry Masilela: Subdirector: Events Management</li> <li>• Matsobane Kekana: Directorate: Internal Audit</li> <li>• Luvuyo Ngingi: Subdirector: Terminology Coordination</li> <li>• Patricia Mohlala: Division: Security</li> <li>• Petrus Mathiba: Division: Registry</li> <li>• Tumelo Modjela: Directorate: Information Technology</li> <li>• Tshepiso Serokolo: Directorate: Information Technology</li> </ul>
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		<p>The following policies have been reviewed and approved:</p> <ul style="list-style-type: none"> <li>• Policy on Job Evaluation</li> <li>• Policy on Resettlement</li> <li>• Policy on Leave</li> <li>• Workplace Health and Productivity Management Policy</li> <li>• Workplace Wellness Management Policy</li> <li>• Policy on Appointments, Secondments, Promotions, Transfers and Termination of service</li> <li>• Policy on Recruitment and Selection</li> </ul>
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		<ul style="list-style-type: none"> <li>• Provide educational information on the stigma related to HIV/Aids and TB in the workplace through electronic and print media.</li> <li>• Provide ongoing emotional and psychosocial support to employees who are victims of stigmatisation and discrimination related to HIV/Aids and TB.</li> <li>• Popularise policies that address discrimination and stigmatisation of employees infected with HIV and TB in the workplace through print and electronic media.</li> <li>• Promote and mainstream HR policies that address barriers to human rights through print and electronic media.</li> <li>• Popularise [Review] the existing policy on EEA, which addresses equity and protection of vulnerable individuals in the workplace.</li> <li>• Raise awareness of issues related to violence against women, children, youth people living with disability and people living with HIV/Aids.</li> <li>• Intensify awareness of women's empowerment and gender equality issues through workshops, print and electronic media.</li> <li>• Encourage and promote behavioural change interventions through print and electronic media.</li> </ul>
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	Yes		<p>Between April 2018 and March 2019, 17 male employees and 52 female employees participated in HIV counselling and testing (HCT). Of the 69 employees who participated in HCT, no employees were tested HIV positive.</p>

Question	Yes	No	Details, if yes
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<p>The Employee Wellness Unit provides a report on the impact of the implementation of the health promotion programme to the Directors-General of the Department of Arts and Culture and the Department of Public Service and Administration at least once per annum in the form of the following operational plans:</p> <ul style="list-style-type: none"> <li>• HIV &amp; AIDS, TB and STI Operational Plan.</li> <li>• Health and Productivity Management Operational Plan.</li> <li>• Wellness Management Operational Plan.</li> </ul> <p>The Employee Health and Wellness Unit also provides the following reports quarterly and annually:</p> <ul style="list-style-type: none"> <li>• Reports on the progress made in the projects in the Branch's Operational Plan.</li> <li>• DAC Report on the Operational Plan.</li> <li>• Audit Committee Report for all 4 quarters.</li> </ul>



## 3.13 LABOUR RELATIONS

**Table 3.13.1 - Collective agreements for the period 1 April 2018 to 31 March 2019**

Total number 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 2018 to 31 March 2019**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	5	83
Final written warning	1	17
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>6</b>	<b>100</b>

**Table 3.13.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 to 31 March 2019**

Type of misconduct	Number	% of total
Negligence	1	50
Insubordination	1	50
<b>Total</b>	<b>2</b>	<b>100</b>



**Table 3.13.4 - Grievances lodged for the period 1 April 2018 to 31 March 2019**

Grievances	Number	% of total	Total
No. of grievances resolved	2	40	2
No. of grievances not resolved	3	60	3
<b>Total number of grievances lodged</b>	<b>5</b>	<b>100</b>	<b>5</b>

**Table 3.13.5 - Disputes lodged with councils for the period 1 April 2018 to 31 March 2019**

Disputes	Number	% of total
No. of disputes upheld	1	33
No. of disputes dismissed	2	67
<b>Total number of disputes lodged</b>	<b>3</b>	<b>100</b>

**Table 3.13.6 - Strike action for the period 1 April 2018 to 31 March 2019**

Total no. of working days lost	0
Total cost of working days lost (R'000)	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 2018 and 31 March 2019**

No. of people suspended	0
No. of people whose suspension exceeded 30 days	0
Average no. of days suspended	0
Cost of suspension (R'000)	0

## 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 2018 to 31 March 2019**

Occupational category	Gender	No. of employees at 1 April 2018	Training needs identified at beginning of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	11	0	11
	Male	23	0	8	0	8
Professionals	Female	95	0	152	0	152
	Male	79	0	136	0	136
Technicians and associated professionals	Female	78	0	76	0	76
	Male	44	0	36	0	36
Clerks	Female	22	0	22	0	22
	Male	15	0	8	0	8
Elementary occupations	Female	12	0	5	0	5
	Male	3	0	0	0	0
<b>Gender subtotals</b>	Female	<b>233</b>	<b>0</b>	<b>266</b>	<b>0</b>	<b>266</b>
	Male	<b>164</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>188</b>
<b>Total</b>		<b>397</b>	<b>0</b>	<b>454</b>	<b>0</b>	<b>454</b>

**Table 3.14.2 - Training provided for the period 1 April 2018 to 31 March 2019**

Occupational category	Gender	No. of employees at 1 April 2018	Training provided in reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	48	0	48
	Male	23	0	29	0	29
Professionals	Female	95	0	97	0	97
	Male	79	0	73	0	73
Technicians and associated professionals	Female	78	0	23	0	23
	Male	44	0	11	0	11
Clerks	Female	22	0	156	0	156
	Male	15	0	52	0	52
Elementary occupations	Female	12	0	3	0	3
	Male	3	0	0	0	0
<b>Gender subtotals</b>	<b>Female</b>	<b>233</b>	<b>0</b>	<b>327</b>	<b>0</b>	<b>327</b>
	<b>Male</b>	<b>164</b>	<b>0</b>	<b>165</b>	<b>0</b>	<b>165</b>
<b>Total</b>		<b>397</b>	<b>0</b>	<b>492</b>	<b>0</b>	<b>492</b>

*Note:*

*The total refers to the number of employees who received training. In this case, some employees went on training more than once.*

## 3.15 INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 3.15.1 Injury on duty for the period 1 April 2018 to 31 March 2019**

Nature of injury on duty	Number	% of total
Required basic medical attention only	17	73,91
Temporary total disablement	6	26,08
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>23</b>	<b>100</b>

## 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, in terms of a specific contract, on an ad-hoc basis provides 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 2018 to 31 March 2019**

Project title	Total no. of consultants who worked on project	Duration (working days)	Contract value in Rand
Independent contractor: Library Conditional Grant Project	2	1 June 2016–31 May 2021	2 190 367,00

Total no. of projects	Total no. of individual consultants	Total duration (working days)	Total contract value in Rand
1	2	60 months	5 377 272,00

**Table 3.16.2 - Analysis of consultant appointments using appropriated funds in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2018 to 31 March 2019**

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups who worked on project
Library Conditional Grant	100	100	2

**Table 3.16.3 - Report on consultant appointments using donor funds for the period 1 April 2018 to 31 March 2019**

Project title	Total no. of consultants who worked on project	Duration (working days)	Donor and contract value in Rand
None	0	0	0

Total no. of projects	Total no. of individual consultants	Total duration (working days)	Total contract value in Rand
None	0	0	0

**Table 3.16.4 - Analysis of consultant appointments using donor funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 to 31 March 2019**

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups who worked on project
None	0	0	0

## 3.17 SEVERANCE PACKAGES

**Table 3.17.1 - Granting of employee-initiated severance packages for the period 1 April 2018 to 31 March 2019**

Salary band	No. of applications received	No. of applications referred to MPSA	No. of applications supported by MPSA	No. of packages approved by Dept.
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 supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Part D Governance



## 4.1 INTRODUCTION

The Department's commitment to maintaining the highest standards of governance is fundamental to the management of public finances and resources. The public wants assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the state's resources, which are funded by the tax payer.

## 4.2 RISK MANAGEMENT

As required by section 38(1)(a)(i) of the PFMA, and in line with the Public Sector Risk Management Framework, the Department has an established Risk Management Committee that advises the Accounting Officer on matters of risk management in fulfilling his mandate as required by the Act. The Risk Management Committee operates on the advice of an independent member as the Chairperson, who reports to the Department's Audit Committee.

The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges its responsibilities in compliance with the Risk Management Charter.

The Committee comprises the Director-General, Executive Management, Top Management and selected Senior Managers who represent core operational functions within the DAC. The Committee held five meetings during the 2018/19 financial year with an average attendance rate of **65%**.

The Department's Risk Management Unit maintained the following policies:

### **Enterprise Risk Management**

- (i) Risk Management Framework

- (ii) Risk Management Policy
- (iii) Project Risk Methodology
- (iv) Project Risk Management Framework
- (v) Risk Management Committee Charter
- (vi) Risk Champions Charter

### **Ethics and Integrity**

- (i) Fraud Policy
- (ii) Fraud Prevention Strategy
- (iii) Fraud Investigation Policy
- (iv) Gifts Policy
- (v) Remunerative Work outside the Public Sector
- (vi) Conflict of Interest Policy
- (vii) Whistleblowing Policy

### **Compliance Risk Management**

- (i) Compliance Risk Management Framework

Quarterly strategic risk mitigation reports as submitted to the Risk Management Committee by the respective Deputy Directors-General for each programme were assessed. Risk management progress is monitored quarterly by the Risk Management Unit with the assistance of Branch Coordinators at strategic level, including the appointed Risk Champions who collate and validate the risk mitigation efforts at an operational level. The Risk Committee Chairperson reported quarterly to the Audit Committee for risk governance oversight.

## 4.3 FRAUD AND CORRUPTION

Reporting of fraud allegations and application of Fraud Prevention Policy:

- The Department has an approved Fraud Prevention Strategy, and maintained fraud prevention and investigation policies. A whistle-blowing policy is in place and fully applied.
- The Department has maintained processes to collate and send all fraud reporting by employees received through walk-in, etc. to the Risk Management Directorate, including the escalation of all allegations received from the Public Service

Commission. All reported allegations are escalated to the Accounting Officer and the Chief Audit Executive for preliminary investigations and follow-up.

## 4.4 MINIMISING CONFLICT OF INTEREST

To manage conflict of interest, the Department, through its Ethics and Integrity Programme, ensured that all designated officials declared their financial interests, including the disclosure of accepted gifts and other benefits.

Approval to perform remunerative work outside the public sector was administered and approved by the Executive Authority in line with the Public Service Integrity Management Framework, and Chapter 2 and 3 of the Public Service Regulations, 2016.

- **Financial disclosures:** all senior managers disclosed their financial interests for 2018/19 by 30 April 2019.
- **Gift disclosures:** gifts to the value of **R32 067,00** were disclosed during the financial year.

- **Approval for remunerative work:** approval to conduct remunerative work outside the Public Sector is granted by the Executive Authority in line with the Public Service Regulations. Approval is subject to annual review, in line with the Department's approved Remunerative Work Policy.
- A policy for remunerative work outside the Public Sector and a Conflict of Interest Policy were developed to better direct the monitoring and disclosure of conflict of interest at an organisational level.





## 4.5 CODE OF CONDUCT

The Department complies with the Code of Conduct as articulated in Chapter 2, Part 1 of the Public Service Regulations, 2016. This is done by providing all new employees with the Code of Conduct booklet upon joining the Department. To enforce and instil the provision of the Code of Conduct in employees, the Department in conjunction with the Public Service Commission facilitated a workshop on the Code of Conduct in the year under review. The key outcomes focused on professionalism in the public

sector, including the management of conflict of interest and overall familiarisation with the respective policies and legislation.

Further to this, the Department has also rolled out induction programmes for new recruits, with the aim of informing officials of the expected behavioural standards from an ethical perspective.

## 4.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The vision of the Department's OHS programme is a healthy and safe working environment for all who enter its premises, in compliance with the relevant legislation. The mission of the programme is to provide a safe and healthy occupational environment by preventing accidents, injuries and illness resulting from all foreseeable workplace hazards and risks, and to respond rapidly and appropriately when these occur.

The DAC considers its staff to be its most valuable asset and is committed to maintaining the health and safety of all staff as a priority. This commitment also extends to others in the workplace, such as our visitors, on-site contractors and stakeholders who visit our various sites and attend our events.

The commitment to workplace health and safety was achieved through the active participation of all staff. It was the expectation that staff enthusiastically support activities designed to enhance their health and safety, and that Management committed the time and resources needed to make this possible. The Department recognised the importance of ensuring that all policies relating to health and safety were understandable and appropriate for staff from all cultural backgrounds.

To support this commitment, the Department commissioned a broad-based Health Risk Assessment (HRA) that was conducted by an external service provider at all sites to establish the existing risks within the working environment and required mitigations. Action plans derived from the HRA were communicated to all responsible parties for implementation. The Occupational Health and Safety Policy was approved for 2017-2019 and a health and safety plan for 2018-2019 was developed and successfully implemented. The health and safety plan outlines details of activities to ensure awareness of all risks within the workplace and strategies for providing a safe and healthy occupational environment by preventing injuries, illness and accidents resulting from these risks.

Formal and informal building inspections were conducted on a regular basis, and quarterly health and safety meetings were conducted. Biannual evacuation drills were conducted in accordance with the Disaster Management Act and municipal by-laws.

## 4.7 PORTFOLIO COMMITTEE

The Department was invited to several meetings with the Portfolio Committee on Arts and Culture. The details of the meetings are provided in the table below.

Date of meeting	Purpose of meeting	Actions
8 May 2018	<b>Briefing on the Performing Arts Centre of the Free State (PACOFs)</b>	Following a meeting with staff members of PACOFs, the Minister reconvened a meeting with Council members who seemed not to have understood the Minister's brief. Seeing that the Council was divided, the Minister appointed Mr Sifumba as the acting Chairperson. Mr Sifumba would be the acting Chairperson until the Minister has had time to go through all the issues raised by both the Council and the staff of PACOFs. The Minister strongly advised staff to let the case of the dismissed CEO take its course. He asked staff to be patient.
	<b>Update on Enyokeni Cultural Precinct Project</b>	<b>Enyokeni Cultural Precinct</b> is a Multicultural activities and Heritage Precinct intended for the promotion and preservation of Arts, Culture and Heritage through the hosting of various cultural heritage festivities and ceremonies that are of great significance to the nation. Discussions about the best possible approach and model to use to conclude the work that was started are at an advanced stage. The Department will make the final recommendations to the Minister of Arts and Culture, the MEC of Arts and Culture, and the Premier of the Province. This will subsequently be followed by the presentation of the final decision to His Majesty.
	<b>Archives Management Plan</b>	The National Archives and Records Service of South Africa (NARSSA) will provide two accredited records management courses per year over the next three years. The target is 20 people per course, which translates to 40 people per year. The second group of trainees is records managers of Governmental Bodies who submit requests for training.
14 September 2018	<b>DAC 1<sup>st</sup> Quarter Expenditure Report</b>	The Department incurred actual expenditure of R919 million (88%) in the 1 <sup>st</sup> quarter versus a quarterly projected budget of R1, 0 billion. The actual expenditure of R919 million (21%) incurred in the 1 <sup>st</sup> quarter versus the annual budget of R4, 4 billion.
	<b>Update on entity issues</b> <b>Market Theatre Foundation (MTF):</b> the DAC was inundated with letters alluding to serious allegations of irregular expenditure and a breach of oversight responsibility by the Chairperson of the MTF Council	The Council has resolved to secure the services of an independent company to hear all outstanding grievances that have been escalated to the Council. A submission recommending that the Minister appoint replacements has already been drafted and was <i>en route</i> .
16 October 2018	<b>MGE issues and the South African Cultural Observatory (SACO) report</b>	The MGE funding process is being reviewed to address challenges that have been identified. SACO is the research arm of the sector, which supports the collection and analysis of data to champion evidence, influence policy, share insight, disseminate information and build intellectual capacity across cultural domains. SACO did an evaluation of jobs created through the five DAC MGE categories for the 2014/15 to 2016/17 financial years. MGE funding during the above period enabled the employment of 3 388 people in permanent jobs. Furthermore, DAC MGE funded event organisers employed a total of 25 941 additional persons, specifically for events, 1 473 permanent employees and 24 558 temporary workers.

Date of meeting	Purpose of meeting	Actions
23 October 2018	<b>Audit Committee feedback on 2017/18 Annual Report</b>	<p>Over the past financial year, the performance of the Department has improved. Unqualified Audit Report</p> <p>Attention must be given to the following:  Misstatement in the financial statements, which resulted in material adjustments; findings on non-compliance with regulations; deficiency in systems of internal control to prevent irregular expenditure; inadequate procurement and contract management system; and implementation of consequence management against officials who do not comply with regulations.</p>
13 November 2018	<p><b>Update on DAC entities</b></p> <p>Breakdown of the report on the forensic investigations done at the NAC</p> <p>Allegations submitted by the South African Roadies Association (SARA)</p> <p>Salary increases of the CEO and the CFO for the 2016/17 financial year</p>	<p>The Department requested Gobodo Forensic and Investigative Accounting (Pty) Ltd to conduct investigations into the allegations.</p> <p>The Department directed the Council to investigate the allegations and the following were findings and recommendations from the Council:  The CEO's salary is structured and only includes car allowance. No performance bonuses or increases were paid to the CEO and the CFO in 2014/15.  The increase of the CEO's salary by 18% from R1 296 226 to R1 664 326 was found not to be correct.  The Minister met with the Council of the National Arts Council on 16 July 2018 to discuss the progress report on the investigation that was conducted by the Council. The CEO and CFO were subsequently charged and subjected to a disciplinary process.</p>
4 December 2018	<b>Update on Performers Protection and Copyright Amendment Bills</b>	<p>The DAC welcomes the amendment of the copyright legislation with reservations as highlighted in a presentation made at the meeting. The Department recommends removing ambiguity and vagueness that may hamper efficient and effective implementation. Furthermore, the DAC recommends broader consultation with Cultural and Creative Industries stakeholders and other affected parties, in particular relevant government Ministries, to ensure proper alignment with needs and expectations. The DAC supports the proposal from the Department of Trade and Industry.</p>
19 February 2019	<p><b>Update on outcome of forensic investigations at entities</b></p> <p><b>NAC:</b> interim CEO was appointed on 25 September 2018 by the Council of the NAC on a month-to-month basis. The interim CEO's salary is the same as the current CEO who is on special leave.</p> <p>Progress with implementation of forensic investigation into Lalela Project and CEO's excessive bonus payment.</p> <p>Excessive bonuses paid to the CFO and Arts Development Manager (ADM).</p>	<p>A decision was taken to appoint the CEO of the State Theatre as the interim CEO of the NAC. He was introduced to staff members on 22 January 2019.</p> <p>At the last scheduled hearing on 10-13 December 2018, the last day of the hearing was scheduled for 5 February 2019 for the employee's witness to provide testimony. During this hearing it was mentioned that the CEO has two other witnesses, and to accommodate them it was concluded that the matter would be heard on 25 and 27 February 2019 respectively.</p> <p>The CFO was served with the charge sheet and notice of the hearing in December 2018. The hearing was scheduled for 14-15 March 2019. The disciplinary process will continue as planned.</p> <p>The ADM was served with the charge sheet on 28 November 2018. The hearing for the ADM was scheduled for 4-15 March 2019.</p>

Date of meeting	Purpose of meeting	Actions
19 February 2019	<p><b>SARA:</b> update on remedial actions outlined in the report of the Public Protector. (Report No. 6/2017, ISBN: 978-1-928366-27-0)</p>	<p>Following the report of the Public Protector, the Department conducted a site inspection together with the DBSA to SARA House on 6 September 2018. The assessment concluded that the building required urgent work and intervention as the infrastructure was found to be derelict and not user-friendly, which posed serious health and safety hazards to its occupants. The project will be rolled out over a period of 14 months with a budget of R23 million, sourced from the Department.</p> <p>Over and above the infrastructure renovations, the remedial action also takes into cognisance the Public Protector's recommendations about the issues of funding the operational and administrative costs of SARA and amending the White Paper to include the live events and technical services sector. The Department has committed to fund SARA for a period of three years (2019–2021). The live events and technical services sector was consulted and factored into the revised White Paper as tabled.</p>
	<p><b>SAHRA:</b> allegations levelled against the Chairperson and CEO regarding irregular expenditure, non-compliance with supply chain management (SCM) policies by Management and a breach of oversight responsibility by the Chairperson of the Council.</p>	<p>The investigation was completed and a final report had been handed over to the Minister. The SAHRA Council laid criminal charges with law enforcement agencies to implement the findings of the report. Criminal charges were also laid against those implicated in the report. The CEO was dismissed on 14 January 2019.</p>
	<p><b>RIM:</b> complaint by the Ex-Political Prisoners Association, Mr Masemola</p>	<p>The DAC responded to a media report on allegations of maladministration at the RIM and appointed Morar Incorporated investigation company to investigate the allegations. (The investigation is underway.)</p>
	<p><b>National Library of South Africa (NLSA):</b> the following issues were raised by NLSA staff through an anonymous correspondence sent to the DAC. No staff meetings –only five in five years; CEO uses the company car to be picked up and dropped off at home, the car is not used for the operations of the company as it is always on standby for the sole use of the CEO; and the Executive Director of Corporate Services has companies linked to him that have been awarded tenders by the NLSA.</p>	<p>The DAC met with NLSA employees on 12 February 2019 to address all the concerns that they raised. The meeting provided a platform for NLSA staff to address all the concerns raised by both Management and staff committed to work on improving communication.</p> <p>The Board appointed an independent investigator and a report has been shared with the Minister for noting.</p>
	<p><b>PACOFs:</b> collusion between the CFO and SCM manager on scandalous operational matters, irregular expenditure, and the report on procurement of council members for a gospel show.</p> <p>Appointment of the CEO.</p>	<p>The Council assigned Morar to investigate the allegations. The investigators have provided detailed recommendations, and the Council was scheduled to thoroughly engage with the report and implement recommendations.</p> <p>The recruitment and selection process to appoint the CEO has commenced; however, it was found to be flawed. The Minister issued a directive for the process to be restarted. The Council planned the interviews for 23 February 2019.</p>



Date of meeting	Purpose of meeting	Actions
19 February 2019	<b>NFVF:</b> the Department received letters on 7 November 2018 forwarded by the Portfolio Committee on concerns about the Independent Producers Organisation's annual financial statements for the year ended on 31 March 2016, and the release of the Comperio forensic report into allegations of mismanagement at the NFVF.	The Comperio forensic report was released at a press conference on 21 November 2018. The concerned stakeholders were invited to the press conference.
26 February 2019	<b>Update on the 4<sup>th</sup> draft of the revised DAC White Paper</b>	<p>The Department of Planning, Monitoring and Evaluation certificate to allow the Department to present to the Social Protection, Community and Human Development Cluster was issued in August 2018 and final briefings to the DAC entities were done.</p> <p>The revised draft White Paper has gone through the normal parliamentary processes and was tabled in Parliament on 12 October 2018.</p>
5 March 2019	<p><b>Update on DAC entities</b></p> <p><b>NLSA:</b> complaints by concerned NLSA employees</p> <p><b>PanSALB:</b> appointment of the Board and suspension of the CEO</p> <p><b>Funding for projects</b> (developments pertaining to the King Dini Zulu Exile project)</p> <p><b>Raymond Mhlaba statue</b></p> <p><b>Winnie Mandela House</b></p> <p><b>Living Legends Legacy Trust:</b> missing funds</p>	<p>The DAC Management has made a commitment to:</p> <ol style="list-style-type: none"> <li>1. Meet with labour to find a cordial way of dealing with issues that were raised by NLSA employees. The meeting was held in October 2018.</li> <li>2. Meet with Executive Managers and Directors and provide feedback to staff by the end of November 2018. The matter was heard on 21 February 2019 but it was postponed to a later date. A report will be drafted and forwarded to the Minister for guidance.</li> </ol> <p>Interviews were conducted by the Portfolio Committee on 27, 28 and 30 November 2018. The Committee conducted the process of vetting recommended candidates. The CEO was suspended in June 2018. He challenged his suspension in court and won the case. The court ruled that his suspension was unlawful and unconstitutional. The CEO returned to work on 18 February 2019.</p> <p>The total budget of the project submitted in 2013 was R700 million. Princess Zulu submitted a progress report as per the MOA and requested payment of R1 010 445. The Department analysed the report and provided feedback to Princess Zulu indicating that she had not addressed issues as per the addendum to the contract. A list of compliance issues were sent to her and thus far she has not provided a full response to the issues raised to enable the Department to make an informed decision on whether she had fully complied with the contractual obligations. In February 2019, a meeting was convened with Princess Zulu where a detailed breakdown of reports was reviewed and the beneficiary was requested to provide more details before the outstanding payment could be effected.</p> <p>The DAC is honouring the late Raymond Mhlaba by constructing and installing a statue and memorial plaque in Fort Beaufort in the Eastern Cape. The DAC received a letter detailing fraud allegations in the appointment of a service provider. The DAC's Internal Audit Section instituted an investigation into the allegations. The investigating team recommended that work on the statues had to be suspended pending the outcome of the investigation. The investigation is ongoing.</p>

Date of meeting	Purpose of meeting	Actions
5 March 2019		At a meeting between the DAC and Internal Audit, which was held on 2 November 2018, it was agreed that the tender should be re-advertised as none of the bidders qualified on functionality. The DAC has already appointed a contractor who is on site doing the job as agreed. The case has been referred to the Commercial Crime Centre in Eloff Street, Johannesburg, due to the magnitude of the missing amount. The Trust account has been closed pending the investigation. The alleged perpetrator had been arrested and was out of bail.

## 4.8 STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

The Department did not appear before SCOPA during the reporting period.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
N/A	N/A	N/A	N/A	N/A

## 4.9 INTERNAL AUDIT AND AUDIT COMMITTEE

### 4.9.1 Internal Audit

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

The 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 IAA's work was derived from the approved risk-based three-year strategic and annual operational plans approved by the Audit Committee for the 2018/19 financial year.

The following internal audit assignments were carried out by IAA during the year under review, in an effort to assist the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities:

- Review of the draft 2019/20 Annual Performance Plan (APP)
- Review of the Annual Performance Report – 2017/18

- Review of the Enterprise Risk Management
- Review of the 2017/18 Unaudited Annual Financial Statements
- Quarterly Review of the 2018/19 Unaudited Financial Statements
- Quarterly Reviews of Predetermined Objectives – 2018/19 financial year and Quarter 4 of the 2017/18 financial year
- MPAT 1.8 Verification
- Internal Financial Controls
- Conditional Grants
- Supply Chain Management
- Review of the Mzansi Golden Economy Projects
- Review of the Management Action Plan to address the AGSA 2017/18 findings (Adequacy and Effectiveness Review)
- Information Technology (follow-up audit)
- Information Technology General Controls Review
- Asset Management Review
- Information Technology Applications Review (AtoM system)

#### 4.9.2 Audit Committee

The Department's Audit Committee is appointed in terms of section 38(1)(a) (ii) of the PFMA and Treasury Regulation 3.1, and operates in accordance with the aforementioned regulations, including the provisions prescribed in terms of sections

76(4)(d) and 77 of the PFMA, as well as its approved Charter.

The primary purpose of the Audit Committee is to assist the Accounting Officer 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 predetermined objectives;
- Enhancing business ethics and trust in the Department;
- Ensuring and enhancing the independence of the IAA;
- 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 2019; and the details of membership and number of meetings are outlined as follows:

Name	Employer	Qualifications	Designation	Date of appointment	End of term	No. of meetings attended
a) Adv. WE Huma	Self-employed	<ul style="list-style-type: none"> <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>• Fellow of the Institute of Directors.</li> <li>• Financial Management (Finance for Non-Financial Managers)</li> </ul>	Chairperson [non-executive member]	14 May 2014 (1 <sup>st</sup> term)	13 May 2017	10
				15 May 2017 (2 <sup>nd</sup> term)	30 September 2020	

Name	Employer	Qualifications	Designation	Date of appointment	End of term	No. of meetings attended
b) Mr MAE Amod	Self-employed	<ul style="list-style-type: none"> <li>Chartered Director, South Africa (CD-SA)</li> <li>MBA</li> <li>BCom</li> <li>Certified Internal Auditor</li> <li>Certified Government Auditing Professional</li> <li>Certification in Risk Management Assurance</li> </ul>	Non-executive member	14 May 2014 (1 <sup>st</sup> term)	13 May 2017	10
				15 May 2017 (2 <sup>nd</sup> Term)	30 September 2020	
c) Ms P Mvulane	Private business	<ul style="list-style-type: none"> <li>Chartered Accountants (SA) and Registered Auditor</li> <li>Honours BCom (Accounting)</li> <li>Specialist Diploma in Auditing</li> <li>B Com (Accounting)</li> <li>Certificate of Corporate Governance in Public Sector</li> </ul>	Non-executive member	19 October 2016	18 October 2019	9
d) Ms F Tshikhudo	State-owned entity	<ul style="list-style-type: none"> <li>Honours BCompt</li> <li>BCom (Accounting and Auditing)</li> <li>Post-Graduate Diploma (Accounting Science)</li> <li>Post-Graduate Diploma: Risk Management</li> <li>Certificate in Management Development</li> <li>Certified Risk Management Assurance</li> <li>Certified Internal Auditor</li> </ul>	Non-executive member	19 October 2016	18 October 2019	10

The Audit Committee met on 10 occasions – four ordinary audit committee meetings and six special audit committee meetings. The special audit committee meetings focused on the following matters, which could not be accommodated within the ordinary meetings:

- DAC Draft 2018/19 Annual Performance Plan and strategic risks;
- Review and oversight over certain forensic investigation project(s);
- Review of the 2018/19 Technical Indicator Description, which was completed late;
- Audit Committee and Internal Audit annual 360° self-assessment;
- 360° Enterprise Risk Management assessment
- Unaudited 2017/18 Annual Financial Statements and Performance Information Report;
- Risk Committee Report to the Audit Committee;
- Quarterly and Branch Risk Mitigation Reports;
- Fraud Risk Assessment;
- Compliance of the DAC with the framework for compliance with laws and regulations;
- Human Resources Governance Report;
- DAC Materiality Framework; and
- Audited Annual Financial Statements and Annual Performance Report.

## 4.10 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2019.

### 4.10.1 Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1, and operated in accordance with the aforementioned regulations, including the provisions 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 discharged all its responsibilities as contained therein.

### 4.10.2 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 the categories of effectiveness and efficiency of operations, financial reporting, and compliance with applicable laws and regulations, and policies and procedures.

The Audit Committee provided oversight on business areas of the Department in line with applicable provisions of the PFMA, the Treasury Regulations and its approved Audit Committee Charter. This was achieved through the assurance reviews conducted by IAA as well as from the assurance reviews by the Auditor-General of South Africa (AGSA) in line with the approved coverage plans, respectively. 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/or 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, deviations from business rules/policies and delays in either implementing the corrective actions or ensuring accountability. The Committee also noted the recurring deficiencies in internal controls from prior years.

### Matters of serious concern to the Committee regarding internal controls are as follows:

- Policies and procedures – Instances where the periodic review and approval of certain policies and procedures were delayed and resulted in recurring AGSA findings, i.e. human resource management policies, monitoring and evaluation framework, policy and standard operating procedures, ICT disaster and security policies;
- Strategic and annual performance planning, i.e. delayed planning;
- Lack of adequate project management in the Department (coordination, monitoring, reporting, delayed implementation and requisite skills);
- Inadequate maintenance of sufficient, reliable and complete verification sources for reported performance information;
- Unsatisfactory general IT controls, i.e. governance and application controls;
- Inadequate review and quality of the Department's financial statements, i.e. preparation and quality assurance;
- Inadequate and 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 SCM procurement, and contract management;
- Irregular expenditure has been reduced with the introduction of further internal controls, but instances of non-compliance with policies and procedures by employees, which result in irregular, fruitless and wasteful expenditure, are still continuing and robust monitoring by Management is required to ensure accountability;

- Occupational Health and Safety, i.e. no occupational certificate for the Department's current premises;
- Development of a grant funding policy for the Department;
- Consequence management for non-compliance with procedures for reporting losses and claims;
- Development of a materiality framework for the Department; and
- Delayed fraud and risk assessment for the Department.

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

Proper planning, which has 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 of the management action plan in relation to the 2017/18 AGSA audit outcomes, and has observed that although some improvements were made, they did not have much impact on the 2018/19 financial year as a result of delayed implementation, e.g. development and approval of policies, development and implementation of adequate internal controls, and also inadequate action plans in most instances.

#### **4.10.3 Internal Audit**

The Audit Committee monitored the work of the IAA 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 is concerned that the IAA is under-resourced, given its current human resources and budget allocation, to function optimally and maximise its coverage of the risk exposures facing the Department. Efforts to supplement the capacity of the IAA through the appointment of an internal audit service provider have been noted by the Committee, and will continue to be monitored.

#### **4.10.4 Risk Management**

The Department has a Risk Management Committee that advises the Accounting Officer on matters of risk management in fulfilling his mandate as required by section 38(1)(a)(i) of the PFMA and in line with the Public Sector Risk Management Framework developed by National Treasury.

The Risk Management Committee operates on the advice of an independent chairperson, who serves on the Department's Audit Committee and reports on the management of risks within the Department. The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges all its responsibilities in compliance with the Charter.

In line with its approved Charter, the Risk Management Committee held four (quarterly) ordinary risk management committee meetings during the 2018/19 financial year with an average attendance rate of 65%, which is a decline from the previous year.

The Chairperson of the Risk Management Committee reported quarterly to the Audit Committee in fulfilling their risk management oversight role. The following is a summary of interventions and outcomes of enterprise risks management activities during the year.

##### **i. 360° Enterprise Risk Management Assessment**

The outcomes of this process highlighted the following:

- Limitations on risk culture within the organisation – Management behaviour



did not reflect a shared culture where managers are held accountable, and take ownership of agreed risk mitigation towards increased performance outcomes;

- The resource base in place did not match the current responsibilities allocated to the Unit;
- Reporting on compliance was identified as a focus area in the report. (It should be noted that this process was initiated and phased in as of the second quarter of the 2018/19 financial year.)

## ii. Risk Committee Self-Assessment 2017–18

The Risk Committee's self-assessment over a five-year trajectory has shown improved governance and policy structure for risk management within the organisation. However, growth opportunities exist within the following areas:

- Training and development interventions in risk management to be increased at an enterprise level;
- Communication and awareness on the status of risk culture within the organisation;
- The need for Management to ensure that risk management processes are effective and translated into decision-making.

## iii. Organisational Risk Culture and Maturity

The Committee commissioned the appointment of an independent risk management expert to undertake an Organisational Risk Culture assessment. A quality assurance improvement plan with the following key activities that have to be addressed to get the organisation to a higher level of maturity has been developed:

- The organisation needs to move from a compliance mindset to a value adding mindset with regard to risk management;
- The need to synchronise risk, strategic and business planning cycles;
- Misalignment of operational and strategic goals and inefficient resource allocation, i.e. risk ownership;
- Monitoring and review timeframes do not support real-time decision-making.

## iv. Project Risk Management Framework

The Department piloted the Project Risk Management Framework on three selected projects, i.e. OR Tambo, BRICS, and the Infrastructure Development Unit [IDU] project risk assessment through the application of the project risk methodology. The Committee approved the final Project Risk Management Framework, including project risk appetite and tolerance statements, which will be applied to all projects in the Department.

## v. Hazard Identification Risk Assessment

The Committee provided oversight on the outcomes of the above assessment conducted at the newly occupied building, the National Archives of South Africa and the Film and Video Archives. The Risk Committee placed emphasis on the occupation certificates for all sites of the DAC, to obtain assurance about the occupational condition of all these sites.

## vi. Fraud Risk Assessment 2018/19

A Fraud Risk Assessment was conducted during the fourth quarter of the financial year. The Committee will continue to monitor the Fraud Risk Assessment outcomes.



#### 4.10.5 Key Strategic Risk Focus Areas

- (i) **Financial Risk:** Fiscal reduction on infrastructure operational funding may lead to unaddressed high service delivery operating deficits and high maintenance costs for existing and planned infrastructure.

##### Summary of Mitigation Strategies to address the Financial Risk

- The Department established a Committee to monitor infrastructure expenditure.
- Projects were funded as Grant –in-Aid upon approval to expedite implementation; as opposed to having to wait for the extended appointment of service providers
- Centralisation of the infrastructure unit within Heritage Promotion was finalized.
- Terms of Reference for a Project Management Office were approved; however, the establishment of the office was delayed.
- Assessment of all projects; determination of cost implication; and projected escalation were identified prior to initiation has been done.
- Alternative forms of memorialisation were done e.g., two books were finalised to memorialise South Africa’s living human treasures.

- (ii) **Litigation Risk:** Legal challenges emanating from the name change process and level of extent of consultation and recording of the consultation may lead to litigious exposure.

##### Summary of Mitigation Strategies to address the Litigation Risk

- The Department met its Annual Performance Plans target of Gazetted names.
- The Department appointed the South African Geographical Names Council in the current financial year, who have undertaken consultation with the respective stakeholders towards the name changing process.
- Capacity building was also conducted at with all three tiers of government

- (iii) **Technology & Innovation Risk:** Potential delay in the implementation of modernization of services which may negatively impact process optimization and efficiency within the Department

##### Summary of Mitigation Strategies to address the Technology and Innovation Risk

- Projects from the Approved Enterprise Architecture were implemented [ Phase 2 of ATOM; Grant Management System; National Automated Archival Information Retrieval System [NAAIRS] Phase 2; Enterprise Content Management(EC)-workflow internal tracking is fully implemented]

#### 4.10.6 Emerging Risk Report as at 30 March 2019

- An emerging risk takes the form of a systemic issue or organizational practice that has either not previously been identified, has been identified but dormant for an extended period of time; or has yet to rise to an area of significant concern.
- The complexity of emerging risks often leads to a high level of impact and ownership related uncertainty, which frequently leads to the implementation of an interdisciplinary risk treatment plan.
- The rating of the risk is based on the scale of impact on the organization, should the risk materialize. The mapping of the potential impact is done on a three-year time horizon from 1 month to 36 months.

No.	Emerging risk	Current Status H/M/L	Now	1–12 months 2019/20	13–24 months 2020/21	25–36 months 2021/22
1	Emerging Technology [Artificial Intelligence; Robotics]	High	•	•	•	•

No.	Emerging risk	Current Status H/M/L	Now	1–12 months 2019/20	13–24 months 2020/21	25–36 months 2021/22
2	Regulatory Reform	High	•			
3	Conflict of Interest	High		•	•	•
4	Compliance [ Key Legislation]	High	•			
5	Business Continuity Management	Medium	•			

**(i) Emerging Technology [Artificial Intelligence; Robotics]**

Digital transformation has emerged and will impact how the Department deals with the Fourth Industrial Revolution [4IR] and its impact on processes and systems. No assessment was conducted on the state of readiness to address this risk within the and how it will affect how services are rendered within the Arts & Culture Heritage Sector, as it is foreseeable as something in the future.

The external environment in which the Department renders services to has evolved, and the same urgency should be applied to in response to this emerging risk. The Department has started with the digitization by automating workflow processes to increase efficiency levels with the organization, including the **Phase 2 of ATOM; Grant Management System; NAAIRS Phase 2.**

**(ii) Regulatory Reform**

Policy development initiatives with regard to the implementation of the Library Bill continued, including the Arts and Culture White Paper. The continuation of the conditional grant for Library Services is a positive indicator towards the Departments towards the provision of library infrastructure to previously marginalised communities.

**(iii) Conflict of Interest**

The Public Sector has increased its Ethics and Integrity efforts in having a professional public servant. The Department has an obligation to minimize the Conflict of Interest risk by employees, suppliers, and appointed Board members in its public entities. The Department pursued initiatives to continuously monitor conflict between personal interest and financial interests of employees, suppliers and Board members.

**(iv) Compliance [Key Legislation]**

Compliance risks to key legislation that impact the core function of the Department have received more focus in the past year. However, in order to curb potential irregular, authorised and wasteful expenditure this necessitates more rigour in monitoring this risk exposure.

**(v) Business Continuity Management**

The Department has developed Disaster Recovery Plans, however there is no tested and approved integrated Business Continuity Management strategy that will respond to any event of an incident that can affects the normal operation of critical business functions, for to ensure the business can still function.

**4.10.7 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 turnaround time for the initiation of investigations has improved slightly but is still a concern due to insufficient capacity, which the Department should address speedily. The Committee will continue to monitor the investigation of allegations, including their outcomes and implementation of recommended actions. The Committee has noted an increase in the number of allegations relating to DAC public entities. These allegations have been prioritised by the Department due to the reputational risk resulting from negative

media publicity and also due to the fact that some allegedly involve Board/Council members.

The table below provides the number of fraud allegations reported in the 2018-19 financial year.

Investigation phases	Public entities	Department
Completed/Reporting	1	-
In progress/Execution	-	6
Not yet allocated	-	2
<b>Total</b>	<b>1</b>	<b>8</b>

#### 4.10.8 Evaluation of Financial Statements

The Audit Committee reports that:

- it has reviewed and discussed the annual financial statements (both unaudited and audited) 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 significant adjustments resulting from the audit.

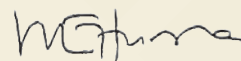
#### 4.10.9 Auditor-General's Report

We have reviewed the Department's implementation plan for audit findings raised by the AGSA in the previous year (2017/2018). While some improvements have

been noted, we are still not satisfied that all issues raised have been sufficiently addressed (i.e. that internal controls have been effectively implemented to prevent future recurrence of deficiencies). However, Management has assured the Audit Committee that they are addressing all these issues.

The Audit Committee has met with the Auditor-General of 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 should be accepted and read together with the report of the Auditor-General.



**Adv. WE Huma**

Chairperson of the Audit Committee

Department of Arts & Culture

Date: 16 September 2019







# Part E

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## Finacial Information





## 5.1 STATEMENT OF RESPONSIBILITY

### **ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY**

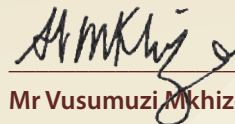
I hereby acknowledge that the Auditor-General in terms of section 40(2) of the PFMA has audited the Annual Financial Statements of the Department of Arts and Culture.

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 2019 have been audited by external auditors and their report is presented on page 135.

The Annual Financial Statements of the Department as set out on page 141 to page 233 have been approved.



**Mr Vusumuzi Mkhize**

Director-General

Date: 31 July 2019

## 5.2 REPORT OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 37: DEPARTMENT OF ARTS AND CULTURE

#### Report on the Audit of the Financial Statements

##### Opinion

1. I have audited the financial statements of the Department of Arts and Culture (DAC) set out on pages 141 to 217, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2019, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) PFMA and Division of Revenue Act of South Africa, 2018 (Act no.1 of 2018) (DORA).

##### Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants, parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants

(including International Independence Standards) (IESBA codes) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

##### Other matter

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

##### Unaudited supplementary schedules

7. The supplementary information set out on pages 218 to 233 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 on them.

##### Responsibilities of accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA and DORA, 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Arts and Culture's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

### Auditor-general’s responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

### Report on the Audit of the Annual Performance Report

#### Introduction and scope

12. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as

part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – institutional governance	56 – 58
Programme 3 – arts and culture promotion and development	59 – 62
Programme 4 – heritage preservation and Promotion	63 – 65

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

#### Programme 2 – Institutional Governance

##### Number of cultural diplomacy engagements coordinated.

17. The planned target for this indicator was not specific in clearly identifying the nature and required level of performance.

### Number of social cohesion projects implemented

18. I was unable to obtain sufficient audit evidence for the reported achievement of number of social cohesion projects implemented. This was due to fact that there was no evidence that the social cohesion advocates were appointed and or approved by the department therefore I was unable to verify whether the platforms created and or supported were conducted by appointed social cohesion advocates. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 17 as reported in the annual performance report.

### Programme 3 – Arts, Culture , Promotion and Development

#### Various indicators

19. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
Number of flagships projects supported	10	14
Number of community arts projects supported	86	69
Number of sector organisation supported	6	5
No capacity building programmes supported	11	8

### Programme 4 – Heritage Preservation and Promotion

20. The achievement for number of newly built and/or modular libraries supported financially reported in the annual performance report was 29. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 38.

#### Other Matter

21. We draw attention to the matter below.

#### Achievement of planned targets

22. Refer to the annual performance report on pages 52 to 65 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the findings raised on the usefulness and reliability of the reported performance information in paragraphs 17 to 20 of this report.

### Report on the Audit of Compliance with Legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislations are as follows:

#### Expenditure Management

25. Effective and appropriate steps were not taken to prevent unauthorised expenditure amounting to R5 million, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

26. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by deviating from the normal procurement processes where the reasons for such deviations were not justifiable.
27. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

### **Procurement and Contract Management**

28. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.

### **Consequence Management**

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular, fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular and fruitless and wasteful expenditure.

### **Other Information**

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report
31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the

other information and I do not express an audit opinion or any form of assurance conclusion thereon.

32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended reports appropriate. However, if it is corrected this will not be necessary.

### **Internal Control Deficiencies**

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. 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.
35. Leadership did not investigate irregular and fruitless expenditures reported in prior year and for investigations done in prior years, evidence of actions taken against the official as required by legislation could not be produced.
36. The department's leadership did not have adequate controls in place to ensure oversight monitoring and reviews of compliance with laws and regulations.

37. Leadership did not develop adequate policies and procedures on management of some transfers and subsidies. This resulted in lack of a proper process of risk and financial management for financial assistance provided department.
38. Management did not thoroughly review and keep the record of the expenditure reports and accompanying supporting documents on transfers and subsidies to non-profit organisation, Private Corporation and households as submitted documents do not appropriately account for funds transferred by the department.
39. Management did not plan and report all the projects within the indicator leading to material misstatement of information reported on annual performance report.
40. Management did not ensure compliance with laws and regulation as some deviations did not comply with SCM laws and regulation resulting in irregular expenditure.

### Other Reports

41. We draw attention to the following engagements conducted by various parties that have or could potentially have an impact on the department's financial statements, reported performance information and compliance with applicable legislation and other related matters. The reports noted do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

42. Several investigations are in progress by the internal audit unit during the period under review at the request of the Accounting Officer arising from allegations against various parties.

*Auditor General*

**Pretoria**

Date: 31 August 2019



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*



## ANNEXURE

### AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

#### Financial Statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit 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 department's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management, which constitutes the accounting officer.
  - conclude on the appropriateness of the management, which constitutes the accounting officer's use of the going concern basis of accounting in the

preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Arts and Culture ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

#### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## 5.3 ANNUAL FINANCIAL STATEMENTS

### ANNUAL FINANCIAL STATEMENTS FOR NATIONAL DEPARTMENT OF ARTS AND CULTURE

For the year ended 31 March 2019

Appropriation per programme									
Programme	2018/19							2017/18	
	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
1. ADMINISTRATION	310 317	18 288	(13 293)	315 312	308 865	6 447	98.0%	372 338	322 208
2. INSTITUTIONAL GOVERNANCE	287 823	213	(27 645)	260 391	226 079	34 312	86.8%	297 719	161 635
3. ARTS AND CULTURE PROMOTION AND DEVELOPMENT	1 167 540	(13 071)	17 131	1 171 600	1 132 471	39 129	96.7%	1 090 832	1 050 635
4. HERITAGE PROMOTION AND PRESERVATION	2 573 057	(5 430)	23 807	2 591 434	2 570 570	20 864	99.2%	2 610 849	2 607 002
<b>Total</b>	<b>4 338 737</b>	<b>-</b>	<b>-</b>	<b>4 338 737</b>	<b>4 237 985</b>	<b>100 752</b>	<b>97.7%</b>	<b>4 371 738</b>	<b>4 141 480</b>
Reconciliation with Statement of Financial Performance									
<b>Add:</b>									
Departmental receipts				966				1 547	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>4 339 703</b>				<b>4 373 285</b>	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>4 237 985</b>				<b>4 141 480</b>

Appropriation per economic classification									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>631 042</b>	<b>(695)</b>	<b>11 534</b>	<b>641 881</b>	<b>623 635</b>	<b>18 246</b>	<b>97.2%</b>	<b>624 917</b>	<b>584 391</b>
Compensation of employees	253 530	-	-	253 530	238 841	14 689	94.2%	232 464	228 670
Salaries and wages	224 582	(4 295)	-	220 287	210 329	9 958	95.5%	204 337	202 264
Social contributions	28 948	4 295	-	33 243	28 512	4 731	85.8%	28 127	26 406
Goods and services	377 512	(695)	2 647	379 464	375 907	3 557	99.1%	392 453	355 721
Administrative fees	4 822	(1 293)	-	3 529	3 529	-	100.0%	3 464	3 320
Advertising	16 448	(3 649)	-	12 799	12 799	-	100.0%	10 529	9 454
Minor assets	1 110	1 611	-	2 721	2 721	-	100.0%	952	929
Audit costs: External	9 815	(242)	-	9 573	9 573	-	100.0%	10 075	10 075
Bursaries: Employees	819	(433)	-	386	386	-	100.0%	481	481
Catering: Departmental activities	3 228	96	-	3 324	3 324	-	100.0%	3 780	3 481
Communication (G&S)	7 182	157	-	7 339	7 239	100	98.6%	7 752	7 382
Computer services	14 335	(1 304)	-	13 031	13 031	-	100.0%	16 775	16 775
Consultants: Business and advisory services	34 255	(12 493)	-	21 762	19 484	2 278	89.5%	38 308	37 051
Legal services	5 441	(235)	-	5 206	5 206	-	100.0%	1 563	1 416
Contractors	68 430	28 347	3 640	100 417	100 417	-	100.0%	73 729	63 988
Agency and support / outsourced services	12 533	(22 326)	12 300	2 507	2 507	-	100.0%	10 064	9 284
Entertainment	276	(131)	-	145	145	-	100.0%	127	127
Fleet services (including government motor transport)	3 109	358	-	3 467	3 467	-	100.0%	2 592	2 592
Inventory: Other supplies	3 465	(542)	-	2 923	2 923	-	100.0%	967	967

Appropriation per economic classification									
	2018/19							2017/18	
	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
Consumable supplies	1 245	(738)	-	507	507	-	100.0%	881	881
Consumable: Stationery, printing and office supplies	3 052	(1 962)	-	1 090	1 090	-	100.0%	736	736
Operating leases	91 400	3 223	(13 293)	81 330	81 330	-	100.0%	116 042	97 854
Property payments	31 561	(7 209)	-	24 352	24 352	-	100.0%	27 890	27 472
Travel and subsistence	49 020	20 485	-	69 505	68 326	1 179	98.3%	51 724	50 895
Training and development	2 694	217	-	2 911	2 911	-	100.0%	1 304	1 304
Operating payments	5 429	(1 480)	-	3 949	3 949	-	100.0%	4 113	4 036
Venues and facilities	7 693	(1 296)	-	6 397	6 397	-	100.0%	6 697	3 313
Rental and hiring	150	144	-	294	294	-	100.0%	1 908	1 908
Interest and rent on land	-	-	8 887	8 887	8 887	-	100.0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	8 887	8 887	8 887	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>3 580 452</b>	<b>3</b>	<b>(17 428)</b>	<b>3 563 027</b>	<b>3 526 650</b>	<b>36 377</b>	<b>99.0%</b>	<b>3 534 499</b>	<b>3 481 531</b>
Provinces and municipalities	1 423 684	2	-	1 423 686	1 423 686	-	100.0%	1 419 963	1 419 963
Provinces	1 423 684	2	-	1 423 686	1 423 686	-	100.0%	1 419 963	1 419 963
Provincial Revenue Funds	1 423 684	-	-	1 423 684	1 423 684	-	100.0%	1 419 960	1 419 960
Provincial agencies and funds	-	2	-	2	2	-	100.0%	3	3
Departmental agencies and accounts	1 795 366	1	(16 351)	1 779 016	1 760 575	18 441	99.0%	1 763 994	1 773 195
Social security funds	-	1	-	1	1	-	100.0%	-	-
Departmental agencies (non-business entities)	1 795 366	-	(16 351)	1 779 015	1 760 574	18 441	99.0%	1 763 994	1 773 195
Higher education institutions	5 441	-	1 500	6 941	5 440	1 501	78.4%	7 342	7 575

Appropriation per economic classification									
	2018/19							2017/18	
	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
Foreign governments and international organisations	4 809	-	-	4 809	4 265	544	88.7%	3 923	2 899
Public corporations and private enterprises	115 051	-	9 763	124 814	120 134	4 680	96.3%	125 701	89 470
Public corporations	16 764	-	(3 849)	12 915	10 620	2 295	82.2%	23 260	1 133
Other transfers to public corporations	16 764	-	(3 849)	12 915	10 620	2 295	82.2%	23 260	1 133
Private enterprises	98 287	-	13 612	111 899	109 514	2 385	97.9%	102 441	88 337
Other transfers to private enterprises	98 287	-	13 612	111 899	109 514	2 385	97.9%	102 441	88 337
Non-profit institutions	212 452	-	(13 250)	199 202	188 353	10 849	94.6%	180 136	158 824
Households	23 649	-	910	24 559	24 197	362	98.5%	33 440	29 605
Social benefits	-	708	-	708	708	-	100.0%	1 464	1 464
Other transfers to households	23 649	(708)	910	23 851	23 489	362	98.5%	31 976	28 141
<b>Payments for capital assets</b>	<b>127 243</b>	<b>471</b>	<b>5 894</b>	<b>133 608</b>	<b>87 479</b>	<b>46 129</b>	<b>65.5%</b>	<b>212 165</b>	<b>75 401</b>
Buildings and other fixed structures	-	35 800	20 700	56 500	35 800	20 700	63.4%	-	-
Buildings	-	-	20 700	20 700	-	20 700	-	-	-
Other fixed structures	-	35 800	-	35 800	35 800	-	100.0%	-	-
Machinery and equipment	17 650	208	-	17 858	17 858	-	100.0%	60 572	27 762
Other machinery and equipment	17 650	208	-	17 858	17 858	-	100.0%	60 572	27 762
Heritage assets	109 593	(36 531)	(14 806)	58 256	32 827	25 429	56.3%	143 025	43 438
Software and other intangible assets	-	994	-	994	994	-	100.0%	8 568	4 201
<b>Payment for financial assets</b>	<b>-</b>	<b>221</b>	<b>-</b>	<b>221</b>	<b>221</b>	<b>-</b>	<b>100.0%</b>	<b>157</b>	<b>157</b>
	<b>4 338 737</b>	<b>-</b>	<b>-</b>	<b>4 338 737</b>	<b>4 237 985</b>	<b>100 752</b>	<b>97.7%</b>	<b>4 371 738</b>	<b>4 141 480</b>

Programme 1: Administration	2018/19							2017/18	
	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
<b>Sub programme</b>									
1. MINISTRY	4 865	-	-	4 865	4 379	486	90.0%	4 299	4 299
2. MANAGEMENT	53 416	14 758	-	68 174	65 094	3 080	95.5%	56 560	56 560
3. CORPORATE SERVICES	111 648	10 527	-	122 175	119 892	2 283	98.1%	148 223	116 373
4. OFFICE OF THE CFO	31 482	(611)	-	30 871	30 273	598	98.1%	29 994	29 994
5. OFFICE ACCOMMODATION	108 906	(6 386)	(13 293)	89 227	89 227	-	100.0%	133 262	114 982
	<b>310 317</b>	<b>18 288</b>	<b>(13 293)</b>	<b>315 312</b>	<b>308 865</b>	<b>6 447</b>	<b>98.0%</b>	<b>372 338</b>	<b>322 208</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>292 667</b>	<b>15 469</b>	<b>(13 293)</b>	<b>294 843</b>	<b>288 396</b>	<b>6 447</b>	<b>97.8%</b>	<b>306 584</b>	<b>288 279</b>
Compensation of employees	107 118	-	-	107 118	100 671	6 447	94.0%	96 204	96 204
Salaries and wages	94 011	(607)	-	93 404	89 234	4 170	95.5%	85 766	85 766
Social contributions	13 107	607	-	13 714	11 437	2 277	83.4%	10 438	10 438
Goods and services	185 549	15 469	(13 293)	187 725	187 725	-	100.0%	210 380	192 075
Administrative fees	944	161	-	1 105	1 105	-	100.0%	958	958
Advertising	9 940	(2 188)	-	7 752	7 752	-	100.0%	1 150	1 150
Minor assets	939	1 737	-	2 676	2 676	-	100.0%	928	905
Audit costs: External	8 844	17	-	8 861	8 861	-	100.0%	9 298	9 298
Bursaries: Employees	819	(433)	-	386	386	-	100.0%	481	481
Catering: Departmental activities	631	(268)	-	363	363	-	100.0%	534	534
Communication (G&S)	3 881	348	-	4 229	4 229	-	100.0%	4 791	4 791
Computer services	10 835	2 196	-	13 031	13 031	-	100.0%	16 316	16 316



Programme 1: Administration	2018/19							2017/18	
	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	1 446	2 695	-	4 141	4 141	-	100.0%	4 292	4 292
Legal services	2 282	(1 769)	-	513	513	-	100.0%	154	154
Contractors	1 354	2 880	-	4 234	4 234	-	100.0%	4 159	4 157
Agency and support / outsourced services	1 912	(1 556)	-	356	356	-	100.0%	116	116
Entertainment	218	(116)	-	102	102	-	100.0%	85	85
Fleet services (including government motor transport)	2 859	379	-	3 238	3 238	-	100.0%	2 335	2 335
Consumable supplies	663	(350)	-	313	313	-	100.0%	684	684
Consumable: Stationery, printing and office supplies	1 612	(804)	-	808	808	-	100.0%	526	526
Operating leases	90 417	4 166	(13 293)	81 290	81 290	-	100.0%	115 716	97 854
Property payments	30 631	(7 320)	-	23 311	23 311	-	100.0%	27 385	26 967
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	9 794	17 354	-	27 148	27 148	-	100.0%	17 888	17 888
Training and development	2 594	182	-	2 776	2 776	-	100.0%	1 257	1 257
Operating payments	2 053	(1 141)	-	912	912	-	100.0%	1 219	1 219
Venues and facilities	761	(581)	-	180	180	-	100.0%	10	10
Rental and hiring	120	(120)	-	-	-	-	-	98	98
<b>Transfers and subsidies</b>	<b>-</b>	<b>1 771</b>	<b>-</b>	<b>1 771</b>	<b>1 771</b>	<b>-</b>	<b>100.0%</b>	<b>2 499</b>	<b>2 499</b>
Provinces and municipalities	-	2	-	2	2	-	100.0%	3	3
Provinces	-	2	-	2	2	-	100.0%	3	3
Provincial agencies and funds	-	2	-	2	2	-	100.0%	3	3

Programme 1: Administration	2018/19							2017/18	
	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 and accounts	-	1	-	1	1	-	100.0%	-	-
Social security funds	-	1	-	1	1	-	100.0%	-	-
Households	-	1 768	-	1 768	1 768	-	100.0%	2 496	2 496
Social benefits	-	516	-	516	516	-	100.0%	878	878
Other transfers to households	-	1 252	-	1 252	1 252	-	100.0%	1 618	1 618
<b>Payments for capital assets</b>	<b>17 650</b>	<b>998</b>	<b>-</b>	<b>18 648</b>	<b>18 648</b>	<b>-</b>	<b>100.0%</b>	<b>63 170</b>	<b>31 345</b>
Machinery and equipment	17 650	4	-	17 654	17 654	-	100.0%	59 572	27 747
Other machinery and equipment	17 650	4	-	17 654	17 654	-	100.0%	59 572	27 747
Software and other intangible assets	-	994	-	994	994	-	100.0%	3 598	3 598
<b>Payment for financial assets</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>100.0%</b>	<b>85</b>	<b>85</b>
	<b>310 317</b>	<b>18 288</b>	<b>(13 293)</b>	<b>315 312</b>	<b>308 865</b>	<b>6 447</b>	<b>98.0%</b>	<b>372 338</b>	<b>322 208</b>

Programme 2: Institutional Governance	2018/19							2017/18	
	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
<b>Sub programme</b>									
1. INTERNATIONAL COOPERATION	36 869	12 326	-	49 195	47 054	2 141	95.6%	37 396	30 963
2. SOCIAL COHESION AND NATION BUILDING	78 648	2 250	-	80 898	77 234	3 664	95.5%	62 429	57 790
3. COORDINATION, MONITORING, EVALUATION AND GOOD GOVERNANCE	36 656	(13 632)	-	23 024	22 685	339	98.5%	28 374	20 115
4. CAPITAL WORKS	135 650	(731)	(27 645)	107 274	79 106	28 168	73.7%	169 520	52 767
	<b>287 823</b>	<b>213</b>	<b>(27 645)</b>	<b>260 391</b>	<b>226 079</b>	<b>34 312</b>	<b>86.8%</b>	<b>297 719</b>	<b>161 635</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>118 999</b>	<b>684</b>	<b>-</b>	<b>119 683</b>	<b>116 339</b>	<b>3 344</b>	<b>97.2%</b>	<b>86 798</b>	<b>70 731</b>
Compensation of employees	40 356	-	-	40 356	37 012	3 344	91.7%	35 362	35 362
Salaries and wages	36 625	(1 096)	-	35 529	33 086	2 443	93.1%	31 709	31 709
Social contributions	3 731	1 096	-	4 827	3 926	901	81.3%	3 653	3 653
Goods and services	78 643	684	-	79 327	79 327	-	100.0%	51 436	35 369
Administrative fees	1 168	(260)	-	908	908	-	100.0%	2 200	2 057
Advertising	3 222	(823)	-	2 399	2 399	-	100.0%	1 735	1 735
Minor assets	41	(5)	-	36	36	-	100.0%	5	5
Audit costs: External	421	114	-	535	535	-	100.0%	291	291
Catering: Departmental activities	1 301	246	-	1 547	1 547	-	100.0%	1 995	1 718
Communication (G&S)	1 282	(126)	-	1 156	1 156	-	100.0%	1 334	1 013
Consultants: Business and advisory services	8 852	(8 146)	-	706	706	-	100.0%	1 158	1 114
Legal services	337	(181)	-	156	156	-	100.0%	348	201

Programme 2: Institutional Governance	2018/19							2017/18	
	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
Contractors	31 347	20 724	-	52 071	52 071	-	100.0%	17 667	7 928
Agency and support / outsourced services	6 631	(6 276)	-	355	355	-	100.0%	1 020	240
Entertainment	26	(10)	-	16	16	-	100.0%	18	18
Fleet services (including government motor transport)	-	-	-	-	-	-	-	4	4
Inventory: Other supplies	365	-	-	365	365	-	100.0%	-	-
Consumable supplies	17	(6)	-	11	11	-	100.0%	41	41
Consumable: Stationery, printing and office supplies	279	(191)	-	88	88	-	100.0%	112	112
Operating leases	402	(402)	-	-	-	-	-	326	-
Travel and subsistence	19 831	(2 705)	-	17 126	17 126	-	100.0%	15 994	15 165
Training and development	100	22	-	122	122	-	100.0%	47	47
Operating payments	1 860	(1 057)	-	803	803	-	100.0%	1 164	1 087
Venues and facilities	1 146	(368)	-	778	778	-	100.0%	4 209	825
Rental and hiring	15	134	-	149	149	-	100.0%	1 768	1 768
<b>Transfers and subsidies</b>	<b>59 231</b>	<b>219</b>	<b>(12 839)</b>	<b>46 611</b>	<b>41 072</b>	<b>5 539</b>	<b>88.1%</b>	<b>62 906</b>	<b>46 843</b>
Departmental agencies and accounts	9 000	-	610	9 610	9 600	10	99.9%	12 700	12 700
Departmental agencies (non-business entities)	9 000	-	610	9 610	9 600	10	99.9%	12 700	12 700
Higher education institutions	-	-	1 500	1 500	-	1 500	-	-	-
Foreign governments and international organisations	2 865	-	-	2 865	2 321	544	81.0%	2 058	1 899
Public corporations and private enterprises	5 000	-	(5 000)	-	-	-	-	12 000	-

Programme 2: Institutional Governance	2018/19							2017/18	
	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
Public corporations	-	-	-	-	-	-	-	12 000	-
Other transfers to public corporations	-	-	-	-	-	-	-	12 000	-
Private enterprises	5 000	-	(5 000)	-	-	-	-	-	-
Other transfers to private enterprises	5 000	-	(5 000)	-	-	-	-	-	-
Non-profit institutions	42 366	-	(9 949)	32 417	28 932	3 485	89.2%	26 289	22 548
Households	-	219	-	219	219	-	100.0%	9 859	9 696
Social benefits	-	72	-	72	72	-	100.0%	122	122
Other transfers to households	-	147	-	147	147	-	100.0%	9 737	9 574
<b>Payments for capital assets</b>	<b>109 593</b>	<b>(731)</b>	<b>(14 806)</b>	<b>94 056</b>	<b>68 627</b>	<b>25 429</b>	<b>73.0%</b>	<b>147 995</b>	<b>44 041</b>
Buildings and other fixed structures	-	35 800	-	35 800	35 800	-	100.0%	-	-
Other fixed structures	-	35 800	-	35 800	35 800	-	100.0%	-	-
Heritage assets	109 593	(36 531)	(14 806)	58 256	32 827	25 429	56.3%	143 025	43 438
Software and other intangible assets	-	-	-	-	-	-	-	4 970	603
<b>Payment for financial assets</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>41</b>	<b>41</b>	<b>-</b>	<b>100.0%</b>	<b>20</b>	<b>20</b>
	<b>287 823</b>	<b>213</b>	<b>(27 645)</b>	<b>260 391</b>	<b>226 079</b>	<b>34 312</b>	<b>86.8%</b>	<b>297 719</b>	<b>161 635</b>

Programme 3: Arts and Culture Promotion and Development	2018/19							2017/18	
	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
<b>Sub programme</b>									
1. NATIONAL LANGUAGE SERVICES	52 387	(1 674)	-	50 713	47 503	3 210	93.7%	45 002	44 885
2. PAN SOUTH AFRICAN LANGUAGE BOARD	113 587	-	-	113 587	113 587	-	100.0%	108 634	110 696
3. CULTURAL AND CREATIVE INDUSTRIES DEVELOPMENT	384 477	(11 397)	32 000	405 080	377 325	27 755	93.1%	377 550	355 415
4. PERFORMING ARTS INSTITUTIONS	330 058	-	1 000	331 058	331 057	1	100.0%	296 447	296 447
5. NATIONAL FILM AND VIDEO FOUNDATION	133 472	-	-	133 472	133 472	-	100.0%	129 052	129 052
6. NATIONAL ARTS COUNCIL	111 477	-	-	111 477	111 477	-	100.0%	106 241	106 241
7. CAPITAL WORKS OF PERFORMING ARTS INSTITUTIONS	42 082	-	(15 869)	26 213	18 050	8 163	68.9%	27 906	7 899
	<b>1 167 540</b>	<b>(13 071)</b>	<b>17 131</b>	<b>1 171 600</b>	<b>1 132 471</b>	<b>39 129</b>	<b>96.7%</b>	<b>1 090 832</b>	<b>1 050 635</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>116 115</b>	<b>(13 269)</b>	<b>24 827</b>	<b>127 673</b>	<b>123 470</b>	<b>4 203</b>	<b>96.7%</b>	<b>129 695</b>	<b>128 995</b>
Compensation of employees	51 801	-	-	51 801	47 598	4 203	91.9%	45 571	44 871
Salaries and wages	48 615	(3 819)	-	44 796	41 451	3 345	92.5%	39 092	39 092
Social contributions	3 186	3 819	-	7 005	6 147	858	87.8%	6 479	5 779
Goods and services	64 314	(13 269)	15 940	66 985	66 985	-	100.0%	84 124	84 124
Administrative fees	2 024	(1 257)	-	767	767	-	100.0%	114	114
Advertising	1 231	55	-	1 286	1 286	-	100.0%	3 784	3 784
Minor assets	67	(67)	-	-	-	-	-	-	-
Audit costs: External	-	177	-	177	177	-	100.0%	-	-



Programme 3: Arts and Culture Promotion and Development	2018/19							2017/18	
	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
Catering: Departmental activities	392	(95)	-	297	297	-	100.0%	571	571
Communication (G&S)	511	161	-	672	672	-	100.0%	553	553
Consultants: Business and advisory services	18 453	(7 154)	-	11 299	11 299	-	100.0%	26 005	26 005
Legal services	1 309	2 614	-	3 923	3 923	-	100.0%	629	629
Contractors	27 900	3 169	3 640	34 709	34 709	-	100.0%	32 669	32 669
Agency and support / outsourced services	3 500	(14 004)	12 300	1 796	1 796	-	100.0%	8 928	8 928
Entertainment	18	(4)	-	14	14	-	100.0%	12	12
Fleet services (including government motor transport)	-	-	-	-	-	-	-	9	9
Consumable supplies	7	(6)	-	1	1	-	100.0%	20	20
Consumable: Stationery, printing and office supplies	220	(137)	-	83	83	-	100.0%	8	8
Operating leases	416	(416)	-	-	-	-	-	-	-
Property payments	-	408	-	408	408	-	100.0%	-	-
Travel and subsistence	6 815	2 662	-	9 477	9 477	-	100.0%	8 195	8 195
Operating payments	737	116	-	853	853	-	100.0%	206	206
Venues and facilities	714	473	-	1 187	1 187	-	100.0%	2 421	2 421
Rental and hiring	-	36	-	36	36	-	100.0%	-	-
Interest and rent on land	-	-	8 887	8 887	8 887	-	100.0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	8 887	8 887	8 887	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>1 051 425</b>	<b>136</b>	<b>(28 396)</b>	<b>1 023 165</b>	<b>1 008 939</b>	<b>14 226</b>	<b>98.6%</b>	<b>961 108</b>	<b>921 611</b>
Departmental agencies and accounts	762 349	-	(40 768)	721 581	716 900	4 681	99.4%	684 378	686 820

Programme 3: Arts and Culture Promotion and Development	2018/19							2017/18	
	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)	762 349	-	(40 768)	721 581	716 900	4 681	99.4%	684 378	686 820
Higher education institutions	5 441	-	-	5 441	5 440	1	100.0%	7 342	7 575
Public corporations and private enterprises	109 551	-	14 763	124 314	120 134	4 180	96.6%	113 701	89 470
Public corporations	16 764	-	(3 849)	12 915	10 620	2 295	82.2%	11 260	1 133
Other transfers to public corporations	16 764	-	(3 849)	12 915	10 620	2 295	82.2%	11 260	1 133
Private enterprises	92 787	-	18 612	111 399	109 514	1 885	98.3%	102 441	88 337
Other transfers to private enterprises	92 787	-	18 612	111 399	109 514	1 885	98.3%	102 441	88 337
Non-profit institutions	156 358	-	(3 301)	153 057	147 693	5 364	96.5%	140 413	123 734
Households	17 726	136	910	18 772	18 772	-	100.0%	15 274	14 012
Social benefits	-	38	-	38	38	-	100.0%	251	251
Other transfers to households	17 726	98	910	18 734	18 734	-	100.0%	15 023	13 761
<b>Payments for capital assets</b>	-	-	<b>20 700</b>	<b>20 700</b>	-	<b>20 700</b>	-	-	-
Buildings and other fixed structures	-	-	20 700	20 700	-	20 700	-	-	-
Buildings	-	-	20 700	20 700	-	20 700	-	-	-
<b>Payment for financial assets</b>	-	<b>62</b>	-	<b>62</b>	<b>62</b>	-	<b>100.0%</b>	<b>29</b>	<b>29</b>
	<b>1 167 540</b>	<b>(13 071)</b>	<b>17 131</b>	<b>1 171 600</b>	<b>1 132 471</b>	<b>39 129</b>	<b>96.7%</b>	<b>1 090 832</b>	<b>1 050 635</b>

Programme 4: Heritage Promotion and Preservation	2018/19							2017/18	
	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
<b>Sub programme</b>									
1. HERITAGE PROMOTION	56 404	(1 133)	-	55 271	52 513	2 758	95.0%	61 814	54 934
2. NATIONAL ARCHIVE SERVICES	45 111	(3 301)	-	41 810	41 211	599	98.6%	40 797	39 431
3. HERITAGE INSTITUTIONS	717 761	-	23 807	741 568	729 472	12 096	98.4%	769 437	764 316
4. NATIONAL LIBRARY SERVICES	167 304	-	-	167 304	165 650	1 654	99.0%	162 694	164 574
5. PUBLIC LIBRARY SERVICES	1 452 536	-	-	1 452 536	1 448 779	3 757	99.7%	1 447 230	1 444 870
6. SOUTH AFRICAN HERITAGE RESOURCES AGENCY	60 650	-	-	60 650	60 650	-	100.0%	60 861	70 861
7. SOUTH AFRICAN GEOGRAPHICAL NAMES COUNCIL	4 798	(996)	-	3 802	3 802	-	100.0%	3 363	3 363
8. NATIONAL HERITAGE COUNCIL	68 493	-	-	68 493	68 493	-	100.0%	64 653	64 653
	<b>2 573 057</b>	<b>(5 430)</b>	<b>23 807</b>	<b>2 591 434</b>	<b>2 570 570</b>	<b>20 864</b>	<b>99.2%</b>	<b>2 610 849</b>	<b>2 607 002</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>103 261</b>	<b>(3 579)</b>	<b>-</b>	<b>99 682</b>	<b>95 430</b>	<b>4 252</b>	<b>95.7%</b>	<b>101 840</b>	<b>96 386</b>
Compensation of employees	54 255	-	-	54 255	53 560	695	98.7%	55 327	52 233
Salaries and wages	45 331	1 227	-	46 558	46 558	-	100.0%	47 770	45 697
Social contributions	8 924	(1 227)	-	7 697	7 002	695	91.0%	7 557	6 536
Goods and services	49 006	(3 579)	-	45 427	41 870	3 557	92.2%	46 513	44 153
Administrative fees	686	63	-	749	749	-	100.0%	192	191
Advertising	2 055	(693)	-	1 362	1 362	-	100.0%	3 860	2 785
Minor assets	63	(54)	-	9	9	-	100.0%	19	19
Audit costs: External	550	(550)	-	-	-	-	-	486	486

Programme 4: Heritage Promotion and Preservation	2018/19							2017/18	
	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
Catering: Departmental activities	904	213	-	1 117	1 117	-	100.0%	680	658
Communication (G&S)	1 508	(226)	-	1 282	1 182	100	92.2%	1 074	1 025
Computer services	3 500	(3 500)	-	-	-	-	-	459	459
Consultants: Business and advisory services	5 504	112	-	5 616	3 338	2 278	59.4%	6 853	5 640
Legal services	1 513	(899)	-	614	614	-	100.0%	432	432
Contractors	7 829	1 574	-	9 403	9 403	-	100.0%	19 234	19 234
Agency and support / outsourced services	490	(490)	-	-	-	-	-	-	-
Entertainment	14	(1)	-	13	13	-	100.0%	12	12
Fleet services (including government motor transport)	250	(21)	-	229	229	-	100.0%	244	244
Inventory: Other supplies	3 100	(542)	-	2 558	2 558	-	100.0%	967	967
Consumable supplies	558	(376)	-	182	182	-	100.0%	136	136
Consumable: Stationery, printing and office supplies	941	(830)	-	111	111	-	100.0%	90	90
Operating leases	165	(125)	-	40	40	-	100.0%	-	-
Property payments	930	(297)	-	633	633	-	100.0%	505	505
Travel and subsistence	12 580	3 174	-	15 754	14 575	1 179	92.5%	9 647	9 647
Training and development	-	13	-	13	13	-	100.0%	-	-
Operating payments	779	602	-	1 381	1 381	-	100.0%	1 524	1 524
Venues and facilities	5 072	(820)	-	4 252	4 252	-	100.0%	57	57
Rental and hiring	15	94	-	109	109	-	100.0%	42	42
<b>Transfers and subsidies</b>	<b>2 469 796</b>	<b>(2 123)</b>	<b>23 807</b>	<b>2 491 480</b>	<b>2 474 868</b>	<b>16 612</b>	<b>99.3%</b>	<b>2 507 986</b>	<b>2 510 578</b>

Programme 4: Heritage Promotion and Preservation	2018/19							2017/18	
	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
Provinces and municipalities	1 423 684	-	-	1 423 684	1 423 684	-	100.0%	1 419 960	1 419 960
Provinces	1 423 684	-	-	1 423 684	1 423 684	-	100.0%	1 419 960	1 419 960
Provincial Revenue Funds	1 423 684	-	-	1 423 684	1 423 684	-	100.0%	1 419 960	1 419 960
Departmental agencies and accounts	1 024 017	-	23 807	1 047 824	1 034 074	13 750	98.7%	1 066 916	1 073 675
Departmental agencies (non-business entities)	1 024 017	-	23 807	1 047 824	1 034 074	13 750	98.7%	1 066 916	1 073 675
Foreign governments and international organisations	1 944	-	-	1 944	1 944	-	100.0%	1 865	1 000
Public corporations and private enterprises	500	-	-	500	-	500	-	-	-
Private enterprises	500	-	-	500	-	500	-	-	-
Other transfers to private enterprises	500	-	-	500	-	500	-	-	-
Non-profit institutions	13 728	-	-	13 728	11 728	2 000	85.4%	13 434	12 542
Households	5 923	(2 123)	-	3 800	3 438	362	90.5%	5 811	3 401
Social benefits	-	82	-	82	82	-	100.0%	213	213
Other transfers to households	5 923	(2 205)	-	3 718	3 356	362	90.3%	5 598	3 188
<b>Payments for capital assets</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>204</b>	<b>204</b>	<b>-</b>	<b>100.0%</b>	<b>1 000</b>	<b>15</b>
Machinery and equipment	-	204	-	204	204	-	100.0%	1 000	15
Other machinery and equipment	-	204	-	204	204	-	100.0%	1 000	15
<b>Payment for financial assets</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>68</b>	<b>68</b>	<b>-</b>	<b>100.0%</b>	<b>23</b>	<b>23</b>
	<b>2 573 057</b>	<b>(5 430)</b>	<b>23 807</b>	<b>2 591 434</b>	<b>2 570 570</b>	<b>20 864</b>	<b>99.2%</b>	<b>2 610 849</b>	<b>2 607 002</b>

## NOTES TO THE APPROPRIATION STATEMENT

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

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

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

#### 4.1 Per programme:

Programme Name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	315,312	308,865	6,447	2.0%

The variance is caused by vacant posts in the process of being filled.

Institutional Governance	260,391	226,079	34,312	13.2%
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The variance is caused by the following:

- Funds for the implementation of the Chief Tyali project as the University and the family had not finalized the concept document in the 2018/19 financial year.
- Transfer not made to Dennis Goldberg Foundation due to non compliance with tax clearance certificate.
- Late submission of claims from the Department of Public Works for the construction of Sarah Baartman Centre of Remembrance.



Programme Name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Arts and Culture Promotion and Development	1,171,600	1,132,471	39,129	3.3%

The variance is caused by the following:

- Vacant posts in the process of being filled.
- The Artscape and State Theatre did not submit the Incubator Trade Fair report on time to enable payment processing.
- Approval granted by Treasury to reclassify funds from Non Profit Institutions to Buildings and other fixed structures necessitates that DAC make payment to DBSA on recoverable basis.

Heritage Promotion and Preservation	2,591,434	2,570,570	20,864	0.8%
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The variance is caused by the following:

- Resignation of one community library consultant which had an impact on consultancy and travel and subsistence costs.
- Capital works projects and payments are made on claims from DPW based on work done at entities.
- Late enactment of the Adjusted Appropriation Bill had an impact on the facilitation process for transfer of funds to the Albany Museum for the management of operations of Ingquza Hill Museum and to Barberton Museum for the management of operations of Samora Machel Monument and Matola Monument and Interpretative Centre.

#### 4.2 Per economic classification:

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	253,530	238,841	14,689	5.8%
Goods and services	379,464	375,907	3,557	0.9%
Interest and rent on land	8,887	8,887	-	0.0%
<b>Transfers and subsidies</b>				
Provinces and municipalities	1,423,686	1,423,686	-	0.0%
Departmental agencies and accounts	1,779,016	1,760,575	18,441	1.0%

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Higher education institutions	6,941	5,440	1,501	21.6%
Public corporations and private enterprises	124,814	120,134	4,680	3.7%
Foreign governments and international organisations	4,809	4,265	544	11.3%
Non-profit institutions	199,202	188,353	10,849	5.4%
Households	24,559	24,197	362	1.5%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	56,500	35,800	20,700	36.6%
Machinery and equipment	17,858	17,858	-	0.0%
Heritage assets	58,256	32,827	25,429	43.7%
Software and other intangible assets	994	994	-	0.0%
<b>Payments for financial assets</b>	221	221	-	0.0%

#### 4.3 Per conditional grant

Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
COMMUNITY LIBRARY CONDITIONAL GRANTS RECEIVED	1,423,684	1,423,684	-	0.0%

	Note	2018/19 R'000	2017/18 R'000
<b>REVENUE</b>			
Annual appropriation	1	4,338,737	4,371,738
Departmental revenue	2	966	1,547
<b>TOTAL REVENUE</b>		<b>4,339,703</b>	<b>4,373,285</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	238,841	228,669
Goods and services	4	375,907	355,721
Interest and rent on land	5	8,887	-
<b>Total current expenditure</b>		<b>623,635</b>	<b>584,390</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	3,526,650	3,481,531
Aid assistance		-	-
<b>Total transfers and subsidies</b>		<b>3,526,650</b>	<b>3,481,531</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	86,485	71,200
Intangible assets	8	994	4,202

	Note	2018/19 R'000	2017/18 R'000
<b>Total expenditure for capital assets</b>		<b>87,479</b>	<b>75,402</b>
<b>Payments for financial assets</b>	6	<b>221</b>	<b>157</b>
<b>TOTAL EXPENDITURE</b>		<b>4,237,985</b>	<b>4,141,480</b>
<b>SURPLUS FOR THE YEAR</b>		<b>101,718</b>	<b>231,805</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		100,752	230,258
Annual appropriation		<b>100,752</b>	<b>230,258</b>
Departmental revenue and NRF Receipts	13	966	1,547
<b>SURPLUS FOR THE YEAR</b>		<b>101,718</b>	<b>231,805</b>

	Note	2018/19 R'000	2017/18 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>103,190</b>	<b>231,223</b>
Cash and cash equivalents	9	87,325	217,885
Prepayments and advances	10	13,380	11,843
Receivables	11	2,485	1,495
<b>TOTAL ASSETS</b>		<b>103,190</b>	<b>231,223</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
		<b>102,236</b>	<b>231,046</b>
Voted funds to be surrendered to the Revenue Fund	12	100,752	229,742
Departmental revenue and NRF Receipts to be surrendered	13	25	15
Payables	14	1,459	1,289
<b>TOTAL LIABILITIES</b>		<b>102,236</b>	<b>231,046</b>
<b>NET ASSETS</b>		<b>954</b>	<b>177</b>
<b>Represented by:</b>			
Recoverable revenue		954	177
<b>TOTAL</b>		<b>954</b>	<b>177</b>

	Note	2018/19 R'000	2017/18 R'000
<b>Recoverable revenue</b>			
Opening balance		177	171
Transfers		<b>777</b>	<b>6</b>
Irrecoverable amounts written off		-	-
Debts revised		19	28
Debts recovered (included in departmental receipts)		(123)	(59)
Debts raised		881	37
Closing balance		<b>954</b>	<b>177</b>
<b>Total</b>		<b>954</b>	<b>177</b>



	Note	2018/19 R'000	2017/18 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>4,339,703</b>	<b>4,373,065</b>
Annual appropriated funds received	1.1	4,338,737	4,371,738
Statutory appropriated funds received		-	-
Departmental revenue received	2	952	1,304
Interest received	2.2	14	23
Net (increase)/ decrease in working capital		(2,357)	(4,887)
Surrendered to Revenue Fund		(230,698)	(106,660)
Current payments		(614,748)	(584,390)
Interest paid	5	(8,887)	-
Payments for financial assets		(221)	(157)
Transfers and subsidies paid		(3,526,650)	(3,481,531)
<b>Net cash flow available from operating activities</b>	15	<b>(43,858)</b>	<b>195,440</b>
Payments for capital assets	8	(87,479)	(75,402)
Proceeds from sale of capital assets	2.3	-	220
<b>Net cash flows from investing activities</b>		<b>(87,479)</b>	<b>(75,182)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		777	6
Increase/ (decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>777</b>	<b>6</b>
Net increase/ (decrease) in cash and cash equivalents		(130,560)	120,264
Cash and cash equivalents at beginning of period		217,885	97,621
<b>Cash and cash equivalents at end of period</b>	9	<b>87,325</b>	<b>217,885</b>

## PART A: ACCOUNTING POLICIES

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

#### 1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 2. Going concern

The financial statements have been prepared on a going concern basis.

#### 3. Presentation currency

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

#### 4. Rounding

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

#### 5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

#### 6. Comparative information

##### 6.1 Prior period comparative information

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.

##### 6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

#### 7. Revenue

##### 7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the

adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

## **7.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

## **7.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy

# **8. Expenditure**

## **8.1 Compensation of employees**

### **8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

### **8.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

## **8.2 Other expenditure**

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

## **8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

## **8.4 Leases**

### **8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

#### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

### 9. Aid Assistance

#### 9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

#### 9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

### 10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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

### 11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

### 12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

### 13. Investments

Investments are recognised in the statement of financial position at cost.

### 14. Financial assets

#### 14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

#### **14.2 Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

### **15. Payables**

Payables recognised in the statement of financial position are recognised at cost.

### **16. Capital Assets**

#### **16.1 Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

#### **16.2 Movable capital assets**

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

#### **16.3 Intangible assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

#### **16.4 Project Costs: Work-in-progress**

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

### **17. Provisions and Contingents**

#### **17.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

#### **17.2 Contingent liabilities**

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed

only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

#### **17.3 Contingent assets**

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

#### **17.4 Commitments**

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

### **18. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## 19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 20. Irregular expenditure

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

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 21. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the

change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## 22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## 23. Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

## 24. 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

## **25. Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## **26. Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

## **27. Public-Private Partnerships**

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

## **28. Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

## PART B: EXPLANATORY NOTES

### 1. Annual Appropriation

Programmes	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
<b>1.1 Annual Appropriation</b>					
Administration	315,312	310,317	4,995	372,338	370,422
Institutional Governance	260,391	287,823	(27,432)	297,719	297,421
Arts and Culture Promotion and Development	1,171,600	1,167,540	4,060	1,090,832	1,092,595
Heritage Promotion and Preservation	2,591,434	2,573,057	18,377	2,610,849	2,611,300
<b>Total</b>	<b>4,338,737</b>	<b>4,338,737</b>	<b>-</b>	<b>4,371,738</b>	<b>4,371,738</b>

Included in Annual Appropriation are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for national departments (voted funds). There are no funds that were requested and not received. The amounts under 'Funds not requested/not received' are as a result of shifting of funds and virement reflected in the Appropriation Statement from Adjusted Appropriation to Final Appropriation. The shifting of funds and virement were effected after the actual funds were requested and received for the specific programme. This amount is not as a result of funds not requested or not received.

### 2. Departmental Revenue

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services other than capital assets	2.1	260	320
Interest, dividends and rent on land	2.2	14	23
Sales of capital assets	2.3	-	220
Transactions in financial assets and liabilities	2.4	692	984
<b>Departmental revenue collected</b>		<b>966</b>	<b>1,547</b>

**Sales of goods and services other than capital assets**

Sales by market establishment due to that part of revenue collected in 2017/18 were from the parking at the old building where some officials were paying the Department for parking. The Department is now collecting parking payments from the majority of employees. Another contributing factor to the drop in this category is other sales, which have dropped due to the decline in service in relation to coats of arms.

**Sales of capital assets**

Since the relocation to new building, the DAC has not been able to hold asset disposal meetings and as a result has not been able to dispose of old assets through auction on time. The Department managed to dispose of old assets through auction only in March 2019 and the revenue collected from this auction was deposited and disclosed in financial statement disclosure note 22: Accrued departmental revenue.

**Transactions in financial assets and liabilities**

Previously, the Department received a refund of an amount of R923 581,86 as a once-off amount recovered from previous expenditure from the Nederlandse Taalunie. The amount was €62 404,18 which remained from the transferred amount of R600 000 made in March 2013 for collaboration in the field of human language technologies. In the current year, the Department did not have any obligation to recover any payment previously made.

	Note	2018/19 R'000	2017/18 R'000
<b>2.1 Sales of goods and services other than capital assets</b>	2		
Sales of goods and services produced by the department		260	320
Sales by market establishment		73	56
Administrative fees		2	1
Other sales		185	263
<b>Total</b>		<b>260</b>	<b>320</b>
<b>Included in Other sales is the following:</b>			
Transport Fees		7	
Coat of Arms		51	
Commission for Insurance and Garnishee		94	
Service Rendered for Photocopies and Faxes		33	
<b>Total</b>		<b>185</b>	

	Note	2018/19 R'000	2017/18 R'000
<b>2.2 Interest, dividends and rent on land</b>	2		
Interest received		14	23
<b>Total</b>		<b>14</b>	<b>23</b>
<b>2.3 Sales of capital assets</b>	2		
Tangible assets		-	220
Machinery and equipment	29	-	220
<b>Total</b>		<b>-</b>	<b>220</b>
<b>2.4 Transactions in financial assets and liabilities</b>	2		
Receivables		121	48
Other Receipts including Recoverable Revenue		571	936
<b>Total</b>		<b>692</b>	<b>984</b>

### 3. Compensation of Employees

	Note	2018/19 R'000	2017/18 R'000
<b>3.1 Salaries and wages</b>			
Basic salary		165,585	157,947
Performance award		400	1,993
Service Based		274	176
Compensative/circumstantial		4,752	3,990
Other non-pensionable allowances		39,317	38,160
<b>Total</b>		<b>210,328</b>	<b>202,266</b>

	Note	2018/19 R'000	2017/18 R'000
<b>Included in Other non-pensionable allowances is the following:</b>			
Housing Allowance		5,284	
Non Pensionable Allowance		22,325	
Service Bonus		11,707	
<b>Total</b>		<b>39,317</b>	
<b>3.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		20,479	19,056
Medical		7,999	7,314
Bargaining council		35	33
<b>Total</b>		<b>28,513</b>	<b>26,403</b>
<b>Total compensation of employees</b>		<b>238,841</b>	<b>228,669</b>
Average number of employees		<b>401</b>	<b>441</b>

The increase in expenditure by 4.4% as compare to drop in average number of employees by 40 persons is due to the reason majority of the 40 persons were the interns and contract workers whose salary level were at the entrant levels. At the same time when the establishment was shrinking the Department managed to fill few vacant position at the SMS levels.

#### 4. Goods and services

	Note	2018/19 R'000	2017/18 R'000
Administrative fees		3,529	3,321
Advertising		12,799	9,456
Minor assets	4.1	2,721	929
Bursaries (employees)		386	481
Catering		3,324	3,481
Communication		7,239	7,381
Computer services	4.2	13,031	16,776
Consultants: Business and advisory services		19,484	37,050
Legal services		5,206	1,415
Contractors		100,416	63,986
Agency and support / outsourced services		2,507	9,284
Entertainment		145	127
Audit cost – external	4.3	9,574	10,075
Fleet services		3,466	2,592
Inventory	4.4	2,923	967
Consumables	4.5	1,597	1,618
Operating leases		81,331	97,854
Property payments	4.6	24,352	27,471
Rental and hiring		294	1,907
Travel and subsistence	4.7	68,326	50,895
Venues and facilities		6,397	3,314
Training and development		2,911	1,303
Other operating expenditure	4.8	3,949	4,038
<b>Total</b>		<b>375,907</b>	<b>355,721</b>

**Advertising**

The high spending in the current financial year is as a result of previous claims from Government Communication Information System (GCIS) being paid in the current financial year. Current financial year's claims also contributed in the increase.

**Minor assets**

New office chairs for DAC officials procured in the prior financial year as part of the relocation project was only processed in the current financial year resulting in a spike in expenditure.

**Computer services**

The high spending in the 2017/18, is owing to a prior financial year 2016/17 payments made for an operating software Licence for the servers and SITA for their service during the relocation, which was a once-off transaction.

**Consultants: Business and advisory services**

The high spending in the 2017/18 financial year is attributed to payments made for the research based on work performed. The new contract for research was only signed on the 1<sup>st</sup> September 2018.

**Legal services**

The high spending in the current financial year, is attributed to payment made to the Department of Justice for representing the department for an old litigation by Mzansi Golden Economy (MGE) beneficiary.

**Contractors**

The high spending in the current financial year, is attributed to BRICS Summit, the logistics of the late Winnie Mandela's memorial service, the implementation of Africa month programmes and SA/Algeria seasons hosted by the department.

**Agency and support / outsourced services**

The high spending in the 2017/18 financial year, is due to payments made for fiduciary services of Downtown Studios for services rendered.

**Audit cost – external**

Regularity and computer audit performed by AGSA has reduced compared to the prior year, this is due to the invoice received in March 2019 amounting to R959,328.62 which was only processed in the 2019/20 financial year.

**Fleet services**

The increase in expenditure is due to nominal growth and repairs made on the Deputy Minister's VIP vehicle.

**Inventory**

The high spending in the current financial year, is due to the increased installation of flags in schools compared to prior financial year, whereby the focus on the installations of flags in schools project was on auditing through the young patriots programme. The other contributing factor is owing to procurement of handheld flags for the national "I AM THE FLAG" campaign.

**Property payments**

The low spending is owing to outstanding March invoice which was only processed in April.

**Operating leases**

The high spending in the 2017/18 financial year, is due to payments of privately owned leases to DAC entities. In the current financial year, the invoices for DAC entities are sent directly to them for processing of payments because the budget was devolved to the entities.

**Rental and hiring**

The high spending in the 2017/18 financial year, is due to high spending for cultural seasons towards the hiring of sound, security equipments, fences and toilets.



**Travel and subsistence**

High spending in the current financial year is due to unforeseen domestic travels by officials in the Minister, Deputy Minister and Director General's office as a result of specific mandates (political, cabinet, parliament, constituency, izimbizo as well as community invitations). In all these events and engagements, delegation is determined by the nature of the event and the demands that would entail protocol role function in terms of the executives reporting requirement.

**Venues and facilities**

The high spending in the current financial year is attributed to a payment of venue for the hosting of South African ministerial roundtable on the roads to independence: African Liberation Heritage Programme which did not take place in the prior financial year.

**Training and development**

In the current financial year, there was a high increase in training fees by service providers and National School of Government as well as high training needs by DAC officials.

	Note	2018/19 R'000	2017/18 R'000
<b>4.1 Minor assets</b>	4		
<b>Tangible assets</b>		<b>2,721</b>	<b>915</b>
Machinery and equipment		2,721	915
<b>Intangible assets</b>		-	14
Software		-	14
<b>Total</b>		<b>2,721</b>	<b>929</b>
<b>4.2 Computer services</b>	4		
SITA computer services		6,389	10,010
External computer service providers		6,642	6,766
<b>Total</b>		<b>13,031</b>	<b>16,776</b>
<b>4.3 Audit cost – external</b>	4		
Regularity audits		6,338	6,770
Investigations		2,941	2,816
Computer audits		295	489
<b>Total</b>		<b>9,574</b>	<b>10,075</b>

	Note	2018/19 R'000	2017/18 R'000
<b>4.4 Inventory</b>	4		
Materials and supplies		2,923	967
<b>Total</b>		<b>2,923</b>	<b>967</b>
<b>4.5 Consumables</b>	4		
Consumable supplies		506	882
Uniform and clothing		36	9
Household supplies		383	408
Building material and supplies		24	127
IT consumables		36	296
Other consumables		27	42
Stationery, printing and office supplies		1,091	736
<b>Total</b>		<b>1,597</b>	<b>1,618</b>
<b>4.6 Property payments</b>	4		
Municipal services		10,218	9,369
Property management fees		186	469
Property maintenance and repairs		794	10,182
Other		13,154	7,451
<b>Total</b>		<b>24,352</b>	<b>27,471</b>
<b>Included in Other is the following:</b>			
Gardening Services		247	
Commission Municipal Service		325	
Safeguard and Security		12,582	
<b>Total</b>		<b>13,154</b>	

	Note	2018/19 R'000	2017/18 R'000
<b>4.7 Travel and subsistence</b>	4		
Local		55,663	36,959
Foreign		12,663	13,936
<b>Total</b>		<b>68,326</b>	<b>50,895</b>
<b>4.8 Other operating expenditure</b>	4		
Professional bodies, membership and subscription fees		921	1,596
Resettlement costs		4	57
Other		3,024	2,385
<b>Total</b>		<b>3,949</b>	<b>4,038</b>
<b>Included in Other is the following:</b>			
Courier & Delivery Services		1243	
Honoraria (Voluntary Workers)		26	
Laundry Services		1	
Printing And Publications Services		1754	
<b>Total</b>		<b>3,024</b>	

## 5. Interest and Rent on Land

	Note	2018/19 R'000	2017/18 R'000
Interest paid		8,887	-
<b>Total</b>		<b>8,887</b>	<b>-</b>

In 31 March 2018 the DAC raised the provision due to the arbitration award against the Department for staging of premiere campaign pertaining the documentary film by the beneficiary. The award gave order for the DAC to settle the account with interest. The interest was calculated to an amount of R8.8 million which was settled in the first quarter and was disclosed as a fruitless expenditure.

**6. Payments for financial assets**

	Note	2018/19 R'000	2017/18 R'000
Other material losses written off	6.1	221	157
<b>Total</b>		<b>221</b>	<b>157</b>
<b>6.1 Other material losses written off</b>	6		
Nature of losses			
Damages and losses written off		221	157
<b>Total</b>		<b>221</b>	<b>157</b>

An increase in damages and losses written off is due to the reason that the Department has experienced an increase in the damages of the hired vehicles. Some of those cases were investigated and written off due to their merit. For those cases where the employees were found liable the recovery measures have been taken and debt was raised.

**7. Transfers and Subsidies**

	Note	2018/19 R'000	2017/18 R'000
Provinces and municipalities	32	1,423,686	1,419,963
Departmental agencies and accounts	ANNEX 1B	1,760,575	1,773,195
Higher education institutions	ANNEX 1C	5,440	7,575
Foreign governments and international organisations	ANNEX 1E	4,265	2,899
Public corporations and private enterprises	ANNEX 1D	120,134	89,470
Non-profit institutions	ANNEX 1F	188,353	158,824
Households	ANNEX 1G	24,197	29,605
<b>Total</b>		<b>3,526,650</b>	<b>3,481,531</b>

**Departmental Agencies and Accounts (Cur/Cap)**

A decrease in expenditure in the current financial year is due to the additional budget to the entities for the implementation of GRAP 103 amounting to R200 million in the 2017/18 financial year only.

**Higher Education Institutions**

A decrease in expenditure in the current financial year is owing to the bulk of budget for Human Language Technology projects funded through CSIR a public corporation.

**Foreign Government Organisations**

An increase in expenditure in the current financial year is as a result of a second tranche payment to the African World Heritage Funds which could not be process in the prior financial year.

**Public Corporations (Cur/Cap)**

An increase in expenditure in the current financial year is mainly attributed to transfers made to the bulk of MGE commitments from prior financial year and to Opiconsivia an MGE beneficiary as per the arbitration award, as well as bulk of budget for Human Language Technology projects funded through CSIR a public corporation.

**Non-profit Institutions (Cur/Cap)**

An increase in expenditure in the current financial year is as a result of transfers made to beneficiaries of the Upgrading of Community Arts Centres upon submission of compliance documents in terms of the infrastructure policy, as well as transfer to the National Heritage Project upon receipt of the forensic audit outcome.

**Households**

A decrease in expenditure in the current financial year is owing to reclassification of the financial assistance budget in line with the Standard Charts of Accounts.

**8. Expenditure for capital assets**

	Note	2018/19 R'000	2017/18 R'000
<b>Tangible assets</b>		<b>86,485</b>	<b>71,200</b>
Buildings and other fixed structures	31	35,800	-
Heritage assets	29	32,827	43,438
Machinery and equipment	29	17,858	27,762
<b>Intangible assets</b>	30	<b>994</b>	<b>4,202</b>
Software		994	4,202
<b>Total</b>		<b>87,479</b>	<b>75,402</b>

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>8.1 Analysis of funds utilised to acquire capital assets - 2018/19</b>			
<b>Tangible assets</b>	<b>86,485</b>	-	<b>86,485</b>
Buildings and other fixed structures	35,800	-	35,800
Heritage assets	32,827	-	32,827
Machinery and equipment	17,858	-	17,858
<b>Intangible assets</b>	<b>994</b>	-	<b>994</b>
Software	994	-	994
<b>Total</b>	<b>87,479</b>	-	<b>87,479</b>

The huge increase in the current year under Buildings and other fixed structures as compared to previous year is due payments for the HVAC capital project. The National Treasury also approved the re-classification of funds from Non Profit Institutions to Buildings and other fixed structures necessitates that DAC make payment to DBSA on recoverable basis. The invoices were not being paid due to the dispute which was recently resolved. Machinery and equipment spending in the prior financial year was high owing to the procurement of servers and security cameras for the relocation of DAC project.

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>8.2 Analysis of funds utilised to acquire capital assets - 2017/18</b>			
<b>Tangible assets</b>	<b>71,200</b>	-	<b>71,200</b>
Heritage assets	43,438	-	43,438
Machinery and equipment	27,762	-	27,762
<b>Intangible assets</b>	<b>4,202</b>	-	<b>4,202</b>
Software	4,202	-	4,202
<b>Total</b>	<b>75,402</b>	-	<b>75,402</b>

## 9. Cash and Cash Equivalents

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		87,200	217,885
Disbursements		125	-
<b>Total</b>		<b>87,325</b>	<b>217,885</b>

From a total amount of R4,3 billion received during the year R4,2 billion was spent and an amount of R100 million was unspent. The significant portion of unspent funds relates to programme 2, 3 and 4 for the reasons provided under Notes to Appropriation Statement. This amount remained in our PMG account as cash and cash equivalent and will be surrendered. The balance at our cash and cash equivalent was reduced to R87.3 million due to the increase in the advance payments processed, refer to note 10 for prepayment and advances.

## 10. Prepayments and Advances

	Note	2018/19 R'000	2017/18 R'000
Travel and subsistence		54	462
Prepayments (Not expensed)	10.2	-	877
Advances paid (Not expensed)	10.1	13,326	10,504
<b>Total</b>		<b>13,380</b>	<b>11,843</b>

The current year advance issued has reduced from R20 million to R16 million however the process of clearing this account was slow due to delayed vouchers and invoices. The delay could have been caused by the processes outside the republic since some vouchers and invoices are shipped from South African embassies all over the world. The advances issued in the current year is in relation to DIRCO for the international travelling and GCIS for campaigns such as Heritage Month, Women's Month Campaign and etc



	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000

**10.1 Advances paid (Not expensed)  
2018/19**

National departments	10	10,504	(13,336)	-	16,158	13,326
<b>Total</b>		<b>10,504</b>	<b>(13,336)</b>	<b>-</b>	<b>16,158</b>	<b>13,326</b>

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000

**Advances paid (Not expensed)  
2017/18**

National departments	10	5,982	(16,265)	-	20,787	10,504
<b>Total</b>		<b>5,982</b>	<b>(16,265)</b>	<b>-</b>	<b>20,787</b>	<b>10,504</b>

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000

**10.2 Prepayments (Not expensed)  
2018/19**

Capital assets	10	877	(877)	-	-	-
<b>Total</b>		<b>877</b>	<b>(877)</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000
<b>Prepayments (Not expensed)</b>						
<b>2017/18</b>						
Capital assets	10	877	-	-	-	877
<b>Total</b>		<b>877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>877</b>

## 11. Receivables

	Note	2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	95	-	95	-	-	-
Recoverable expenditure	11.2	1,237	-	1,237	1,125	-	1,125
Staff debt	11.3	389	-	389	370	-	370
Other receivable	11.4	764	-	764	-	-	-
<b>Total</b>		<b>2,485</b>	<b>-</b>	<b>2,485</b>	<b>1,495</b>	<b>-</b>	<b>1,495</b>

Recoverable expenditure has increased due to an increase in the damages and losses account. During the year, the Department experienced an increase in damages to hired vehicles. However, the Department's internal investigation process with the help of the State Attorney's office to determine the Department's liability on the merit of each case was not finalized by the reporting date. The recovery process will be followed where the investigation reveals that the Department is not liable for the damage.

	Note	2018/19 R'000	2017/18 R'000
<b>11.1 Claims recoverable</b>	11		
National departments		95	-
<b>Total</b>		<b>95</b>	<b>-</b>
<b>11.2 Recoverable expenditure (disallowance accounts)</b>	11		
Damages and losses		1,234	1,119
Salaries disallowances account		2	1
Tax debt		1	5
<b>Total</b>		<b>1,237</b>	<b>1,125</b>
<b>11.3 Staff debt</b>	11		
Staff debt		389	370
<b>Total</b>		<b>389</b>	<b>370</b>
<b>11.4 Other receivable</b>	11		
Litigation cases recovery		764	-
<b>Total</b>		<b>764</b>	<b>-</b>

## 12 . Voted Funds to be Surrendered to the Revenue Fund

	Note	2018/19 R'000	2017/18 R'000
Opening balance		229,742	104,588
Transfer from statement of financial performance		100,752	230,258
Paid during the year		(229,742)	(105,104)
<b>Closing balance</b>		<b>100,752</b>	<b>229,742</b>

The Department spent 97,7% of its budget, an under spending of 2,3%, amounting to R100,7 million, which remains in the account as unspent funds. The major portion of this relates to Programmes 2, 3 and 4 for the reasons provided under Notes to Appropriation Statement.

## 13. Departmental revenue & NRF Receipts to be surrendered to the Revenue Fund

	Note	2018/19 R'000	2017/18 R'000
Opening balance		15	24
Transfer from Statement of Financial Performance		966	1,547
Paid during the year		(956)	(1,556)
<b>Closing balance</b>		<b>25</b>	<b>15</b>

**14. Payables - current**

	Note	2018/19 R'000	2017/18 R'000
Amounts owing to other entities		1,079	1,079
Clearing accounts	14.1	86	136
Other payables	14.2	294	74
<b>Total</b>		<b>1,459</b>	<b>1,289</b>

Amounts owing to other entities are in relation to the matter which is still to be decided by the court. Other payables will be surrendered to National Treasury after consultation with the Development Bank of Southern Africa (DBSA).

	Note	2018/19 R'000	2017/18 R'000
<b>14.1 Clearing accounts</b>	14		
GEHS control account		18	11
Salaries Income Tax		60	125
Salary Reversal Control		4	-
Government Employee Pension Fund		4	-
<b>Total</b>		<b>86</b>	<b>136</b>
<b>14.2 Other payables</b>	14		
Exchequer grant account		74	74
National Film and Video Foundation		220	-
<b>Total</b>		<b>294</b>	<b>74</b>

### 15. Net cash flow available from operating activities

	Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		101,718	231,805
Add back non cash/cash movements not deemed operating activities		(144,812)	(36,365)
(Increase)/decrease in receivables		(990)	(334)
(Increase)/decrease in prepayments and advances		(1,537)	(4,517)
Increase/(decrease) in payables – current		170	(36)
Proceeds from sale of capital assets		-	(220)
Expenditure on capital assets		87,479	75,402
Surrenders to Revenue Fund		(230,698)	(106,660)
<b>Net cash flow generated by operating activities</b>		<b>(43,858)</b>	<b>195,440</b>

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

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account		87,200	217,885
Disbursements		125	-
<b>Total</b>		<b>87,325</b>	<b>217,885</b>

**17. Contingent liabilities and contingent assets**

		Note	2018/19 R'000	2017/18 R'000
<b>17.1</b>	<b>Contingent liabilities</b>			
	<b>Liable to</b>			
	<b>Nature</b>			
	Housing loan guarantees	Annex 3A	42	42
	Claims against the department	Annex 3B	57,024	82,557
	Intergovernmental payables (unconfirmed balances)	Annex 5	15,996	49,391
	<b>Total</b>		<b>73,062</b>	<b>131,990</b>

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

The possible obligation has arisen from past events and the existence of obligation will be confirmed only by finalization of court cases. The majority of those claims emanate from contract disputes.

The possible unconfirmed intergovernmental claims obligation has arisen as a result of claims that are not recognized/confirmed by the Department because the amount cannot be measured with sufficient reliability, so its existence will be confirmed by investigation.

There is an overall decrease in contingent liabilities, which is due to finalization of court cases during the current financial year and some disputes being resolved, e.g. HVAC project invoices, IDT and others.

		Note	2018/19 R'000	2017/18 R'000
<b>17.2</b>	<b>Contingent assets</b>			
	<b>Nature of contingent asset</b>			
	Litigation cases		10,939	11,366
	<b>Total</b>		<b>10,939</b>	<b>11,366</b>

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 finalized by courts involved then the related asset will be recorded as a receivable for departmental revenue in the notes. There is increase contingent assets which is due to an additional amount being claimed with regard to breach of contract.



## 18. Commitments

	Note	2018/19 R'000	2017/18 R'000
<b>Current expenditure</b>			
Approved and contracted		161,216	34,698
Approved but not yet contracted		8,927	564
		<b>170,143</b>	<b>35,262</b>
<b>Capital Expenditure</b>			
Approved and contracted		157,355	94,090
Approved but not yet contracted		11,636	-
		<b>168,991</b>	<b>94,090</b>
<b>Total Commitments</b>		<b>339,134</b>	<b>129,352</b>

The total capital commitments for the Department of Public Works amounts to R84.3 million and the total capital commitments for legacy projects amounts to R20.1 million.

The increase of the commitment in the current financial year as compare to prior financial year is attributable to the appointment of the service providers for the following:

- Production and installation of the Oliver Reginald Tambo and Raymond Mhlaba Statue and Plaque
- Conducting a feasibility study for the Establishment of the Resistance and Liberation Movements Museum in South Africa
- Conducting a condition assessments, develop maintenance plans, update the immovable asset register (IAR), develop the user management plan (UAMP) for 2020/21 financial year for DAC and Public Entities and Legacy Infrastructure facilities
- Curate and manage South Africa's participation in the 58th International Art Exhibition in Venice from 11 May 2019 to 24 November 2019
- Provide and manage services for South Africa's participation in the 58th International Art Exhibition in Venice from 11 May 2019 to 24 November 2020
- The extension of HVAC Pretoria: Archives Building contract amount.

**19. Accruals and payables not recognised**

				2018/19 R'000	2017/18 R'000
<b>19.1 Accruals</b>					
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>		<b>Total</b>
Goods and services	15,372	20,381	35,753		28,387
Capital assets	44	-	44		35,524
<b>Total</b>	<b>15,416</b>	<b>20,381</b>	<b>35,797</b>		<b>63,911</b>

		Note	2018/19 R'000	2017/18 R'000
<b>Listed by programme level</b>				
Programme 1: Administration			16,910	24,631
Programme 2: Institutional Governance			6,591	35,539
Programme 3: Arts and Culture Promotion and Development			11,382	3,077
Programme 4: Heritage Promotion and Preservation			914	664
<b>Total</b>			<b>35,797</b>	<b>63,911</b>

The high figure in the previous year is due to HVAC invoices which were received and could not be paid due to dispute of invoices. In the current year those invoices were disclosed under Payables not recognised.

				2018/19 R'000	2017/18 R'000
<b>19.2 Payables not recognised</b>					
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>		<b>Total</b>
Goods and services	9,070	2,406	11,476		514
Capital assets	-	76,515	76,515		-
<b>Total</b>	<b>9,070</b>	<b>78,921</b>	<b>87,991</b>		<b>514</b>

	Note	2018/19 R'000	2017/18 R'000
<b>Listed by programme level</b>			
Programme 1: Administration		3,769	492
Programme 2: Institutional Governance		77,254	-
Programme 3: Arts and Culture Promotion and Development		5,863	-
Programme 4: Heritage Promotion and Preservation		1,105	22
<b>Total</b>		<b>87,991</b>	<b>514</b>

Increase in the Payables not recognized is due to the approval of virement by National Treasury which was granted towards year-end, this led to material invoices and claims from provinces not being processed in the 2018/19 financial year. Other material invoices were partly paid which include DPW invoice in relation to HVAC Archives Building and Sarah Baartmann Centre of Remembrance projects. Those invoices alone are amounting to R90.7 million.

	Note	2018/19 R'000	2017/18 R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with departments	Annex 5	13,476	6,821
Confirmed balances with other government entities	Annex 5	77,286	44,440
<b>Total</b>		<b>90,762</b>	<b>51,261</b>

**20. Employee benefits**

	Note	2018/19 R'000	2017/18 R'000
Leave entitlement		12,063	11,419
Service bonus		5,919	5,607
Performance awards		4,093	3,803
Capped leave commitments		5,217	5,397
Other		250	148
<b>Total</b>		<b>27,542</b>	<b>26,374</b>

Leaves with negative balance amounted to R120, 771.99. An increase across all items under employee benefits is in line with general salary increase for the financial year 2018/19. The amount disclosed under Other is in relation to the long service awards.

**21. Lease commitments**

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Operating leases</b>			
<b>2018/19</b>			
Not later than 1 year	20,790	2,879	23,669
Later than 1 year and not later than 5 years	109,440	1,042	110,482
<b>Total lease commitments</b>	<b>130,230</b>	<b>3,921</b>	<b>134,151</b>

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Operating leases (continued)</b>			
<b>2017/18</b>			
Not later than 1 year	20,832	4,243	25,075
Later than 1 year and not later than 5 years	140,280	3,098	143,378
Later than five years	-	-	-
<b>Total lease commitments</b>	<b>161,112</b>	<b>7,341</b>	<b>168,453</b>

The Department entered into an operating lease arrangement for services such as provision of vehicles, office accommodation, photocopier equipment and others. The lease arrangements are for a period not more three years with no renewal and purchase option. Under buildings and other fixed structures is a lease agreement for office accommodation of the DAC with the inception date of 1 July 2017, namely VWL Building. The building was occupied through a lease agreement for a period of 7 years. The decrease in this note as compared to the previous year is due to passage of time and payments processed as and when the asset is being used and paid for.

## 22. Accrued departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Interest, dividends and rent on land		17,764	14,640
Sale of capital assets		74	-
<b>Total</b>		<b>17,838</b>	<b>14,640</b>
<b>22.1 Analysis of accrued departmental revenue</b>			
Opening balance		14,640	13,453
Less: Amounts received		-	136
Add: Amounts recognised		3,198	1,323
<b>Closing balance</b>		<b>17,838</b>	<b>14,640</b>

### 23. Irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
<b>23.1 Reconciliation of irregular expenditure</b>			
Opening balance		428,349	411,964
Add: Irregular expenditure - relating to prior year		469	5,217
Add: Irregular expenditure - relating to current year		17,121	11,168
Less: Current year amounts condoned		(9,171)	-
<b>Irregular expenditure awaiting condonation</b>		<b>436,768</b>	<b>428,349</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		17,121	11,168
Prior years		419,647	417,181
<b>Total</b>		<b>436,768</b>	<b>428,349</b>

	2018/19 R'000
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### 23.2 Details of irregular expenditure – added current year (relating to current and prior years)

#### Incident

Prior approval of variation from NT not obtained  
 Reasons to vary and deviate from SCM process not justifiable as per NT Letter  
 Minimum of three quotes not obtained  
 Bid advertised for less than 21 days and reasons provided not justifiable  
 Competitive bidding process not followed in the appointment of litigation services and reasons provided not justifiable  
 Supplier not appointed by the delegated committee  
 Variation of scope on items not in the original contract

#### Disciplinary steps taken/criminal proceedings

The matter is recently reported 6,394  
 The matter is recently reported 130  
 The matter is recently reported 535  
 The matter is recently reported 2,045  
 The matter is recently reported 903  
 The matter is recently reported 145  
 The matter is recently reported 3,243

2018/19  
R'000

**23.2 Details of irregular expenditure – added current year  
(relating to current and prior years) (continued)**

**Incident**

No prior approval from National Treasury to deviate from the normal procurement process as required by SCM Instruction Note 3 of 2016/17.

Bid awarded to service provider who was not in the register

Reasons provided for deviation on appointment of service provider to manage the cultural project for the unveiling of Nelson Mandela statute in New York were not justifiable

**Total**

**Disciplinary steps taken/criminal proceedings**

The matter is recently reported

470

The matter is recently reported

564

The matter is recently reported

3,161

**17,590**

**23.3 Details of irregular expenditure condoned**

**Incident**

Competitive bidding not followed

**Total**

**Condoned by (condoning authority)**

National Treasury

9,171

**9,171**

**23.4 Details of irregular expenditure under determination or investigation  
(not included in the main note)**

**Incident**

Incorrect classification of goods and services as transfer payments.

3,000

Indirectly funded an entity without tax clearance.

13,265

No/Inadequate evidence (supporting invoices) submitted to ensure funds transferred were used for the intended purposes.

4,129

**Total**

**20,394**

The irregular expenditure under investigation was identified after year-end but before the date of the audit report. The department will finalize the investigation in the new financial to confirm the irregular expenditure and adjust the current and prior year's disclosure note.



## 24. Fruitless and wasteful expenditure

	2018/19 R'000	2017/18 R'000
<b>24.1 Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	44,610	12,016
Fruitless and wasteful expenditure – relating to current year	8,916	32,594
Closing balance	<b>53,526</b>	<b>44,610</b>
<b>24.2 Analysis of awaiting resolution per economic classification</b>		
Current	44,999	36,083
Capital	-	-
Transfers and subsidies	8,527	8,527
<b>Total</b>	<b>53,526</b>	<b>44,610</b>

	2018/19 R'000
<b>24.3 Analysis of Current year's (relating to current &amp; prior years) fruitless and wasteful expenditure</b>	
<b>Incident</b>	
Interest paid	8,887
Vat charged by Non-Vat vendor	29
<b>Total</b>	<b>8,916</b>
<b>Disciplinary steps taken/criminal proceedings</b>	
Recently reported	8,887
Recently reported	29
<b>Total</b>	<b>8,916</b>

A forensic investigation recommended that the Department commission an audit of value for money on the Enyokeni Cultural Precinct. DAC decided to evaluate all the heritage legacy projects handled by the implementing agent. DAC further appointed a quantity surveying company to evaluate all the infrastructure projects handled by the implementing agent. Their report revealed that there was fruitless expenditure of about R28,6 million with regard to the Enyokeni Cultural Precinct and R593 622,29 with regard to the Winnie Mandela House project. However, the implementing agent is disputing the findings. The matter is currently subject to dispute resolution. Upon finalization of the dispute, the fruitless expenditure register will be updated accordingly.

## 25. Related party transactions

	Note	2018/19 R'000	2017/18 R'000
<b>Payments made</b>			
Transfers		25,000	30,000
<b>Total</b>		<b>25,000</b>	<b>30,000</b>

An amount of R25 million was transferred to the National Empowerment Fund (NEF) in the current year. The total amount transferred to the NEF from the beginning of the agreement to the end of financial year 2018/19 is R75 million. The NEF administers and operates the Fund for the period of three year and at the end of the term any credit balance reflecting in the Fund must be reinvested by the NEF or any other vehicle that advances the purpose. The DAC contributed an amount of R20 million during the 2016/17 financial year, R30 million during the 2017/2018 financial year and R25 million during the 2018/19 financial year to the NEF. In turn, the NEF contributed R30 million during the 2016/17 financial year, R45 million during the 2017/18 financial year and R75 million during the 2018/2019 financial year.

### List related party relationships

No	Name of the public entity	Relationship
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 Cape Town	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

No	Name of the public entity	Relationship
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	Willam Humphreys Arts 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

## 26. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)	2	4,381	4,300
Officials:			
Level 15 to 16	5	8,057	7,667
Level 14 (incl CFO if at a lower level)	18	18,581	18,170
<b>Total</b>		<b>31,019</b>	<b>30,137</b>
<b>Key management personnel</b>			
Chief Financial Officer	1	1,490	1,392
Legal Advisor	1	1,599	1,309
<b>Total</b>		<b>3,089</b>	<b>2,701</b>
Political office bearers:			
The Minister		2,403	2,401
The Deputy Minister		1,978	1,899
<b>Total</b>		<b>4,381</b>	<b>4,300</b>

## 27. Provisions

	Note	2018/19 R'000	2017/18 R'000
Supplier payments current obligation		-	381
Court Judgment / Award		-	25,344
<b>Total</b>		<b>0</b>	<b>25,725</b>

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
<b>27.1 Reconciliation of movement in provisions - 2018/19</b>					
Opening balance	381	25,344	-	-	25,725
Increase in provision	-	1,009	-	-	1,009
Settlement of provision	-	(26,353)	-	-	(26,353)
Unused amount reversed	(381)	-	-	-	(9381)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of movement in provisions - 2017/18</b>					
Opening balance	381	-	-	-	381
Increase in provision	-	25,344	-	-	25,344
<b>Closing balance</b>	<b>381</b>	<b>25,344</b>	<b>-</b>	<b>-</b>	<b>25,725</b>

**Supplier payments current obligation**

The provision was raised due to the obligation (legal or constructive) to defray the expenditure or recover ones the liabilities has been determined. The accounts was measured reliably on the invoices that were received, however the Department disputed the invoices and the matter was settled with the supplier.

**Court Judgment / Award**

The provision was raised due to the arbitration award against the Department for staging of premiere campaign pertaining the documentary film by the beneficiary. The settlement of provision was made during the financial year 2018/19.

**28. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	2,818	-	-	-	2,818
Heritage assets	2,818	-	-	-	2,818
<b>MACHINERY AND EQUIPMENT</b>	73,753	-	17,858	2,120	89,491
Transport assets	3,314	-	-	135	3,179
Computer equipment	41,240	-	7,068	951	47,357
Furniture and office equipment	28,246	-	451	473	28,224
Other machinery and equipment	953	-	10,339	561	10,731
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>76,571</b>	<b>-</b>	<b>17,858</b>	<b>2,120</b>	<b>92,309</b>

	Number	Value R'000
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**Movable Tangible Capital Assets under investigation**

**Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:**

Machinery and equipment	55	918
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All assets under investigation are reported as lost and an investigation is in progress to determine liability. Some cases were referred to the Office of the State Attorney while others are handled by the committee established internally by the Department.

	Cash	Non-cash	(Capital 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

**28.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

**MACHINERY AND EQUIPMENT**

Transport assets

Computer equipment

Furniture and office equipment

Other machinery and equipment

**TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS**

	17,858	-	-	-	17,858
Transport assets	-	-	-	-	-
Computer equipment	7,068	-	-	-	7,068
Furniture and office equipment	451	-	-	-	451
Other machinery and equipment	10,339	-	-	-	10,339
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>17,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,858</b>

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000

**28.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

**MACHINERY AND EQUIPMENT**

Transport assets

Computer equipment

Furniture and office equipment

Other machinery and equipment

**TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS**

	1,298	822	2,120	-
Transport assets	135	-	135	-
Computer equipment	690	261	951	-
Furniture and office equipment	473	-	473	-
Other machinery and equipment	-	561	561	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1,298</b>	<b>822</b>	<b>2,120</b>	<b>-</b>

The actual cash received from the assets sold for cash was deposited into the account of the Department in the new financial year. It was disclosed at the disclosure note 22 Accrued Departmental Revenue.

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>28.3 Movement for 2017/18</b>					
<b>MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>					
<b>HERITAGE ASSETS</b>	<b>2,818</b>	-	-	-	<b>2,818</b>
Heritage assets	2,818	-	-	-	2,818
<b>MACHINERY AND EQUIPMENT</b>	<b>47,809</b>	-	<b>28,532</b>	<b>2,588</b>	<b>73,753</b>
Transport assets	2,720	-	594	-	3,314
Computer equipment	32,608	-	10,860	2,228	41,240
Furniture and office equipment	11,571	-	17,018	343	28,246
Other machinery and equipment	910	-	60	17	953
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>50,627</b>	-	<b>28,532</b>	<b>2,588</b>	<b>76,571</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000

**28.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

Opening balance	15	220	17,025	-	17,260
Additions	-	-	2,837	-	2,837
Disposals	-	-	1,285	-	1,285
<b>TOTAL MINOR ASSETS</b>	<b>15</b>	<b>220</b>	<b>18,577</b>	<b>-</b>	<b>18,812</b>

Included in the amount of R2 837 000 are assets received in the current reporting period but not yet paid. Those assets amount to R118 000.



	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	84	314	-	398
Number of minor assets at cost	2	201	13,926	-	14,129
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>2</b>	<b>285</b>	<b>14,240</b>	<b>-</b>	<b>14,527</b>

	Number	Value R'000
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**Minor Capital Assets under investigation**

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	10	20
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All assets are under investigation are reported as lost and the investigation is in progress to determine liability. Some cases were referred to the Office of the State Attorney while others are being handled by the committee established internally by the Department.

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
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**Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

Opening balance	1	220	16,774	-	16,995
Additions	14	-	915	-	929
Disposals	-	-	664	-	664
<b>TOTAL MINOR ASSETS</b>	<b>15</b>	<b>220</b>	<b>17,025</b>	<b>-</b>	<b>17,260</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	85	341	-	426
Number of minor assets at cost	2	200	13,656	-	13,858
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>2</b>	<b>285</b>	<b>13,997</b>	<b>-</b>	<b>14,284</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
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### 28.5 S42 Movable Capital Assets

#### MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

No of Assets	-	-	-	-	-
Value of the asset (R'000)	-	-	-	-	-

#### MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

No of Assets	-	-	1	-	1
Value of the asset (R'000)	-	-	15	-	15

## 29. Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	31,911	-	498	208	32,201
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	1,534	-	496	1,534	496
SERVICES AND OPERATING RIGHTS	435	-	-	53	382
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>33,880</b>	<b>-</b>	<b>994</b>	<b>1,795</b>	<b>33,079</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

**29.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

SOFTWARE	498	-	-	-	498
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	496	-	-	-	496
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>994</b>

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000

**Disposals**

**29.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

SOFTWARE	-	208	208	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	1,534	1,534	-
SERVICES AND OPERATING RIGHTS	-	53	53	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>1,795</b>	<b>1,795</b>	<b>-</b>

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Movement for 2017/18</b>					
<b>29.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>					
SOFTWARE	28,534	-	3,377	-	31,911
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	1,091	-	443	-	1,534
SERVICES AND OPERATING RIGHTS	53	-	382	-	435
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>29,678</b>	<b>-</b>	<b>4,202</b>	<b>-</b>	<b>33,880</b>

### 30. Immovable Tangible Capital Assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	302	-	-	-	302
Other fixed structures	302	-	-	-	302
<b>HERITAGE ASSETS</b>	24,242	-	109,348	-	133,590
Heritage assets	24,242	-	109,348	-	133,590
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>24,544</b>	<b>-</b>	<b>109,348</b>	<b>-</b>	<b>133,892</b>

The total amount of R133,892 million includes JS Moroko Rev Mahabane House with the total value of R1.3 million, Nelson Mandela Statue with the total value of R1.2 million, Old Library with the total value of R108.1 million, Bhambatha Statue with the total value of R 267 713.66, Groenkloof Fence with the total value of 302 599.83 and Inquba Hill museum with the total value of R22.5 million.

	Cash	Non-cash	(Capital 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

**Additions**

**30.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Cash	Non-cash	(Capital 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
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	35,800	-	(35,800)	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	35,800	-	(35,800)	-	-
<b>HERITAGE ASSETS</b>	32,827	108,175	(31,654)	-	109,348
Heritage assets	32,827	108,175	(31,654)	-	109,348
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>68,627</b>	<b>108,175</b>	<b>(67,454)</b>	<b>-</b>	<b>109,348</b>

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000

**Movement for 2017/18**

**30.2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	302	-	-	-	302
Other fixed structures	302	-	-	-	302
<b>HERITAGE ASSETS</b>	19,880	-	4,362	-	24,242
Heritage assets	19,880	-	4,362	-	24,242
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>20,182</b>	<b>-</b>	<b>4,362</b>	<b>-</b>	<b>24,544</b>

	Note	Opening Balance 1 April 2018	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000
<b>Capital Work-in-progress</b>	Annexure 7				
<b>30.3 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019</b>					
Heritage assets		392,220	31,654	108,175	315,699
Buildings and other fixed structures		57,062	35,800	-	92,862
<b>Total</b>		<b>449,282</b>	<b>67,454</b>	<b>108,175</b>	<b>408,561</b>

Age analysis on ongoing projects			Number of projects	2018/19
	Planned, construction not started	Planned, construction started	Total	R'000
0 to 1 year	-	-	-	-
1 to 3 year(s)	-	2	403	
3 to 5 years	-	1	117,479	
Longer than 5 years	-	7	290,679	
<b>Total</b>	-	<b>10</b>	<b>408,561</b>	

The Department has the following 7 projects ongoing for longer than 5 years, with a current total expenditure amounting to R290,6 million:

- **National Archives Building: HVAC**  
This project currently has a total expenditure of R 92.8 million. Upgrading of Fire Protection Installation and Refurbishment of HVAC and Related Installations.
- **Muyexe Community Library**  
The project currently has a total expenditure of R 26.6 million. It is the Construction of the Muyexe Community Library, Arts and Cultural Centre.

- Heritage Precinct: J L Dube House**  
 The project currently has a total expenditure of R22,5 million. This project is the construction of a memorial site with different facilities: library with exhibition space, larger-than-life statue, wall of remembrance, amphitheatre, fencing, paving, and parking space.
- Heritage Precinct: O R Tambo Memorial**  
 The project currently has a total expenditure of R16,7 million. It entails the construction of a memorial site with different facilities: library with exhibition space, larger-than-life statue, wall of remembrance, amphitheatre, fencing, paving, and parking space.
- Construction of the Sarah Bartmann centre of Remembrance**  
 The project currently has a total expenditure of R129,3 million. It entails the construction of an administration section, and the Sarah Baartman Museum and the Khoi-San Museum.
- Wesleyan Church**  
 The project currently has a total expenditure of R1,7 million. The Wesleyan Church in the Free State is the birthplace of the African National Congress. The Department was in the process of renovating the building.
- Restoration and Construction of the Winnie Mandela house and clinic**  
 The project currently has a total expenditure of R776 373,60. It entails the construction of a memorial centre with an interpretative centre at the house in the Free State in which Mrs Mandela was incarcerated.

	2018/19	2017/18
	R'000	R'000
<b>Accruals and Payable not recognized relating to Capital WIP</b>		
Capital WIP Accruals (In relation to infrastructure asset)	76,515	34,210
<b>Total</b>	<b>76,515</b>	<b>34,210</b>



## CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2018
		R'000	R'000	R'000	R'000	R'000
Heritage assets	Annexure 7	353,144		39,076	-	392,220
Buildings and other fixed structures		57,062	-	-	-	57,060
<b>Total</b>		<b>410,206</b>	<b>-</b>	<b>39,076</b>	<b>-</b>	<b>449,282</b>

Age analysis on ongoing projects			Number of projects	2017/18
	Planned, construction not started	Planned, construction started	Total R'000	
0 to 1 year	-	2	403	
1 to 3 year(s)	-	-	-	
3 to 5 years	-	1	117,479	
Longer than 5 years	-	8	331,400	
<b>Total</b>	<b>-</b>	<b>11</b>	<b>449,282</b>	

The Department has the following 8 projects ongoing for longer than 5 years, with a current total expenditure amounting to R398,8 million:

- HVAC with the total expenditure of R 57 million.
- Old Library with the total expenditure of R 96.1 million.
- Muyexe Community Library with the total expenditure of R 26.6 million.
- Regional JL Dube House with the total expenditure of R22.5 million.
- Regional OR Tambo House with the total expenditure of R 12.5 million.

- Sarah Baartman Centre of Remembrance with the total expenditure of R 113.8 million.
- Wesleyan Church, with a total expenditure of R1,7 million.
- Winnie Mandela House with the total expenditure of R 776,373.60

	No of Assets	Value of Assets R'000
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**S42 Immovable assets**

**30.4 Assets to be transferred in terms of S42 of the PFMA - 2018/19**

**BUILDINGS AND OTHER FIXED STRUCTURES**

Dwellings

Non-residential buildings

Other fixed structures

**HERITAGE ASSETS**

Heritage assets

**TOTAL**

	1	302
Dwellings	0	-
Non-residential buildings	0	-
Other fixed structures	1	302
<b>HERITAGE ASSETS</b>	<b>5</b>	<b>133,322</b>
Heritage assets	5	133,322
<b>TOTAL</b>	<b>6</b>	<b>133,624</b>

**Assets to be transferred in terms of S42 of the PFMA - 2017/18**

**BUILDINGS AND OTHER FIXED STRUCTURES**

Dwellings

Non-residential buildings

Other fixed structures

**HERITAGE ASSETS**

Heritage assets

**TOTAL**

	1	302
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	1	302
<b>HERITAGE ASSETS</b>	<b>3</b>	<b>24,242</b>
Heritage assets	3	24,242
<b>TOTAL</b>	<b>4</b>	<b>24,544</b>

**31. Prior period errors**

	Note	Amount before error correction R'000	2017/18 Prior period error R'000	Restated amount R'000
<b>31.1 Correction of prior period errors</b>				
Capital WIP		449,594	(312)	449,282
Accruals		58,243	5,668	63,911
Irregular Expenditure		429,566	(1,217)	428,349
<b>Net effect</b>		<b>937,403</b>	<b>4,139</b>	<b>941,542</b>

The prior-period restatement on accruals is as a result of invoices received during the year after the 2017/18 Annual Report had been published. Those invoices would have been included in the accruals if the Department had received them before the submission of the annual financial statements. The Capital WIP was restated after a comprehensive reconciliation was performed on the opening balance of the projects.

### 32. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2017/18
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by dept	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Summary by province</b>												
Eastern Cape	160,584	-	-	160,584	160,584	-	-	-	-	-	-	156,105
Free State	159,504	-	-	159,504	159,504	-	-	-	-	-	-	159,017
Gauteng	168,530	-	-	168,530	168,532	-	-	-	-	-	-	172,431
KwaZulu-Natal	174,397	-	-	174,397	174,397	-	-	-	-	-	-	173,093
Limpopo	125,643	-	-	125,643	125,643	-	-	-	-	-	-	121,184
Mpumalanga	162,479	-	-	162,479	162,479	-	-	-	-	-	-	162,777
Northern Cape	159,554	-	-	159,554	159,554	-	-	-	-	-	-	163,000
North West	136,369	-	-	136,369	136,369	-	-	-	-	-	-	141,092
Western Cape	176,624	-	-	176,624	176,624	-	-	-	-	-	-	171,264
	<b>1,423,684</b>	-	-	<b>1,423,684</b>	<b>1,423,686</b>	-	-	-	-	-	-	<b>1,419,963</b>
<b>Summary by grant</b>												
<b>COMMUNITY CONDITIONAL LIBRARY GRANTS</b>	1,423,684	-	-	1,423,684	1,423,684	-	-	-	-	-	-	1,419,960
<b>MUNICIPAL AGENCIES AND FUNDS</b>	-	-	-	-	2	-	-	-	-	-	-	3
	<b>1,423,684</b>	-	-	<b>1,423,684</b>	<b>1,423,686</b>	-	-	-	-	-	-	<b>1,419,963</b>

**32. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES (CONTINUED)**

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2017/18
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by dept	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>COMMUNITY CONDITIONAL LIBRARY GRANTS</b>												
Eastern Cape	160,584			160,584	160,584							156,105
Free State	159,504			159,504	159,504							159,017
Gauteng	168,530			168,530	168,530							172,428
KwaZulu-Natal	174,397			174,397	174,397							173,093
Limpopo	125,643			125,643	125,643							121,184
Mpumalanga	162,479			162,479	162,479							162,777
Northern Cape	159,554			159,554	159,554							163,000
North West	136,369			136,369	136,369							141,092
Western Cape	176,624			176,624	176,624							171,264
	<b>1,423,684</b>	-	-	<b>1,423,684</b>	<b>1,423,684</b>	-	-	-	-	-		<b>1,419,960</b>
Gauteng	-	-	-	-	2	-	-	-	-	-		3
	-	-	-	-	<b>2</b>	-	-	-	-	-		<b>3</b>

**ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Performing Arts Institutions:</b>				-			
Artscape	60,912			60,912	60,912	100%	58,699
State Theatre	55,453			55,453	55,453	100%	52,075
Playhouse Company	49,632			49,632	49,632	100%	49,838
Performing Arts Centre of the Free State	45,322			45,322	45,322	100%	47,589
Market Theatre Foundation	46,303			46,303	46,303	100%	44,540
National Arts Council	109,677			109,677	109,677	100%	106,241
National Film and Video Foundation	133,472			133,472	133,472	100%	129,052
Capital Transfer - Performing Arts Institutions	73,391		(8,101)	65,290	65,289	100%	35,250
Executive, Accounting Authority, Administration & Mzansi Golden Economy Projects	74,600		(32,667)	41,933	37,253	89%	52,840
	<b>648,762</b>	<b>-</b>	<b>(40,768)</b>	<b>607,994</b>	<b>603,313</b>		<b>576,124</b>
<b>Heritage Institutions:</b>				-			
Northern Flagship Institution (Ditsong)	87,212			87,212	87,212	100%	125,777
Iziko Museums of Cape Town	86,317		569	86,886	86,886	100%	107,641
War Museum of the Boer Republics	12,710			12,710	12,710	100%	22,084
Kwazulu Natal Museum	35,224			35,224	35,225	100%	36,686
National Museum	54,281			54,281	54,281	100%	100,378
Die Afrikaanse Taalmuseum	9,419			9,419	9,419	100%	8,711
The National English Literary Museum	11,493			11,493	11,493	100%	15,272
Voortrekker Museum (Umsunduzi)	18,296			18,296	18,296	100%	17,297
Robben Island Museum	80,451			80,451	80,451	100%	89,438
Willam Humphreys Arts Gallery	10,383			10,383	10,383	100%	9,967
Nelson Mandela Museum	27,103			27,103	27,103	100%	26,779

**ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Freedom Park	84,551		12,724	97,275	97,275	100%	113,613
Luthuli Museum	14,828			14,828	14,828	100%	14,113
South African Heritage Resources Agency	55,650			55,650	55,650	100%	57,861
National Heritage Council	68,493			68,493	68,493	100%	64,653
Capital Transfer - Heritage Institutions	190,140		10,514	200,654	188,558	94%	80,585
	<b>846,551</b>	-	<b>23,807</b>	<b>870,358</b>	<b>858,263</b>		<b>890,855</b>
<b>Libraries:</b>							
National Library of South Africa	99,328			99,328	99,328	100%	117,934
South African Library for the Blind	22,323			22,323	22,323	100%	19,221
National Library of SA (Community Libraries)	18,477			18,477	18,477	100%	17,464
Capital Transfer - Libraries	37,338		-	37,338	35,683	96%	12,914
	<b>177,466</b>	-	-	<b>177,466</b>	<b>175,811</b>		<b>167,533</b>
<b>Other:</b>							
**Office Accommodation (Municipal Charges and Operating Leases)	-				-		17,349
Pan SA Language Board	113,587				113,587		108,634
National Youth Development Agency	9,000				9,000		12,000
TV Licences	-		1		1		
Constitutional Hill Development			610	610	600	98%	700
	<b>122,587</b>	-	<b>611</b>	<b>610</b>	<b>123,188</b>		<b>138,683</b>
<b>Total</b>	<b>1,795,366</b>	-	<b>(16,350)</b>	<b>1,656,428</b>	<b>1,760,575</b>		<b>1,773,195</b>



**ANNEXURE 1C****STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2017/18
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Human Language Technologies	7,128	-	(1,687)	5,441	5,440	1	0%	7,575
Capital Works of Heritage Legacy Projects	-	-	1,500	1,500	-	1,500		-
				-		-		
<b>Total</b>	<b>7,128</b>	<b>-</b>	<b>(187)</b>	<b>6,941</b>	<b>5,440</b>	<b>1,501</b>		<b>7,575</b>

**ANNEXURE 1D****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>									
Transfers	<b>3,086</b>	-	<b>8,779</b>	<b>11,865</b>	<b>10,620</b>	<b>89.5%</b>	<b>7,291</b>	<b>3,329</b>	<b>1,133</b>
Human Language Technology(CSIR)	3,086		678	3,764	3,329	88.4%	-	3,329	1,133
MPU Economic Growth Agency	-		8,101	8,101	7,291	90.0%	7,291	-	
Sub total: Public corporations	<b>3,086</b>	-	<b>8,779</b>	<b>11,865</b>	<b>10,620</b>	<b>89.5%</b>	<b>7,291</b>	<b>3,329</b>	<b>1,133</b>
<b>Private enterprises</b>									
<b>Subsidies</b>	<b>153,271</b>	-	<b>(40,322)</b>	<b>112,949</b>	<b>109,514</b>	<b>97.0%</b>	<b>2,045</b>	<b>107,469</b>	<b>88,337</b>
Heritage Projects	-	-	500	500	-	-	-	-	-
Human Language Technology	-	-	1,009	1,009	1,009	100.0%	-	1,009	200
Mzansi Golden Economy Projects	76,400	-	23,474	99,874	99,156	99.3%	-	99,157	78,346
Capital Works of Performing Arts Projects	35,132	-	(31,132)	4,000	2,045	51.1%	2,045	-	1,350
Cultural and Creative Industries	14,330	-	(6,764)	7,566	7,304	96.5%	-	7,303	8,441
Capital Works of Heritage Legacy Projects	27,409	-	(27,409)	-	-	-	-	-	-
Sub total: Private enterprises	<b>153,271</b>	-	<b>(40,322)</b>	<b>112,949</b>	<b>109,514</b>	<b>97.0%</b>	<b>2,045</b>	<b>107,469</b>	<b>88,337</b>
<b>Total</b>	<b>156,357</b>	-	<b>(31,543)</b>	<b>124,814</b>	<b>120,134</b>	<b>96.3%</b>	<b>9,336</b>	<b>110,798</b>	<b>89,470</b>

**ANNEXURE 1E****STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
African World Heritage Fund	1,944			1,944	1,944	100%	1,000
Sub Fees: Commonwealth Foundation	2,865		(600)	2,265	2,162	95%	1,899
UNESCO			600	600	159	27%	-
	<b>4,809</b>	-	-	<b>4,809</b>	<b>4,265</b>		<b>2,899</b>
<b>Total</b>	<b>4,809</b>	-	-	<b>4,809</b>	<b>4,265</b>		<b>2,899</b>

**ANNEXURE 1F****STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Arts social development and youth	14,812	-	(610)	14,202	11,957	84%	13,108
IKauru African Contemporary Art	497	-	-	497	497	100%	140
Gcwala Ngamasiko Cultural Festival	2,000	-	-	2,000	2,000	100%	2,000
Cultural and Creative Industries	20,692	-	6,355	27,047	26,880	99%	12,570
Northern Cape Theatre - Capital	-	-	-	-	-	-	-
Mzansi Golden Economy Projects	102,700	-	(748)	101,952	101,952	100%	98,159
National Language Services	-	-	-	-	-	-	-
Steve Biko Foundation	3,100	-	310	3,410	3,410	100%	-
Library and Information Association of South Africa	2,000	-	-	2,000	1,800	90%	1,890
Caiphus Katse Semanya Foundation	-	-	2,000	2,000	2,000	100%	-
Capital Works of Performing Arts projects	7,950	-	4,162	12,112	6,914	57%	4,549
Moral Regeneration Movement	4,000	-	-	4,000	4,000	100%	-
Heritage Projects Capital	3,560	-	(500)	3,060	7,069	231%	7,440
Heritage Projects	-	-	8,308	8,308	1,260	15%	2,319
	<b>161,311</b>	<b>-</b>	<b>19,277</b>	<b>180,588</b>	<b>169,739</b>		<b>142,175</b>
<b>Subsidies</b>							
Business Arts South Africa	8,946	-	1,000	9,946	9,946	100%	8,456
Engel House Art Collect: PTA	353	-	-	353	353	100%	334
Blind SA	8,315	-	-	8,315	8,315	100%	7,859
Blind SA - Capital	-	-	-	-	-	-	-
	<b>17,614</b>	<b>-</b>	<b>1,000</b>	<b>18,614</b>	<b>18,614</b>		<b>16,649</b>
<b>Total</b>	<b>178,925</b>	<b>-</b>	<b>20,277</b>	<b>199,202</b>	<b>188,353</b>		<b>158,824</b>

**ANNEXURE 1G****STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee Social Benefits	-	-	-	-	2,400		3,083
Claim against the State	-	-	-	-	-		-
Language development projects	6,000	-	-	6,000	6,000	100%	6,300
Cultural and Creative Industries	1,785	-	2,941	4,726	4,716	100%	-
Mzansi Golden Economy Projects	7,000	-	910	7,910	7,822	99%	7,460
Heritage Promotion (Professional Bursaries)	5,923	-	-	5,923	3,259	55%	3,188
Arts social development and youth	-	-	-	-	-		9,574
International Relations	-	-	-	-	-		-
Donations and Gifts	-	-	-	-	-		-
Human Language Technologies	-	-	-	-	-		-
<b>Total</b>	<b>20,708</b>	<b>-</b>	<b>3,851</b>	<b>24,559</b>	<b>24,197</b>		<b>29,605</b>

**ANNEXURE 1J****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
(Group major categories but list material items including name of organisation)	R'000	R'000
<b>Made in kind</b>		
UNESCO Memory of the world programme	17	-
Dutch Culture Institution	29	-
National Museum of Botswana (Official Visit)	5	-
Beaded bracelet and x1 Whisky (12 years old)	1	-
Palestinian scarf (Shemagh) & Painting	1	-
Duffle Bag	1	-
<b>Total</b>	<b>54</b>	<b>-</b>

**ANNEXURE 3A****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 - LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2018	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2019	Guaranteed interest for year ended 31 March 2019	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
	<b>Housing</b>								
Standard Bank		139	23				23		
ABSA		290	19						
	<b>Total</b>	<b>429</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>

**ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

NATURE OF LIABILITY	Opening balance 1 April 2018	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Legal (Arbitration and litigation cases)	82,557	1,562	27,095		57,024
					-
<b>Subtotal</b>	<b>82,557</b>	<b>1,562</b>	<b>27,095</b>	<b>-</b>	<b>57,024</b>
<b>Total</b>	<b>82,557</b>	<b>1,562</b>	<b>27,095</b>	<b>-</b>	<b>57,024</b>

Nature of liabilities recoverable	Opening balance 1 April 2018	Details of liability and recoverability	Movement during the year	Closing balance 31 March 2019
	R'000		R'000	R'000
Breach of Contract	1,324	Breach of Contract	336	1,660
Double payment	81	Double payment	-	81
Fraud	8	Fraud	-	8
Funding, poor work	5,729	Funding, poor work	-	5,729
Funding, work not done	3,000	Funding, work not done	-	3,000
Legal costs	764	Legal costs	(764)	-
No services	335	No services	-	335
Poor service	126	Poor service	-	126
<b>Total</b>	<b>11,367</b>		<b>(428)</b>	<b>10,939</b>



**ANNEXURE 4****CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19*	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Department of Cultural Affairs Western Cape	95	-	-	-	95	-	-	-
<b>Total</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>-</b>		<b>-</b>

**ANNEXURE 5****INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Limpopo Provincial Government	4,000	-	-	-	4,000	-
KZN Department of Arts and Culture	500	2,500	8,984	8,984	9,484	11,484
Gauteng Department of Arts and Culture	1,500	-	-	-	1,500	-
Department of Justice and Constitutional Development	2,917	2,461	-	-	2,917	2,461
Department of International Relation	-	792	-	-	-	792
North West Department of Arts and Culture	2,500	-	-	2,500	2,500	2,500
Department of Government Communication (GCIS)	-	1,068	-	-	-	1,068
Eastern Cape Department of Arts and Culture	2,000	-	-	-	2,000	-
Mpumalanga Department of Arts and Culture	-	-	2,000	-	2,000	-
Free State Department of Arts and Culture	-	-	5,000	-	5,000	-
South African Police Service (SAPS)	59	-	-	-	59	-
<b>Total Departments</b>	<b>13,476</b>	<b>6,821</b>	<b>15,984</b>	<b>11,484</b>	<b>29,460</b>	<b>18,305</b>
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
G Fleet	220	276	-	-	220	276
Government printers	33	11	12	-	45	11
DPW Property Management Trading Entity	76,515	44,153	-	37,907	76,515	82,060
Government Technical Advisory Centre (GTAC)	518	-	-	-	518	-
<b>Total Other Government Entities</b>	<b>77,286</b>	<b>44,440</b>	<b>12</b>	<b>37,907</b>	<b>77,298</b>	<b>82,347</b>
<b>TOTAL INTERGOVERNMENTAL</b>	<b>90,762</b>	<b>51,261</b>	<b>15,996</b>	<b>49,391</b>	<b>106,758</b>	<b>100,652</b>

**ANNEXURE 6****INVENTORIES**

INVENTORIES	Note	2018/19		2017/18	
		Quantity	R'000	Quantity	R'000
<b>Inventories</b>					
Opening balance		4,719	823	4,718	833
Add/(Less): Adjustments to prior year balances		(144)	(259)	1	(10)
Add: Additions/Purchases - Cash		11,475	6,597	3,113	2,315
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(11,475)	(6,597)	(3,113)	(2,315)
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
<b>Closing balance</b>		<b>4,575</b>	<b>564</b>	<b>4,719</b>	<b>823</b>

**ANNEXURE 7****Movement in Capital Work-in-Progress****MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance		Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000		R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	392,220		31,654	(108,175)	315,699
Heritage assets	392,220		31,654	(108,175)	315,699
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	57,062		35,800	-	92,862
Dwellings	-		-	-	-
Non-residential buildings	-		-	-	-
Other fixed structures	57,062		35,800	-	92,862
<b>TOTAL</b>	<b>449,282</b>		<b>67,454</b>	<b>(108,175)</b>	<b>408,561</b>

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance		Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000		R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	353,144	-	39,076	-	392,220
Heritage assets	353,144	-	39,076	-	392,220
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	57,062	-	-	-	57,062
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	57,062	-	-	-	57,062
<b>TOTAL</b>	<b>410,206</b>	<b>-</b>	<b>39,076</b>	<b>-</b>	<b>449,282</b>

**ANNEXURE 8A****INTER-ENTITY ADVANCES PAID (note 10)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000

**NATIONAL DEPARTMENTS**

Department of Government Communication and Info System	5,655	6,395	-	-	5,655	6,395
Department of International Relation and Cooperation	-	-	7,671	4,109	7,671	4,109
<b>TOTAL</b>	<b>5,655</b>	<b>6,395</b>	<b>7,671</b>	<b>4,109</b>	<b>13,326</b>	<b>10,504</b>



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