

# Annual Report

2016-2017

*The Year of Oliver Reginald Tambo*



arts & culture

Department:  
Arts and Culture  
REPUBLIC OF SOUTH AFRICA

*Laying the Foundation for Greatness*



Department of Arts and Culture

*Annual Report*

2016-2017

Budget Vote 37



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# PART ONE

## *General Information*



# 1.1 DEPARTMENTAL GENERAL INFORMATION

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## 1.2 LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATION	DEFINITION
<b>ACH</b>	Arts, Culture and Heritage
<b>AGSA</b>	Auditor General of South Africa
<b>AENE</b>	Adjusted Estimates of National Expenditure
<b>AiS</b>	Artists-in-Schools
<b>AO</b>	Accounting Officer
<b>APP</b>	Annual Performance Plan
<b>AU</b>	African Union
<b>AWHF</b>	African World Heritage Fund
<b>BBBEE</b>	Broad –Based Black Economic Empowerment
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CAC</b>	Community Arts Centre
<b>CAPS</b>	Curriculum Assessment Policy Statement
<b>CI</b>	Corporate Identity
<b>CTS</b>	Cedar Tower Services
<b>DPW</b>	Department of Public Works
<b>DPME</b>	Department of Performance Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>EPWP</b>	Extended Public Works Programme
<b>FS</b>	Free State
<b>FESP</b>	Flag in Every School Programme
<b>FMPPI</b>	Framework for Programme Performance Information
<b>FOCAC</b>	Forum on China-Africa Cooperation
<b>FOSAD</b>	Forum for South African Director Generals
<b>GDP</b>	Gross Domestic Product
<b>GEMS</b>	Government Employees Medical Scheme
<b>GP</b>	Gauteng Province

ABBREVIATION	DEFINITION
<b>HDI</b>	Historical Disadvantaged individuals
<b>HLT</b>	Human Language Technologies
<b>HVAC</b>	Heating , Ventilation and Air Conditioning
<b>HCT</b>	HIV Counselling and Testing
<b>HSEMS</b>	Human, Social, Economic and Management Sciences
<b>KZN</b>	KwaZulu Natal
<b>IAA</b>	Internal Audit Activity
<b>IGR</b>	Intergovernmental Relations
<b>ICMP</b>	Integrated Conservation Management Plan
<b>ICT</b>	Information Communication Technology
<b>IFS</b>	Interim Financial Statements
<b>IMC</b>	Inter-Ministerial Committee
<b>MACUFE</b>	Manguang African Cultural Festival
<b>MimMEC</b>	Ministers and Members of Executive council
<b>MGE</b>	Mzansi Golden Economy
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of understanding
<b>MPAT</b>	Management Performance Assessment Tool
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NAAIRS</b>	National Automated Archival Information Retrieval System
<b>NACISA</b>	National Academy for the Creative Industries of South Africa
<b>NARSSA</b>	National Archives and Records of South Africa
<b>NDP</b>	National Development Plan
<b>NDPW</b>	National Department of Public Works
<b>NEHAWU</b>	National Education, Health and Allied Workers' Union
<b>NELM</b>	National English Literary Museum



ABBREVIATION	DEFINITION
NFVF	National Film Video Foundation
NFVSA	National Film Video and Sound Archives
NHC	National Heritage Council
NLSA	National Library of South Africa
ODA	Official Development Assistance
OHASA	Oral History Association of South Africa
OHS	Occupational Health and Safety
PCRDP	Post-Conflict and Reconstruction Development Programme
PPEM	People-to-People Exchange Mechanism
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
POA	Programme of Action
PanSALB	Pan South African Language Board
PSA	Public Service Act
PSCBC	Public Service Co-ordinating Bargaining Council
RLHR	Resistance and Liberation Heritage Route
RWP	Revised White Paper
RIM	Robben Island Museum

ABBREVIATION	DEFINITION
SCM	Supply Chain Management
SEIAS	Socio-Economic Impact Assessment System
SADC	Southern African Development Community
SALW	South African Library Week
SAHRA	South African Resources Agency
SLA	Service Level Agreement
SCOA	Standard Charts of Accounts
SDIP	Service Delivery Improvement Plan
SMS	Senior Management Service
SPCHD	Social Protection, Community and Human Development Cluster
VCF	Venture Capital Fund
UAMP	User Asset Management Plan
UJ	University of Johannesburg
TIC	Technical Intergovernmental Committee
UNESCO	United Nations Educational, Scientific and Cultural Organisation
LIS	Library Information Services
WITS	Witwatersrand

## 1.3 LIST OF FIGURES

**Figure 1:** Performance in 2016/17

**Figure 2:** Performance trends

**Figure 3:** Conditional grants

**Figure 4:** Overall condition of facilities of the DAC

## 1.4 FOREWORD BY THE MINISTER

**MR NATHI MTHETHWA (MP):** Minister of Arts and Culture

We are tabling this Annual report in the centenary year of the birth of that African patriot who strode the globe like an African colossus. Oliver Reginald Tambo, a man who was characterized by amongst others the following:

- a) An unwavering commitment to serve the people of our country, continent and the world with no expectation of any personal benefit.
- b) A sustained determination to conduct himself in a manner that communicate a message that never betray the cause of freedom, peace and social progress.

Consistent with his commitment to the people of Africa and humanity in general, as a government we have embarked on a number of programmes to reconnect with the people of the continent and the world.

The crafting of the National Development Plan (NDP), a programme that envisions a South African society that embraces its diversity rather than emphasizing observable differences along the contours of race, class, gender, religion, culture and other social constructions. Such a society will have a common set of values that it shares, an inclusive economy, increased interaction among South Africans of different social and racial groups, as well as strong leadership cadre across society buttressed by a mobilized, active and responsible citizenry. A vision that Oliver Tambo gave his life for.

### Africa Month

In 2016, we hosted the second edition of Africa Month Programme, not only to celebrate a festival of ideas, but also to celebrate what it means to be an African in Africa, deepening and expanding the knowledge of Africa and its offerings.

The Programme saw a wide range of activities undertaken by the DAC, other Government Departments and Provinces, featuring various activities ranging from arts and cultural activities, dialogues on various subjects on larger platforms, fashion showcases, exhibitions, expositions and a range of developmental programmes.

The Africa Month colloquia programme was a resounding success with audiences from around the country asking for more. Each colloquium had its own title which contributes to the broad theme of "Building a Better Africa and a Better World." The high level discussions in these forums was led by distinguished individuals as well as deeper public participation.

### Africa Seasons

South Africa hosted its first instalment of the Africa Cultural Seasons in the Northern African region in Algeria from 24 February - 04 March 2017 and in central Africa region in Gabon from on 09 -17 March 2017. Both SA/Algeria and Gabon Cultural Seasons assisted with the strengthening of Africa bilateral relations, implementing and bringing life to the Charter for African Cultural Renaissance, and promoting regional integration by strengthening people to people contact. They also served as a vehicle to implement cultural agreements as well as promoting cultural diplomacy for the broader government socio-economic agenda.

### BRICS Countries

Our participation in the activities of the BRICS countries is already yielding positive results for our creative industry. Mr Thabo Rametsi won the best actor in the inaugural film festival of the BRICS countries. This was a recognition of the talent that South Africa possess.





## Palestine and Western Sahara - FISAHARA

DAC hosted Solidarity Day with the people of Palestine in a form of a Cultural Week on the 28 Nov - 04 December 2016 and participated at the FISAHARA Film Festival in Western Sahara. These events supported our foreign policy goals in support the people of Palestine and Western Sahara in their plight for statehood, human rights and democracy.

### White Paper Review

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The policy that guides how the sector can be transformed is the White Paper, which was last reviewed in 1996. The department deemed it appropriate to review the White Paper after almost two decades of its existence and implementation. We therefore embarked upon consultations, which have happened over the period of two years. The revision of the White Paper will seek to develop new financing instruments, rationalise the institutional framework and also suggest new structures to fill the gaps identified in the sector. Amongst other things, the White Paper should address the protection and promotion of the rights and status of artists. The Paper envisages the name change of the Department into the Department Arts, Culture and Heritage in order to recognise the full scope of the portfolio and mandate of the department.



**Mr Nathi Mthethwa (MP)**

Minister of Arts and Culture



## 1.5 STATEMENT BY THE DEPUTY MINISTER

**HON. MS MAGDELINE SOTYU (MP):** Deputy Minister of Arts and Culture

The Department of Arts and Culture continues in earnest to vigorously implement the National Development Plan (NDP): Vision 2030 through its delivery agreement for Outcome 14: Nation Building and Social Cohesion.

The Department acquired remarkable achievements of this vision during the Financial Year 2016/2017, by addressing some of the critical areas, as highlighted below.

In line with the call by the President to focus on youth employment particularly from rural areas, the Department's Internship Programme, which is an extension of Government's internship programme, has provided an opportunity for unemployed graduates to gain workplace experience and to apply the knowledge they obtained during their studies. Annually, the internship intake constitutes 5% of the Department's staff complement.

Furthermore, to advance the focus on youth development and empowerment, the Department of Arts and Culture continues to be in the forefront of creating a large pool of highly qualified language, and other heritage-related professionals through the Heritage Bursary Fund. More than R3million has already been channeled at universities, which include Sol Plaatje University, University of Venda, and University of South Africa (UNISA).

These Bursary schemes indeed not only progress towards the transformation and decolonization of education, they are also breaking the barriers and prejudices amongst the diverse people of South Africa, that in turn yield to social cohesion and heritage preservation that is so needed in South Africa.

Collaborative initiatives between the Department of Arts and Culture and other Departments, such as the Department of Basic Education thus become critical for national identity to our young people.

In this instance, the DAC had supported a number of public art projects which included the Hoisting of a National Flag in Schools, the Promotion of South African Coat of Arms and Schools Emblem Project, all for the promotion of South African National Symbols among school going children.

Young people and learners will continue to be empowered to understand the unique heritage that South Africa has.

Worth noting are also efforts by the Department to appreciate the historical sites of resistance and liberation against colonialist and apartheid regimes. Progress is being made to revamp and refurbish such sites, including the Winnie Mandela House in Brandfort, Free State and the House of Charlotte Maxeke in Gauteng.

As part of its mandate and implementing Moral Regeneration, the DAC provides active support to the Moral Regeneration Movement to lift the standards of moral fiber in our communities against violence and perverse behavior against our most vulnerable groups, especially children, women, elderly and the disabled.

The Ministry of Arts and Culture has a firm belief that all community sectors, including traditional and religious leaders, are unwittingly "front-line officers" in safeguarding these vulnerable groups.

In an endeavour to bring government to the people and to ensure that the Department of Arts and Culture deliver their services through constant engagement, conversations and contact with the communities it serves, the DAC has thus far had



a total of 33 community conversations across all nine provinces, in a bid to bolster social cohesion and addressing other social ills facing society such as racism and hate crimes, such as xenophobia.

As the **heart-beat of the Nation**, the Department of Arts and Culture will indeed continue to actively and collaboratively espouse a programme of action that contribute to the well being of all South Africans, and “Building a Better Africa and a Better World”, in an effort to realize the “RDP of the Soul”, that the late former President Nelson Rolihlahla Mandela spoke about.

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**Ms Magdeline Soty (MP)**

Deputy Minister of Arts and Culture



# 1.6 REPORT OF THE ACCOUNTING OFFICER

**MR VUSITHEMBA NDIMA:** Acting Director-General



## 1. General review of the state of affairs

### 1.1 Opening Remarks

This report comes at a time when government is experiencing serious budgetary constraints. This has seen budget cuts which adversely affected not only programmes but also compensation budget. Despite all odds, the Department has been able to execute its programmes within these constraints.

### 1.2 Spending trends

	2016/17	2015/16
	R'000	R'000
Amount voted	4 062 572	3 826 047
Actual expenditure	3 957 467	3 762 353
<b>SURPLUS</b>	<b>105 105</b>	<b>63 694</b>

The unspent amount represents 2,6% voted funds for the 2016/17 financial year.

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

ECONOMIC CLASSIFICATION	R'000
Compensation of Employees • The under-expenditure was caused by posts that the Department could not fill and commit in 2016/17, given the risks of over-expenditure on the compensation budget for 2017/18 due to budget cuts in the MTEF allocation.	11 797
Goods and Services • The under-expenditure was mainly due to journals for operating leases paid on behalf of public entities being posted from the Office Accommodation line item to the Transfers to Public Entities line item. • The delay in the appointment of a service provider to assess the conditions of infrastructure for DAC and its entities' buildings negatively affected the finalisation of the User Asset Management Plan (UAMP). As a result, repairs and maintenance to entities' infrastructure could not be done optimally.	12 313
Transfers and Subsidies Departmental Agencies and Accounts • The under-expenditure was due to funds allocated to the South African Heritage Resources Agency (SAHRA) that could not be transferred, as a final report with audited financial statements on the previous transfer that was done to SAHRA for the Delville Wood project is awaited.	4 359

ECONOMIC CLASSIFICATION	R'000
Foreign Government Organisations • The under-expenditure was due to the exchange rate, which was lower than the estimated budget for the Commonwealth Foundation transfer.	440
Households • The under-expenditure was due to unclaimed funds related to project funding in the Mzansi Golden Economy (MGE) programme, the bursaries administered to heritage professionals and other financial assistance provided .	4 281
Public Corporations • The under-expenditure is immaterial.	30
Non-profit Institutions • The under-expenditure relates to capital works projects that could not be completed or fully reported in the year under review, including the Northern Cape Theatre, funds allocated for the renovation of SARA house, upgrading of community arts centres, public spaces, as well as development and installation of statues.	40 714
Buildings and other fixed structures • Under-expenditure was due to contractual challenges between DAC and DPW on the HVAC project. • Under-expenditure was due to invoices for National Archives - Old Library not being received from DPW until after the year end. • Under-expenditure on the Isibhubhu Cultural Arena/Enyokeni Project was due to the cancellation of the contract with the implementing agent, which delayed implementation. • Under-expenditure on the Samora Machel Project was due to delays in the submission of the final completion report from DPW.	21 417
Machinery and equipment • The under-expenditure was due to delays in the delivery of procured servers which are being shipped from abroad.	5 728
Higher Education Institutions • The under-expenditure is immaterial.	9
Software and other intangible assets • The under-expenditure was due to an information management system which was put on hold and delays in the appointment of service providers who are developing an interactive map on the Khoi-San heritage route.	4 017
<b>TOTAL</b>	<b>105 105</b>

### 1.3 Virements and shifting of funds

All virements were approved during and post the Adjusted Estimates of National Expenditure (AENE). The virements were derived from MGE calls for proposals and legacy projects reprioritisation. The approvals were granted prior to incurring the expenditure.

The shifting of funds was implemented in the 2016/17 to augment the economic classifications that are 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 within same economic classifications;
- 1.2.2 Leave payments to officials who have left the Department;

- 1.2.3 Interest on rent; and
- 1.2.4 Shifts to cover thefts and losses.

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

Programmes	Adjusted Appropriation 2016/17	Shifting of funds	Virement	Final Appropriation 2016/17
	R'000	R'000	R'000	R'000
Administration	262 601	(261)	-	262 340
Institutional Governance	325 217	(696)	(84 823)	239 698
Arts and Culture Promotion & Development	1 068 236	4 844	53 032	1 126 112
Heritage Promotion & Preservation	2 406 518	(3 887)	31 791	2 434 422
<b>TOTAL</b>	<b>4 062 572</b>	<b>-</b>	<b>-</b>	<b>4 062 572</b>

The National Treasury granted approval for all virements above the 8% threshold.

## 2. Significant events during the financial year

- 2.1 10 multi-year Human Language Technology projects were supported; 4 more than the planned 6 projects as, through an open call process, additional projects in support of human language technology development could be identified.
- 2.2 100% of national government departments complied with the Use of Official Languages Act by gazetting language policies, however compliance is still low with regard to public entities and enterprises at national level.
- 2.3 445 bursaries were provided to support studies in language practice at 6 universities across the country.
- 2.4 Translation services were offered to all national government departments and entities, and terminology development continued in 4 domains, namely Pharmaceutical, Financial, Information Technology, and Human, Social, Economic and Management Sciences.

- 2.5 3 programmes in support of creative industries development were implemented in collaboration with the Department of Tourism, Small Business Development and the KwaZulu-Natal Department of Economic Development.
- 2.6 The MGE strategy was implemented in 10 local and international platforms, including MOSHITO, National Book Week and the SA Pavilion at the Venice Architecture Biennale, as well as 27 regional and national flagships and 20 public art programmes. Over and above the Algeria, Russia and Gabon Seasons and the SA-China Season, 50 touring venture projects were supported that allowed productions and artists to tour locally and internationally. As part of the new model for skills development, 12 incubator programmes were implemented, providing training and development opportunities for 46 entrepreneurs. Through the incubator and other training programmes, 1 842 young people were provided with training opportunities.
- 2.7 150 community arts centre programmes were supported, and 7 centres were provided with support for refurbishment projects.
- 2.8 To support the delivery of arts education at schools, 342 artists were placed at 321 participating schools in all 9 provinces.
- 2.9 In support of heritage promotion and development, the following projects were implemented:
  - Transformation of Delville Wood, France
  - Unveiling of the Grave of Inkosi uTyali
  - Celebration of Heritage Month in September 2016
  - Documentation of the lives of 18 Women Living Human Treasures.
  - Gazetting of 105 geographical name changes.
- 2.10 In May 2016, Africa Month was celebrated under the theme "Building a Better Africa and Better World".
- 2.11 In cooperation with Russia, the SA-Russia Seasons were celebrated & Africa Seasons were successfully held in Algeria and Gabon, respectively.
- 2.12 All 6 national days were successfully celebrated: Human Rights Day, Freedom Day, Youth Day, Women's Day, Heritage Day and the Day of Reconciliation.
- 2.13 A target of 10 social cohesion advocates platforms was set, but due to political challenges, the Department conducted 27 successful interventions, for example the Vuwani unrest where Social Cohesion Advocates were deployed at short notice to assist in stabilising the situation.



- 2.14 The 6 Sector consultations were convened in the following sectors: (i) Arts, Culture and Heritage, (ii) Youth, (iii) Women, (iv) Minorities, (v) Faith Fraternity and (vi) Business and Media Houses.
- 2.15 33 community conversations were held successfully, covering cities and townships in all 9 provinces.

### 3. Services rendered by the Department

#### 3.1 National Archives

##### 3.1.1 Type of service

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

##### 3.1.2 Tariff policy

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

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

##### 3.2.1 Type of service

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

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

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

##### 3.2.2 Tariff policy

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

#### 3.3 Bureau for Heraldry

##### 3.3.1 Type of service

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

##### 3.3.2 Tariff policy

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

#### 3.4 National Language Service

##### 3.4.1 Type of service

The National Language Service provides a translation and editing service to all national government departments and entities. It also provides policy development support relating to official language development, particularly related to the Use of Official Languages Act.

##### 3.4.2 Tariff policy

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

## 4. Capacity constraints

Due to the cut in the compensation budget, the allocated compensation budget is no longer sufficient to fund the existing organisational structure. A service provider will be appointed to assist the Department with a realignment exercise that will inform a new organisational structure, which will be in line with the allocated compensation budget, and the mandate and priorities of the Department.

The vacancy rate as at 31 March 2017 was 2,51%, which is well below the target of 10% that was set at the beginning of the financial year. All unfunded vacancies for the 2016/2017 financial year were abolished. The Department is in the process of filling the post of Director-General after it was re-advertised in 2016, and the post of Chief Director: Social Cohesion after an unsuccessful recruitment process in 2016. The successful candidate for the post of Chief Director: Communications and Marketing assumed duty in August 2016.

## 5. Utilisation of donor funds

No donor funds were received by the Department in the 2016/17 financial year.

## 6. Public Entities (related parties)

The Department funded the public entities, a constitutional institution, and non-profit organisations as outlined in the sections below. The actual amounts transferred to each entity in the 2016/17 financial year include subsidy, capital transfers and Mzansi Golden Economy (MGE) related projects.

### 6.1 Heritage Entities

Thirteen entities have been declared 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 below:

	2016/17	2015/16
	R'000	R'000
Die Afrikaanse Taalmuseum, Paarl	6 294	5 597
Engelburg House Collection, Pretoria (NPI)	318	302
Freedom Park, Pretoria	65 548	65 665
Iziko Museums of Cape Town	78 958	68 336
KwaZulu-Natal Museum, Pietermaritzburg	19 138	18 175
Luthuli Museum, Groutville, Kwa-Dukuza	15 815	9 329
National Heritage Council, Pretoria	82 724	58 475
National Museum, Bloemfontein	48 630	43 333
Nelson Mandela Museum, Mthatha	22 264	21 143
Ditsong Museum, Pretoria	73 259	69 402
Robben Island Museum, Cape Town	98 166	122 038
The National English Literary Museum, Grahamstown	9 535	9 455
Msunduzi/Voortrekker Museum, Pietermaritzburg	13 146	22 484
War Museum of the Boer Republics, Bloemfontein	10 753	9 121
William Humphreys Art Gallery, Kimberley	7 564	6 234
<b>TOTAL</b>	<b>552 112</b>	<b>529 089</b>

### 6.2 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 the national heritage resources;
- promote good government at all levels;
- empower civil society to conserve its heritage resources for future generations;
- lay down general principles for heritage resource management;
- introduce an integrated system for the identification, assessment and management of the heritage resources of South Africa;





- 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.

2016/17	2015/16
R'000	R'000
51 125	73 552

### 6.3 Performing arts entities

Five performing arts entities were declared 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	2016/17	2015/16
	R'000	R'000
Artscape, Cape Town	85 582	54 690
State Theatre, Pretoria	63 655	48 699
Playhouse Company, Durban	56 687	50 232
Performing Arts Centre of the Free State, Bloemfontein	73 273	41 024
Market Theatre Foundation, Johannesburg	54 306	40 789
Windybrow Theatre, Johannesburg*	-	29 795
<b>TOTAL</b>	<b>333 503</b>	<b>265 229</b>

\*The allocation for the Windybrow Theatre has been included in the amount of Market Theatre Foundation as per the resolution for amalgamation.

### 6.4 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.

2016/17	2015/16
R'000	R'000
11 053	7 648

### 6.5 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.

2016/17	2015/16
R'000	R'000
122 907	116 721

### 6.6 National Arts Council

In terms of the National Arts Council Act, 1997, the Council facilitates opportunities for people to practice and appreciate the arts. It also promotes the general application of arts in the community, fosters the expression of a national identity by means of the arts, promotes freedom in the practice of arts, and gives historically disadvantaged people greater access to the arts.

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

2016/17	2015/16
R'000	R'000
101 182	97 589

### 6.7 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, 1995.

2016/17	2015/16
R'000	R'000
111 967	87 338

### 6.8 Libraries

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

Institution	2016/17	2015/16
	R'000	R'000
National Library of SA	113 524	82 338
South African Library for the Blind	19 333	17 376
Blind SA	7 485	7 473
<b>TOTAL</b>	<b>140 342</b>	<b>107 187</b>

## 7. Other organisations to which transfer payments were made

The Department supports projects that aim to promote arts, culture and heritage. To this end, 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 the various 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 that regulate, among other things, the payment of tranches and reporting requirements. The Department disbursed the following amounts from various programmes in the 2016/17 financial year:

Transfers & Subsidies	2016/17	2015/16
	R'000	R'000
Provinces and municipalities (conditional grant payments)	1 357 133	1 274 317
Higher Education Institutions	6 171	80
Public Corporations & Private Enterprises	129 147	108 059
Foreign Organisations	14 891	3 998
Non-Profit Institutions	155 621	186 258
Households	24 072	25 583
<b>TOTAL</b>	<b>333 503</b>	<b>265 229</b>

a. In the 2016/17 financial year no funds were transferred by the Department to IDT. The projects that used to be managed by IDT are as follows:

PROVINCE	PROJECTS
Limpopo	Heritage and Library Centre (Muyexe)
KwaZulu-Natal	JL Dube and Enyokeni
Free State	Winnie Mandela House, Bram Fischer House, Rev Mahabane House and Wesleyan Church
Eastern Cape	OR Tambo Memorial and Ingquza Hill



## 8. Corporate Governance Arrangements

### 8.1 Corporate Governance

The Department has a functional Internal Audit Activity 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 III Report on Corporate Governance.

### 8.2 Internal Audit

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The Internal Audit Activity (IAA) of the Department was functional throughout the financial year and operated in line with its approved Internal Audit Charter informed by Treasury Regulation 3.2, as well as the Institute of Internal Audit (IIA) International Standards for the Practice of Internal Auditing.

The IAA assisted the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities. This was achieved through the assurance given through the audit assignments conducted in line with the approved Risk-Based Rolling Three-Year Strategic and Annual/Operational Internal Audit Plan for 2016/17; which was informed by the Department's approved Strategic and Operational Risk Assessment results and relevant statutory audits.

The results of all the assurance activities/assignments referred to above were duly reported to the Department's Senior/Executive Management, including the Accounting Officer, and to the Audit and Risk Management Committees of the Department throughout the financial year; and recommendations provided on areas where shortcomings were identified for corrective action to be 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 2017/18 annual performance plan and counsel to the management of the Department through consulting engagements held.

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

The internal capacity of the IAA is still insufficient, and no further vacancies were filled in the year under review, given the compensation budget constraints imposed in 2017/18 financial year. The Department is in the process of procuring external capacity in order to supplement insufficient internal human capacity.

### 8.3 Audit Committee

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

The Department has a functional Audit Committee which comprised five independent (non-executive) members including the Chairperson. The Audit Committee (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, the improvement of the financial statements, and ethics and integrity management. In addition, the Committee encouraged management of the Department to adopt a system of combined assurance using an integrated reporting tool implemented on performance, financial and risk management to improve accountability.

## 8.4 Forensic Investigations

The Department has an approved and updated Fraud Investigation Policy that provides for the review and investigation of allegations of fraud, corruption and other financial misconduct.

Minimum capacity to conduct investigations into the allegations exists within the Internal Audit Activity; however, this capacity is not sufficient and as such additional capacity was sourced through external service providers.

## 9. Risk Management

The Department maintained its Risk Management Strategy and applied approved risk management policies effectively for the 2016/17 financial year. The Risk and Ethics Committee is fully functional and is chaired by an independent, non-executive member, who serves on an advisory basis on the governance of Risk Management.

### 9.1 Risk Committee Governance

The Risk Committee met five times during the financial year to attend to risk governance matters. Quarterly reporting focused on the monitoring of strategic and operational risk exposures, with emphasis on performance risks around litigation, financial matters, supply chain management, and information and communication technology. The Committee expanded its scope to include ethics and integrity matters that posed risks to the Department from a compliance perspective.

The Committee further focused on Integrated Reporting where all assurance providers, i.e. Monitoring and Evaluation, Internal Audit, Finance, and Risk Management provided a report to the Committee on progress against performance and residual risk exposures pertaining to performance information.

The Committee considered the development of the Project Risk Management Framework to enforce key focus on project risk management; including the Compliance Risk Framework, that will provide guidance on the compliance universe on mandatory laws and regulations that impact the Department.

The Committee facilitated the approval and implementation of the Department's Whistleblowing Policy to support the Fraud Prevention Strategy. The Committee noted the need to implement Risk Finance through insurance to address the post-loss liability brought about by the loss of productivity tools and claims.

### 9.2 Risk Advisory Services

The Risk Committee Chairperson provided advisory services on key strategic risk focus areas during the financial year, including:

- Relocation Project Risks
- DAC Recruitment Strategy
- ICT Quality Improvement on End-User Assessment & ICT Governance
- Ethics & Integrity

## 10. Asset Management

The Department continuously maintains and manages all moveable assets through the asset management system implemented in 2008/2009. On 29 March 2017, the Department disposed of a departmental vehicle by public auction; the proceeds were deposited into the Revenue Account.

The year-end physical verification of all moveable assets commenced on 23 January 2017 and was completed on 31 March 2017. All the assets procured in the year under



review have been accounted for and correctly captured on the Asset Register, as required by the Asset Management Framework and the Public Finance Management Act.

## 11. Performance Information

In terms of reporting, compliance reports were submitted and/or tabled to oversight structures as prescribed in the Treasury Regulations. These included monthly financial expenditure reports, quarterly performance reports and the annual performance review report for 2016/17 financial year.

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Moreover, quarterly review sessions were held with the Accounting Officer to ensure effective performance monitoring and evaluation, and that corrective actions were instituted where applicable.

## 12. Supply Chain Management

In the 2016/17 financial year the Department procured goods and services according to the approved procurement plan. Furthermore, the Department provided quarterly reports on the procurement of goods and services to National Treasury as required.

The Department continued to utilise the appointed panel of service providers for the procurement of events management and marketing and communication services, to facilitate the rapid procurement of services for major events. Any deviations occurred have been reported to National Treasury and the Office of the Auditor-General.

## 13. Irregular Expenditure

In the 2016/17 financial year the irregular expenditure opening balance is R404 million and the irregular expenditure relating to 2016/17 amounted to R15,2 million. There was a significant reduction in irregular expenditure due to improvement of internal controls in the procurement section of the Department. The Department has also sent

a submission to National Treasury to request condonement of irregular expenditure amounting to R97 million.

## 14. Resolving issues from the prior-year audit

Management was able to address a significant number of issues raised by the Auditor-General during the previous year. The remaining issues were mainly those that will be implemented during the preparation of the Annual Financial Statements. There are also issues for which the implementation date is in the new financial year.

The Department is still incurring irregular expenditure, mainly due to non-compliance with Supply Chain Management procedures. The Department therefore embarked on consequence management by instituting disciplinary action against an official responsible for non-adherence to SCM policy and procedures.

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

## 15. Approval

The Annual Financial Statements as set out on pages 129 to 222 have been approved by the Accounting Officer.



**Mr Vusithemba Ndim**

Acting Director-General

Date: 31 July 2017

## 1.7 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part 5) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to

the integrity and reliability of the performance information, the human resources information, and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, performance information, human resources information, and financial affairs of the Department for the financial year ended 31 March 2017.



**Mr Vusithemba Ndimba**

Acting Director-General

Date: 31 July 2017



## 1.8 STRATEGIC OVERVIEW

### VISION

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

### MISSION

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

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

### VALUES

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

#### **Patriotism**

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

#### **Ubuntu**

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

#### **Innovation**

In everything we do, we strive for INNOVATIVE approaches.

#### **Integrity**

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

#### **Professionalism**

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

### **Accountability**

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

### STRATEGIC OUTCOMES-ORIENTED GOALS

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

#### **A transformed, coherent and development-focused ACH Sector**

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

Nation building through effective social cohesion programme implementation:

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

#### **A productive, diverse and inclusive ACH Sector**

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

#### **A sound governance fiscal management system**

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

#### **A professional and capacitated ACH Sector**

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

## 1.9 LEGISLATIVE AND OTHER MANDATES

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

**'16(1) Freedom of expression** - Everyone has the right to freedom of expression, which includes -

- (a) freedom of the press and other media;
- (b) freedom to receive or impart information or ideas;
- (c) freedom of artistic creativity; and
- (d) academic freedom and freedom of scientific research.' and

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

**'32. Access to information** - (1) Everyone has the right of access to -

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

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

- Cultural Institutions Act, 1998 (Act No. 119 of 1998)
- Culture Promotion Act, 1983 (Act No. 35 of 1983)
- Heraldry Act, 1962 (Act No. 18 of 1962)
- Legal Deposit Act, 1997 (Act No. 54 of 1997)
- National Archives and Records Service of South Africa Act, 1996 (Act No. 43 of 1996)
- National Arts Council Act, 1997 (Act No. 56 of 1997)
- National Council for Library and Information Act, 2001 (Act No. 6 of 2001)
- National Film and Video Foundation Act, 1997 (Act No. 73 of 1997)
- National Heritage Council Act, 1999 (Act No. 11 of 1999)

- National Heritage Resources Act, 1999 (Act No. 25 of 1999)
- National Library of South Africa Act, 1998 (Act No. 92 of 1998)
- Pan South African Language Board Act, 1995 (Act No. 59 of 1995)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- South African Geographical Names Council Act, 1998 (Act No. 118 of 1998)
- South African Library for the Blind Act, 1998 (Act No. 91 of 1998)
- Use of Official Languages Act, 2012 (Act No. 12 of 2012)

### Other prescripts governing the Department

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





## 1.10 ORGANISATIONAL STRUCTURE

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**Minister**  
Mr Nathi Mthethwa



**Deputy Minister**  
Ms Magdeline Soty



**Acting Director-General**  
Mr Vusithemba Ndim



**DDG: Heritage Promotion and Preservation**  
Mr Vusithemba Ndim



**DDG: Arts and Culture Promotion and Development**  
Ms Monica Newton



**DDG: Corporate Services**  
Ms Matildah Mogotsi



**DDG: Institutional Governance**  
Ms Kelebogile Sethibelo



**Chief Financial Officer**  
Ms Makoto Matlala

# 1.11 PUBLIC ENTITIES REPORTING TO THE MINISTER

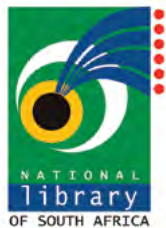
## Development Agencies:



## Performing Arts Institutions:



## Libraries:



## Constitutional:



## Heritage Institutions:



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# PART TWO

## *Performance Information*



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

The 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.

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Refer to page 115 of the Report of the Auditor-General, published as Part 5: Financial Information.

## 2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

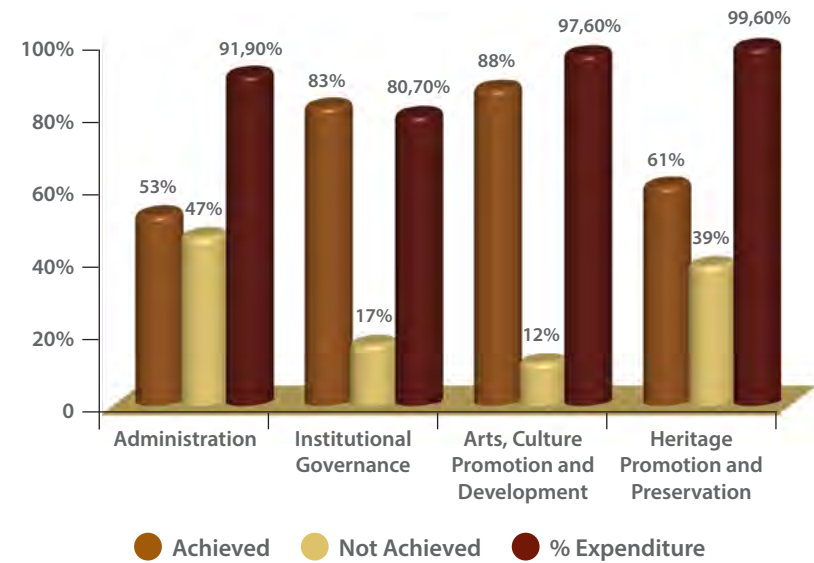


Figure 1: Performance in 2016/17

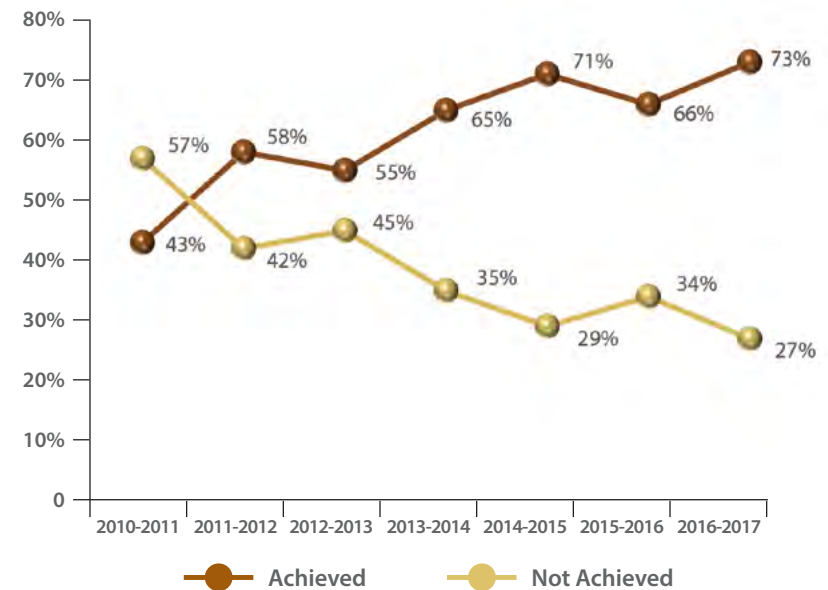


Figure 2: Performance trends

## 2.3 DETAILED PROGRAMME SPECIFIC INFORMATION

### PROGRAMME 1: ADMINISTRATION

#### PROGRAMME PURPOSE:

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

The Administration Programme covers the work of the following subprogrammes:

- Ministry
- Management
- Corporate Services
- Office of the Chief Financial Officer
- Office Accommodation

The Programme has the following strategic objectives:

- To drive integrated and joint outcomes-based planning, monitoring and evaluation across the Sector.
- To facilitate an enabling and coherent policy, legislative and regulatory environment for the Sector.
- To ensure compliance and sound governance.
- To drive sound financial management and controls across the Sector.
- To build human resource capability and promote a culture of high performance.

The Administration Programme provides strategic and operational support to the functions of the Department. The Programme has provided effective and efficient support services that enabled the core programmes to provide improved service delivery to our citizens. Below are some of the achievements recorded by the Programme in the 2016-17 financial period as per the ministerial ten-point plan.

#### White Paper Review

The process to expedite the transformation of the sector will be guided by the revised White Paper on Arts, Culture and Heritage. The revisions to the White Paper seek to develop new financing instruments, rationalise the current institutional framework, and propose structures to fill gaps identified in the Arts, Culture and Heritage Sector. Emphasis is placed on the development of policy instruments to protect and promote the rights and status of artists, including recognition of their unique status. The draft revised White Paper also

moots a name change for the Department to Department of Arts, Culture and Heritage, thereby recognising the full scope of the portfolio or mandate of the Department.

#### Skills Programme

As part of the Minister's 10-point plan, the Department, in conjunction with the National School of Government conducted a skills audit. The results will also be helpful during the work-study review that the Department will be embarking on in 2017/2018 to assist in indicating if the Department has the right type of skills and the right number of employees to be able to achieve the strategic objectives of the Department.

The Department implements an annual internship programme to afford young graduates an opportunity to gain workplace skills. Annually, the internship intake constitutes 5% of the staff complement of the Department. This is in line with the national imperative on Internship Programmes in the Public Service. In the past three financial years the Department enrolled a total of 77 young graduates and efforts are underway to enhance the programme to ensure improved outcomes.

#### Compliance and Reporting

Compliance requirements have been integrated into the Department's day-to-day operations. Through the Department's recruitment strategy (and notwithstanding some serious challenges), the Department was able to achieve the national imperatives of employing previously marginalised groups by ensuring that its staff establishment comprised 2,57% People with Disabilities and 50,9% Women in Senior Management Service positions. Further, the Department has successfully managed to keep the vacancy rate far below 10% at 2,51%.

Moreover, the Department adhered to all the frameworks guiding in-year monitoring. Financial reports were submitted to the National Treasury 15 days after the end of each month and quarterly performance reports were submitted to the Department of Performance Monitoring and Evaluations and National Treasury within the stipulated timelines. Further, the Annual Performance Plans and Annual Reports for the Department and its entities were tabled in Parliament as required.

The Public Audit Act, 2004, stipulates that the information related to performance against predetermined objectives be subjected to auditing by the Auditor-General of South Africa (AGSA). The Department complied with the Act – the annual performance review reports (predetermined objectives) together with annual financial statements were submitted to the Office of the Auditor-General of South Africa for audit purposes within the prescribed timeframes.



## Detailed Programme Performance

Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED, COHERENT AND DEVELOPMENTFOCUSED SECTOR</b>								
To drive integrated and joint outcomes-based planning, monitoring and evaluation across the Sector	Number of IGR forums conducted as the vehicle to drive a shared and common vision and strategic priorities for the ACH Sector	CS 1	7	8 IGR meetings conducted (4 TICs and 4 MinMECs)	8 IGR meetings were conducted (4 TICs and 4MinMECs)	Minutes and attendance register	-	-
	DAC Sector-wide strategic planning process coordinated	CS 2	The DAC 2016/17 APP was approved and tabled	Approved DAC 2017/18 APP	Approved DAC 2017/18 APP was tabled in Parliament on 22 March 2017	Submission and Tabling letter	-	-
To intensify the contribution to and coordination of Outcome 14 towards transforming of SA into a multilingual, non-racial, prosperous and non-sexist society	Number of izimbizo/ public participation programmes held	CS 3	104	20	50	Reports	+30	More izimbizo were held due to increase in public demand
To facilitate enabling and coherent policy, legislative and regulatory environment for ACH Sector	Revised White Paper (RWP) on ACH submitted to Cabinet for approval	CS 4	-	RWP on ACH submitted to Cabinet	The 3 <sup>rd</sup> draft of Revised White Paper was submitted to the department in February 2017	3 <sup>rd</sup> draft RWP Project Plan, Agenda, Press Release, Recordings	Revised White Paper (RWP) on ACH was not submitted to Cabinet	The deadline for submission to cabinet has been moved to October 2017 due to the pending socio economic Impact Assessment  The socio economic impact assessment will be conducted and submitted to DPME by the end of the 2 <sup>nd</sup> quarter of the 2017/18 financial year
To ensure compliance and sound governance	Percentage of MPAT key result areas measured at level 3 and above	CS 5	Some MPAT result areas measured at level 2	50% MPAT key result areas measured at level 3 or above (2016 MPAT)	Management Performance Assessment Tool 2016 results were measured at level 2.4 as at 31 March 2017	Final MPAT results	-0,6	Weaknesses in the internal controls were identified in the human resource management and financial management components/ funtions.

Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 4: A SOUND GOVERNANCE FISCAL MANAGEMENT SYSTEM</b>								
	Clean audit outcome for previous financial year	CFO 1		Clean audit outcome	An unqualified audit outcome was obtained for the 2015-16 financial year	Management Action Plan 2015/16 status update, Quarterly report and expenditure report	-	-
To drive sound financial management and controls across the Sector	Percentage of total value of procurement awarded to BBBEE-compliant service providers	CFO 2	75% of total value of procurement awarded to BBBEE-compliant service providers	>70%	95.06 %	Commitment register	-	-
	Percentage of payments made within 30 days (where requisite supporting documents exist)	CFO 3	95,5% of invoices were paid within 30 days	100%	97%	National Treasury Reports	-3%	Payments delayed because bank details were still not verified on the safety web as per Central Supplier Database Report. Payments were delayed due to reconciliation of invoices of supplier project schedules. A procedure document was approved by the Acting DG on 20 February 2017. It will be communicated to Department staff in the first quarter of 2017/18 financial year. Its contents include centralisation of invoice in Finance and implementation of invoice certification stamps. This will start in the first quarter of 2017/18. Furthermore, Finance will continue to engage the IT directorate to engage Statistics SA about their invoice tracking system



Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	100% spending of annual budget	CFO 4	-	100% spending of annual budget	97.4% of the annual budget was spent	BAS Report	-3% (R105 million vs. R3.9 billion )	A variance of R105 million (2.6%) of unspent funds is due to the under-expenditure on Compensation of Employees, Goods and Services, Dept Agencies and Accounts (Cap), Foreign Government Organisations, Households, NPI's (Cap), Buildings & Other Fixed Structures, Machinery and Equipment as well as Software and other Intangibles.
To strengthen and enhance internal process flows and systems	Approved integrated enterprise-wide ICT architecture plan and schedule for implementation	CS 6	IT Assessment of Public Entities conducted; assessment of DAC storage requirements and future state conducted through IT Transformation Workshop; terms of reference for enterprise architecture services finalised; worked with Risk Management on sharing Barn Owl Application with some DAC public entities	Approved integrated enterprise-wide ICT architecture plan and schedule for implementation	Draft Tailored Architecture Framework, draft Organisational Model for Enterprise Architecture and a draft Baseline Business Architecture Framework were developed	SITA Proposal, approved submission and terms of reference  Draft Tailored Architecture Framework, draft Organisational Model for Enterprise Architecture and a draft Baseline Business Architecture Framework	Approved integrated enterprise-wide ICT architecture plan and schedule for implementation was not developed	Delays due to prolonged consultative processes

Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 5: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resource capability and promote a culture of high performance	Number of interns as a percentage of DAC staff complement	CS 7	5%	5%	5%	Submission; Performance and Development Contracts	-	-
	Number of training interventions implemented	CS 8	-	500 interventions	563 interventions	Training database and attendance registers	+63	Urgent additional training interventions linked to special projects but not included on the Workplace Skills Plan were implemented during the period under review
	Percentage of women employed at SMS level	CS 9	46,94%	50%	50.94%	DAC demographics summary	+0.94	
	Percentage of staff complement that are People with Disabilities	CS 10	2,57%	5%	2.57%	DAC demographics summary	-2.43	Compensation budgetary constraints
	Vacancy rate in DAC	CS 11	-	<10% vacancy rate in DAC	2.51% vacancy rate in DAC	Post establishment report and establishment database	+7.49	-

## PROGRAMME 2: INSTITUTIONAL GOVERNANCE

### PROGRAMME PURPOSE:

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

The Institutional Governance Programme is comprised of the following subprogrammes:

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#### 1. Social Cohesion, Nation Building and Target Groups

- Arts and Youth Enrichment
- Arts and Social Development
- Nation Building and Social Cohesion
- MTSF Outcome 14 Coordination

#### 2. Coordination, Monitoring and Evaluation

- Monitoring and Evaluation
- Entity Management (Good Governance)
- Infrastructure Development and Maintenance

#### 3. International Relations

- Africa and Middle East
- Bilaterals
- Multilaterals and Resourcing

The Programme has the following strategic objectives:

- To facilitate an enabling, responsive and coherent policy, legislative and regulatory environment for the ACH Sector, locally and internationally
- To intensify the contribution to and coordination of Outcome 14 towards transforming SA into a multilingual, non-racial, prosperous and non-sexist society

- Opening markets and access, and maintaining a positive image of and good relations with arts, culture, heritage and language locally, continentally, regionally and internationally
- To implement sound governance to enable delivery of the DAC mandate.

### KEY HIGHLIGHTS

#### Social Cohesion and Nation Building

The National Development Plan (NDP) envisions a South African society that embraces its diversity rather than emphasizing observable differences along the contours of race, class, gender, religion, culture and other social constructs. Such a society will have a common set of values, an inclusive economy, increased interaction among South Africans of different social and racial groups, as well as strong leadership cadres across society buttressed by a mobilized, active and responsible citizenry.



*Proceedings in various social cohesion and nation building dialogues in the 2016/17 financial year*

Through the approved Program of Action (PoA) for Outcome 14, government has made great strides in bridging past socio-historical divisions, even though a lot still needs to be done in fostering nation building and social cohesion. A total of 33 community conversations were held across all nine provinces in a bid to address the scourge of racism and other social ills facing society. The community conversations also seek to address issues relating to language, heritage, patriotism, inequality, unemployment and poverty.



***Proceedings in various social cohesion dialogues in the 2016/17 financial year***

Several community conversations were held to respond to violent protests that swept through Vhuwani and the surrounding villages in Makhado and Thulamela Municipalities. These protests saw the burning and vandalising of over 20 schools. The

Department employed Social Cohesion Advocates in the aforementioned areas to carry out comprehensive community dialogues so as to foster peace, unity and social cohesion. A report on the 2016 community conversations has been developed and presented to various government departments so that they can action some of the recommendations proposed.

**Social Compact**

Work is continuing apace to conclude sectoral conversations with the view of the crafting and adoption of a common compact to unify South Africans and strengthen the mental frameworks for complete emancipation. Sectoral meetings are designed to garner consensus on key commitments from different sectors to promote nation building and social cohesion, and will culminate in a national convention. Commitments and/or recommendations emanating from these sectoral meetings will be consolidated into a social compact and a programme of action will be developed to effect the recommendations.

**Moral Regeneration Movement**

The scourge of women and child abuse that has come to the fore recently is a manifestation of some of the social ills that still affect our society. A collaborative effort is being pursued by the Department and the Moral Regeneration Movement to entrench a moral fibre that is constructive. This will be achieved through a programme of action that can contribute to the well-being of society, in an effort to realise the “RDP of the soul,” that President Nelson Mandela spoke about.

**Young Patriots Programme**

The year 2016/17 saw the launch of the Young Patriots Programme. The aim of this programme is to teach the youth to respect the laws, institutions, rights and liberties that make us South Africans first, part of the African continent and an important segment of humanity across the globe that is working for social progress. The principles espoused in this programme seek to entrench solidarity among citizens and to provide young people with motivation to participate in public life and make sacrifices for the common good. The programme enrolled over 260 young people by end of January 2017 and will further recruit 300 young people during the 2017/18 financial year.



### Africa Month Celebration

We continue to embrace our African identity and play our part in the shaping and development of a new and modern Africa and the rebirth of a new African. The 2016/17 celebrations of Africa Month were a festival of ideas in which the Department invited eminent thinkers from the rest of Africa and the Diaspora to join in conversations about the continent. In partnership with the Reference Group of 12 experts representing different regions and organisations in the continent, the Africa Month presents an opportunity for Africa to unite in pursuit of the dream to develop a better Africa in a better world.



***Minister Nathi Mthethwa and the Deputy Minister Rejoice Mabudafhasi with other eminent guests during Africa Month***

The second edition of Africa Month was launched in Cape Town under the theme “Building a Better Africa and a Better World”. The focus of the 2016 edition of Africa Month was community engagement, programming in all parts of the country and in all arts disciplines, and in partnership with other sectors to celebrate the cultures of the continent and in honour of those who founded the Organisation of African Unity on 25 May 1963. As part of the Africa Month, the acclaimed Amandla Musical Ensemble was hosted at Emalahleni. Lectures and seminars were delivered by prominent experts and thinkers like Professor Wole Soyinka. Significantly, the celebrations coincided with the centenary of Fort Hare University, an institution that has nurtured generations of African leaders. Through lectures and engagement, the role of intellectuals in developing the continent was explored.

### Cultural Diplomacy

South Africa hosts cultural seasons to promote people-to-people relations. Based on the principle of reciprocity and the agreement on cultural exchanges between Russia and South Africa, the Russian Federation hosted a departmental delegation which included SA artists during the official opening and launch of the SA-Russia Seasons from 29 November to 4 December 2016. In that same engagement the National Library of South Africa initiated discussions on future collaboration with the Boris Yeltsin Library. The Season also opened opportunities for artists, including the Mzansi Youth Choir which has been invited to participate in a choir festival in China in 2018.

Preparations are at an advanced stage to mark the launch of the South Africa China People-to-People Exchange Mechanism in 2017, thus starting a new chapter in our relations with China. As part of the plan, the National Film and Video Foundation will showcase their best films at the BRICS festival in China in 2017. This season is the second edition of the festival, which was initiated under the auspices of the BRICS Cultural Agreement signed in 2015.

The hosting of cultural seasons with Algeria and Gabon during the 2016/17 financial year was aimed at fostering people-to-people relations within our own continent and to heighten socio-economic and political relations. We believe that through internationalism and multilateralism, together with our partners, we shall build a world characterised by greater inclusivity and equality.



***Performance during the cultural seasons with Algeria and Gabon during the 2016/17 financial year***

## Detailed Programme Performance

Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED, COHERENT AND DEVELOPMENTFOCUSED SECTOR</b>								
To facilitate an enabling, responsive, and coherent policy, legislative and regulatory environment for the ACH Sector locally and internationally	Number of social development programmes implemented in collaboration with IGR partners supported	IG 1	-	2 social development programmes implemented in collaboration with IGR partners supported	2 social development programmes implemented in collaboration with IGR partners supported.	Reports, letters/ MoA/SLA/order no.	-	-
	Number of youth development programmes implemented in collaboration with IGR partners supported	IG 2	-	2 youth development programmes implemented in collaboration with IGR partners supported	2 youth development programmes implemented in collaboration with IGR partners supported	MoA, post project report, payment stubs	-	-
<b>STRATEGIC GOAL 2: NATION BUILDING THROUGH EFFECTIVE SOCIAL COHESION PROGRAMME IMPLEMENTATION</b>								
To intensify the contribution to and coordination of Outcome 14 towards transforming SA into a multilingual, non-racial, prosperous and non-sexist society	Number of community conversations held	IG 3	33	33 community conversations held	33 community conversations were held	SLA and post project reports	-	-
	Number of youth dialogues held	IG 4	-	4 youth dialogues held	4 youth dialogues were held	Reports, payment stubs, attendance register and submission	-	-
	Number of social cohesion advocates platforms implemented	IG 5	10	10 social cohesion advocates platforms implemented	27 social cohesion advocates platforms were implemented	Reports, submissions and attendance registers	+17	Deviation was caused by an attempt to respond to government's call that the whole country be galvanised around our national days, thus the need to cover all or most of our provinces through different projects.

Strategic Objectives	Performance Indicators	Code	Baseline for 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	Social Compact Convention hosted	IG 6	-	Social Compact Convention	6 sector consultations were convened in the reporting period		Social compact convention was not hosted as planned	Conflicting schedules led to a delay in the finalisation and approval of calendar dates
	Number of national and historical days celebrated/ commemorated	IG 7	6 national days and 1 historic day	6 national days and 1 historic day programmes supported	6 national days and 1 historic day programmes supported	Reports	-	-
	Number of Outcome 14 reports produced for Cabinet	IG 8	4 quarterly reports on Outcome 14 submitted to DPME	4 Outcome 14 reports produced for Cabinet	4 Outcome 14 reports produced for Cabinet	Reports and submissions	-	-
<b>STRATEGIC GOAL 3: A CONNECTED, PRODUCTIVE, DIVERSE AND INCLUSIVE ACH SECTOR</b>								
Opening markets and access. and maintaining a positive image of and good relations with arts, culture, heritage and language locally, continentally, regionally and internationally	Number of international programmes implemented	IG 9	2	2 cultural diplomacy programmes in Africa and the rest of the world	2 cultural diplomacy programmes in Africa and the rest of the world implemented	Reports , IR framework and submissions	-	-
	Number of Africa programmes Implemented	IG 10	4	2 Africa programmes implemented	2 Africa programmes implemented	IR framework, reports and submissions	-	-
<b>STRATEGIC GOAL 4: A SOUND GOVERNANCE FISCAL MANAGEMENT SYSTEM</b>								
To implement sound governance to enable delivery of the DAC mandate	Number of shareholders compacts concluded	IG 11	26	26 shareholders compacts concluded	26 shareholders compacts were concluded on 8 April 2016 at Freedom Park.	Copies of shareholders compacts	-	-
	% of councils for public entities that are fully constituted	IG 12	24	100% of councils for public entities fully constituted	96% of councils for public entities are fully constituted. Only the PanSALB board is not constituted.	Database and appointment letters	4% not constituted (PanSALB)	The PanSALB Board is challenging its dissolution in court. The court case is ongoing/pending and therefore the Department is unable to constitute a board.

## PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT

### PROGRAMME PURPOSE:

The Programme is responsible for the development and promotion of arts, culture and languages. The Arts and Culture Promotion and Development Programme is organised to carry out its work according to the following subprogrammes:

#### 1. National Language Service

- Human Language Technologies
- Translation and Editing
- Language Planning
- Terminology Coordination

#### 2. Cultural and Creative Industries Development

- Visual Arts and Design
- Performing Arts
- Books and Publishing
- Cultural Industries Policy, Research and IP Development

The Programme has the following strategic objectives:

- To facilitate an enabling, responsive, and coherent policy, legislative and regulatory environment for the ACH Sector locally and internationally
- To intensify the contribution to and coordination of Outcome 14 towards transforming of SA into a multilingual, non-racial, prosperous and non-sexist society
- To intensify support to programmes that contribute to social cohesion and nation building
- To promote and develop cultural and creative industries
- To develop, promote and maintain multilingual infrastructure and technology that promotes access to and increases participation in ACH at local, continental, regional and international level
- To increase and sustain a number of ACH practitioners and a pool of human resource capacity required by Sector

### KEY HIGHLIGHTS

#### Developing Local Arts and Artists

The Artists in School project saw 342 artists placed in 321 schools across the country in the 2016/17 financial year. Since 2014, 880 artists have been placed in schools, creating income-generating opportunities for the artists and enhancing the educational experiences of learners. The artists join teachers in the classroom to improve the delivery of the CAPS arts curriculum.



*Artists in School programme*

Through the National Arts Council, the Department has continued to implement flagship projects such as the SA Schools Festival with over 5 000 learners and educators exposed to 53 different productions. Furthermore, the Schools Arts Festival of Artscape continues to reach over 6 000 learners each year from across the Province. In the year under review, a 12-year-old pianist, Quden Blaauw, who participated in the Schools Arts Festival was afforded an opportunity to travel to Poland to represent South Africa.

#### Tax Incentive

Section 18A of the Income Tax Act does not provide for donors to arts, culture, and sport and recreation activities to receive a tax deduction. Yet this provision does exist for other social sectors such as education and welfare. Recognising the lack of progress with regard to the Department's first submission to the Davis Tax Commission, the Department collaborated with the Department of Sport and Recreation, and made a





detailed representation in March 2017 regarding amendments to Section 18A of the Income Tax Act, amongst others, to Davis Tax Commission structures.

### **Art Bank**

The Art Bank Project is being implemented by the National Museum and it will be launched through an exhibition featuring 100 works from young contemporary artists across the country at the end of May 2017 in Newtown, Johannesburg. The aforementioned works or collection will form a bank of art works, which will develop over time with new work purchased every year, thereby creating direct opportunities for artists. The work will be made available for rental to government departments and other stakeholders. The exhibition will formally open the first Art Bank in Africa. Over the MTEF which started in 2016/17, R21 million has been allocated to the Art Bank.

### **Venture Capital Fund**

The Venture Capital Fund (VCF) has been established as a funding vehicle to finance start-ups and other companies that have a limited operating history and do not have access to capital markets. It is envisaged that through the VCF, the development of SMMEs within the Arts, Culture and Heritage Sector will be improved and become more sustainable. VCF requires a return on investments and will charge a much lower interest rate of up to 10%.

### **Debut Fund**

The creative industries provide unprecedented opportunities for young people. The 2013 creative industries mapping study found that over 30% of enterprises operating in the sector are youth owned. As such, the Department has established a Debut Fund that creates opportunities for young artists to publish their first book, produce their first play, cut their first album or host their first exhibition. The Fund is administered through the MGE open call process and will make quarterly awards to a maximum value of R300 000 to provide opportunities to develop new local content and “career breaks” for young artists. Linked to the funding is a mentorship programme that seeks to ensure that these aspirant professionals have the best possible advice and guidance.

### **Performing Arts Centres and Theatre**

In partnership with the Limpopo Provincial Government and the City of Polokwane, a feasibility study was conducted to inform the development of a Polokwane Performing Arts Centre and Theatre. The Department will be co-investors in the development of the infrastructure over the next three years, with R45 million provided throughout the MTEF for the design and implementation phases of the project. This is in pursuit of equitable distribution of arts and culture facilities, and bringing infrastructure and access to the performing arts to all our people.

### **Incubator Programme**

The incubator Programme announced in 2015 has seen great successes since its pilot phase. During the year under review, the Department added two more programmes to ensure better geographic representativity and diversity in disciplines on offer. Specific attention was paid to supporting incubators in the design and craft sectors. Since the inception of the incubator programme 2 480 young people have been provided with education, training, production and technical opportunities. Also noteworthy is that the Class of 2016 at the Market Theatre Foundation garnered 16 Naledi Award nominations that recognise excellence in artistic and technical fields. In 2017, the Market Theatre Foundation will host the first Incubator Fair, an opportunity for incubator participants to come together and showcase their work for a week as part of the Youth Month programme.



*Proceedings of the Incubation Programmes*

## Cultural Observatory

The Cultural Observatory plays a key role in building the knowledge base of the Sector. Consistent with the 2013 mapping study, recent research by the Observatory has found that 2,93% of total employment in South Africa is currently within the Cultural and Creative Sector, making it a significant source of employment. The Cultural Observatory will conduct a second Creative Industries Mapping study in 2017, which will provide insights on growth and development, and assist in tracking changes since the 2013/14 study which created our first-ever statistical overview of the Sector. Key highlights in the 2016/17 financial year include the successful hosting of the first Annual Conference, where research was disseminated and inputs received from the Cultural and Creative Industry; drafting of a Framework for Measuring Cultural Employment in South Africa; development and updating of a research agenda; the awarding of a number of scholarships and the hosting of statistical and monitoring and evaluation training sessions across the nation.

## Other notable achievements

- The Mzansi Golden Economy programme of the Department continues to support flagship and other programmes throughout the country. In the year under review, 27 national and regional flagships were supported. Through the MGE open call process, over 500 qualifying applications were adjudicated, with 146 funded to the value of R53,4 million. Across all the MGE activities supported in 2016/17, the

Department created 5 059 verifiable work opportunities for artists and technical staff across the country.

- The DAC supported a number of public art projects in the year under review. Stand-out examples include: the Promotion of the South African Coat of Arms and Schools Emblem Project, which used public art mosaic to promote South African national symbols among school-going children.
- The “We the Transposed” Infecting the City Festival, which took art into public places in the Cape Town CBD, and the KwaNdebele Cultural Imbizo, which was a community festival, where local people in KwaMhlanga were given an opportunity to showcase their diverse Ndebele culture including culinary arts, traditional craft and music.
- The DAC supported the “We Can Arts Festival” in KwaZulu-Natal Province, which recognizes excellence in the artistic endeavours of people with disabilities and celebrates their talent in the field of arts, to the value of R500 000.
- A grant of R600 000 was provided to the International Marimba and Steelpan Festival in July 2016, which is one of the largest marimba and steelpan festivals of its kind in Africa.
- The 5th Annual Women’s Theatre Festival, created by award-winning theatre director and playwright Ntsheng Mokgoro, was provided with a grant of R350 000 in support of this platform to celebrate women and their works.
- The Rapid Lion, a South African International Film Festival, was provided with a three-year grant of R12 million in support of this BRICS-focused film festival, which has helped to put the South African film industry in general on the map in Russia, China, Brazil, India and most of the African continent.



*Performance and audience at the various festivals during the 2016/17 financial year*

## Detailed Programme Performance

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED, COHERENT AND DEVELOPMENTFOCUSED ACH SECTOR</b>								
To facilitate an enabling, responsive, and coherent policy, legislative and regulatory environment for the ACH Sector locally and internationally	Number of joint programmes implemented with inter-governmental stakeholders	ACPD 1	-	3 economic development programmes implemented in collaboration with IGR partners supported financially	3 economic development programmes implemented in collaboration with IGR partners financially supported.	SLA, letters, concept document, submission, payment stub, attendance register, minutes, reports	-	-
	Number of research reports produced and disseminated	ACPD 2	-	20 research reports produced by Cultural Observatory disseminated to Sector and DAC	20 research reports produced by Cultural Observatory disseminated to Sector and DAC	Reports and proof of dissemination	-	-
	Number of sectoral programmes supported	ACPD 3	-	Financial support provided to 5 programmes offered by sectoral organisations	5 Financial support provided to 5 programmes offered by sectoral organisations	Concept document, Submission, MOA, Grant letter, Payment stub, feedback questionnaire, Reports	-	-
<b>STRATEGIC GOAL 2: NATION BUILDING THROUGH EFFECTIVE SOCIAL COHESION PROGRAMME IMPLEMENTATION</b>								
To intensify the contribution to and coordination of Outcome 14 towards transforming SA into a multilingual, non-racial, prosperous and non-sexist society	Number of targeted engagements hosted	ACPD 4	-	12 sector engagements held to consult with and provide information to specific sectors	12 sector engagements held to consult with and provide information to specific sectors	Submission, Payment stub, Photos, Attendance register, Agenda, Report	-	-

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	Number of programmes aligned to national days supported	ACPD 5	-	6 national day build-up programmes supported	6 National days build-up programmes supported.	MOA, Concept document, Proposal, Grant letter, Payment stub, Submission, Agenda, Attendance register, Minutes, Report	-	-
	Number of programmes promoting living heritage and oral history supported	ACPD 6	18	Living Legends Legacy Programme supported	Living Legends Legacy Programme supported through 27 Living Legends Master classes	Project plan, MOA, Submission, Payment stub, Attendance register, Agenda, Reports	-	-
	Number of domains in which terminologies are developed	ACPD 7	4	Terminologies developed in 4 domains: Information Communication Technology (ICT), Human, Social, Economic and Management Sciences (HSEMS), Financial, and Pharmaceutical terminologies	Terminologies developed in 4 domains as follows: 800 ICT terminologies developed 500 HSEMS terminologies developed 400 Financial terminologies developed 800 Pharmaceutical terminologies developed	Payment stubs, Terminology list, Attendance register, Report	-	-
	% of documents received and accepted translated and/or edited	ACPD 8	100%	100% translation and editing services of official documentation in official and foreign languages offered to national government departments, public entities and public enterprises	100% (728) translation and editing services of official documentation in official and foreign languages offered to national government departments, public entities and public enterprises	Payment stubs, Document registers, request forms	-	-

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To intensify support to programmes that contribute to social cohesion and nation building	Number of HLT projects supported	ACPD 9	8	Financial support provided to 6 HLT Projects	Financial support provided to 10 HLT projects	Project plan, MOA, Grant letter, submission, payment stub, reports	+4	The last call for proposals produced smaller projects than usual, with the result that more projects than anticipated could be supported. A total of 10 projects were supported, of which 1 was completed in the 3 <sup>rd</sup> quarter.
	Facilitation of implementation of the Use of Official Languages Act	ACPD 10	Annual report on implementation of the Use of Official Languages Act was developed	Annual report on implementation of the Act produced	Annual report on implementation of the Act was produced	Annual Report	-	-
<b>STRATEGIC GOAL 3: A PRODUCTIVE, DIVERSE AND INCLUSIVE ACH SECTOR</b>								
To promote and develop the Cultural and Creative Industries	Number of artists and organisations provided with work opportunities in public employment programmes	ACPD 11	Only 8 501 work opportunities were created across all MGE work streams and cultural development programmes	15 000 individuals provided with temporary work opportunities	7590 individuals provided with temporary work opportunities	Beneficiary list, Stats and summary report	-7410	Not all the projects that would generate the work opportunities took place during the financial year.  Some projects moved to the new financial year due to delay in the payments of first tranches.
	Number of market access platforms supported financially	ACPD 12	25 flagship cultural events successfully supported	(a) 27 flagship & regional festivals supported	27 flagships & regional festivals have been supported	Project plan, MOA, Grant letter, Submission, Payment stubs, Reports	-	-
				(b) 10 local & international platforms supported financially	10 local and international platforms supported financially	Agenda, Concept document, MOA, Grant letter, Submission, Payment stubs, Reports	-	-

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	Number of touring ventures supported	ACPD 13	8 key touring productions/ seasons/exhibitions supported  41 touring productions and exhibitions from open call supported	40 touring ventures supported financially	50 touring ventures supported financially	Proposal, MOA, Grant letter, Submission, Payment stubs, Reports	+10	The Open Call process resulted in more than anticipated projects that were worthy of support
	Number of artists placed in schools and number of schools where Artists-in-Schools (AiS) programme is implemented	ACPD 14	352	(a) 340 artists placed in schools	342 artists placed in schools	MOA, Submission, Payment stubs, Quarterly activity report, Contracts	+2	Programme in the FS has been registered as a EPWP programme hence the extra artists placed in schools
(b) 300 schools participating in AiS programme				321 schools participating in Artist in School (AiS) programmes	Confirmation letters, List of beneficiaries with contact details	+21	More schools than anticipated participated in the AiS programme	
	Number of public art projects supported	ACPD 15	20	20 public art projects supported financially	20 public arts projects were supported financially	Proposal, MOA, Grant letter, Submission, Payment stubs, Reports	-	-
	Number of programmes supported to support local content	ACPD 16	100	(a) 150 community arts programmes supported financially	150 community art programmes supported financially	MOA, Submission payments stub, Reports	-	-
A movie dramatising the life of Mandela was completed			(b) 1 film/documentary on struggle heroes supported financially	1 film/ documentary on struggle heroes supported financially	Proposal, MOA, Submission, Payment stub, Report	-	-	
8			(c) 12 incubator programmes supported financially	12 incubator programmes supported financially	Report, MOA, Payment stub, Submission, Proposal	-	-	

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To develop, promote and maintain multilingual infrastructure and technology that promote access and increase participation in ACH at local, continental, regional and international level	Number of infrastructure projects initiated, maintained and upgraded	ACPD 17	-	1 new community arts centre (CAC) project implemented	1 new community arts centre project implemented	Project plan, MOA, Photos, Report	-	-
	Number of infrastructure refurbishment projects supported	ACPD 18	-	15 community arts centres (CACs) refurbished	7 CACs refurbished.	MOA, submission, grant letter, payment stubs	-8	Provinces were unable to identify agencies for government-owned CACs, the identified ones did not have all the compliance documents
<b>STRATEGIC GOAL 5: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector	Number of bursaries awarded towards development of qualified language practitioners	ACPD 19	463	320 language bursaries awarded	445 language bursaries awarded	MOA, Payment stub, Letters, Contracts, List of beneficiaries	+125	The awarding of bursaries is at the sole discretion of the Universities and as such Universities decide on the number of students they award bursaries to. An additional 125 students have been awarded bursaries by universities.
	Percentage increase in number of people accessing training & development initiatives, including incubators	ACPD 20	-	5% increase in the 2015/16 baseline number of beneficiaries of training & development initiatives	61.64% increase in the 2015/16 baseline number of beneficiaries of training and development initiative.	MOA, Payment stub, Report	+56.64%	Incubators and training & development initiatives enrolled more beneficiaries than was initially anticipated due to the high demand.
	Number of enterprises supported through incubation programmes	ACPD 21	-	40 enterprises supported through incubation programmes	46 enterprises supported through the incubation programmes	MOA, Payment stub, Submission, Company registration documents, Reports	+6	State Theatre and Windybrow were able to accommodate more enterprises than initially anticipated
	Number of programmes targeting rural communities	ACPD 22	-	2 programmes provided with financial support linked to Khoi San Heritage Route & Liberation Heritage Route	Submission has been approved and discussion held with Marketing to launch the 2 competition; Photography and Essay competitions regarding the Koi San and Liberation Heritage routes.	Submission	2 programmes were not provided with financial support linked to Khoi San Heritage Route & Liberation Heritage Route	Delay in the procurement process

## PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION

### PROGRAMME PURPOSE

The Programme is responsible for identifying, collecting, safeguarding, promoting and transforming South African heritage, archives, heraldry and libraries. The Heritage Promotion and Preservation Programme is comprised of the following subprogrammes:

#### 1. Heritage Promotion and Preservation

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

#### 2. National Archives and Records Services of South Africa

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

The Programme has the following strategic objectives:

- To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH Sector.
- To support efforts to forge a common national identity and actively drive the transformation of society.
- To promote the Bill of Responsibility, constitutional values and national symbols among children in schools.
- To promote the use of official languages, a culture of reading and writing across society, and respect for oral knowledge and histories.
- To ensure the development and maintenance of ACH infrastructure that can support local, regional, national and international ACH offerings as well as increase participation in, and access to ACH.
- To strengthen and modernise the records management and archives management systems.

- To increase and sustain the number of ACH practitioners and the pool of human resource capacity required by the Sector.

### KEY HIGHLIGHTS

#### Resistance and Liberation Heritage Route

The Resistance and Liberation Heritage Route (RLHR) is a network of sites, places, people and stories (within and outside the boundaries of South Africa) depicting different epochs of the struggle for liberation ranging from pre-colonial, colonial to apartheid and culminating in the ultimate liberation in 1994. Progress is being made with national declaration of sites associated with the Resistance and Liberation Heritage Route Project, with special focus on those identified for World Heritage Nomination.

The development of infrastructure of heritage sites in all nine provinces has started in some of the sites to ensure that the Resistance and Liberation Heritage Route (RLHR) tells the South African story and increases the potential of attracting economic development as well as tourism. Some of the sites of significance include the house of Charlotte Maxeke in Gauteng, the site of the Lowveld Massacre in Mpumalanga, Turfloop Campus in Limpopo, the Women's Prison in Kroonstad, Free State, Mama Getrude Mpekwa Site in the North West, the Sarah Baartman Heritage Site in the Eastern Cape, sites associated with the Mandela Route in the Western Cape, the site of the Mayibuye Uprising in the Northern Cape and the Matiwane Museum in KwaZulu-Natal.



**Construction of the Sarah Baartman Centre of Remembrance Heritage Site in the Eastern Cape**





## Commemorations and Celebrations

South Africans observed the six national days that commemorate significant events in our country's rich history. These include Human Rights Day in March, Freedom Day in April, Youth Day in June, Women's Day in August, Heritage Day in September and the Day of Reconciliation in December. National days are an everlasting reminder for us, now and for future generations, of the key events that took place in our country. They are designed to invoke national pride, to commemorate the struggles of the past and celebrate the victorious future of our country, and to encourage South Africans to take the necessary steps forward to put closure to the past while not forgetting it.



### *Commemorations and celebration of the National Days in the 2016/2017 financial year*

The year 2016/17 also marked the 40<sup>th</sup> anniversary of the brutal murder of the black consciousness leader Steve Bantu Biko. In recognition of this important event in our history, the Department hosted the Human Rights Day national celebration at the Victoria Sports ground in Ginsberg in the Eastern Cape, the same grounds where the funeral of Steve Biko was held 40 years ago. Other noteworthy commemorative and/or celebration events included:

- The 60<sup>th</sup> anniversary of the great march by the women of our country to the Union Buildings to demand the withdrawal of passes for women.
- The 40<sup>th</sup> anniversary of the 1976 student and youth uprising. Marking the celebration of the contribution that the youth has made to the liberation struggle

President Jacob Zuma led the wreath-laying ceremony in memory of the late ANC President Oliver Reginald Tambo in Wattville, Benoni, on 27 October 2016. Annually during the month of October, the City of Ekurhuleni leads a month-long programme of activities in commemoration of the life of Mr Oliver Reginald Tambo and his wife, Dr Adelaide Tambo. Themed "Celebrating the life, times and legacy of OR. Tambo, 99 years and counting towards the centenary" the 2016 celebrations coincided with the stalwart's 99<sup>th</sup> birthday. OR Tambo shaped the foreign policy of the democratic South Africa and laid a firm foundation as the foremost diplomat and face of the ANC during the most difficult time in the country's history.

was the screening of a film with South African actors about the life and times of Solomon Kalushi Mahlangu, a combatant that was part of that generation.

- The 30<sup>th</sup> Anniversary Commemoration of the tragic passing of that African patriot and combatant, President Samora Machel of Mozambique, took place in Mbuzini in October 2016. The Department collaborated with the Department of Public Works to refurbish the Museum at Mbuzini in preparation for the 30<sup>th</sup> Anniversary Commemoration.
- Part of telling our stories included the premiering of a film about the life and times of former President Mandela entitled *Mandela's Gun* in May 2016 as part of Africa Month activities. The film documents the life of former President Nelson Mandela as a guerrilla fighter.

## Heritage Sites of Significance

The Department continues to reclaim the space and place of black people in the shaping of South African and world history. During the Centenary Commemoration of the Battle of Delville Wood, a newly transformed site was unveiled by His Excellency, President Zuma, in July 2016. The main feature of this project was the inclusion of an exhibit and the narrative of the participation of the Native Labour Contingent during the First World War.

Several sites were declared during the year under review. These include sites at the University of Fort Hare – 25 May 2016; Liliesleaf Farm – 2 September 2016; sites of the Sharpeville Massacre – 30 December 2016; prison sites and the Constitutional Court at Constitution Hill – 10 March 2017; the Castle of Good Hope – 14 October 2016; the Samora Machel Memorial and Crash Site – 31 October 2016; Freedom Park – 10 March 2017; the grave of Chris Hani, the Chris Hani Memorial and Walk of Remembrance – 24 March 2017.

Moreover, the Department through SAHRA, has rehabilitated and refurbished the graves of the founders of our democracy, including former presidents of the liberation movements like Messrs Mapikela, Moroka, Sobukwe and Biko. Other heritage sites established include the graves of Magrieta Jantjies and Manche Masemola, the memorial sites of the victims of the mine disasters in the Crown Mine Area, and of Josias Madzunya and Makwena Matlala, and the statue of Kgosi Mampuru.

## Geographical names

The Department continues to increase the tempo of decolonising the heritage landscape through changing and standardizing the names of geographical features. Over the 2016-17 financial year, three Gazettes were published with the approval of 105 name changes. Among them were 20 in the Eastern Cape, 34 in Gauteng, 3 in the Western Cape, 44 in KwaZulu-Natal and 4 in the North West. Geographical name changes of historical significance included that of Sophiatown from Triomf. Sophiatown is seen as a symbol of social cohesion and proved to the apartheid government that people of divergent backgrounds could live together in harmony as one community. A similar historically and culturally significant name change was that of Schotsche Kloof to Bo-Kaap.

## African World Heritage Fund (AWHF)

The month of May 2016 marked the 10<sup>th</sup> Anniversary of the African World Heritage Fund. The Fund was established to address the challenges faced by African Member States in the implementation of the World Heritage Convention, specifically the underrepresentation of African properties on the World Heritage List and the insufficient conservation and management of African natural and cultural sites. To date, 8 of the 96 sites on the continent that have been declared by UNESCO are in South Africa.



### *Proceedings on the 10<sup>th</sup> Anniversary of the African World Heritage Fund*

Through the Fund, the training of communities across the continent in the preservation of heritage sites continued during the 2016/17 financial year, including the provision of assistance in the tentative listings of new cultural heritage sites. The year under review also saw the listing of the Sangared Marine National Park in Sudan (which covers marine life) and the Ennedi Massif Natural and Cultural Landscape in Chad (which protects the flora) in the UNESCO World Heritage List in July 2016. The listing happened during the 40<sup>th</sup> World Heritage Committee meeting held in Istanbul, Turkey.



### Heritage Bursary Fund

The Department continued to provide heritage bursaries to support the development, availability and retention of skilled human capital in the Heritage Sector. Since 2012, 180 students have completed their studies in heritage-related fields at universities that include the Universities of Johannesburg, Pretoria, Cape Town, Venda, South Africa, and Sol Plaatje University.

### 5<sup>th</sup> Annual Royal Heritage Festival

The Department, together with Phalaphala FM, SABC 2 and Royal Gardens, hosted the 5<sup>th</sup> Royal Heritage Festival on Saturday, 10 September 2016 at Royal Gardens, Nandoni Dam in Limpopo. The Festival provided the province with an opportunity to unify its citizens and the neighbouring countries to celebrate the rich cultural heritage and promote tourism in the province. With the host of South African talent, the line-up for the 5<sup>th</sup> Royal Heritage Festival was bigger than before with the showstoppers like Nathi, Keabetswe 'KB' Motsilanyane, Sifiso Ncwane, Orchestra Mberikwazvo from Zimbabwe, and local Venda artists, among others.

### 10 Years Celebration of Mpondo Cultural and Heritage Festival

The 10 Years Celebration of the Mpondo Cultural and Heritage Festival was held on the 10<sup>th</sup> of September 2016 at Matshona Village, Ntabankulu. The Festival seeks to revive

and preserve the Pondo culture, language and history, and to celebrate icons from Pondoland and beyond who have played a meaningful role and made a difference to humanity. The Festival contributes to rural economic and social development by promoting cultural tourism and attracting investment, which is aligned to the government vision of a better life for all. It also promotes unity in a diversity of cultures as well as South Africa's indigenous heritage. Performances included uMkhwelo (Mpondo horse parade), Gqwarhu group, Xhukula group, Sivuyile traditional group, Nosiphendu traditional group and the Pedi traditional group.

### South African Library Week

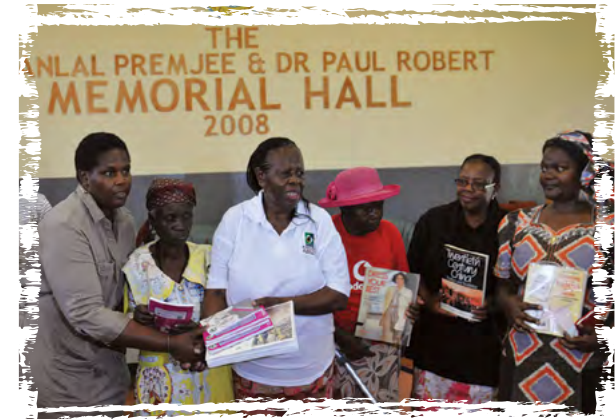
South African Library Week was celebrated from 18-26 March 2017 with the theme "My Library, Your Library". The subthemes were "My Library, My Home", "Mind your Library" and "Tell me about your Library". The theme sought to take libraries into the heart of the community and to awaken a sense of ownership in each community member. The theme also encouraged people to take libraries to heart and to treat these as their homes so that destroying libraries and burning books becomes unthinkable. "Library Week strives to encourage the youth and learners to develop a culture of reading. This encompasses reading not only the prescribed books for academic purposes, but reading widely", said Deputy Minister Mabudafhasi on Friday, 17 March 2017 at Sunrise View Primary & Secondary Schools, in Bojanala, Rustenburg.



*Learner at Sunrise View Primary School, in Bojanala, Rustenburg*



*Deputy Minister Mabudafhasi interacts with learners during South African Library Week*



## Detailed Programme Performance

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED, COHERENT AND DEVELOPMENTFOCUSED ACH SECTOR</b>								
To facilitate an enabling and coherent policy, legislative and regulatory environment for the ACH Sector	Number of policies and/ or legislative frameworks submitted to Cabinet for approval	HPP 1	-	1 policy and 1 legislative framework submitted to Cabinet for approval (Museums Policy and South African Public Library and Information Services Bill)	Final sign-off form for Socio-Economic Impact Assessment System (SEIAS). Policy presented to both the Technical Working Group and SPCHD Cluster  The socio-economic impact assessment of the South African Public Library and Information Services Bill is underway. The service provider has submitted the phase 2 (literature review) report on the project.	SEIAS forms and Presentation	The Museum Policy and legislative framework (Museum Policy and South African Public Library and Information Services Bill) were not submitted to Cabinet for approval.	Long process of obtaining SEIAS sign-off form. Recommendations by Social Protection Community cluster to be addressed before submission  The socio-economic impact assessment of the South African Public Library and Information Services Bill has to be conducted before submission to Cabinet for approval.
To support efforts to forge a common national identity and actively drive the transformation of society	Number of Gazette publications per annum as part of geographical names plan	HPP 2	5	3 publications	3 publications	Government Gazettes and submissions	-	-
	Number of national and international archives awareness programmes	HPP 3	1	4 national and international archives awareness programmes (Annual Archives Week, International Archives Day, International Audio-Visual Day, Friends of the Archives Seminar)	4 National and international Archives awareness programmes (Annual Archives Week; International Archives day; International Audio-Visual Day; Friends of the Archives Seminar were conducted	Reports and Attendance Registers	-	-

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 2: NATION BUILDING THROUGH EFFECTIVE SOCIAL COHESION PROGRAMME IMPLEMENTATION</b>								
To promote national symbols and constitutional values in schools through provision of national symbols toolkits	100% of schools (25 720 schools) supported through provision of national symbols toolkit produced and made available	HPP 4	6 535	National symbols toolkits for 6 430 schools produced and made available	6115 toolkits were produced and made available.	Signed delivery notes from districts of education	-315	There were challenges with the planned distribution to some of the provinces.
	Number of hand-held flags distributed	HPP 5	109 700	100 000 flags	145630 flags	Removal Permits	+45 630	There was a higher demand than anticipated during the first quarter which led to the unit distributing a significantly higher amount of flags than planned. Additional flags were purchased in the 4th quarter.
	Number of schools and ECDCs receiving flags and flagpole installations	HPP 6	-	Project evaluation of SA flag installation in schools	Project evaluation report of SA flag installation in schools.	Submission and Report	-	-
3 532			500 AU flag installations	504 AU flag installations	Flag installation stubs from schools	+4	Some of the schools were given AU flags in preparation of special events, Portfolio Committee visit to the schools in Hammanskraal (Gauteng Province) and the Library week launch in North West Province.	

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To promote use of official languages, promote a culture of reading and writing across society, and promote respect for oral knowledge and histories	Number of oral history programmes implemented	HPP 7	3	3 oral history programmes implemented (Annual Oral History Conference, Oral History Methodology Training Programme and Oral History Project	3 oral history programmes implemented (Annual Oral History Conferences; Oral History Methodology Training Programme And Oral History Projects implemented	Signed submission, Attendance Registers and Report	-	-
To develop and maintain ACH infrastructure that can support local, regional, national and international ACH offerings and increase participation in access to ACH	Number of library materials provided	HPP 8	444 988	410 000 materials	401 067 materials	Quarterly Activity Reports and confirmation letters from CFO	-8933	EC - a directive was given mid-year to change the way of procuring books which delayed the procurement of books for the financial year
To document South Africa's oral traditions, promote respect for oral knowledge and histories, and promote a culture of reading and writing across society	Number of living human treasures identified and documented	HPP 9	-	9 living human treasures identified and documented	18 living human treasures identified and documented	Annual Publication and photographs	+9	As the result of the directive from the Deputy Minister to increase the number of women to be documented, as part of the celebration of women's Month.

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To develop and maintain ACH infrastructure that can support local, regional, national and international ACH offerings and increase participation in access to ACH	Liberation Heritage Route online map application created and updated annually	HPP 10	-	Liberation Heritage Route online map application piloted and report developed	The Service Level Agreement (SLA) with the Ceder Tower Services (CTS) was signed on 24 January 2017. Two meetings have been held with the service provider, CTS on 3 <sup>rd</sup> February 2017 and 8 <sup>th</sup> March 2017. A project Scope of Work and Roadmap has been developed.	SLA and Minutes	Liberation Heritage Route online map application piloted and report not developed	Failure to appoint service provider in quarter 2 had a cumulative delaying effect on the project timelines going forward. The SLA with the service provider was only signed on 24 <sup>th</sup> January 2017
	Number of community libraries built	HPP 11	44	23 libraries	20 libraries	Practical completion Certificates	-3	GP projects are structurally complete but did not reach practical completion due to snags that were to be attended to before the practical completion certificate could be issued. Verkeerdevlei in FS was officially opened on 29 <sup>th</sup> March 2017 but the contractor could not issue the practical completion certificate due to minor things that needed to be attended to. Practical completion was achieved for Vulamehlo library in KZN, however, the certificate was not issued due to payment dispute between the Implementing agent and Principal agent (1 in FS; 4 in GP; 1 in KZN)

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	Number of libraries upgraded/maintained	HPP 12	35	55	43	Invoices; Practical Completion Certificates	-12	<p>Limpopo Province and Mpumalanga provinces cancelled the identified maintenance projects due to limited funds that were allocated to those projects. Some of the projects from Gauteng projects will be reported as soon as they have been completed in the first quarter of the new financial year.</p> <p>A condition has been included in the 2017/18 grant framework to ensure that projects that have been identified for upgrade and maintenance should have the scope of work and assessment report before they could be listed in the business plans so that they are budgeted for properly</p>



Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 4: A SOUND GOVERNANCE FISCAL MANAGEMENT SYSTEM</b>								
To strengthen and modernise records management and archives management systems	Number of projects to modernise records management and archives management systems implemented	HPP 13	2	3 projects implemented (2nd phase for NAAIRS/ website, 2 <sup>nd</sup> phase of Rivonia Trial Dictabelts and 1 <sup>st</sup> phase of Bloke Modisane Papers)	3 projects implemented as follows: NAAIRS: Revamped NAAIRS and interface between NARSSA website and ATOM were implemented on 27 <sup>th</sup> January 2017.  BLOKE MODISANE Project: annual target met. The project plan was approved in February 2017 and meetings were held and tests were done on scanning the records. RIVONIA TRIAL DICTABELT PROJECT - 2 <sup>nd</sup> Phase for Dictabelt project was implemented through Payment to Purchase Archeophone machines were done	Submission , attendance registers, order no, Minutes and Report	-	-
	Number of accepted disposal authorities issued	HPP 14	19	12 accepted disposal authorities	16 accepted disposal authorities	Activity Reports , Application request and disposals/ authority letters	+4.	4 more file plan were received than anticipated. The applications received were not as complex as anticipated
	Number of records management interventions implemented	HPP 15	-	2 interventions (12 records management inspections & 1 records management training programme)	12 records management compliance inspections were carried out and 1 records Management Training Programme was conducted on 6 <sup>th</sup> December 2016 (Q3)	Inspection reports and letters to the client	-	-

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	Number of accepted file plans evaluated and approved	HPP 16	73	8 file plans	12 file plans	List of approved file plans Approval letters	+4	5 more file plans were received than anticipated. The file plans accepted were not complex as anticipated
<b>STRATEGIC GOAL 5: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To increase and sustain number of ACH practitioners and pool of human resource capacity required by Sector	Number of bursaries awarded to heritage students	HPP 17	71	65 bursaries awarded	69 bursaries awarded	MoU, letters, list of students and proof of payments	+4	More applicants were eligible for the bursaries and enough funds were available. Since this is part of a project to support the educational development of heritage workers for the sector, an additional 4 bursaries were awarded
<b>STRATEGIC GOAL 3: A PRODUCTIVE, DIVERSE AND INCLUSIVE ACH SECTOR</b>								
To develop and maintain of ACH infrastructure that can support local, regional, national and international ACH offering and increase participation in access to ACH	Number of infrastructure projects implemented	HPP 18	2	4 infrastructure projects implemented (3 heritage and 1 archives) (Sarah Baartman, National Monument, Winnie Mandela House & HVAC) 6 heritage infrastructure projects conceptualised and initiated (Enyokeni, JL Dube, Gumede, Isandlwana, OR Tambo & Heroes Acre) 4 infrastructure projects implemented (3 heritage and 1 archives) (Sarah Baartman, National Monument, Winnie Mandela House & HVAC)	Infrastructure project were implemented as follows:  Sarah Bartmann; the contractor's progress report has been received National Heritage Monument; the statues were not developed as expected Winnie Mandela House; report has been drafted The consulting engineer progress report for the HVAC project was received. The contractor is finalising work in 5 strong rooms.  Heritage infrastructure projects conceptualised and initiated	Concepts documents, submissions, minutes and Reports	Infrastructure projects not implemented	The National Heritage Monument has been halted pending the outcomes of an investigation  No implementation has taken place on the Enyokeni, JL Dube and OR Tambo projects as DAC terminated the contract with the implementation agent for non-performance.  The Heroes Acre project awaits a response from the City of Tshwane on the lease of the land.  Archie Gumede statue project awaits City of eThekweni approval of new site identified by the family.

Strategic Objectives	Performance Indicators	Code	BASELINE FOR 2015/16	Target for 2016/17 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2017	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
				6 heritage infrastructure projects conceptualised and initiated (Enyokeni, JL Dube, Gumede, Isandlwana, OR Tambo & Heroes Acre)	Enyokeni; the draft concept document was developed JL Dube; the report has been drafted Archie Gumede; the draft concept document was developed Isandlwana; the draft concept document was developed, OR Tambo; the report has been drafted. Heroes Acre; the DAC is in the process of acquiring land			

## 2.4 SERVICE DELIVERY IMPROVEMENT PLAN

N/A

## 2.5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

### REVISED WHITE PAPER ON ARTS, CULTURE AND HERITAGE

The Revised White Paper (RWP) on Arts, Culture and Heritage advances the goal of economic inclusivity, social cohesion and nation building, and building a productive arts, culture and heritage sector. The White Paper of 1996 no longer comprehensively covers what South Africa and the Sector would want to see happening within the Arts, Culture and Heritage (ACH) Sector, currently and into the future, whereas the RWP aligns the policy framework with the National Development Plan, which is a critical policy framework for socio-economic development of our society and an instrument that attempts to deal with the triple challenges of poverty, inequality and unemployment facing South African society.

Thus far, substantial progress has been made to involve the arts community and consult with stakeholders in drafting the RWP. Through the efforts of the expert panel we have compiled a third draft that is currently going through the socio-economic impact assessment required by Cabinet. The RWP locates itself within the dynamic context of developments in the broader context of, for example, copyright reform, which has seen draft Bills tabled in Parliament to amend the Copyright Act and the Performer's Protection Act. Together, these two Bills will make significant strides in protecting the creators of artistic work - regulating contractual relations and creating access to alternative dispute resolution mechanisms through the Copyright Tribunal.

The RWP concerns itself with improving the governance and institutional framework of the sectors, proposing that boards be merged in a range of areas to improve efficiency and cost-effectiveness of the system, and proposes new development structures in areas such as literature to address substantive gaps in the current

framework. Substantial attention is given to the development of policy instruments in line with UNESCO provisions to protect and promote the rights and status of artists in law and create frameworks that regulate relations between artists and producers.

### POLICY FRAMEWORK FOR NATIONAL MUSEUMS

The Policy on National Museums seeks to provide a framework for museums to contribute effectively to the socio-economic objectives of the country by guiding the development of 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.

The aim of the Policy is therefore to transform the management and operations of museums in terms of access, redress, equity, social cohesion and nation building to enable the Sector to efficiently preserve our national heritage while contributing effectively to national development. South African museums contain a wealth of collections that illuminate the forming of a South African society.

The Policy has been presented to the Technical Working Group as well as the Social Protection, Community and Human Development (SPCHD) Cluster. These two forums both approved the Policy with the provision that the Department consult with both the Department of Tourism and the Department of Science and Technology. The DAC is currently awaiting responses from these two departments.

### 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 an 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 Department and the National Heritage Council (NHC) should start initiatives to facilitate and empower the development of living heritage projects in provinces and local communities. However, over 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. The Revised White Paper, which is in the making, will not necessarily nullify this vision, but will give credence to it.

The Policy has been presented to both the Technical Working Group and the Social Protection, Community and Human Development (SPCHD) Cluster. These two forums both approved the Policy with the provision that the Department consult with the Department of Women. The DAC is currently awaiting the response from this department.

### SOUTH AFRICAN LIBRARIES AND INFORMATION SERVICES BILL

Public library and information services means the library and information services that are established, funded or maintained by a province or municipality to provide library and information services to the public. This includes library services provided in public library buildings, including mobile, container and modular libraries, but excludes school libraries, and depots in institutions and with individuals. Part A of Schedule 5 of our Constitution defines libraries, other than national, as exclusive provincial competency. Public libraries worldwide fulfil a very important function in providing communities with information that enables them to take informed decisions and overcome their daily challenges, thereby empowering them to become productive citizens. However, inadequate infrastructure, inconsistent levels of service, and lack of staff are some of the challenges that the public library sector faces in South Africa.

The South African Library and Information Services Bill was drafted and the cost for its implementation was established. The Bill provides a framework of measures to redress the inequalities in the provision of public library and information services (LIS) and to establish essential norms and standards for the provision of LIS in South Africa. The Bill will provide for the proposed model designs for public libraries when approved. The Bill had undergone various consultations with the relevant stakeholders within

the Sector and the government clusters. The socio-economic impact assessment is currently underway and the report will be available in 2017/18.

## 2.6 PORTFOLIO COMMITTEE

The Portfolio Committee provides an oversight role to the functions of the Department's operations. In the period under review the Executive Management Team has responded promptly to the call from Parliament when needed to report and give clarity to issues which pertain to the Department and its entities.

## 2.7 CONDITIONAL GRANTS

### CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

Through the Conditional Grant for Communities 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 reflects the conditional grants and earmarked funds received.

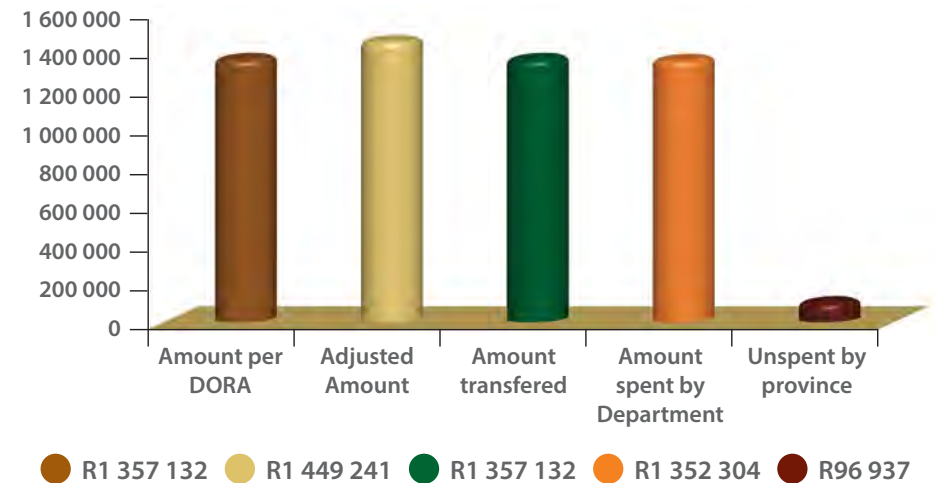


Figure 3: Conditional grants and earmarked funds received by the Department

Confirmation that all transfers were deposited into the accredited bank account of the provincial treasuries remains priority to the Department before transfers are made. The table below contains a list of all transfers that were deposited into the accredited bank account of the provincial treasuries for the purposes of 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	05553400
Gauteng	Gauteng Exchequer Account	First National Bank	62298193500	255005
KwaZulu-Natal	KZN Prov Gov –Exchequer Account	ABSA	4072455883	630495
Limpopo	Limpopo Exchequer Account	Standard Bank	301684677	057448
Mpumalanga	Exchequer Account Mpumalanga	Standard Bank	330670034	052452
Northern Cape	NCPG Exchequer Account	ABSA	4078447359	630302
North West	NW Provincial Government	ABSA	4075700170	630499
Western Cape	Exchequer Account: The Provincial Government of the Western Cape	Nedbank	1452045143	145209

Though challenges exist with regard to the implementation of the conditional grant for libraries programme, below are some of the achievements worth noting:

- 20 new library services were established (3 modular structures and 17 brick & mortar libraries)
- 43 upgraded libraries were completed

- 401 067 materials library materials were purchased
- 1 646 contracts were renewed
- 940 libraries were connected with free public Internet access
- 47 libraries established services for the visually impaired in Eastern Cape, KwaZulu-Natal, Mpumalanga, Gauteng, Western Cape and Northern Cape, and North West maintained existing services
- 74 library awareness programmes and reading programmes held
- Funds were transferred to municipalities to address the Schedule 5 impasse in Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Northern Cape, North West and Western Cape

### 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 the state funds. The Department continued to allow provinces to use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial coordination of the grant. The Department advised provinces to utilise these funds for the purpose it is meant for and to improve project management skills and capacity. In the financial period, the Department further provided oversight over the implementation of the project through MinMEC and the TIC on a quarterly basis to ensure regular communication and reporting is undertaken. The National Treasury through the Technical Assistance Unit also provides technical expertise and knowledge, especially on infrastructure projects. An amount of R96 937,00 was unspent on 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. The details of the conditional grants and earmarked funds paid to the provinces for the period 1 April 2016 to 31 March 2017 are attached as Annexure B.

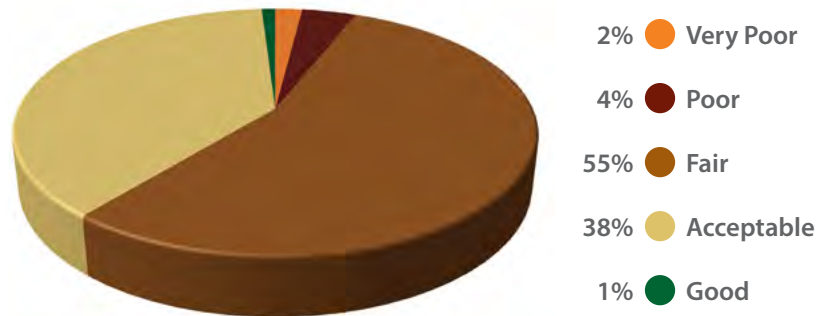


## 2.8 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

In the 2016/17 financial year, no immovable assets were acquired, disposed of, scrapped or stolen, closed down or down-graded.

Physical verification was conducted to ensure that the departmental immovable asset register was updated. The last 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 2016/17 financial year, 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 contractual challenges the DAC is in the process of withdrawing the appointment and re-advertising the tender. Therefore, the status quo of the condition of facilities will remain as is until the next assessment:

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**Figure 4 : Overall condition of all facilities of the DAC**

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

### 1. Robben Island Museum (RIM)

A task team led by the Directors-General of the DAC and the Department of Public Works (DPW) was established to drive the implementation of the FM project for Robben Island Museum. Both the DAC and the DPW committed funds to maintain and upgrade the island. Implementation started in the 2015/16 financial year and will be completed in 2018/19 financial year.

### 2. Nelson Mandela Museum

DPW appointed Coega to implement the project. Phase one was started to attend urgently to critical maintenance issues. The development of the detailed plan for the long term is underway.

## PROJECT LIST BREAKDOWN

Programme Name	Name of institution	Project description	Progress status
<b>Heritage Promotion &amp; Preservation</b>	South African Library for the Blind	Upgrading of the Jossie Wood building	Planning
	Iziko Museums of South Africa	Construction of a storage structure in the court yard	Construction
	National English Literary Museum	Construction of new NELM	Practical completion
	Ditsong Museums of South Africa	Sammy Marks Museum - construction renovation & upgrading	Cancelled
	KwaZulu-Natal Museum	Natal Museum - installation of back-up generator	Completed
	Nelson Mandela Museum (various projects)	Upgrade of Bhunga building	Completed
		Facilities management and maintenance of buildings	Planning
	Robben Island Museum (various projects)	Power generation (diesel)	Completed
		New power plant generator engine (1000 kva) No. 5	Completed
		New power plant generator completed (2 x 450 kva) - standby to replace 2 x 300 kva (No. 1 & No. 4) - Coega recommended	Completed
		Desalination plant	Design
		Effluent plant – new	Design
		Diesel plant & reticulation - new	Construction
		Bluestone Quarry Project (direct transfer)	Design
		Bluestone Quarry Project ( DPW payment)	Design
		Old power station storage space restoration	Design
		Harbour Precinct Project	Procurement
	National Library of South Africa (various projects)	Installation of integrated security system - CCTV & Optic installation, Phase 2	Completed
		Facility/maintenance contract (Pretoria and Cape Town Campus)	Construction
	Luthuli Museum	Memorial site	Planning
Construction of resource centre		Tender	
Afrikaanse Taalmuseum en monument	Upgrading of workers' change room	Design	
War Museum of the Boer Republics	Construction of the new guard house, access control and security upgrade	Construction	
William Humphreys Art Gallery	Construction of new library	Completed	
<b>Institutional Governance</b>	National Archives (various projects)	National Archives (Pretoria) - upgrading of fire protection and heat ventilation air-conditioning (HVAC) systems	Construction
		National Archives: old library building remedial work	Construction
	Adams College	Upgrading of the old house to museum	Construction





Programme Name	Name of institution	Project description	Progress status
	Legacy projects (various projects)	Sarah Baartman Centre: construction of centre of remembrance	Construction
		Matola Raid Monument (Maputo): construction of remembrance site	Completed
		Mbuzini: Samora Machel Memorial - Phase 2 construction	Completed
		Liberation Heritage Route	Pre-planning
		Liliesleaf Farm: archival infrastructure and exhibition	Practical completion
		Valoyi Traditional Authority Trust (Nwamitwa Cultural Village)	Completed
		Maropeng Virtual Lab	Completed
		National Heritage Project (heroes acres and statues)	Construction
		South African Heritage Resource Agency: Delville Wood Memorial upgrading	Completed
		Trevor Huddleston Centre	Completed
		Isibhubhu Cultural Arena	Planning
		JL Dube Memorial Centre	Planning
		ORTambo Memorial Centre	Planning
		Winnie Mandela House Museum	Planning
		Ingquza Hill Massacre Museum	Phase 1 - completed; Phase 2 - planning
		Waaihoek (Wesleyan Church) Museum Exhibition	Planning
Khananda Massacre Museum	Planning		
<b>Arts and Culture Promotion and Development</b>	Market Theatre Foundation (various projects)	Upgrading of COSAC building	Completed
		Windybrow Theatre - refurbishment of heritage house	Completed
		Laager Theatre – rebuild, and adding new dressing rooms and green rooms	Completed
	Artscape (various projects)	Space Optimisation	Phase 1 - completed; Phase 2 - planning
		Flying bars (opera stage)	Construction
	The Playhouse Company (various projects)	Installation of backup generator	Construction
		Additional lighting for drama and opera theatres	Completed
		Incubator - upgrading of recording studio	Completed
	State Theatre (various projects)	Refurbishment of foyer and ablutions	Construction
		Replacement of stage lighting equipment	Planning
	Performing Arts Centre of Free State	Mechanical Ventilation & Air Conditioning system	Pre-planning
	National Arts Council	Upgrade of Disability access	Construction
Community Arts Centres	Upgrading of Community Art Centres	Initiation	
Incubators (various projects)	National Academy of Africa's Performing Arts (Caiphus Katse Semanya)	Construction	
	Upgrading of public spaces	Planning	
	Upgrading of the Northern Cape Theatre	Completed	

# PART THREE

## *Human Resource Management*



## 3.1 INTRODUCTION

The constrained compensation budget impacted negatively on the Department's filling of vacant positions on a larger scale. Only seven positions at various levels were permanently filled during the financial year. The Department experienced a staff turnover rate of 18,6%, with 3,04% being due to natural attritions. 2,99% of employees were promoted at different levels.

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As part of the Minister's 10-point plan the Department, in conjunction with the National School of Government, conducted a skills audit. The results will be utilised during the work-study review which the Department will be embarking on during 2017/2018. The work-study will assist in indicating if the Department has the right type of skills and the right number of employees to be able to achieve the strategic objectives of the Department.

The performance management development system is fully functional, and 83.67% of the SMS concluded and signed their performance agreements within the specified time frames. Non-submission of these agreements within the time frame was dealt with in line with Chapter 4 of SMS handbook.

Through its Wellness Programme, the Department was able to assist employees with early detection of chronic medical conditions such as prostate, breast and cervical cancer. The early detection allowed the employees to register on the disease management

programme and receive appropriate treatment, support and care. This assisted the Department in managing its sick leave, including short and long-term incapacity.

### Achievements and challenges

Despite some serious challenges, the Department was able to achieve national imperatives such as 2,57% of people with disabilities, 50,9% of women in SMS positions, and a 2,51% vacancy rate. Moreover, the Department was able to place 24 interns, which is 5% of the staff complement. The reduced compensation budget has without doubt been the most difficult challenge during this year. The non-filling of critical positions has had a negative impact on some of the deliverables throughout all the branches.

## 3.2 HUMAN RESOURCE OVERSIGHT STATISTICS

### 3.2.1 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.



**Table 3.2.1 - Personnel cost by programme for the period 1 April 2016 to 31 March 2017**

Note: please keep in mind that these tables reflect only expenditure occurred through Persal and may differ from the final financial statements in Part 5 of this Report.

Programme	Total expenditure	Personnel cost	Training expenditure	Professional and special services expenditure	Personnel cost as % of total expenditure	Average personnel cost per employee	Employment
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)	
Administration	231 039	80 673	0	0	35	158	512
Arts and Culture Prom & Development	949 700	38 205	0	0	4	75	512
Heritage Promotion & Preservation	2 196 142	41 859	0	0	2	82	512
Institutional Governance	151 168	28 123	0	0	19	55	512
<b>Z = Total as on Financial Systems (BAS)</b>	<b>3 528 048</b>	<b>188 860</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>369</b>	<b>512</b>

**Table 3.2.2 - Personnel cost by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Personnel cost	% of total personnel cost	Average personnel cost per employee	Total personnel cost including Goods and Services	Number of employees
	(R'000)	%	(R'000)	(R'000)	
Contract (levels 1-2)	329	0,14	109 778	232 750	3
Contract (levels 3-5)	5 440	2,34	151 123	232 750	36
Contract (levels 6-8)	3 044	1,31	338 251	232 750	9
Contract (levels 9-12)	10 579	4,55	661 191	232 750	16
Contract (levels 13-16)	10 598	4,55	10 598	232 750	10
Contract other	888	0,38	40 352	232 750	22
Periodic remuneration	1 911	0,82	42 470	232 750	45
Lower skilled (levels 1-2)	2 106	0,91	175 541	232 750	12
Skilled (levels 3-5)	7 533	3,24	203 584	232 750	37
Highly skilled production (levels 6-8)	41 004	17,62	341 698	232 750	120
Highly skilled supervision (levels 9-12)	98 060	42,13	616 729	232 750	159
Senior management (levels 13-16)	46 824	20,12	1 088 927	232 750	43
<b>TOTAL</b>	<b>228 316</b>	<b>98,09</b>	<b>445 930</b>	<b>232 750</b>	<b>512</b>

**Table 3.2.3 - Salaries, overtime, homeowners' allowances and medical aid by programme for the period 1 April 2016 to 31 March 2017**

Programme	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per programme
	Amount	Salaries as % of personnel cost	Amount	Overtime as % of personnel cost	Amount	HOA as % of personnel cost	Amount	Medical aid as % of personnel cost	
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)
Administration	75 967	76,4	682	0,7	2 168	2,2	2 835	2,9	99 433
Arts and Culture Promotion & Development	34 965	74,9	254	0,5	1 221	2,6	1 653	3,5	46 690
Heritage Promotion & Preservation	38 761	74,9	143	0,3	1 282	2,5	1 902	3,7	51 721
Institutional governance	27 241	78,0	93	0,3	706	2,0	731	2,1	34 907
<b>TOTAL</b>	<b>176 934</b>	<b>76,0</b>	<b>1 172</b>	<b>0,5</b>	<b>5 377</b>	<b>2,3</b>	<b>7 121</b>	<b>3,1</b>	<b>232 750</b>



**Table 3.1.4 - Salaries, overtime, home owners' allowances and medical aid by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per salary band
	Amount	Salaries as % of personnel cost	Amount	Overtime as % of personnel cost	Amount	HOA as % of personnel cost	Amount	Medical aid as % of personnel cost	
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)
Contract (levels 1-2)	329	99,9	0	0,0	0	0,0	0	0,0	329
Contract (levels 3-5)	5 315	95,0	68	1,2	0	0,0	0	0,0	5 592
Contract (levels 6-8)	2 689	87,5	38	1,3	32	1,0	41	1,3	3 072
Contract (levels 9-12)	9 164	83,2	8	0,1	44	0,4	143	1,3	11 019
Contract (levels 13-16)	9 419	86,6	0	0,0	0	0,0	17	0,2	10 872
Contract other	873	95,5	15	1,6	0	0,0	0	0,0	914
Periodic remuneration	0	0,0	0	0,0	0	0,0	0	0,0	1 944
Lower skilled (levels 1-2)	1 195	56,7	4	0,2	175	8,3	360	17,1	2 107
Skilled (levels 3-5)	5 082	67,4	51	0,7	431	5,7	551	7,3	7 541
Highly skilled production (levels 6-8)	29 123	70,3	525	1,3	1 543	3,7	2 703	6,5	41 421
Highly skilled supervision (levels 9-12)	75 134	75,3	463	0,5	2 083	2,1	2 820	2,8	99 732
Senior management (levels 13-16)	38 612	80,1	0	0,0	1 068	2,2	486	1,0	48 208
<b>TOTAL</b>	<b>176 934</b>	<b>76</b>	<b>1 172</b>	<b>0,5</b>	<b>5 377</b>	<b>2,3</b>	<b>7 121</b>	<b>3,1</b>	<b>232 750</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).

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

**Table 3.3.1 - Employment and vacancies by programme as at 31 March 2017**

Programme	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Administration, permanent	192	185	3,64	9
Arts and Culture Promotion and Development, permanent	93	91	2,15	8
Heritage Promotion and Preservation, permanent	135	134	0,74	13
Institutional Governance, permanent	58	56	3,45	4
Institutional Governance, temporary	1	1	0,00	0
<b>TOTAL</b>	<b>479</b>	<b>467</b>	<b>2,51</b>	<b>34</b>

**Table 3.3.2 - Employment and vacancies by salary band as at 31 March 2017**

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	36	36	0,00	8
Contract (levels 6-8), permanent	9	9	0,00	0
Contract (levels 9-12), permanent	16	16	0,00	3
Contract (levels 13-16), permanent	10	10	0,00	1
Other, permanent	22	22	0,00	22
Lower skilled (levels 1-2), permanent	12	12	0,00	0
Skilled (levels 3-5), permanent	37	37	0,00	0
Highly skilled production (levels 6-8), permanent	120	120	0,00	0
Highly skilled supervision (levels 9-12), permanent	164	159	3,05	0
Senior management (levels 13-16), permanent	49	42	14,29	0
Senior management (levels 13-16), temporary	1	1	0,00	0
<b>TOTAL</b>	<b>479</b>	<b>467</b>	<b>2,51</b>	<b>34</b>



**Table 3.3.3 - Employment and vacancies by critical occupations as at 31 March 2017**

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	2,27	3
Archivists, curators and related professionals, permanent	41	40	2,44	0
Auxiliary and related workers, permanent	22	22	0,00	8
Building and other property caretakers, permanent	1	1	0,00	0
Cleaners in offices, workshops, hospitals, etc., permanent	15	15	0,00	0
Client inform clerks (switchb, receipt, inform clerks), permanent	2	2	0,00	0
Communication and information related, permanent	88	87	1,14	0
Communication and information related, temporary	1	1	0,00	0
Custodian personnel, permanent	1	1	0,00	0
Engineers and related professionals, permanent	2	2	0,00	0
Finance and economics related, permanent	13	13	0,00	0
Financial and related professionals, permanent	9	8	11,11	0
Financial clerks and credit controllers, permanent	9	9	0,00	0
Food services aids and waiters, permanent	6	6	0,00	0
General legal admin and rel professionals, permanent	1	1	0,00	0
Head of dept/chief executive officer, permanent	1	0	0,00	0
Human resources and organisat develop and related, permanent	9	7	22,22	0
Human resources clerks, permanent	4	4	0,00	0
Human resources related, permanent	14	13	7,14	0
Information technology related, permanent	1	0	0,00	0
Lang practitioners, interpreters and other communication related, permanent	20	18	10,00	0
Legal related, permanent	2	2	0,00	0
Library, mail and related clerks, permanent	4	4	0,00	0
Logistical support personnel, permanent	1	1	0,00	0
Material-recording and transport clerks, permanent	5	5	0,00	0



Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Messengers, porters and deliverers, permanent	6	6	0,00	0
Other admin and related clerks and organisers, permanent	55	55	0,00	22
Other admin policy and related officers, permanent	10	10	0,00	0
Other information tech personnel, permanent	12	12	0,00	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	33	33	0,00	0
Security officers, permanent	13	13	0,00	0
Snr managers, permanent	28	27	3,57	1
<b>TOTAL</b>	<b>479</b>	<b>467</b>	<b>2,51</b>	<b>34</b>

### 3.4. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the senior management service 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 2017**

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 dept	1	0	0,00	1	100
Salary level 16	2	2	100	0	0,00
Salary level 15	5	5	100	0	0,00
Salary level 14	16	14	87,50	2	12,50
Salary level 13	36	32	88,88	4	11,11
<b>TOTAL</b>	<b>60</b>	<b>53</b>	<b>88,33</b>	<b>7</b>	<b>11,66</b>



**Table 3.4.2 - SMS post information as at 30 September 2016**

SMS level	Total no. of funded SMS posts	Total no. of SMS posts filled	% of SMS posts filled	Total no. of SMS posts vacant	% of SMS posts vacant
Director-General/Head of dept	1	0	0,00	1	100
Salary level 16	2	2	100	0	0,00
Salary level 15	5	5	100	0	0,00
Salary level 14	16	14	87,50	2	12,5
Salary level 13	35	31	88,57	4	11,42
<b>TOTAL</b>	<b>59</b>	<b>52</b>	<b>88,13</b>	<b>7</b>	<b>11,86</b>

**Table 3.4.3 - Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017**

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 dept	1	0	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary level 14	1	0	0
Salary level 13	1	0	0
<b>TOTAL</b>	<b>3</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 2016 to 31 March 2017**

**Reasons for vacancies not advertised within six months**

The compensation budget cuts prevented the Department from finalising the filling of advertised positions.

**Reasons for vacancies not filled within twelve months**

The position of Director-General could not be filled within 12 months due to the fact that no suitable candidate could be indentified.

**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 2016 and 31 March 2017**

**Disciplinary steps taken**

N/A

## 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.

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**Table 3.5.1 - Job evaluation by salary band for the period 1 April 2016 to 31 March 2017**

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	0	0	0	0
Contract (levels 3-5)	36	0	0	0	0	0	0
Contract (levels 6-8)	9	0	0	0	0	0	0
Contract (levels 9-12)	16	0	0	0	0	0	0
Contract Band A	4	0	0	0	0	0	0
Contract Band B	5	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
Other	22	0	0	0	0	0	0
Lower skilled (levels 1-2)	12	0	0	0	0	0	0
Skilled (levels 3-5)	37	0	0	0	0	0	0
Highly skilled production (levels 6-8)	120	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	164	0	0	0	0	0	0
Senior Management Service Band A	31	0	0	0	0	0	0
Senior Management Service Band B	11	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>479</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 3.5.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017**

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>
Employees with a disability					0

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 2016 to 31 March 2017**

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
<b>N/A</b>				
Total no. of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

**Table 3.5.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017**

Total no. of employees whose salaries exceeded the grades determine by job evaluation	0
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## 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 2016 to 31 March 2017**

Salary band	No. of employees as at 1 April 2016	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Contract (levels 1-2), permanent	3	0	2	66,67
Contract (levels 3-5), permanent	26	10	37	142,31
Contract (levels 6-8), permanent	11	1	7	63,64
Contract (levels 9-12), permanent	14	2	6	42,86
Other, permanent	28	24	23	82,14
Contract (Band A), permanent	4	2	0	0,00
Contract (Band B), permanent	4	1	0	0,00
Contract (Band C), permanent	1	0	0	0,00
Lower skilled (levels 1-2), permanent	14	0	0	0,00
Skilled (levels 3-5), permanent	35	0	0	0,00
Highly skilled production (levels 6-8), permanent	140	3	3	2,14
Highly skilled supervision (levels 9-12), permanent	146	2	7	4,79
Senior Management Service Band A, permanent	24	1	0	0,00
Senior Management Service Band B, permanent	10	1	0	0,00
Senior Management Service Band B, temporary	1	0	0	0,00
Senior Management Service Band C, permanent	5	0	0	0,00
Senior Management Service Band D, permanent	2	0	0	0,00
<b>TOTAL</b>	<b>468</b>	<b>47</b>	<b>85</b>	<b>18,16</b>



**Table 3.6.2 - Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017**

Critical occupation	No. of employees as at 1 April 2016	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Administrative related, permanent	42	1	5	11,90
Archivists, curators and related professionals, permanent	40	0	0	0,00
Auxiliary and related workers, permanent	13	8	9	69,23
Building and other property caretakers, permanent	2	0	0	0,00
Cleaners in offices, workshops hospitals, etc., permanent	15	0	2	13,33
Client inform clerks (switchboard, reception, inform clerks), permanent	3	0	1	33,33
Communication and information related, permanent	86	2	5	5,81
Communication and information related, temporary	1	0	0	0,00
Custodian personnel, permanent	1	0	0	0,00
Engineers and related professionals, permanent	1	2	1	100
Finance and economics related, permanent	15	0	2	13,33
Financial and related professionals, permanent	7	1	0	0,00
Financial clerks and credit controllers, permanent	8	0	1	12,50
Food services aids and waiters, permanent	6	0	0	0,00
General legal, admin and related professionals, permanent	1	0	0	0,00
Human resources & organisational development and related personnel, permanent	7	0	0	0,00
Human resources clerks, permanent	3	0	1	33,33
Human resources related, permanent	14	0	0	0,00
Information technology related, permanent	1	0	0	0,00
Language practitioners, interpreters and other communication related, permanent	19	0	0	0,00
Legal related, permanent	2	0	1	50,00
Librarians and related professionals, permanent	1	0	0	0,00

Critical occupation	No. of employees as at 1 April 2016	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
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	7	0	1	14,29
Messengers, porters and deliverers, permanent	5	2	2	40,00
Other admin and related clerks and organisers, permanent	59	24	47	79,66
Other administrative policy and related officers, permanent	11	0	1	9,09
Other information technology personnel, permanent	13	0	0	0,00
Other occupations, permanent	3	0	0	0,00
Risk management and security services, permanent	3	0	0	0,00
Secretaries & other keyboard-operating clerks, permanent	37	1	5	13,51
Security officers, permanent	10	2	0	0,00
Senior managers, permanent	26	4	0	0,00
<b>TOTAL</b>	<b>468</b>	<b>47</b>	<b>85</b>	<b>18,16</b>

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 2016 to 31 March 2017**

Termination type	Number	% of total resignations	% of total employment	Total	Total employment
Death	2	2,35	0,43	2	467
Resignation, permanent	12	14,12	2,57	12	467
Expiry of contract, permanent	68	80,00	14,56	68	467
Retirement, permanent	3	3,53	0,64	3	467
<b>TOTAL</b>	<b>85</b>	<b>100</b>	<b>18,2</b>	<b>85</b>	<b>467</b>



**Table 3.6.4 - Granting of employee-initiated severance packages**

Category	No. of applications received	No. of applications referred to MPSA	No. of applications supported by MPSA	No. of packages approved by Department
None				
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.6.5 - Promotions by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	No. of employees at 1 April 2016	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
Contract (levels 1-2, permanent)	3	0	0,00	0	0,00
Contract (levels 3-5), permanent	26	0	0,00	0	0,00
Contract (levels 6-8), permanent	11	1	9,09	2	18,18
Contract (levels 9-12), permanent	14	1	7,14	4	28,57
Contract (levels 13-16), permanent	9	0	0,00	2	22,22
Other, permanent	28	0	0,00	0	0,00
Lower skilled (levels 1-2), permanent	14	0	0,00	4	28,57
Skilled (levels 3-5), permanent	35	1	2,86	30	85,71
Highly skilled production (levels 6-8), permanent	140	3	2,14	95	67,86
Highly skilled supervision (levels 9-12), permanent	146	7	4,79	114	78,08
Senior management (levels 13-16), permanent	41	1	2,44	20	48,78
Senior management (levels 13-16), temporary	1	0	0,00	0	0,00
<b>TOTAL</b>	<b>468</b>	<b>14</b>	<b>2,99</b>	<b>271</b>	<b>57,91</b>



**Table 3.6.6 - Promotions by critical occupation for the period 1 April 2016 to 31 March 2017**

Occupation	No. of employees at 1 April 2016	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
Administrative related, permanent	42	4	9,52	19	45,24
Archivists, curators and related professionals, permanent	40	0	0,00	33	82,50
Auxiliary and related workers, permanent	13	1	7,69	6	46,15
Building and other property caretakers, permanent	2	0	0,00	1	50,00
Cleaners in offices, workshops, hospitals, etc., permanent	15	0	0,00	7	46,67
Client inform clerks (switchboard, reception, inform clerks), permanent	3	0	0,00	2	66,67
Communication and information related, permanent	87	2	2,3	68	78,16
Custodian personnel, permanent	1	0	0,00	1	100
Engineers and related professionals, permanent	1	0	0,00	0	0,00
Finance and economics related, permanent	15	0	0,00	9	60,00
Financial and related professionals, permanent	7	1	14,29	2	28,57
Financial clerks and credit controllers, permanent	8	0	0,00	7	87,50
Food services aids and waiters, permanent	6	0	0,00	3	50,00
General legal admin and related professionals, permanent	1	0	0,00	1	100
Human resources & organisational development and related personnel, permanent	7	0	0,00	6	85,71
Human resources clerks, permanent	3	0	0,00	3	100
Human resources related, permanent	14	0	0,00	11	78,57
Information technology related, permanent	1	0	0,00	0	0,00
Language practitioners, interpreters and other communication related, permanent	19	2	10,53	13	68,42
Legal related, permanent	2	0	0,00	1	50,00
Librarians and related professionals, permanent	1	0	0,00	0	0,00
Library, mail and related clerks, permanent	5	0	0,00	4	80,00
Logistical support personnel, permanent	1	0	0,00	1	100



Occupation	No. of employees at 1 April 2016	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
Material-recording and transport clerks, permanent	7	1	14,29	6	85,71
Messengers, porters and deliverers, permanent	5	0	0,00	3	60,00
Other admin and related clerks & organisers, permanent	59	0	0,00	8	13,56
Other administrative policy and related officers, permanent	11	1	9,09	5	45,45
Other information technology personnel, permanent	13	0	0,00	8	61,54
Other occupations, permanent	3	0	0,00	0	0,00
Risk management and security services, permanent	3	0	0,00	3	100
Secretaries & other keyboard-operating clerks, permanent	37	1	2,70	22	59,46
Security officers, permanent	10	1	10,00	9	90,00
Senior managers, permanent	26	0	0,00	9	34,62
<b>TOTAL</b>	<b>468</b>	<b>14</b>	<b>2,99</b>	<b>271</b>	<b>57,91</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 2017**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	11	0	1	0	12	1	1	3	<b>29</b>
Professionals	86	2	0	8	87	4	2	15	<b>204</b>
Technicians and associated professionals	31	0	0	3	36	3	0	3	<b>76</b>
Clerks	32	1	0	0	69	2	1	8	<b>113</b>
Service and sales workers	9	1	0	3	2	1	0	0	<b>16</b>
Labourers and related workers	11	0	0	0	18	0	0	0	<b>29</b>
<b>TOTAL</b>	<b>180</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>224</b>	<b>11</b>	<b>4</b>	<b>29</b>	<b>467</b>

**Table 3.7.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	3	0	0	0	3	0	0	1	<b>7</b>
Senior management, permanent	15	1	0	0	15	1	1	2	<b>35</b>
Senior management, temporary	1	0	0	0	0	0	0	0	<b>1</b>
Professionally qualified and experienced specialists and mid-management, permanent	62	1	0	6	70	6	1	13	<b>159</b>
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents, permanent	36	1	0	7	64	2	1	9	<b>120</b>
Semi-skilled and discretionary decision making, permanent	14	0	0	0	20	1	0	2	<b>37</b>
Unskilled and defined decision making, permanent	3	0	0	0	9	0	0	0	<b>12</b>
Not available, permanent	7	1	0	0	12	1	0	1	<b>22</b>
Contract (top management), permanent	0	0	0	0	1	0	0	0	<b>1</b>
Contract (senior management), permanent	5	0	1	0	3	0	0	0	<b>9</b>
Contract (prof. qualified), permanent	10	0	0	1	4	0	1	0	<b>16</b>
Contract (skilled technical), permanent	4	0	0	0	4	0	0	1	<b>9</b>
Contract (semi-skilled), permanent	19	0	0	0	17	0	0	0	<b>36</b>
Contract (unskilled), permanent	1	0	0	0	2	0	0	0	<b>3</b>
<b>TOTAL</b>	<b>180</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>224</b>	<b>11</b>	<b>4</b>	<b>29</b>	<b>467</b>



**Table 3.7.3 - Recruitment for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management, permanent	1	0	0	0	1	0	0	0	<b>2</b>
Professionally qualified and experienced specialists and mid-management, permanent	0	0	0	0	2	0	0	0	<b>2</b>
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents, permanent	2	0	0	0	1	0	0	0	<b>3</b>
Not available, permanent	7	1	0	0	14	1	0	1	<b>24</b>
Contract (snr management), permanent	2	0	0	0	1	0	0	0	<b>3</b>
Contract (prof qualified), permanent	0	0	0	0	2	0	0	0	<b>2</b>
Contract (skilled technical), permanent	0	0	0	0	1	0	0	0	<b>1</b>
Contract (semi-skilled), permanent	5	0	0	0	5	0	0	0	<b>10</b>
<b>TOTAL</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>47</b>

**Table 3.7.4 - Promotions for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management, permanent	8	1	0	0	8	1	1	2	<b>21</b>
Professionally qualified and experienced specialists and mid-management, permanent	49	1	0	4	51	5	1	10	<b>121</b>
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents, permanent	30	1	0	6	54	1	1	5	<b>98</b>
Semi-skilled and discretionary decision making, perm	14	0	0	0	14	1	0	2	<b>31</b>
Unskilled and defined decision making, permanent	0	0	0	0	4	0	0	0	<b>4</b>
Contract (senior management), permanent	2	0	0	0	0	0	0	0	<b>2</b>
Contract (professionally qualified) permanent	3	0	0	0	2	0	0	0	<b>5</b>
Contract (skilled technical) permanent	2	0	0	0	1	0	0	0	<b>3</b>
<b>TOTAL</b>	<b>108</b>	<b>3</b>	<b>0</b>	<b>10</b>	<b>134</b>	<b>8</b>	<b>3</b>	<b>19</b>	<b>285</b>
Employees with disabilities	4	0	0	0	3	0	0	1	8



**Table 3.7.5 - Terminations for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, permanent	5	0	0	0	2	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen & superintendents, permanent	0	0	0	1	1	1	0	0	3
Not available, permanent	6	0	0	0	17	0	0	0	23
Contract (professionally qualified), permanent	1	0	0	1	1	1	1	1	6
Contract (skilled technical), permanent	2	0	0	0	3	0	0	2	7
Contract (semi-skilled), permanent	19	0	0	0	18	0	0	0	37
Contract (unskilled), permanent	1	0	0	0	1	0	0	0	2
<b>TOTAL</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>43</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>85</b>
Employees with disabilities	0	0	0	1	0	0	0	0	1

**Table 3.7.6 - Disciplinary action for the period 1 April 2016 to 31 March 2017**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	4	1	0	0	3	0	0	2	10
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>10</b>

**Table 3.7.7 - Skills development for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, snr officials and managers	11	4	0	0	28	0	1	3	<b>47</b>
Professionals	82	2	0	10	105	0	0	12	<b>211</b>
Technicians and associated professionals	50	2	0	5	78	3	3	6	<b>147</b>
Clerks	44	0	0	3	104	0	0	4	<b>155</b>
Service and sales workers	2	0	0	0	1	0	0	0	<b>3</b>
Employees with disabilities	8	0	0	0	3	0	0	1	<b>12</b>
<b>TOTAL</b>	<b>189</b>	<b>8</b>	<b>0</b>	<b>18</b>	<b>316</b>	<b>3</b>	<b>1</b>	<b>25</b>	<b>563</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

### 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 2016**

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	Notch progression as % of employees by salary band
Director-General/ Head of dept	1	0	0	0,00	22,22
Salary level 16	2	2	0	0,00	0,00
Salary level 15	5	5	5	10,20	28,57
Salary level 14	16	14	12	24,48	85,71
Salary level 13	33	28	24	48,97	67,86
<b>TOTAL</b>	<b>57</b>	<b>49</b>	<b>41</b>	<b>83,67</b>	<b>57,91</b>



**Table 3.8.2 - Reasons for not having concluded performance agreements for all SMS members as at 31 May 2016**

**Reasons**

Some SMS members who did not comply had not been appointed by 31 May 2016.

**Table 3.8.3 - Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2016**

**Disciplinary steps taken**

SMS members who submitted late will forfeit their performance rewards.

## 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 2016 to 31 March 2017**

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within group	Cost	Average cost per employee
			%	(R'000)	(R'000)
African female	46	220	20,91	1 012,19	22 004,19
African male	29	175	16,57	755,46	26 050,33
Coloured female	4	11	36,36	76,3	19 075,14
Coloured male	1	4	25,00	39,66	39 658,50
Indian female	1	4	25,00	34,68	34 684,74
Indian male	0	1	0,00	0	0
White female	6	27	22,22	136,32	22 720,00
White male	2	13	15,38	79,82	39 907,86
Employees with a disability	4	12	33,33	66,72	16 679,10
<b>TOTAL</b>	<b>93</b>	<b>467</b>	<b>19,91</b>	<b>2 201,15</b>	<b>23 668,26</b>



**Table 3.9.2 - Performance rewards by salary band for personnel below SMS for the period 1 April 2016 to 31 March 2017**

Salary band	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within salary bands	Total cost	Average cost per employee
			%	(R'000)	(R'000)
Contract (levels 1-2)	0	3	0,00	0	0
Contract (levels 3-5)	0	36	0,00	0	0
Contract (levels 6-8)	0	9	0,00	0	0
Contract (levels 9-12)	0	16	0,00	0	0
Other	0	22	0,00	0	0
Lower skilled (levels 1-2)	10	12	83,33	102,3	10 230,17
Skilled (level 3-5)	16	37	43,24	183,39	11 461,94
Highly skilled production (level 6-8)	23	120	19,17	421,71	18 335,01
Highly skilled supervision (level 9-12)	44	159	27,67	1 493,75	33 948,87
<b>TOTAL</b>	<b>93</b>	<b>414</b>	<b>22,46</b>	<b>2 201,15</b>	<b>23 668,26</b>



**Table 3.9.3 - Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017**

Critical occupation	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within occupation	Total cost	Average cost per employee
			%	(R'000)	(R'000)
Administrative related, permanent	9	43	20,93	291,25	32 361,25
Archivists, curators and rel professionals, permanent	10	40	25,00	212,68	21 267,70
Auxiliary and related workers, permanent	2	22	9,09	25,87	12 933,48
Building and other property caretakers, permanent	1	1	100	12,45	12 445,56
Cleaners in offices, workshops, hospitals, etc., permanent	13	15	86,67	140,26	10 789,47
Client inform clerks (switchb, reception, inform clerks), permanent	2	2	100	26,58	13 288,68
Communication and information related, permanent	19	88	21,59	721,4	37 968,50
Custodian personnel, permanent	0	1	0,00	0	0
Engineers and related professionals, permanent	0	2	0,00	0	0
Finance and economics related, permanent	5	13	38,46	144,96	28 992,29
Financial and related professionals, permanent	2	8	25,00	29,61	14 804,78
Financial clerks and credit controllers, permanent	2	9	22,22	22,66	11 328,84
Food services aids and waiters, permanent	1	6	16,67	7,37	7 365,12
General legal admin and rel professionals, permanent	0	1	0,00	0	0
Human resources & organisational dev and related professionals, permanent	3	7	42,86	71,55	23 848,48
Human resources clerks, permanent	1	4	25,00	11,41	11 410,08
Human resources related, permanent	4	13	30,77	150,46	37 614,95
Language practitioners, interpreters and other comm related, permanent	3	18	16,67	90,53	30 176,04
Legal related, permanent	0	2	0,00	0	0
Library, mail and related clerks, permanent	1	4	25,00	11,24	11 241,60
Logistical support personnel, permanent	0	1	0,00	0	0

Critical occupation	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within occupation	Total cost	Average cost per employee
			%	(R'000)	(R'000)
Material-recording and transport clerks, permanent	0	5	0,00	0	0
Messengers, porters and deliverers, permanent	2	6	33,33	19,51	9 755,16
Other admin and related clerks & organisers, permanent	1	55	1,82	11,58	11 581,68
Other administrative policy and related officers, permanent	2	10	20,00	36,72	18 359,88
Other information technology personnel, permanent	4	12	33,33	65,71	16 428,60
Other occupations, permanent	0	3	0,00	0	0
Risk management and security services, permanent	0	3	0,00	0	0
Secretaries & other keyboard-operating clerks, permanent	6	33	18,18	97,36	16 226,76
Security officers, permanent	0	13	0,00	0	0
Senior managers, permanent	0	27	0,00	0	0
<b>TOTAL</b>	<b>93</b>	<b>467</b>	<b>19,91</b>	<b>2 201,15</b>	<b>23 668,26</b>

Table 3.9.4 – Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as % of total personnel cost
	No. of beneficiaries	No. of employees	% of total within salary bands	Total cost	Average cost per employee	
			%	(R'000)	(R'000)	%
Band A	0	30	56,60	0	0	29 413,00
Band B	0	15	28,30	0	0	16 631,38
Band C	0	6	11,32	0	0	8 654,83
Band D	0	2	3,77	0	0	4 381,09
<b>TOTAL</b>	<b>0</b>	<b>53</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>59 080,29</b>

## 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 2016 to 31 March 2017**

Salary band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
None						
<b>TOTAL</b>	0	0	0	0	0	0

**Table 3.10.2 - Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017**

Major occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
N/A						
<b>TOTAL</b>	0	0	0	0	0	0



## 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 2016 to 31 December 2016**

Salary band	Total days	% days with medical certificate	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost	Total no. of employees using sick leave	Total no. of days with medical certificate
		%		%		(R'000)		
Contract (levels 1-2)	13	69,23	2	0,53	6,50	5	378	9
Contract (levels 3-5)	57	47,37	16	4,23	3,56	39	378	27
Contract (levels 6-8)	14	78,57	4	1,06	3,50	19	378	11
Contract (levels 9-12)	52	44,23	10	2,65	5,20	123	378	23
Contract (levels 13-16)	21	28,57	2	0,53	10,50	94	378	6
Contract, other	29	41,38	17	4,50	1,71	7	378	12
Lower skilled (levels 1-2)	105	45,71	12	3,17	8,75	53	378	48
Skilled (levels 3-5)	373	38,87	35	9,26	10,66	267	378	145
Highly skilled production (levels 6-8)	1 010	56,73	115	30,42	8,78	1 232	378	573
Highly skilled supervision (levels 9-12)	1 096	48,91	132	34,92	8,3	2 403	378	536
Senior management (levels 13-16)	168	41,67	33	8,73	5,09	641	378	70
<b>TOTAL</b>	<b>2 938</b>	<b>49,69</b>	<b>378</b>	<b>100</b>	<b>7,77</b>	<b>4 882</b>	<b>378</b>	<b>1 460</b>



**Table 3.11.2 - Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016**

Salary band	Total days	% days with medical certificate	No. of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost	Total no. of days with medical certificate	Total no. of employees using disability leave
		%		%		(R'000)		
Skilled (levels 3-5)	46	100	1	11,11	46,00	39	46	9
Highly skilled production (levels 6-8)	366	100	4	44,44	91,50	473	366	9
Highly skilled supervision (levels 9-12)	144	100	4	44,44	36,00	410	144	9
<b>TOTAL</b>	<b>556</b>	<b>100</b>	<b>9</b>	<b>100</b>	<b>61,78</b>	<b>922</b>	<b>556</b>	<b>9</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 2016 to 31 December 2016**

Salary band	Total no. of days taken	No. of employees using annual leave	Average no. of days per employee
Contract (levels 1-2)	57	19	3
Contract (levels 13-16)	119	15	8
Contract (levels 3-5)	462	12	38.5
Contract (levels 6-8)	153	13	11.76
Contract (levels 9-12)	272	15	18
Contract, other	246	5	49
Lower skilled (levels 1-2)	291	21	13.85
Skilled (levels 3-5)	854	22	38.8
Highly skilled production (levels 6-8)	2 945	21	140
Highly skilled supervision (levels 9-12)	3 827	22	174
Senior management (levels 13-16)	877	21	41.76
<b>TOTAL</b>	<b>10 103</b>	<b>186</b>	<b>54.31</b>

**Table 3.11.4 - Capped leave for the period 1 January 2016 to 31 December 2016**

Salary band	Total no. of days of capped leave taken	Average no. of days taken per employee	Average capped leave per employee at end of period	No. of employees who took capped leave	Total no. of capped leave days available at end of period	No. of employees at end of period
Contract (levels 13-16)	0	0,00	119,57		239,14	2
Skilled (levels 3-5)	22	5,50	45,33	4	272,00	6
Highly skilled production (levels 6-8)	7	3,50	36,41	2	801,11	22
Highly skilled supervision (levels 9-12)	0	0,00	26,83		1 288,01	48
Senior management (levels 13-16)	0	0,00	32,22		579,97	18
<b>TOTAL</b>	<b>29</b>	<b>4,83</b>	<b>33,13</b>	<b>6</b>	<b>3 180,23</b>	<b>96</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 2016 to 31 March 2017**

Reason	Total amount (R'000)	No. of employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2016/17	0	0	0
Current leave pay-outs on termination of service for 2016/17	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</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 (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		DDG/CS (Ms Matilda Mogotsi)
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		Two. R1,366,035.00
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Department has an Employee Wellness Assistance Programme. This entails the following programmes: <ul style="list-style-type: none"> <li>• Observance of health calendar days</li> <li>• Wellness Days</li> <li>• Management of HIV and Aids through HIV Counselling and Testing (HCT)</li> <li>• Life skills programmes</li> <li>• Addiction</li> <li>• Loss and trauma</li> <li>• Disability</li> <li>• Holistic wellness and employee assistance programme</li> <li>• 24-hour counselling service, and fitness programme through sports activities</li> </ul>
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The Employee Health and Wellness Advisory Committee is constituted by the following members: <ul style="list-style-type: none"> <li>• Ms Beauty Makaya-Manthata: PSA</li> <li>• Ms Winnie Nkuna: Film Archives (Alternate)</li> <li>• Mr Languza Nkwenkwezi: Film Archives</li> <li>• Ms Sylvia Makapan: Kingsley Centre</li> <li>• Ms Opelo Thole: NEHAWU</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		The following Employee Health and Wellness Policies are in place: <ul style="list-style-type: none"> <li>• Bereavement Support Policy</li> <li>• Management of Sexual Harassment in the Workplace</li> <li>• Policy on the Management of HIV/Aids, STIs, TB and other communicable diseases in the workplace</li> <li>• Employee Assistance Programme</li> </ul>



Question	Yes	No	Details, if yes
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		<p>Non-discrimination is addressed in the Employee Health and Wellness Policy. Other protective measures are covered in recruitment practices and employee relations policies.</p> <p>Some of the measures are:</p> <ul style="list-style-type: none"> <li>• Training</li> <li>• Information sessions</li> <li>• Popularization of the HIV and Aids policy</li> <li>• Continuous provision of information (print and electronic)</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>HCT has been performed on a confidential basis. The Department conducted two HCT drives through the Wellness Days during the 2016/17 financial year. The results were as follows:</p> <p><b>16 September 2016</b>  Total no. of employees who participated in HCT: 42  Females: 29  Tested positive: 1  Males: 13  Tested positive: 0  Total HCT uptake: 42</p> <p><b>10 February 2017</b>  Total no. of employees who participated in HCT: 42  Females: 27  Tested positive: 0  Males: 15  Tested positive: 0  Total HCT uptake: 42</p>
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>To minimise bacterial and viral illnesses, a flu vaccination campaign was launched to reduce the use of sick leave.</p> <p>This also reduced the risk of cross-infection.</p> <p>Health promotion programmes, with the focus on the prevention of HIV/Aids infection and HIV counselling and testing were conducted.</p> <p>Health promotion programmes conducted also included management and prevention of chronic diseases such as hypertension, diabetes, cancer, etc.</p> <p>Sporting activities in the form of netball and soccer teams are in place to promote fitness.</p>

## 3.13. LABOUR RELATIONS

**Table 3.13.1 - Collective agreements for the period 1 April 2016 to 31 March 2017**

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 2016 to 31 March 2017**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	5	50
Final written warning	0	0
Suspended without pay	1	10
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	4	40
Case withdrawn	0	0
<b>TOTAL</b>	<b>10</b>	<b>100</b>

**Table 3.13.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017**

Type of misconduct	Number	% of total
Irregular expenditure	1	100
<b>TOTAL</b>	<b>1</b>	<b>100</b>



**Table 3.13.4 - Grievances lodged for the period 1 April 2016 to 31 March 2017**

Grievances	Number	% of total
No. of grievances resolved	4	100
No. of grievances not resolved	0	0
<b>TOTAL NUMBER OF GRIEVANCES LODGED</b>	<b>4</b>	<b>100</b>

**Table 3.13.5 - Disputes lodged with councils for the period 1 April 2016 to 31 March 2017**

Disputes	Number	% of total
No. of disputes upheld	0	0
No. of disputes dismissed	1	100
<b>TOTAL NUMBER OF DISPUTES LODGED</b>	<b>1</b>	<b>100</b>

**Table 3.13.6 - Strike action for the period 1 April 2016 to 31 March 2017**

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

**Table 3.13.7 - Precautionary suspensions for the period 1 April 2016 and 31 March 2017**

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 2016 to 31 March 2017**

Occupational category	Gender	No. of employees at 1 April 2016	Training needs identified at beginning of			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	10	0	0
	Male	12	0	3	0	0
Professionals	Female	108	0	83	0	0
	Male	96	0	67	0	0
Technicians and associated professionals	Female	42	0	85	0	0
	Male	34	0	68	0	0
Clerks	Female	80	0	33	0	0
	Male	33	0	17	0	0
Service and sales workers	Female	3	0	0	0	0
	Male	13	0	0	0	0
Elementary occupations	Female	18	0	18	0	0
	Male	11	0	0	0	0
<b>Gender subtotals</b>	<b>Female</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>467</b>	<b>0</b>	<b>384</b>	<b>0</b>	<b>0</b>



**Table 3.14.2 - Training provided for the period 1 April 2016 to 31 March 2017**

Occupational category	Gender	No. of employees at 1 April 2016	Training provided in reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	32	0	0
	Male	12	0	15	0	0
Professionals	Female	108	0	117	0	0
	Male	96	0	94	0	0
Technicians and associated professionals	Female	42	0	90	0	0
	Male	34	0	57	0	0
Clerks	Female	80	0	108	0	0
	Male	33	0	47	0	0
Service and sales workers	Female	3	0	1	0	0
	Male	13	0	2	0	0
Elementary occupations	Female	18	0	0	0	0
	Male	11	0	0	0	0
<b>Gender subtotals</b>	<b>Female</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>467</b>	<b>0</b>	<b>563</b>	<b>0</b>	<b>0</b>

### 3.15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</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 - Consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017**

Project title	Total no. of consultants who worked on project	Duration (working days)	Contract value in Rand
Independent contractor - Library Conditional Grant Project	3	11 months	R2 951 520
<b>Total no. of projects</b>	<b>Total no. of individual consultants</b>	<b>Total duration (working days)</b>	<b>Total contract value in Rand</b>
1	3	11 months	R2 951 520

**Table 3.16.2 - Analysis of consultant appointments using appropriated funds in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017**

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups who worked on project
Library Conditional Grant Project	100%	100%	3



**Table 3.16.3 - Consultant appointments using donor funds for the period 1 April 2016 to 31 March 2017**

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

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

**Table 3.16.4 - Analysis of consultant appointments using donor funds in terms of HDIs for the period 1 April 2016 to 31 March 2017**

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

# PART FOUR

## *Governance*





## 4.1 INTRODUCTION

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

## 4.2 RISK MANAGEMENT

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### 4.2.1 Risk Committee

As required by Section 38 (1) (a) (i) of the Public Finance Management Act No.1 of 1999, the Department has an established Risk Committee which advises the Accounting Officer, in fulfilling his mandate as required by the Public Finance Management Act. The Risk Committee operates within the advice from an independent member as Chairperson, who reports and serves on the Department's Audit Committee.

The Committee has formal Terms of Reference as contained in the Risk Committee Charter, which regulates its affairs in compliance with the Charter and has discharged all its responsibilities as contained therein. The Committee comprises of the Acting Director General, and Executive Management at Deputy Director General level, including all Chief Directors and select senior managers who represent core operational functions within the organization. Four Ordinary Risk Committee meetings were conducted during the year as summarised below:

- i. **05<sup>th</sup> August 2016** - First quarter for the 2016-17
- ii. **16<sup>th</sup> November 2016** - Second quarter reporting for 2016/17
- iii. **15<sup>th</sup> February 2017** - Third quarter reporting for 2016/17
- iv. **15<sup>th</sup> May 2017** - Annual reporting 2016/17

### 4.2.2 Risk Management Monitoring & Reporting

The Department conducted annual risk assessments which were approved by the Risk Committee and Audit Committee. Quarterly risk mitigation status and risk incident trend reports are submitted to the Risk Committee for oversight. Emerging risks are on-boarded through the year as informed by the Department's Risk Management Framework.

Accountability for reporting is maintained by the respective Deputy Director General's for each programme. The Audit Committee is apprised of the quarterly risk mitigation status through a submission of the Risk Committee Chairperson's Escalation Report.

## 4.3 FRAUD AND CORRUPTION

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

### 4.3.1 Fraud and Corruption Awareness

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

### 4.3.2 Reporting of Fraud

The Department has maintained processes to allow for walk-in, e-mail, written, and telephonic reporting to the Risk Management Directorate. A Whistle-Blowing Policy is in place and fully applied. All reported allegations are escalated to the Accounting

Officer and the Chief Audit Executive in line with approved policy. Progress on investigations conducted for the reported allegations is also coordinated internally and reported to the Accounting Officer, and to the Audit Committee.

## 4.4 MINIMISING CONFLICT OF INTEREST

The Department of Arts and Culture complies with the Revised Public Service Regulation of 2016. The Department ensured that all designated employees declared their financial interests for the disclosure period as required by the Regulations. The Department further manages the awareness and disclosure of gifts in line with the approved Gift Disclosure Policy, and reports quarterly to Executive Management, Risk Committee and the Audit Committee.

### 4.4.1 Remunerative Work outside the Public Sector

The Department maintained systems to obtain approval to Conduct Remunerative Work outside the Public Sector from the Executive Authority; and facilitates awareness to all officials on the revised legislative requirements in conducting Remunerative Work outside the Public Sector.

Non-compliance to the Public Service Regulation [PSR of 2016]; is dealt with in line with Section 16A and 16B of the Public Service Act.

The Department further initiated a process to assess conflict of interest emanating from associations of all its employees with our active suppliers with the aim at identifying risk areas which carry potential conflict.

## 4.5 CODE OF CONDUCT

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

## 4.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department of Arts and Culture considers its staff as its most valuable assets and commits to maintaining the health and safety of all staff as a priority. This commitment to health and safety also extended 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 management committed the time and resources needed to make this possible. The department recognised the importance of ensuring that all policies and in particular that relating to health and safety were understandable and appropriate for all staff from all cultural backgrounds.

To support this commitment, an Occupational Health and Safety, Policy was reviewed and approved. Health and Safety Plan which outlined a details of activities to ensure awareness of all risks within the workplace and strategies for preventing injuries, illness and accidents resulting from these risks, was developed and successfully implemented.

The Health and Safety Representatives were nominated and designated in writing as per requirement of OHS Act 85 of 1993. Formal and informal building inspections were conducted on regular basis. Quarterly Health and Safety Meetings were conducted. Bi – annual evacuation drills were conducted as per requirements of Disaster Management Act 57 of 2002 and Municipal By – Laws.

The Departmental Occupational Health and Safety program has the vision of a healthy and safe working environment for all who enter Department of Arts and Culture premises, in compliance with the relevant legislation. Mission of the OHS program it is to prevent accidents, injuries and illness resulting from all foreseeable workplace hazards and risks and to respond rapidly and appropriately when these occur.



## 4.7 INTERNAL AUDIT AND AUDIT COMMITTEES

### 4.7.1 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 and improve the Department's operations. It achieves this by evaluating and improving the effectiveness of risk management, control and governance processes; and facilitates the full functioning of the Audit Committee in the Department.

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The IAA was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter based on by the Treasury Regulation 3.2 and the Standards for the Professional Practice of Internal Auditing. The scope of the Internal Audit Activity's work was derived from the approved Risk-Based Three Year Strategic and Annual Operational Plans approved by the Audit Committee for the 2016/2017 financial year.

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

- Review of the Draft 2017/18 Annual Performance Plan (APP)
- Review of the Annual Performance Report – 2015/2016
- Review of the Enterprise Risk Management
- Review of the 2015/16 Annual Financial Statements
- Information Technology Governance Review (Consulting)
- MPAT 1.6 Verification

- Quarterly Reviews of Predetermined Objectives – 2016/17 financial year and Quarter 4 of the 2015/16 financial year
- Review of the Management Action Plan to address the AGSA 2015/16 findings (Adequacy and Implementation Review)
- Review of the 2016/17 Quarter 1 Financial Statements
- DAC 2016/17 Revised Technical Indicator Description (TID) Review

### 4.7.2 Audit Committee

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

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

- i. financial reporting, systems of internal control and performance against pre-determined objectives;
- ii. enhancing business ethics and trust in the Department;
- iii. ensuring and enhancing the independence of the Internal Audit Activity;
- iv. reviewing the strategic and operational risk areas of the Department to be covered in the scope of Internal and External audits;
- v. ensuring the proper functioning of both the Internal and External Audit Processes, and other assurance services, including Fraud and Corruption Investigation Activities.
- vi. monitoring compliance with Laws and Regulations and the Code of Conduct.

The Audit Committee was fully functional and comprised five members (external to the Department) as at 31 March 2017; and the details of membership and number of meetings is outlined as follows:

Name	Employer	Qualifications	Designation	Date of Appointment	End of Term	No. of Meetings Attended
a. Adv. W.E. 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>• Financial Management (Finance for Non-Financial Managers)</li> <li>• Fellow of the Institute of Directors</li> </ul>	Chairperson (Non-Executive Member)	14 May 2014 (1 <sup>st</sup> Term)	13 May 2017	9
				15 May 2017 (2 <sup>nd</sup> Term)	30 September 2020	
b. Ms F. Mdanda	Smith Capital	<ul style="list-style-type: none"> <li>• MBA</li> <li>• Hons BCom (Auditing)</li> <li>• B Compt</li> </ul>	Non-Executive Member	01 September 2014 (2 <sup>nd</sup> Term)	31 August 2017	8
c. Mr. M.A.E. Amod	Self Employed	<ul style="list-style-type: none"> <li>• Chartered Director, South Africa (CD-SA)</li> <li>• MBA</li> <li>• B COM Degree</li> <li>• Certified Internal Auditor</li> <li>• Certified Government Auditing Professional</li> <li>• Certification in Risk Management Assurance</li> </ul>	Non-Executive Member	14 May 2014 (1 <sup>st</sup> Term)	13 May 2017	8
				15 May 2017 (2 <sup>nd</sup> Term)	30 September 2020	
d. Ms. P. Mvulane	Private Business	<ul style="list-style-type: none"> <li>• Chartered Accountants (SA) and Registered Auditor</li> <li>• Honours B Com (Accounting)</li> <li>• Specialist Diploma in Auditing</li> <li>• Public Practice Examination (IRBA) Part 2</li> <li>• B Com Degree (Accounting)</li> </ul>	Non-Executive Member	19 October 2016	18 October 2019	4
e. Ms. F. Tshikudo	State-Owned Entity	<ul style="list-style-type: none"> <li>• Honours BCompt</li> <li>• BCom Degree (Accounting and Auditing)</li> <li>• Post Graduate Diploma (Accounting Science)</li> <li>• Certificate in Management Development</li> <li>• Certified Risk Management Assurance</li> </ul>	Non-Executive Member	19 October 2016	18 October 2019	4



The Audit Committee met on 9 occasions, out of which 4 were Ordinary Audit Committee meetings; and 5 were Special Audit Committee meetings. Out of the 5 Special Audit Committee meetings held, 2 meetings dealt with the audited annual financial statements, and 3 Special Meetings were held for the following specific purposes:

- oversight on the Draft DAC Annual Performance Report for the financial year ending 2015/16 which could not be resolved and adopted within the first set meeting;
- oversight over the AGSA Audit Strategy; AGSA Engagement Planning Memorandum; the Internal Audit's Revised Audit Plan as well as resourcing; and
- review and oversight over certain forensic investigation project(s).

## 4.8 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

### 4.8.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) ("the PFMA"), and Treasury Regulation 3.1, and operated in accordance with the aforementioned regulations including the 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 has discharged all its responsibilities as contained therein.

### 4.8.2 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 categories of effectiveness and efficiency of operations, financial reporting, compliance to applicable Laws and Regulations as well as 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 the Internal Audit Activity (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 / deficiencies in internal controls were noted.

From the various reports submitted by the Department's Internal Auditors, there are clear indications that although the systems of internal control were adequate; they were not effective in several instances. Certain matters reported on, indicated internal control deficiencies and deviations from business rules/policies and delays in either implementing the corrective actions or ensuring accountability. 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 wherein the periodic review and approval of certain policies and procedures was delayed and resulted in recurring AGSA findings, i.e. Human Resources Management Policies; Monitoring and Evaluation Framework, Policy and Standard Operating Procedures;
- Strategic and Annual Performance Planning; i.e. delayed and fragmented planning.
- Lack of adequate Project Management in the Department (Coordination, Monitoring, and requisite skills);
- Maintenance of sufficient reliable verification sources for reported performance information;
- Unsatisfactory IT General Controls;

- Adequate review and quality of the Department's Financial Statements, i.e. preparation and quality assurance;
- Delayed implementation of management action plans developed to improve internal controls and performance, as well as the application of consequence management;
- Some deficiencies/non-compliance noted within the SCM Procurement, and Contract Management; and
- Delays in the Relocation of the Department.

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

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

The Committee monitored the improvement and turn-around of the internal control environment as well as the external audit outcome through oversight on the Management Action plan in relation to the 2015/16 AGSA audit outcomes, and has observed that although some improvements were made, they did not have much impact on the 2016/17 financial year as a result of delayed implementation, e.g. approval of policies, implementation of adequate internal controls.

### 4.8.3 Internal Audit

The Audit Committee monitored the work of the Internal Audit Activity (IAA) against the approved Internal Audit Annual Plan throughout the financial year through its quarterly Committee meetings. The Committee 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 still considers the Internal Audit Activity to be under-resourced in order to function optimally to maximise its coverage of the risk exposures facing the Department, given its current human resources and budget allocation. Efforts to supplement the capacity of the IAA have been noted by the Committee, and will continue to be monitored.

### 4.8.4 Risk Management

The Department has a Risk Committee which advises the Accounting Officer, on matters of risk management in fulfilling his mandate as required by the Public Finance Management Act [Section 38 (1) (a) (i)], and in line with the Public Sector Risk Management Framework developed by National Treasury.

The Risk Committee operates within the guidance of an independent Chairperson, who also serves on the Department's Audit Committee and reports on the management of risks within the Department. The Risk Committee has adopted formal approved Terms of Reference as contained in the Risk Committee Charter, and has regulated its affairs and discharged all its responsibilities in compliance with this approved Charter.

The Risk Committee held four quarterly meetings in line with its approved Charter. The Risk Committee reports to the Audit Committee for all its activities and functions. The following are the activities noted by the Audit Committee through its oversight role on Risk Management:

#### A. Risk Management Policies

The Department has maintained a Risk Management Framework and Risk Policy; including a Fraud Policy, Fraud Prevention Strategy, and a Fraud Investigation Policy. The Department further implemented the approved Whistle Blowing Policy.



## B. Monitoring & Reporting on Risks and Significant Risk Exposures

Risk Management progress is monitored quarterly through the Risk Committee which reports to the Audit Committee for oversight. The Audit Committee has through the reporting received from the Risk Committee; noted the overall 77% risk mitigation at a Departmental level. The following is a summary of significant risk matters considered by the Risk Committee and reported to the Audit Committee:

- i. Staffing Requirements/Vacancy rate;
- ii. Budget planning and support of the Strategic Objectives;
- iii. ICT Infrastructure- National Archives

## C. Ethics & Integrity Management Programme

To manage conflict of interest, the Department through its Ethics and Integrity Programme, administered the disclosure of Financial Interests by designated officials, including the disclosure of accepted gifts, hospitality, 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, of 2001.

Furthermore, a Code of Conduct Survey was rolled to all officials to gauge the levels of understanding and awareness of the Public Service Act, and to outline required intervention.

The Department monitored and responded to fraud allegations reported through the following structures:

- i. Public Service Commission [ Fraud Allegation Database];
- ii. National Anti-Fraud Hotline as managed by the Public Service Commission;
- iii. Presidential Hotline [ Service Delivery Complaints and resolution Status]; and
- iv. Walk-in Reporting of Fraud and Corruption Allegations.

The Department's effort towards the integration of Risk Management into daily activities is noted. The following areas which remain a concern were brought to the Audit Committee's attention for the Executive Authority 's cognisance and annual reporting:

- Access to funding to enable the Department to fill vacant positions in support of the Department's Strategic Objectives; which if not addressed will have an adverse impact on the delivery of the Departmental objectives and mandate.
- Financial resourcing for the ICT Infrastructure at the National Archives should be prioritised in the 2017/18 financial year; since the risk exposure for failure to provide access to information is at a country and international level.

Summary of the main activities undertaken by the Audit Committee during the financial year under review.

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

- Performance Information - internal monthly reporting and monitoring of performance within the Department's respective programmes; as well as the use of technology to assist with managing verification sources (portfolio of evidence) for achieved performance;
- Project Management over Infrastructure Projects and over all Transfers made by the Department to ensure value for money – adequate skills and capacity on general project management and also in the built environment;
- Centralization of Infrastructure Projects; including monitoring/oversight;
- Monitoring and evaluation of all projects, i.e. infrastructure; conditional grants and other transfers;
- Enforcement of accountability and reporting to the Audit Committee on the projects undertaken by the Department, i.e. infrastructure development projects, Households and Transfers; and Public Entity performance monitoring;
- Ethics and Integrity Management – Management to ensure that the Department has a Policy and Procedures to manage and guide Remunerated Work Outside the



- Department and Disclosures on Conflict of Interest, as well as ensuring compliance thereto/alternatively to review any related policy in place to ensure alignment to new prescripts;
- Quarterly, Interim and Annual Financial Statements – The development of a narrations report (presentation) to give detailed explanations of material variances and or any other significant on financial statement items; as well as the development of a Materiality Framework for the Department;
  - Although Irregular expenditure has been reduced with the introduction of further internal controls, instances of non-compliance with policies and procedures by employees which give rise to irregular, fruitless and wasteful expenditure are still continuing and require Management monitoring as well as ensuring accountability;
  - Deviations from normal Supply Chain Management procurement processes - The management of deviations in line with applicable National Treasury prescripts, as well as quarterly reporting on deviations to the Audit Committee;
  - Quarterly reporting and monitoring of the ICT Governance; and quarterly monitoring of compliance to Ethics and Integrity Management;
  - Combined Assurance – the Department must develop a Combined Assurance Framework together with an Implementation Plan of how it will be rolled out and evaluated in the Department. The Combined Assurance Framework should also take into account the Integrated Reporting/Assurance which is being performed already on the Performance Information of the Department;
  - Framework on Compliance with Laws and Regulations - Update and finalisation of the draft Framework; as well as the development of a Compliance Checklist that will be used for monitoring;
  - Governance, Risk and Compliance Model - The Department must conduct a Governance, Risk and Compliance Assessment (GRC) across the Department and its Public Entities to inform the correct/feasible GRC model that the Department should consider including resourcing;
  - Development of Management Action Plans to the emerging High Risk areas brought to the attention of the Audit Committee during the financial year;
  - Capacitating the Risk Management Unit and the Internal Audit Activity;

- Early development of the Strategic Plan and Annual Performance Plan to ensure alignment between the plans and the Risk identification process;
- Enforcement of accountability where instances of non-compliance to Policies, Laws and Regulations are identified.

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

#### 4.8.5 The Quality of In-Year monitoring and Quarterly Reports

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

#### 4.8.6 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. Turnaround time for the initiation of investigations has been noted as 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.

#### 4.8.7 Evaluation of Financial Statements

The Audit Committee reports that:

- it has reviewed and discussed the audited annual financial statements together with the audited annual performance report with management of the Department and the Auditor General, South Africa;
- reviewed the Auditor General South Africa (AGSA)'s Audit Report and Management Report including management's response thereto;



- reviewed any changes in accounting policies and practices,
- reviewed the Department's compliance with certain legal and regulatory provisions in so far as they related to risks, audits and other related matters,
- reviewed the information on predetermined objectives to be included in the annual report; and
- reviewed any significant adjustments resulting from the audit.

#### 4.8.8 Auditor-General's Report

We have reviewed the Department's implementation plan for audit findings raised by the AGSA in the previous year (2015/2016). Whilst some improvements have been noted, we are still not sufficiently 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 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 of the Department be accepted and be read together with the report of the Auditor-General.



**Adv. W.E. HUMA**

*Chairperson of the Audit Committee*

Department of Arts and Culture

Date: 22 August 2017

# PART FIVE

## *Financial Information*



## STATEMENT OF RESPONSIBILITY

*for the year ended at 31 March 2017*

### 5.1 ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2017

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

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

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

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

The Department of Arts and Culture annual financial statements for the year ended 31 March 2017 have been audited by external auditors and their report is presented on page 115.

The Annual Financial Statements of the Department as set out on page 121 to page 222 have been approved.



**Mr Vusithemba Ndima**

*Acting Director-General*

*Date: 31 July 2017*

## REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017

### 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 set out on pages 121 to 199 which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes 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 (DAC) as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury 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, 2014 (Act No. 10 of 2014) (DoRA).

##### Basis for 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 my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants

(IESBA code) together with 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 code.

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 200 to 222 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

##### Responsibilities of Accounting Officer

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by the 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 there is an intention either to liquidate the department or to cease operations, or has there is no realistic alternative but to do so.



# REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017

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

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- 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

- 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.
- 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.

- 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 2017:

Programme	Pages in annual performance report
Programme 3 – Arts and culture promotion and development	39 – 46
Programme 4 – Heritage promotion and preservation	47 – 58

- 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.
- The material findings in respect of the reliability of the selected programmes are as follows:

### Programme 3 – Arts and culture promotion and development

#### Indicator – Number of artists and organization provided with work opportunities in public employment

- The reported achievement for the target of number of individuals provided with temporary work opportunities was misstated as the evidence provided indicated that 5059 work opportunities provided and not 7590 as reported.

# REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017



## Indicator – Number of artists placed in schools and number of schools where the artist in school programme is implemented

18. The reported achievement for the target on number of artists placed in schools was misstated as the evidence provided indicated that 405 artists were placed in school and not 342 as reported.

## Programme 4 – Heritage promotion and preservation

### Indicator – 100% of schools (25 720 schools) supported through the provision of national symbols toolkit

19. I was unable to audit the reported performance information relating to number of schools supported through the provision of national symbols toolkits. This is due to the inappropriate achievement reported in the annual performance report.
20. The achievement against the planned indicator and target was reported as 6115 toolkits were produced and made available while the planned indicator and target was national symbols toolkits for 6430 schools produced and made available. This is not in line with the requirements of section 40(3)(a) of the PFMA.

### Other matters

21. I draw attention to the matters below:

### Achievement of planned targets

22. Refer to the annual performance report on pages 29 to 58; for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the findings on the reliability of the reported performance information in paragraphs 17; 18; 19; 20 of this report.

## Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Arts and culture promotion and development (Programme 3) and Heritage promotion and preservation (Programme 4). As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.

## Report on audit of compliance with legislation

### Introduction and scope

24. 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.
25. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

### Financial statements and annual reports

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of irregular expenditure, immovable capital assets and accruals identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017

### Expenditure management

27. Effective steps were not taken to prevent irregular expenditure amounting to R15 202 000 as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the disclosed irregular expenditure was caused by deviating from normal procurement process, and reasons for deviating were not justifiable.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R493 000 and disputed amount of R29 194 000 as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Fruitless and wasteful expenditure was incurred on the Enyokeni Cultural Precinct and the Winnie Mandela House project.
29. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

### Procurement and contract management

30. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4.

### Consequence management

31. Disciplinary steps were not taken against officials who had incurred and permitted irregular and fruitless and wasteful expenditure in prior years as required by section 38(1)(h)(iii) of the PFMA.

### Other information

32. The Department of Arts and Culture's 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 thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
33. 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.
34. 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. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
35. I have not yet received the annual report. When I do receive 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 re-issue my auditor's report amended as appropriate.

### Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation;

## REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017

however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for my opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

### Leadership

- There are no adequate controls in place to monitor implementation of approved policies and procedures. Oversight was not always implemented to ensure that all laws and regulations are complied with.
- Position of the accounting officer remains vacant for period longer than 12 months.

### Financial and performance management

- Regular monthly and quarterly reviews were not performed to ensure that performance information reported is accurate and complete.
- Policies and procedures that ensure that there is compliance with laws and regulations were not adhered to at all times therefore leading to non-compliance with laws and regulations.

### Other Reports

37. I draw attention to the following engagements conducted by various parties that had or could have an impact on the matters reported in the department's

financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

38. An independent consulting firm was appointed to perform an investigation on behalf of the Department of Arts and Culture on the construction of the Enyokeni Cultural precinct. The investigation was completed in the current year under review and the results were provided to the department.
39. 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 officials of the department.

*Auditor-General*

Pretoria

31 July 2017



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*





## REPORT OF THE AUDITOR-GENERAL

for the year ended at 31 March 2017

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

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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 the 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 internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

- conclude on the appropriateness of the accounting officer 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 and its subsidiaries 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 the auditor's report. However future events or conditions may cause a department to cease to continue 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.

#### 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 applicable, related safeguards.

## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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, 1999, (PFMA), the Treasury Regulations issued in terms of the PFMA, and the annual Division of Revenue Act.

### Financial Statement Presentation

#### 1. Basis of preparation

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

#### 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 on 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 comprise 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



## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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 on the reporting date is recognised as a payable/receivable in the statement of financial position.

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### 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 on 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

#### 8.3.1 Accruals

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

## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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

### **8.3.2 Payables not recognised**

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

### **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.



## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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.

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

Loans and payables are recognised in the statement of financial position at cost.

### 16. Capital assets

#### 16.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department, in which case the completed project costs are transferred to that department.

#### 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 are 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.

## ACCOUNTING POLICIES

for the year ended at 31 March 2017

All assets acquired prior to 1 April 2002 (or a later date as approved by the AGSA) 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 is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity, in which case the completed project costs are transferred to that department.

### 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 a 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 AGSA) may be recorded at R1.

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## 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 on 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 its existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.



## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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### 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 a provincial legislature with funding and the related funds are received; or
- approved by Parliament 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.

## ACCOUNTING POLICIES

for the year ended at 31 March 2017

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 infrastructure projects. In terms of the arrangement the Department is the principal and is responsible for reporting the transactions. 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 either 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. Inventories (effective from date determined in a treasury instruction)

At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value on the date of acquisition.





## ACCOUNTING POLICIES

*for the year ended at 31 March 2017*

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Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

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### **28. Public-private partnerships**

Public-private partnerships (PPP) are accounted for based on the nature and or 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, and the rights and obligations of the Department are recorded in the notes to the financial statements.

### **29. 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.

Department of Arts and Culture - Vote 37  
**APPROPRIATION STATEMENT**  
*for the year ended at 31 March 2017*

**APPROPRIATION PER PROGRAMME**

Voted funds and direct charges	2016/2017							2015/16	
	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>Programme</b>									
1. Administration	262 601	(261)	-	262 340	242 684	19 656	92,5	278 287	253 932
2. Institutional Governance	325 217	(696)	(84 823)	239 698	192 230	47 468	80,2	224 126	231 730
3. Arts and Culture Promotion and Development	1 068 236	4 844	53 032	1 126 112	1 099 327	26 785	97,6	999 836	973 035
4. Heritage Promotion and Preservation	2 406 518	(3 887)	31 791	2 434 422	2 423 226	11 196	99,5	2 323 798	2 303 656
<b>TOTAL</b>	<b>4 062 572</b>	<b>-</b>	<b>-</b>	<b>4 062 572</b>	<b>3 957 467</b>	<b>105 105</b>	<b>97,4</b>	<b>3 826 047</b>	<b>3 762 353</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				1 262				2 970	
NRF receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>4 063 834</b>				<b>3 829 017</b>	
<b>Add:</b>									
Aid assistance									-
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>3 957 467</b>				<b>3 762 353</b>

**Heritage Promotion and Preservation**

High spending in 2015/16 is mainly attributed to the virement approval granted towards the construction of the Deville Wood Memorial.



## APPROPRIATION STATEMENT

for the year ended at 31 March 2017

## APPROPRIATION PER ECONOMIC CLASSIFICATION

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	2016/2017							2015/16	
	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>582 645</b>	<b>(736)</b>	<b>(16 615)</b>	<b>565 294</b>	<b>541 184</b>	<b>24 110</b>	<b>95,7</b>	<b>623 932</b>	<b>590 639</b>
Compensation of employees	238 342	(639)	-	237 703	225 906	11 797	95,0	219 674	214 352
Salaries and wages	212 616	(3 982)	-	208 634	200 339	8 295	96,0	193 570	189 900
Social contributions	25 726	3 343	-	29 069	25 567	3 502	88,0	26 104	24 452
Goods and services	344 303	(188)	(16 615)	327 500	315 187	12 313	96,2	404 038	376 067
Administrative fees	1 456	(127)	-	1 329	1 329	-	100	1 412	8 169
Advertising	3 556	2 991	(900)	5 647	5 647	-	100	8 271	7 807
Minor assets	730	(258)	(300)	172	172	-	100	382	204
Audit costs: external	7 028	4 176	-	11 204	11 204	-	100	12 442	12 442
Bursaries: employees	737	(163)	-	574	574	-	100	519	519
Catering: departmental activities	2 741	468	(403)	2 806	2 806	-	100	4 812	4 399
Communication (G&S)	8 216	(149)	-	8 067	8 067	-	100	9 309	8 864
Computer services	14 510	(858)	-	13 652	13 444	208	98,5	11 428	11 428
Consultants: business and advisory services	16 717	13 748	(400)	30 065	28 954	1 111	96,3	20 538	12 820
Legal services	4 424	1 851	(986)	5 289	5 289	-	100	3 651	2 969
Contractors	80 307	12 931	(5 967)	87 271	87 271	-	100	97 310	89 269
Agency and support/outsourced services	15 094	(5 101)	735	10 728	10 728	-	100	22 926	20 930
Entertainment	112	45	-	157	157	-	100	148	148
Fleet services (including government motor transport)	1 347	979	-	2 326	2 326	-	100	2 326	2 326

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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
Inventory: other supplies	4 492	(88)	-	4 404	4 404	-	100	12 194	12 194
Consumable supplies	1 152	(672)	-	480	480	-	100	5 613	737
Consumables: stationery, printing and office supplies	2 559	(1 063)	(287)	1 209	1 209	-	100	1 432	1 108
Operating leases	67 671	(8 655)	(332)	58 684	48 280	10 404	82,3	89 539	66 711
Property payments	18 046	128	-	18 174	18 174	-	100	19 052	40 087
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	67 617	(7 764)	(6 713)	53 140	52 550	590	98,9	70 598	63 682
Training and development	2 942	(1 634)	-	1 308	1 308	-	100	1 696	1 576
Operating payments	6 257	(1 317)	(1 002)	3 938	3 938	-	100	4 738	4 638
Venues and facilities	7 592	(815)	(60)	6 717	6 717	-	100	3 649	2 987
Rental and hiring	9 000	(8 841)	-	159	159	-	100	53	53
Interest and rent on land	-	91	-	91	91	-	100	220	220
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	220	220
Rent on land	-	91	-	91	91	-	100	-	-
<b>Transfers and subsidies</b>	<b>3 272 319</b>	<b>640</b>	<b>90 121</b>	<b>3 363 080</b>	<b>3 313 247</b>	<b>49 833</b>	<b>98,5</b>	<b>3 095 763</b>	<b>3 058 104</b>
Provinces and municipalities	1 357 132	1	-	1 357 133	1 357 133	-	100	1 274 317	1 274 317
Provinces	1 357 132	1	-	1 357 133	1 357 133	-	100	1 274 317	1 274 317
Provincial revenue funds	1 357 132	-	-	1 357 132	1 357 132	-	100	1 274 314	1 274 314
Provincial agencies and funds	-	1	-	1	1	-	100	3	3



Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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	1 569 815	-	60 756	1 630 571	1 626 212	4 359	99,7	1 463 193	1 459 809
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	1 569 815	-	60 756	1 630 571	1 626 212	4 359	99,7	1 463 193	1 459 809
Higher education institutions	6 180	-	-	6 180	6 171	9	99,9	80	80
Foreign governments and international organisations	4 203	-	11 128	15 331	14 891	440	97,1	4 197	3 998
Public corporations and private enterprises	104 296	13 029	11 852	129 177	129 147	30	100	123 041	108 059
Public corporations	7 674	-	(6 520)	1 154	1 124	30	97,4	18 080	3 098
Subsidies on products and production (PC)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	7 674	-	(6 520)	1 154	1 124	30	97,4	18 080	3 098
Private enterprises	96 622	13 029	18 372	128 023	128 023	-	100	104 961	104 961
Subsidies on products and production (PE)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	96 622	13 029	18 372	128 023	128 023	-	100	104 961	104 961
Non-profit institutions	205 626	(13 029)	3 738	196 335	155 621	40 714	79,3	201 928	186 258
Households	25 067	639	2 647	28 353	24 072	4 281	84,9	29 007	25 583
Social benefits	98	541	-	639	639	-	100,0	1 122	1 122
Other transfers to households	24 969	98	2 647	27 714	23 433	4 281	84,6	27 885	24 461

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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>Payments for capital assets</b>	<b>207 608</b>	-	<b>(73 506)</b>	<b>134 102</b>	<b>102 940</b>	<b>31 162</b>	<b>76,8</b>	<b>105 793</b>	<b>113 051</b>
Buildings and other fixed structures	186 913	-	(71 506)	115 407	93 990	21 417	81,4	94 719	104 155
Buildings	186 913	-	(71 506)	115 407	93 990	21 417	81,4	94 719	104 155
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 312	-	-	10 312	4 584	5 728	44,5	4 146	2 645
Transport equipment	1 500	-	-	1 500	740	760	49,3	-	-
Other machinery and equipment	8 812	-	-	8 812	3 844	4 968	43,6	4 146	2 645
Heritage assets	2 000	-	(2 000)	-	-	-	-	583	283
Software and other intangible assets	8 383	-	-	8 383	4 366	4 017	52,1	6 345	5 968
<b>Payment for financial assets</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>96</b>	<b>96</b>	<b>-</b>	<b>100,0</b>	<b>559</b>	<b>559</b>
<b>TOTAL</b>	<b>4 062 572</b>	<b>-</b>	<b>-</b>	<b>4 062 572</b>	<b>3 957 467</b>	<b>105 105</b>	<b>97,4</b>	<b>3 826 047</b>	<b>3 762 353</b>



## APPROPRIATION STATEMENT

for the year ended at 31 March 2017

## PROGRAMME 1: ADMINISTRATION

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	2016/2017							2015/16	
	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>Subprogramme</b>									
1. Ministry	4 558	-	-	4 558	4 211	347	92,4	4 204	4 204
2. Management	50 173	12 722	-	62 895	61 422	1 473	97,7	60 955	60 955
3. Corporate Services	95 779	4 467	-	100 246	92 814	7 432	92,6	86 628	85 127
4. Office of the CFO	26 645	2 091	-	28 736	28 736	-	100	30 800	30 800
5. Office Accommodation	85 446	(19 541)	-	65 905	55 501	10 404	84,2	95 700	72 846
	<b>262 601</b>	<b>(261)</b>	<b>-</b>	<b>262 340</b>	<b>242 684</b>	<b>19 656</b>	<b>92,5</b>	<b>278 287</b>	<b>253 932</b>
<b>Economic classification</b>									
<b>Current payments</b>	251 006	(2 168)	-	248 838	234 910	13 928	94,4	269 447	246 593
Compensation of employees	100 424	(392)	-	100 032	96 508	3 524	96,5	95 014	95 014
Salaries and wages	88 770	(853)	-	87 917	86 372	1 545	98,2	84 801	84 801
Social contributions	11 654	461	-	12 115	10 136	1 979	83,7	10 213	10 213
Goods and services	150 582	(1 867)	-	148 715	138 311	10 404	93,0	174 294	151 440
Administrative fees	404	294	-	698	698	-	100	370	370
Advertising	184	1 471	-	1 655	1 655	-	100	2 135	2 135
Minor assets	76	26	-	102	102	-	100	150	150
Audit costs: external	6 922	2 648	-	9 570	9 570	-	100	9 753	9 753
Bursaries: employees	737	(163)	-	574	574	-	100	519	519
Catering: departmental activities	621	(330)	-	291	291	-	100	789	789
Communication (G&S)	4,062	1,204	-	5,266	5,266	-	100	5 031	5 031
Computer services	14 510	(1 177)	-	13 333	13 333	-	100	11 090	11 090

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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	945	4 066	-	5 011	5 011	-	100	1 576	1 576
Legal services	1 104	2 591	-	3 695	3 695	-	100	578	578
Contractors	2 426	(1 106)	-	1 320	1 320	-	100	2 257	2 257
Agency and support/outsourced services	1 475	1 140	-	2 615	2 615	-	100	2 740	2 740
Entertainment	56	43	-	99	99	-	100	96	96
Fleet services (including government motor transport)	1 347	957	-	2 304	2 304	-	100	2 321	2 321
Consumable supplies	337	10	-	347	347	-	100	329	329
Consumables: stationery, printing and office supplies	700	228	-	928	928	-	100	742	742
Operating leases	66 463	(7 784)	-	58 679	48 275	10 404	82,3	88 631	65 803
Property payments	18 046	(1 014)	-	17 032	17 032	-	100	18 070	18 044
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	15 273	5 581	-	20 854	20 854	-	100	23 687	23 687
Training and development	2 335	(1 130)	-	1 205	1 205	-	100	1 576	1 576
Operating payments	1 409	(72)	-	1 337	1 337	-	100	987	987
Venues and facilities	2 150	(416)	-	1 734	1 734	-	100	844	844
Rental and hiring	9 000	(8 934)	-	66	66	-	100	23	23
Interest and rent on land	-	91	-	91	91	-	100	139	139
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	139	139
Rent on land	-	91	-	91	91	-	100	-	-





## Department of Arts and Culture - Vote 37

## APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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>Transfers and subsidies</b>	-	<b>394</b>	-	<b>394</b>	<b>394</b>	-	<b>100</b>	<b>1 072</b>	<b>1 072</b>
Provinces and municipalities	-	1	-	1	1	-	100	3	3
Provinces	-	1	-	1	1	-	100	3	3
Provincial revenue funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	1	-	1	1	-	100	3	3
Departmental agencies and accounts	-	-	-	-	-	-	-	7	7
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	7	7
Households	-	393	-	393	393	-	100	1 062	1 062
Social benefits	-	392	-	392	392	-	100	352	352
Other transfers to households	-	1	-	1	1	-	100	710	710
<b>Payments for capital assets</b>	<b>11 595</b>	<b>1 490</b>	-	<b>13 085</b>	<b>7 357</b>	<b>5 728</b>	<b>56,2</b>	<b>7 511</b>	<b>6 010</b>
Machinery and equipment	10 312	(302)	-	10 010	4 282	5 728	42,8	3 959	2 458
Transport equipment	1 500	-	-	1 500	740	760	49,3	-	-
Other machinery and equipment	8 812	(302)	-	8 510	3 542	4 968	41,6	3 959	2 458
Software and other intangible assets	1 283	1 792	-	3 075	3 075	-	100	3 552	3 552
<b>Payment for financial assets</b>	-	<b>23</b>	-	<b>23</b>	<b>23</b>	-	<b>100</b>	<b>257</b>	<b>257</b>
<b>TOTAL</b>	<b>262 601</b>	<b>(261)</b>	-	<b>262 340</b>	<b>242 684</b>	<b>19 656</b>	<b>92,5</b>	<b>278 287</b>	<b>253 932</b>

Department of Arts and Culture - Vote 37  
**APPROPRIATION STATEMENT**  
*for the year ended at 31 March 2017*

**PROGRAMME 2: INSTITUTIONAL GOVERNANCE**

	2016/2017							2015/16	
	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>Subprogramme</b>									
1. International Cooperation	37 793	(6 139)	(5 000)	26 654	25 908	746	97,2	39 316	31 255
2. Social Cohesion and Nation Building	48 664	895	(4 267)	45 292	40 263	5 029	88,9	47 757	33 386
3. Coordination, Monitoring, Evaluation and Good Governance	19 020	8 751	(2 050)	25 721	25 721	-	100	19 961	13 854
4. Capital Works	219 740	(4 203)	(73 506)	142 031	100 338	41 693	70,6	117 092	153 235
	<b>325 217</b>	<b>(696)</b>	<b>(84 823)</b>	<b>239 698</b>	<b>192 230</b>	<b>47 468</b>	<b>80,2</b>	<b>224 126</b>	<b>231 730</b>
<b>Economic classification</b>									
<b>Current payments</b>	82 407	(750)	(8 650)	73 007	70 747	2 260	96,9	74 631	84 146
Compensation of employees	35 832	(48)	-	35 784	33 524	2 260	93,7	28 192	27 805
Salaries and wages	32 511	(544)	-	31 967	30 013	1 954	93,9	25 232	24 845
Social contributions	3 321	496	-	3 817	3 511	306	92,0	2 960	2 960
Goods and services	46 575	(702)	(8 650)	37 223	37 223	-	100	46 412	56 314
Administrative fees	171	(32)	-	139	139	-	100	127	6 884
Advertising	430	820	-	1 250	1 250	-	100	967	503
Minor assets	172	(142)	-	30	30	-	100	201	23
Audit costs: external	106	212	-	318	318	-	100	225	225
Bursaries: employees	-	-	-	-	-	-	-	-	-



Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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	1 243	435	(403)	1 275	1 275	-	100	1 350	937
Communication (G&S)	1 408	(440)	-	968	968	-	100	1 882	1 437
Computer services	-	-	-	-	-	-	-	-	-
Consultants: business and advisory services	1 427	49	-	1 476	1 476	-	100	8 031	313
Legal services	-	650	-	650	650	-	100	-	-
Contractors	9 559	7 309	(2 000)	14 868	14 868	-	100	7 702	6 389
Agency and support/outsourced services	7 535	(5 830)	(700)	1 005	1 005	-	100	5 898	5 701
Entertainment	24	(4)	-	20	20	-	100	19	19
Inventory: other supplies	-	-	-	-	-	-	-	31	31
Consumable supplies	134	(122)	-	12	12	-	100	47	13
Consumables: stationery, printing and office supplies	284	(167)	-	117	117	-	100	100	66
Operating leases	563	(231)	(332)	-	-	-	-	283	283
Property payments	-	-	-	-	-	-	-	-	21 061
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	18 863	(2 612)	(4 213)	12 038	12 038	-	100	18 028	11 622
Training and development	-	103	-	103	103	-	100	120	-
Operating payments	1 833	(410)	(1 002)	421	421	-	100	297	197
Venues and facilities	2 823	(381)	-	2 442	2 442	-	100	1 097	603
Rental and hiring	-	91	-	91	91	-	100	7	7

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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
Interest and rent on land	-	-	-	-	-	-	-	27	27
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	27	27
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>50 297</b>	<b>47</b>	<b>(2 667)</b>	<b>47 677</b>	<b>27 486</b>	<b>20 191</b>	<b>57,7</b>	<b>54 050</b>	<b>43 003</b>
Departmental agencies and accounts	200	-	-	200	200	-	100	200	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	200	-	-	200	200	-	100	200	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 403	-	-	2 403	1 963	440	81,7	2 497	2 298
Public corporations and private enterprises	-	900	-	900	900	-	100	50	50
Private enterprises	-	900	-	900	900	-	100	50	50
Subsidies on products and production (PE)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	900	-	900	900	-	100	50	50
Non-profit institutions	38 258	(900)	(2 667)	34 691	17 242	17 449	49,7	42 451	35 154
Households	9 436	47	-	9 483	7 181	2 302	75,7	8 852	5 501
Social benefits	98	(50)	-	48	48	-	100	255	255
Other transfers to households	9 338	97	-	9 435	7 133	2 302	75,6	8 597	5 246



Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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>Payments for capital assets</b>	<b>192 513</b>	-	<b>(73 506)</b>	<b>119 007</b>	<b>93 990</b>	<b>25 017</b>	<b>79,0</b>	<b>95 325</b>	<b>104 461</b>
Buildings and other fixed structures	186 913	-	(71 506)	115 407	93 990	21 417	81,4	94 719	104 155
Buildings	186 913	-	(71 506)	115 407	93 990	21 417	81,4	94 719	104 155
Machinery and equipment	-	-	-	-	-	-	-	38	38
Other machinery and equipment	-	-	-	-	-	-	-	38	38
Heritage assets	2 000	-	(2 000)	-	-	-	-	606	306
Software and other intangible assets	3 600	-	-	3 600	-	3 600	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100</b>	<b>120</b>	<b>120</b>
<b>TOTAL</b>	<b>325 217</b>	<b>(696)</b>	<b>(84 823)</b>	<b>239 698</b>	<b>192 230</b>	<b>47 468</b>	<b>80,2</b>	<b>224 126</b>	<b>231 730</b>

Department of Arts and Culture - Vote 37  
**APPROPRIATION STATEMENT**  
*for the year ended at 31 March 2017*

**PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT**

	2016/2017							2015/16	
	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>Subprogramme</b>									
1. National Language Service	48 508	(2 578)	-	45 930	45 104	826	98,2	42 958	42 955
2. Pan South African Language Board	93 514	-	20 000	113 514	115 564	(2 050)	101,8	89 294	90 905
3. Cultural and Creative Industries Development	354 538	7 422	21 032	382 992	375 537	7 455	98,1	354 003	338 198
4. Performing Arts Institutions	316 462	-	18 520	334 982	334 398	584	99,8	264 277	263 177
5. National Film and Video Foundation	122 907	-	-	122 907	122 907	-	100	116 721	116 721
6. National Arts Council	101 182	-	-	101 182	101 182	-	100	97 589	97 589
7. Capital Works of Performing Arts Institutions	31 125	-	(6 520)	24 605	4 635	19 970	18,8	34 994	23 490
	<b>1 068 236</b>	<b>4 844</b>	<b>53 032</b>	<b>1 126 112</b>	<b>1 099 327</b>	<b>26 785</b>	<b>97,6</b>	<b>999 836</b>	<b>973 035</b>
<b>Economic classification</b>									
<b>Current payments</b>	123 803	4 522	1 570	129 895	126 768	3 127	97,6	143 753	140 300
Compensation of employees	48 712	(94)	-	48 618	45 699	2 919	94,0	46 873	43 420
Salaries and wages	45 892	(3 675)	-	42 217	39 986	2 231	94,7	40 445	38 014
Social contributions	2 820	3 581	-	6 401	5 713	688	89,3	6 428	5 406
Goods and services	75 091	4 616	1 570	81 277	81 069	208	99,7	96 853	96 853
Administrative fees	130	39	-	169	169	-	100	232	232
Advertising	1 430	(531)	-	899	899	-	100	1 922	1 922



Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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
Minor assets	106	(74)	-	32	32	-	100	21	21
Audit costs: external	-	524	-	524	524	-	100	344	344
Bursaries: employees	-	-	-	-	-	-	-	-	-
Catering: departmental activities	246	19	-	265	265	-	100	1 578	1 578
Communication (G&S)	1 216	(630)	-	586	586	-	100	815	815
Computer services	-	319	-	319	111	208	34,8	338	338
Consultants: business and advisory services	9 511	8 940	-	18 451	18 451	-	100	10 424	10 424
Legal services	2 000	(1 529)	-	471	471	-	100	1 753	1 753
Contractors	32 981	8 320	-	41 301	41 301	-	100	57 267	57 267
Agency and support/outsourced services	4 500	400	1 570	6 470	6 470	-	100	6 000	6 000
Entertainment	18	1	-	19	19	-	100	14	14
Consumable supplies	261	(255)	-	6	6	-	100	12	12
Consumables: stationery, printing and office supplies	693	(649)	-	44	44	-	100	167	167
Operating leases	641	(641)	-	-	-	-	-	308	308
Property payments	-	397	-	397	397	-	100	918	918
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	17 509	(8 057)	-	9 452	9 452	-	100	12 228	12 228
Training and development	607	(607)	-	-	-	-	-	-	-
Operating payments	1 140	(663)	-	477	477	-	100	1 300	1 300
Venues and facilities	2 102	(707)	-	1 395	1 395	-	100	1 199	1 199

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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
Rental and hiring	-	-	-	-	-	-	-	13	13
Interest and rent on land	-	-	-	-	-	-	-	27	27
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	27	27
<b>Transfers and subsidies</b>	<b>944 433</b>	<b>94</b>	<b>51 462</b>	<b>995 989</b>	<b>972 331</b>	<b>23 658</b>	<b>97,6</b>	<b>855 924</b>	<b>832 576</b>
Departmental agencies and accounts	669 892	-	30 558	700 450	699 616	834	99,9	577 356	575 244
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	669 892	-	30 558	700 450	699 616	834	99,9	577 356	575 244
Higher education institutions	6 180	-	-	6 180	6 171	9	99,9	80	80
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	104 296	12 129	11 852	128 277	128 247	30	100	122 991	108 009
Public corporations	7 674	-	(6 520)	1 154	1 124	30	97,4	18 080	3 098
Subsidies on products and production (PE)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	7 674	-	(6 520)	1 154	1 124	30	97,4	18 080	3 098
Private enterprises	96 622	12 129	18 372	127 123	127 123	-	100	104 911	104 911
Subsidies on products and production (PE)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	96 622	12 129	18 372	127 123	127 123	-	100	104 911	104 911





Department of Arts and Culture - Vote 37

## APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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
Non-profit institutions	153 765	(12 129)	6 405	148 041	126 509	21 532	85,5	141 832	135 578
Households	10 300	94	2 647	13 041	11 788	1 253	90,4	13 665	13 665
Social benefits	-	94	-	94	94	-	100	134	134
Other transfers to households	10 300	-	2 647	12 947	11 694	1 253	90,3	13 531	13 531
<b>Payments for capital assets</b>	<b>-</b>	<b>208</b>	<b>-</b>	<b>208</b>	<b>208</b>	<b>-</b>	<b>100</b>	<b>149</b>	<b>149</b>
Machinery and equipment	-	-	-	-	-	-	-	149	149
Other machinery and equipment	-	-	-	-	-	-	-	149	149
Software and other intangible assets	-	208	-	208	208	-	100	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>100</b>	<b>10</b>	<b>10</b>
<b>TOTAL</b>	<b>1 068 236</b>	<b>4 844</b>	<b>53 032</b>	<b>1 126 112</b>	<b>1 099 327</b>	<b>26 785</b>	<b>97,6</b>	<b>999 836</b>	<b>973 035</b>

Department of Arts and Culture - Vote 37  
**APPROPRIATION STATEMENT**  
*for the year ended at 31 March 2017*

**PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION**

	2016/2017							2015/16	
	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>Subprogramme</b>									
1. Heritage Promotion and Preservation	92 805	497	4 593	97 895	92 342	5 553	94,3	98 910	86 136
2. National Archives and Records Services of South Africa	41 928	(4 233)	-	37 695	37 278	417	98,9	40 308	39 413
3. Heritage Institutions	610 882	-	19 530	630 412	634 901	(4 489)	100,7	626 285	629 291
4. National Library Services	132 829	-	668	133 497	142 617	(9 120)	106,8	119 118	115 220
5. Public Library Services	1 382 671	-	-	1 382 671	1 380 970	1 701	99,9	1 302 483	1 299 079
6. South African Heritage Resources Agency	58 259	-	10 000	68 259	51 125	17 134	74,9	73 552	73 552
7. South African Geographical Names Council	4 420	(151)	(3 000)	1 269	1 269	-	100	4 487	2 490
8. National Heritage Council	82 724	-	-	82 724	82 724	-	100	58 655	58 475
	<b>2 406 518</b>	<b>(3 887)</b>	<b>31 791</b>	<b>2 434 422</b>	<b>2 423 226</b>	<b>11 196</b>	<b>99,5</b>	<b>2 323 798</b>	<b>2 303 656</b>
<b>Economic classification</b>									
<b>Current payments</b>	125 429	(2 340)	(9 535)	113 554	108 759	4 795	95,8	136 101	119 600
Compensation of employees	53 374	(105)	-	53 269	50 175	3 094	94,2	49 595	48 113
Salaries and wages	45 443	1 090	-	46 533	43 968	2 565	94,5	43 092	42 240
Social contributions	7 931	(1 195)	-	6 736	6 207	529	92,1	6 503	5 873
Goods and services	72 055	(2 235)	(9 535)	60 285	58 584	1 701	97,2	86 479	71 460
Administrative fees	751	(428)	-	323	323	-	100	683	683
Advertising	1 512	1 231	(900)	1 843	1 843	-	100	3 247	3 247



Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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
Minor assets	376	(68)	(300)	8	8	-	100	10	10
Audit costs: external	-	792	-	792	792	-	100	2 120	2 120
Bursaries: employees	-	-	-	-	-	-	-	-	-
Catering: departmental activities	631	344	-	975	975	-	100	1 095	1 095
Communication (G&S)	1 530	(283)	-	1 247	1 247	-	100	1 581	1 581
Computer services	-	-	-	-	-	-	-	-	-
Consultants: business and advisory services	4 834	693	(400)	5 127	4 016	1 111	78,3	507	507
Legal services	1 320	139	(986)	473	473	-	100	1 320	638
Contractors	35 341	(1 592)	(3 967)	29 782	29 782	-	100	30 084	23 356
Agency and support/outsourced services	1 584	(811)	(135)	638	638	-	100	8 288	6 489
Entertainment	14	5	-	19	19	-	100	19	19
Fleet services (including government motor transport)	-	22	-	22	22	-	100	5	5
Inventory: other supplies	4 492	(88)	-	4 404	4 404	-	100	12 163	12 163
Consumable supplies	420	(305)	-	115	115	-	100	5 225	383
Consumables: stationery, printing and office supplies	882	(475)	(287)	120	120	-	100	423	133
Operating leases	4	1	-	5	5	-	100	317	317
Property payments	-	745	-	745	745	-	100	64	64
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	15 972	(2 676)	(2 500)	10 796	10 206	590	94,5	16 655	16 145

Department of Arts and Culture - Vote 37

# APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	2016/2017							2015/16	
	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
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	1 875	(172)	-	1 703	1 703	-	100	2 154	2 154
Venues and facilities	517	689	(60)	1 146	1 146	-	100	509	341
Rental and hiring	-	2	-	2	2	-	100	10	10
Interest and rent on land	-	-	-	-	-	-	-	27	27
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	27	27
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 277 589</b>	<b>105</b>	<b>41 326</b>	<b>2 319 020</b>	<b>2 313 036</b>	<b>5 984</b>	<b>99,7</b>	<b>2 184 717</b>	<b>2 181 453</b>
Provinces and municipalities	1 357 132	-	-	1 357 132	1 357 132	-	100	1 274 314	1 274 314
Provinces	1 357 132	-	-	1 357 132	1 357 132	-	100	1 274 314	1 274 314
Provincial revenue funds	1 357 132	-	-	1 357 132	1 357 132	-	100	1 274 314	1 274 314
Departmental agencies and accounts	899 723	-	30 198	929 921	926 396	3 525	99,6	885 630	884 558
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	899 723	-	30 198	929 921	926 396	3 525	99,6	885 630	884 558
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 800	-	11 128	12 928	12 928	-	100	1 700	1 700
Non-profit institutions	13 603	-	-	13 603	11 870	1 733	87,3	17 645	15 526
Households	5 331	105	-	5 436	4 710	726	86,6	5 428	5 355
Social benefits	-	105	-	105	105	-	100	381	381
Other transfers to households	5 331	-	-	5 331	4 605	726	86,4	5 047	4 974



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## APPROPRIATION STATEMENT

for the year ended at 31 March 2017

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	2016/2017							2015/16	
	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>Payments for capital assets</b>	<b>3 500</b>	<b>(1 698)</b>	-	<b>1 802</b>	<b>1 385</b>	<b>417</b>	<b>76,9</b>	<b>2 808</b>	<b>2 431</b>
Machinery and equipment	-	302	-	302	302	-	100	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	302	-	302	302	-	100	-	-
Heritage assets	-	-	-	-	-	-	-	15	15
Software and other intangible assets	3 500	(2 000)	-	1 500	1 083	417	72,2	2 793	2 416
<b>Payment for financial assets</b>	-	<b>46</b>	-	<b>46</b>	<b>46</b>	-	<b>100</b>	<b>172</b>	<b>172</b>
<b>TOTAL</b>	<b>2 406 518</b>	<b>(3 887)</b>	<b>31 791</b>	<b>2 434 422</b>	<b>2 423 226</b>	<b>11 196</b>	<b>99,5</b>	<b>2 323 798</b>	<b>2 303 656</b>

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended at 31 March 2017



## 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 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 to 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 % of final appropriation
	R'000	R'000	R'000	%
<b>Administration</b>	262 340	242 684	19 656	7,49
<b>Institutional Governance</b>	239 698	192 230	47 468	19,80

The under-expenditure was mainly due to journals for operating leases paid on behalf of public entities being posted from Office Accommodation to Transfers to Public Entities.

The under-expenditure was due to:

- HVAC Project – contractual challenges between DAC and DPW
- National Archives—Old Library – invoices not received from DPW, which were received only after year end.
- Isibhubhu Cultural Arena – contract was discontinued with the implementing agent and a new agent is being appointed.
- Samora Machel – Department is awaiting a final completion from DPW
- National Heritage Company (statues) Project – placed under investigation and the matter had not yet been finalized.

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended at 31 March 2017

Programme name	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
<b>Arts and Culture Promotion and Development</b>	1 126 112	1 099 327	26 785	2,38
The under-expenditure mainly attributed to the Upgrading of Community Arts Centres				
<b>Heritage Promotion and Preservation</b>	2 434 422	2 423 226	11 196	0,46
The under-expenditure mainly attributed to funds of South African Heritage Resources Agency (SAHRA) that could not be transferred as the Department is still awaiting a final report with audited financial statements on the previous transfer that was done to SAHRA on the Delville Wood Project.				

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**4.2 Per economic classification**

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	237 703	225 906	11 797	5,0
Goods and services	327 500	315 187	12 313	3,8
Interest and rent on land	91	91	-	0,0
<b>Transfers and subsidies</b>				
Provinces and municipalities	1 357 133	1 357 133	-	0
Departmental agencies and accounts	1 630 571	1 626 212	4 359	0,3
Higher education institutions	6 180	6 171	9	0,1
Public corporations and private enterprises	129 177	129 147	30	0,0
Foreign governments and international organisations	15 331	14 891	440	2,9
Non-profit institutions	196 335	155 621	40 714	20,7
Households	28 353	24 072	4 281	15,1

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended at 31 March 2017

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	115 407	93 990	21 417	18,6
Machinery and equipment	10 312	4 584	5 728	55,5
Software and other intangible assets	8 383	4 366	4 017	47,9
<b>Payments for financial assets</b>	<b>96</b>	<b>96</b>	<b>-</b>	<b>0,0</b>

## Compensation of employees

Under-expenditure caused by posts that the Department could not fill and commit in 2016/17, due to insufficient budget allocation in 2017/18

## Goods and services

Under-expenditure mainly due to journals for operating leases paid on behalf of public entities being posted from Office Accommodation to Transfers to Public Entities

## Transfers and subsidies

Under-expenditure mainly due to delays in capital works projects

## Payments for capital assets

Under-expenditure mainly due to delays in capital works projects as well as delay in the delivery of servers, as the equipment is being shipped from overseas

### 4.3 Per conditional grant

	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
<b>Community library conditional grants received</b>	1 357 133	1 357 133	-	0





Department of Arts and Culture - Vote 37

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended at 31 March 2017

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	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	1	4 062 572	3 826 047
Departmental revenue	2	1 262	2 970
<b>TOTAL REVENUE</b>		<b>4 063 834</b>	<b>3 829 017</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	225 906	214 352
Goods and services	4	315 187	376 067
Interest and rent on land	5	91	220
Aid assistance		-	-
<b>Total current expenditure</b>		<b>541 184</b>	<b>590 639</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	3 313 247	3 058 104
Aid assistance		-	-
<b>Total transfers and subsidies</b>		<b>3 313 247</b>	<b>3 058 104</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	98 574	107 083
Intangible assets	8	4 366	5 968
<b>Total expenditure for capital assets</b>		<b>102 940</b>	<b>113 051</b>
<b>Payments for financial assets</b>	6	<b>96</b>	<b>559</b>
<b>TOTAL EXPENDITURE</b>		<b>3 957 467</b>	<b>3 762 353</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>106 367</b>	<b>66 664</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		105 105	63 694
Annual appropriation		105 105	63 694
Departmental revenue and NRF Receipts	14	1 262	2 970
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>106 367</b>	<b>66 664</b>

Department of Arts and Culture - Vote 37

# STATEMENT OF FINANCIAL POSITION

for the year ended at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	97 621	146 650
Prepayments and advances	10	7 326	2 618
Receivables	11	1 676	904
<b>Non-Current Assets</b>			
Investments		-	-
<b>TOTAL ASSETS</b>		<b>106 623</b>	<b>150 172</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	105 103	148 324
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	13	24	184
Payables	14	1 496	1 664
<b>TOTAL LIABILITIES</b>		<b>106 623</b>	<b>150 172</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>



Department of Arts and Culture - Vote 37

# CASH FLOW STATEMENT

for the year ended at 31 March 2017

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	Note	2016/17 R'000	2015/16 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Annual appropriated funds received	1.1	4 062 572	3 826 047
Statutory appropriated funds received		-	-
Departmental revenue received	2	1 222	2 837
Interest received	2.2	40	8
Net (increase)/decrease in working capital		(5 648)	88 132
Surrendered to Revenue Fund		(149 748)	61 197
Surrendered to RDP Fund/Donor		-	-
Current payments		(541 093)	(590 419)
Interest paid	5	(91)	(220)
Payments for financial assets		(96)	(559)
Transfers and subsidies paid		(3 313 247)	(3 058 104)
<b>Net cash flow available from operating activities</b>	15	<b>53 911</b>	<b>328 919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(102 940)	(113 051)
Proceeds from sale of capital assets	2.3	-	<b>125</b>
Increase/decrease in investments		-	-
<b>Net cash flows from investing activities</b>		<b>(102 940)</b>	<b>(112 926)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/decrease in net assets		-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(49 029)	215 993
Cash and cash equivalents at beginning of period		146 650	(69 343)
<b>Cash and cash equivalents at end of period</b>	16	<b>97 621</b>	<b>146 650</b>

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 1. Annual appropriation

	2016/17			2015/16	
	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>Programme</b>					
Administration	262 340	262 601	(261)	278 287	242 412
Institutional Governance	239 698	325 217	(85 519)	224 126	397 558
Arts and Culture Promotion and Development	1 126 112	1 068 236	57 876	999 836	1 076 224
Heritage Promotion and Preservation	2 434 422	2 406 518	27 904	2 323 798	2 109 853
<b>TOTAL</b>	<b>4 062 572</b>	<b>4 062 572</b>	<b>-</b>	<b>3 826 047</b>	<b>3 826 047</b>

## 2. Departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Sales of goods and services other than capital assets	2.1	298	322
Interest, dividends and rent on land	2.2	40	8
Sales of capital assets	2.3	-	125
Transactions in financial assets and liabilities	2.4	924	2,515
Transfers received		-	-
Total revenue collected		1 262	2 970
Less: own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>1 262</b>	<b>2 970</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

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

	Note	2016/17	2015/16
	2	R'000	R'000
Sales of goods and services produced by the Department		298	322
Sales by market establishment		14	15
Administrative fees		2	5
Other sales		282	302
Sales of scrap, waste and other used current goods		-	-
<b>TOTAL</b>		<b>298</b>	<b>322</b>

**2.2 Interest, dividends and rent on land**

	Note	2016/17	2015/16
	2	R'000	R'000
Interest		40	8
Dividends		-	-
Rent on land		-	-
<b>TOTAL</b>		<b>298</b>	<b>322</b>

**2.3 Sales of capital assets**

	Note	2016/17	2015/16
	2	R'000	R'000
<b>Tangible assets</b>		-	125
Buildings and other fixed structures		-	-
Machinery and equipment	28	-	125
Biological assets		-	-
<b>TOTAL</b>		<b>-</b>	<b>125</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 2.4 Transactions in financial assets and liabilities

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	2	<b>R'000</b>	<b>R'000</b>
Receivables		75	105
Other receipts including recoverable revenue		849	2 410
Gains on GFECRA		-	-
<b>TOTAL</b>		<b>924</b>	<b>2 515</b>

### 3. Compensation of employees

#### 3.1 Salaries and wages

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		155 545	146 627
Performance award		2 241	3 326
Service based		267	111
Compensative/circumstantial		5 180	4 169
Periodic payments		-	-
Other non-pensionable allowances		37 105	35 667
<b>TOTAL</b>		<b>200 338</b>	<b>189 900</b>



# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 3.2 Social contributions

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>		18 399	17 485
Pension		7 136	6 936
Medical aid		-	-
UIF		33	31
Bargaining council		-	-
Official unions and associations			
Insurance		-	-
<b>TOTAL</b>		<b>25 568</b>	<b>24 452</b>
<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>225 906</b>	<b>214 352</b>
<b>Average number of employees</b>		<b>504</b>	<b>513</b>

### Compensation of employees

Compared to the previous year there was an increase of R11,5 million, which translates into 5,4%. This is due to the increase in the current year's real growth in personnel budget. There were also increases in medical aid and housing allowances.

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 4. Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		1 329	8 169
Advertising		5 645	7 809
Minor assets	4.1	173	203
Bursaries (employees)		574	519
Catering		2 805	4 399
Communication		8 066	8 863
Computer services	4.2	13 443	11 429
Consultants: business and advisory services		28 955	12 819
Legal services		5 289	2 969
Contractors		87 272	89 269
Agency and support/outsourced services		10 729	20 929
Entertainment		157	147
Audit cost – external	4.3	11 204	12 442
Fleet services		2 327	2 326
Inventory	4.4	4 404	12 194
Consumables	4.5	1 688	1 843
Housing		-	-
Operating leases		48 280	66 712
Property payments	4.6	18 174	40 087
Rental and hiring		159	53
Travel and subsistence	4.7	52 550	63 684
Venues and facilities		6 717	2 987
Training and development		1 308	1 576
Other operating expenditure	4.8	3 939	4 639
<b>TOTAL</b>		<b>315 187</b>	<b>376 067</b>





# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

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## **Administrative fees**

Administrative fees are R6,7 million lower than the previous year. This is due to management fee charged on the IDT projects in the 2015/16 FY. In the current year there are no payments as the projects have been taken over by the Department.

## **Advertising**

There was high volume of advertising in the 2015/16 FY for marketing the inaugural celebration of Africa Month.

## **Audit costs: external**

The audit fees are R1,2 million lower than the previous year because there were some delayed payments of invoices in the 2015/16 FY.

## **Consultants: business and advisory services**

There is an increase of R16,1 million in this item, mainly due to payments made for work performed by the White Paper reference panel members for the review of the White Paper on Arts, Culture and Heritage. The increase includes payments made to the South African Cultural Observatory for the research services on behalf of the Department and payments to conditional grant contract workers.

## **Legal services**

The increase of R2,3 million is mainly due to payments made to the appointed legal services firm handling the disciplinary process as per recommendations of the forensic audit report and the institution of civil legal recovery proceedings against implicated officials.

## **Agency and support/outsourced services**

The low spending in the 2016/17 FY is attributed by the reclassification of item by Treasury for the remuneration of the fixed term contract staff for conditional grant to Consultants: business and advisory services.

## **Inventory: other supplies**

2015/16 FY was the last planned phase for the large scale of SA Flag Installation In Schools Project. DAC is currently identifying any gaps that may exist in schools so that they are addressed and the project can be concluded. The scope for the installation of flags in schools during the 2016/17 FY was a pilot phase for AU flags with a target of 500.

## **Operating leases**

The Department settled outstanding invoices dating back from 2013/14 FY in the 2015/16 FY, resulting in the higher spending.

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



## Property payments

The Department settled outstanding invoices dating back from 2013/14 FY in the 2015/16 FY, resulting in the higher spending.

## Travel and subsistence

There was high volume of travelling in the 2015/16 FY due to the inaugural celebrations of Africa Month. The Department also incurred high spending on travel-related expenditure paid for non-employees. Strict measures were put in place with regards to the number of delegates travelling in order to adhere to the cost containment measures in the 2016/17 FY.

## Venues and facilities

External venues were utilized more in the current FY for the hosting of community conversations and social cohesion platforms for the coordination of Outcome 14.

### 4.1 Minor assets

	Note	2016/17	2015/16
	4	R'000	R'000
<b>Tangible assets</b>		<b>173</b>	<b>203</b>
Machinery and equipment		173	203
<b>TOTAL</b>		<b>173</b>	<b>203</b>

### 4.2 Computer services

	Note	2016/17	2015/16
	4	R'000	R'000
SITA computer services		7 475	5 901
External computer service providers		5 968	5 528
<b>TOTAL</b>		<b>13,443</b>	<b>11,429</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**4.3 Audit cost – external**

	Note	2016/17	2015/16
	4	R'000	R'000
Regularity audits		7 043	8 705
Performance audits		-	76
Investigations		3 866	3 661
Computer audits		295	-
<b>TOTAL</b>		<b>11 204</b>	<b>12 442</b>

**4.4 Inventory**

	Note	2016/17	2015/16
	4	R'000	R'000
Materials and supplies		4 404	12 194
<b>TOTAL</b>		<b>4 404</b>	<b>12 194</b>

**4.5 Consumables**

	Note	2016/17	2015/16
	4	R'000	R'000
Consumable supplies		477	736
Uniforms and clothing		6	-
Household supplies		395	390
Building material and supplies		31	15
IT consumables		24	28
Other consumables		21	303
Stationery, printing and office supplies		1 211	1 107
<b>TOTAL</b>		<b>1 688</b>	<b>1 843</b>

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



## 4.6 Property payments

	Note	2016/17	2015/16
	4	R'000	R'000
Municipal services		6 953	10 722
Property management fees		2 797	32
Property maintenance and repairs		399	21 980
Other		8 025	7 353
<b>TOTAL</b>		<b>18 174</b>	<b>40 087</b>

### Property payments: other

Gardening services	235
Cleaning services	5
Fire protection	25
Pest control and fumigation service	30
Safeguard and security	7 730
<b>TOTAL</b>	<b>8 025</b>

## 4.7 Travel and subsistence

	Note	2016/17	2015/16
	4	R'000	R'000
Local		36 667	45 609
Foreign		15 883	18 075
<b>TOTAL</b>		<b>52 550</b>	<b>63 684</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 4.8 Other operating expenditure

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	4	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership and subscription fees		782	1 435
Resettlement costs		113	86
Other		3 044	3 118
<b>TOTAL</b>		<b>3 939</b>	<b>4 639</b>

#### Other operating expenditure: other

Courier and delivery services	636
Honoraria (voluntary workers)	33
None-life insurance premium	144
Printing & publication services	2 231
<b>TOTAL</b>	<b>3 939</b>

### 5. Interest and rent on land

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Interest paid		91	125
Penalties		-	95
<b>TOTAL</b>		<b>91</b>	<b>220</b>

An amount of R91 000 relates to the interest levied on the Department by the Political Office Bearers' Pension Fund on pension fund. The interest was incurred as a result of a shortfall on the contribution.

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 6. Payments for financial assets

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Other material losses written off	6.1	96	559
<b>TOTAL</b>		<b>96</b>	<b>559</b>

The decrease in this note is due to the fact that the Loss and Control Committee is still in the process of investigating matters. A decision will be taken to write off or to recover the amount paid in relation to these losses.

#### 6.1 Other material losses written off

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Nature of losses</b>			
Damages and losses written off	6	96	559
<b>TOTAL</b>		<b>96</b>	<b>559</b>

The decrease in this note is due to the fact that the Loss and Control Committee is still in the process of investigating matters. A decision will be taken to write off or to recover the amount paid in relation to these losses.



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 7. Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Provinces and municipalities	33	1 357 133	1 274 317
Departmental agencies and accounts	ANNEXURE 1B	1 626 212	1 459 809
Higher education institutions	ANNEXURE 1C	6 171	80
Foreign governments and international organisations	ANNEXURE 1E	14,891	3 998
Public corporations and private enterprises	ANNEXURE 1D	129 147	108 059
Non-profit institutions	ANNEXURE 1F	155 621	186 258
Households	ANNEXURE 1G	24 072	25 583
<b>TOTAL</b>		<b>3 313 247</b>	<b>3 058 104</b>

**Higher education institutions**

High expenditure in the 2016/17 FY is due to Human Language Technologies' financial assistance projects to universities.

**Foreign governments and international organizations**

In the 2016/17 FY a once-off special allocation of R11,128 million was made to the African World Heritage Fund (AWHF) for the pledge to the endowment fund made by the SA Government to the African Union to ensure sustainability of the Fund.

**Unspent funds transferred to the above beneficiaries**

Provinces and municipalities	96 937	100 926
<b>TOTAL</b>	<b>96 937</b>	<b>100 926</b>

The amount of R100 926 was unspent by the provinces in the 2015/16 FY and was received by the Department in the 2016/17 FY and was surrendered to National Treasury. The amount of R96 937 was unspent by the provinces in the financial year 2016/17; however at the end of the financial the amount had not yet been received by the Department. The provinces may apply for a rollover on the unspent amount of R96 937 for the financial year 2016/17. The rollover may be approved in the financial year 2017/18 and the portion of unspent fund that will not be rolled over will be paid to the Department during the financial year.

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 8. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>		<b>98 574</b>	<b>107 083</b>
Buildings and other fixed structures	30	93,990	104 155
Heritage assets	28	-	283
Machinery and equipment	28	4,584	2 645
<b>Intangible assets</b>	29	<b>4 366</b>	<b>5 968</b>
Software		4 366	5 968
<b>TOTAL</b>		<b>102 940</b>	<b>113 051</b>

## 8.1 Analysis of funds utilised to acquire capital assets - 2016/17

	Voted funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>	<b>98 574</b>	-	<b>98 574</b>
Buildings and other fixed structures	93 990	-	93 990
Machinery and equipment	4 584	-	4 584
<b>Intangible assets</b>	<b>4 366</b>	-	<b>4 366</b>
Software	4 366	-	4 366
<b>TOTAL</b>	<b>102 940</b>	-	<b>102 940</b>

**Transport equipment**

In the 2016/17 FY the Department procured a motor vehicle for the Minister.





# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 8.2 Analysis of funds utilised to acquire capital assets - 2015/16

	Voted funds	Aid assistance	TOTAL
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>107 083</b>	-	<b>107 083</b>
Buildings and other fixed structures	104 155	-	104 155
Heritage assets	283	-	283
Machinery and equipment	2 645	-	2 645
<b>Intangible assets</b>	<b>5 968</b>	-	<b>5 968</b>
Software	5 968	-	5 968
<b>TOTAL</b>	<b>113 051</b>	-	<b>113 051</b>

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## 9. Cash and cash equivalents

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		97 581	146 650
Cash receipts		-	-
Disbursements		40	-
<b>TOTAL</b>		<b>97 621</b>	<b>146 650</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**10. Prepayments and advances**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Travel and subsistence		467	74
Prepayments (not expensed)	10.2	877	-
Advances paid (not expensed)	10.1	5 982	2 544
<b>TOTAL</b>		<b>7 326</b>	<b>2 618</b>

**10.1 Advances paid (not expensed)**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
National departments	Annex 8A	5 982	2,544
<b>TOTAL</b>		<b>5 982</b>	<b>2,544</b>

**Advances to national departments include to following:**

Department of International Relations	3 665
Government Communication & Information System	2 317

An amount of R2,9 million was recorded as an accrual in relation to the invoices in transit from embassies with regard to Department of International Relations money advanced to them. The advance balance in this note would have decreased by this amount.

**10.2 Prepayments (not expensed)**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Capital assets		877	-
<b>TOTAL</b>		<b>877</b>	<b>-</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 11. Receivables

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	Note	2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	515	-	515	264	-	264
Recoverable expenditure	11.2	794	-	794	452	-	452
Staff debt	11.3	367	-	367	188	-	188
<b>TOTAL</b>		<b>1 676</b>	<b>-</b>	<b>1 676</b>	<b>904</b>	<b>-</b>	<b>904</b>

## 11.1 Claims recoverable

	Note	2016/17	2015/16
		R'000	R'000
National departments	11	-	264
Public entities		515	-
<b>TOTAL</b>		<b>515</b>	<b>264</b>

The amount of R515 000 is in relation to the claim sent to the National Empowerment Fund (NEF) for an employee seconded to the NEF in relation to the Venture Capital partnership between the Department and the NEF.

## 11.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17	2015/16
		R'000	R'000
Damages and losses	11	791	389
Salaries disallowance account		2	63
Tax debt		1	-
<b>TOTAL</b>		<b>794</b>	<b>452</b>

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



## 11.3 Staff debt

	Note	2016/17	2015/16
	11	R'000	R'000
Staff debt		367	188
<b>TOTAL</b>		<b>367</b>	<b>188</b>

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## 12. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		148 324	20 321
Transfer from statement of financial performance (as restated)		105,105	63 694
Add: unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (Parliament/legislatures ONLY)		-	-
Paid during the year		(148 326)	64 309
<b>CLOSING BALANCE</b>		<b>105 103</b>	<b>148 324</b>

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

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		184	326
Transfer from Statement of Financial Performance (as restated)		1 262	2 970
Paid during the year		(1 422)	(3 112)
<b>TOTAL</b>		<b>24</b>	<b>184</b>

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 14. Payables - current

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Amounts owing to other entities		1 079	1 079
Clearing accounts	14.1	172	513
Other payables	14.2	245	72
<b>TOTAL</b>		<b>1 496</b>	<b>1 664</b>

### 14.1 Clearing accounts

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Salaries disallowance account	14	-	13
Salary income tax		172	500
<b>TOTAL</b>		<b>172</b>	<b>513</b>

### 14.2 Other payables

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Debt payable	14	145	67
Debt payable interest		26	5
Exchequer grant account		74	-
<b>TOTAL</b>		<b>245</b>	<b>72</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 15. Net cash flow available from operating activities

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		106 367	66 664
Add back non-cash/cash movements not deemed operating activities		(52 456)	262 255
(Increase)/decrease in receivables		(772)	4 868
(Increase)/decrease in prepayments and advances		(4 708)	82 576
Increase/(decrease) in payables – current		(168)	688
Proceeds from sale of capital assets		-	(125)
Expenditure on capital assets		102 940	113 051
Surrenders to Revenue Fund		(149 748)	61 197
<b>Net cash flow generated by operating activities</b>		<b>53,911</b>	<b>328 919</b>

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

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated paymaster general account		97 581	146 650
Disbursements		40	-
<b>TOTAL</b>		<b>97 621</b>	<b>146 650</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**17. Contingent liabilities and contingent assets****17.1 Contingent liabilities**

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		<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
			<b>R'000</b>	<b>R'000</b>
<b>Liable to</b>	<b>Nature</b>			
Motor vehicle guarantees	Employees	Annex 3A	-	-
Housing loan guarantees	Employees	Annex 3A	42	42
Claims against the Department		Annex 3B	63 014	28 270
Intergovernmental payables (unconfirmed balances)		Annex 5	62,065	3 494
<b>TOTAL</b>			<b>125 121</b>	<b>31 806</b>

The possible obligation has arisen as a result of housing loan guarantees issued by the Department that are not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The possible obligation has arisen as a result of claims against the Department that are not recognised because it is a possible obligation that arises from past events, and whose existence will be confirmed only by finalization of the court cases involved. The possible obligation has arisen as a result of unconfirmed intergovernmental claims that are not recognised because it is a possible obligation that arises from past events, and of which the amount cannot be measured with sufficient reliability and whose existence will be confirmed by investigation. There is an increase in contingent liabilities which is due to new claims received during the year.

**Contingent assets****Nature of contingent asset**

Litigation case	9 982	4 756
<b>TOTAL</b>	<b>9 982</b>	<b>4 756</b>

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

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 18. Commitments

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Current expenditure</b>			
Approved and contracted		63 840	89 853
Approved but not yet contracted		75,556	83 156
		139 396	173 009
<b>Capital expenditure</b>			
Approved and contracted		167 240	327 501
Approved but not yet contracted		-	-
		<b>167 240</b>	<b>327 501</b>
<b>TOTAL</b>		<b>306 636</b>	<b>500 510</b>

Excluded from the above commitments is an amount of R20 609 million that the Department has retained in relation to contracts with Mzansi Golden Economy and other transfer payments. The funds will not be disbursed until conditions specified in the contracts are met.





## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 19. Accruals and payables not recognised

## 19.1 Accruals

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	2016/17			2015/16
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>				
Goods and services	68 792	5 521	74 313	6 865
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	21 881	-	21 881	-
<b>TOTAL</b>	<b>90 673</b>	<b>5 521</b>	<b>96 194</b>	<b>6 865</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme</b>			
Programme 1		7 119	5 978
Programme 2		71 889	398
Programme 3		6 101	122
Programme 4		11 085	367
<b>TOTAL</b>		<b>96 194</b>	<b>6 865</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 19.2 Payables not recognised

	2016/17			2015/16
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>				
Goods and services	6 998	970	7 968	112 391
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
<b>TOTAL</b>	<b>6 998</b>	<b>970</b>	<b>7 968</b>	<b>112 391</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme</b>			
Programme 1		477	4,460
Programme 2		6,248	106,680
Programme 3		1,158	765
Programme 4		85	486
<b>TOTAL</b>		<b>7,968</b>	<b>112,391</b>

The decrease in Programme 2 payable and the increase in Programme 2 accruals are as a result of transactions being recognized as accruals in the 2016/17 FY. The transactions were recognized as payable in the previous financial year due to the recognition criterion set by the Modified Cash Standard. At the reporting date those transactions were recognized as accruals.

The increase in Programme 4 accruals is due to an invoice amounting to R9,5 million for the service rendered in relation to National Archives for old building remedial work.

**Included in the above totals are the following:**

Confirmed balances with departments	Annex 5	8 077	1 881
Confirmed balances with other government entities	Annex 5	80 623	110 510
<b>TOTAL</b>		<b>88 700</b>	<b>112 391</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 20. Employee benefits

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		10 767	8 790
Service bonus (thirteenth cheque)		5 555	5 328
Performance awards		3 487	3 295
Capped leave commitments		5 097	4 942
Other		-	-
<b>TOTAL</b>		<b>24 906</b>	<b>22 355</b>

At this stage the Department is not able to reliably measure the long-term portion of the long-service awards. Leave with negative balance amounting to R137 977,94

### 21. Lease commitments

#### 21.1 Operating leases expenditure

<b>2016/17</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	2 484	2 484
Later than 1 year and not later than 5 years	2 668	2 668
Later than five years	-	-
<b>TOTAL</b>	<b>5 152</b>	<b>5 152</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

2015/16	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	632	632
Later than 1 year and not later than 5 years	277	277
Later than five years	-	-
<b>TOTAL</b>	<b>909</b>	<b>909</b>

The Department entered into an operating lease arrangement for the services such as provision of vehicles, photocopiers and others. The lease arrangements are for a period of not more than three years with no renewal and purchase option. The lease arrangement imposes restrictions in relation to enhancements, repairs and maintenance. The lessors do the repair and maintain the assets under lease agreements.

## 22. Accrued departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Interest, dividends and rent on land		13 317	12 448
Sale of capital assets		136	-
<b>TOTAL</b>		<b>13 453</b>	<b>12 448</b>

### 22.1 Analysis of accrued departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		12 448	10 728
Less: amounts received		-	-
Add: amounts recognised		1 005	1 720
Less: amounts written-off/reversed as irrecoverable		-	-
<b>CLOSING BALANCE</b>		<b>13 453</b>	<b>12 448</b>



# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 23. Irregular expenditure

### 23.1 Reconciliation of irregular expenditure

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	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		403 376	292 059
Prior-period error			(176)
As restated		403 376	291 883
Add: irregular expenditure - relating to prior year		-	-
Add: irregular expenditure - relating to current year		15 202	111 493
Less: prior year amounts condoned		(2 647)	-
Less: current year amounts condoned		(3 967)	-
Less: amounts not condoned and recoverable		-	-
Less: amounts not condoned and not recoverable		-	-
Irregular expenditure awaiting condonation		411 964	403 376
<b>Analysis of awaiting condonation per age classification</b>			
Current year		10 888	111 493
Prior years		401 076	291 883
<b>TOTAL</b>		<b>411 964</b>	<b>403 376</b>

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



## 23.2 Details of irregular expenditure – added current year (relating to current and prior years)

		2016/17
		R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Appointment of consultants without following a competitive bidding process	Investigation finalised	647
Competitive bidding process not followed in the award of bids	Investigation finalised	600
Procurement of services not done through SCM and reasons provided to deviate are not justifiable/not provided	No disciplinary steps taken yet, since the matter was reported only recently	1815
Request for quotations did not stipulate the preference point system to be used	No disciplinary steps taken yet, since the matter was reported only recently	356
Appointment of service providers without a valid tax clearance certificate	No disciplinary steps taken yet, since the matter was reported only recently	705
Three quotations not obtained and no reasons provided/reasons provided are not justifiable	No disciplinary steps taken yet, since the matter was reported only recently	66
BBEE points allocated on invalid certificate resulting in incorrect award	No disciplinary steps taken yet, since the matter was reported only recently	72
Expenditure not committed by a delegated official	No disciplinary steps taken yet, since the matter was reported only recently	659
Evaluation criteria applied differs from original request for quotations	No disciplinary steps taken yet, since the matter was reported only recently	88
Supplier with lowest quote not selected and no reasons provided and approved by the delegated official	No disciplinary steps taken yet, since the matter was reported only recently	42
Performing artist appointed not registered on CSD	No disciplinary steps taken yet, since the matter was reported only recently	20
Variation order in excess of 15% not approved by National Treasury	No disciplinary steps taken yet, since the matter was reported only recently	431
Required number of quotes not obtained and reasons provided are not justifiable	No disciplinary steps taken yet, since the matter was reported only recently	4 854
No evidence that the bid was received before the closing date and time	No disciplinary steps taken yet, since the matter was reported only recently	176
EME affidavit used to allocate BBEEE points instead of certificate, resulting in incorrect allocation of points and award	No disciplinary steps taken yet, since the matter was reported only recently	4671
<b>TOTAL</b>		<b>15 202</b>

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# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 23.3 Details of irregular expenditure condoned

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		2016/17
		R'000
Incident	Condoned by (condoning authority)	
SCM process not followed	Accounting Officer	722
Competitive bidding process not followed	Accounting Officer	1 925
Procurement of employment agency services not done through normal SCM procurement processes	Accounting Officer	1 977
Procurement of training and development services not done through normal SCM procurement processes	Accounting Officer	1 989
<b>TOTAL</b>		<b>6 613</b>

National Treasury has been requested to condone irregular expenditure amounting R100 million based on the forensic investigation recommendation; however, no decision had been made as at end of the financial year.

## 23.4 Prior-period error

		2015/16
		R'000
Nature of prior-period error		
Relating to 2013/14 (affecting the opening balance)		(176)
Expenditure was erroneously disclosed as irregular		(176)
<b>TOTAL</b>		<b>(176)</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



### 24. Fruitless and wasteful expenditure

#### 24.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		11 523	4 614
Prior-period error			-
As restated		11 523	4 614
Fruitless and wasteful expenditure – relating to prior year		-	6 689
Fruitless and wasteful expenditure – relating to current year		493	220
Less: amounts resolved		-	-
<b>CLOSING BALANCE</b>		<b>12 016</b>	<b>11 523</b>

#### 24.2 Analysis of awaiting resolution per economic classification

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Current		5 107	4 614
Capital		-	-
Transfers and subsidies		6 909	6 909
<b>TOTAL</b>		<b>12 016</b>	<b>11 523</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**24.3 Analysis of current year's fruitless and wasteful expenditure**

		2016/17
		R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Payments for cancellation of goods and services previously ordered	Reported only recently	480
Interest paid on Telkom account	Reported only recently	13
<b>TOTAL</b>		<b>493</b>

A forensic investigation recommended that the Department commission an audit of value for money on the Enyokeni Cultural Precinct. The Department, however, decided to evaluate all the heritage legacy projects handled by the implementing agent. The Department therefore 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, and the matter is currently subject to dispute resolution. Upon finalization of the dispute resolution process, the fruitless expenditure register will be updated accordingly.

**25. Related party transactions**

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Goods and services		233	7 749
Transfers		20 000	-
<b>TOTAL</b>		<b>20 233</b>	<b>7 749</b>

The amount of R20 million was paid to National Empowerment Fund (NEF). The NEF will operate for the entire term and at the end of the term any credit balance reflecting in the NEF Fund will be reinvested by the NEF Fund or any other vehicle that advances the purpose. Alternatively, the Department, through the Minister or the Accounting Officer will direct that the pro rata credit balance of the contribution made by it be paid to either identified public entities of the Department or be paid into the Revenue Fund, as the case may be.

The Department contributed to the NEF an amount of R20 million during the 2016/17 FY; R30 million during the 2017/2018 FY and R50 million during the 2018/19 FY, respectively. Similarly, the NEF will make a contribution of R30 million during the 2016/17 FY; R45 million during the 2017/18 FY and R75 million during the 2018/2019 FY, respectively.

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## Related party relationships

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. KwaZulu-Natal Museum	Department's public entity
13. National Museum	Department's public entity
14. Die Afrikaanse Taalmuseum	Department's public entity
15. The National English Literary Museum	Department's public entity
16. Voortrekker Museum	Department's public entity
17. Robben Island Museum	Department's public entity
18. William 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



# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 26. Key management personnel

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	<i>No. of individuals</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Political office bearers (detail below)	2	4 267	4 405
Officials:			
Level 15 to 16	5	7 105	6 776
Level 14 (incl CFO if at a lower level)	17	17 008	20 958
Family members of key management personnel	-	-	-
<b>TOTAL</b>		<b>28 380</b>	<b>32 139</b>

### Key management personnel (Parliament/legislatures)

Chief Financial Officer	1	1 307	1 050
Special advisors	2	1 723	2 423
<b>TOTAL</b>		<b>3 030</b>	<b>3 473</b>

## 27. Provisions

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Assets and liabilities to be written off		-	189
Supplier payments current obligation		381	-
<b>TOTAL</b>		<b>381</b>	<b>189</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**27.1 Reconciliation of movement in provisions - 2016/17**

2016/17	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	189	-	-	189
Increase in provision	381	-	-	-	381
Settlement of provision	-	-	-	-	-
Unused amount reversed	-	(189)	-	-	(189)
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-	-
<b>CLOSING BALANCE</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381</b>

2015/16	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	527	107	-	634
Increase in provision	-	189	-	-	189
Settlement of provision	-	(527)	(107)	-	(634)
Unused amount reversed	-	-	-	-	-
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-	-
<b>CLOSING BALANCE</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>189</b>

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

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



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**28. Movable tangible capital assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Heritage assets</b>	<b>12 239</b>	-	-	<b>9 153</b>	<b>3,086</b>
Heritage assets	12 239	-	-	9 153	3,086
<b>Machinery and equipment</b>	<b>44,226</b>	-	<b>4 584</b>	<b>699</b>	<b>48 111</b>
Transport assets	2 618	-	746	644	2,720
Computer equipment	29 640	-	3 023	55	32,608
Furniture and office equipment	11,064	-	507	-	11 571
Other machinery and equipment	904	-	308	-	1 212
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>56,465</b>	-	<b>4 584</b>	<b>9 852</b>	<b>51 197</b>

**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:

	Number	Value
		R'000
Machinery and equipment	52	785

All assets under investigation are reported as lost. The Loss and Control Committee is currently investigating the lost items.

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### 28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	<b>4 584</b>	-	-	-	<b>4 584</b>
Transport assets	746	-	-	-	746
Computer equipment	3 023	-	-	-	3,023
Furniture and office equipment	507	-	-	-	507
Other machinery and equipment	308	-	-	-	308
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>4 584</b>	-	-	-	<b>4 584</b>



# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

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	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Heritage assets</b>	-	9 153	9 153	-
Heritage assets	-	9 153	9 153	-
<b>Machinery and equipment</b>	644	55	699	136
Transport assets	644	-	644	136
Computer equipment	-	55	55	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>644</b>	<b>9 208</b>	<b>9 852</b>	<b>136</b>

Heritage assets were transferred to the Department of Public Works.

Transport assets were auctioned and the amount of R136 444,00 was received only after the reporting date.

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 28.3 Movement for 2015/16

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

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Heritage assets</b>	<b>11 971</b>	-	<b>283</b>	<b>15</b>	<b>12 239</b>
Heritage assets	11 971	-	283	15	12 239
<b>Machinery and equipment</b>	<b>43 359</b>	-	<b>2 644</b>	<b>1 777</b>	<b>44 226</b>
Transport assets	2 618	-	-	-	2 618
Computer equipment	29 052	-	2 194	1 606	29 640
Furniture and office equipment	11 080	-	155	171	11 064
Other machinery and equipment	609	-	295	-	904
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>55 330</b>	-	<b>2 927</b>	<b>1 792</b>	<b>56 465</b>

## 28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	1	220	16,623	-	16 844
Value adjustments	-	-	-	-	-
Additions	-	-	173	-	173
Disposals	-	-	22	-	22
<b>TOTAL MINOR ASSETS</b>	<b>1</b>	<b>220</b>	<b>16 774</b>	-	<b>16 995</b>





## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

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	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	80	352	-	432
Number of minor assets at cost	1	200	13 667	-	13 868
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>1</b>	<b>280</b>	<b>14 019</b>	<b>-</b>	<b>14 300</b>

**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:

	Number	Value
		R'000
Machinery and equipment	12	28

All assets under investigation are reposted as lost. The Loss and Control Committee is currently investigating the lost items.

**Minor assets**

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

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	1	220	17 370	-	17 591
Additions	-	-	203	-	203
Disposals	-	-	950	-	950
<b>TOTAL MINOR ASSETS</b>	<b>1</b>	<b>220</b>	<b>16 623</b>	<b>-</b>	<b>16 844</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	80	464	-	544
Number of minor assets at cost	1	-	14 244	-	14 245
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>1</b>	<b>80</b>	<b>14 708</b>	<b>-</b>	<b>14 789</b>

**28.5 S. 42 movable capital assets**

MAJOR ASSETS SUBJECT TO TRANSFER IN TERMS OF S. 42 OF THE PFMA - 31 MARCH 2017

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
No. of assets	-	1	7	-	8
Value of assets	-	9 152	48	-	9 200

MINOR ASSETS SUBJECT TO TRANSFER IN TERMS OF S. 42 OF THE PFMA - 31 MARCH 2017

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
No. of assets	-	-	13	-	13
Value of assets	-	-	22	-	22



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## 29. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	25 279	-	3 255	-	28 534
Patents, licences, copyright, brand names, trademarks	33	-	1 058	-	1 091
Services and operating rights	-	-	53	-	53
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>25 312</b>	<b>-</b>	<b>4 366</b>	<b>-</b>	<b>29 678</b>

## 29.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	3 255	-	-	-	3 255
Patents, licences, copyright, brand names, trademarks	1 058	-	-	-	1 058
Services and operating rights	53	-	-	-	53
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>4 366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 366</b>

The Department acquired a license for a period of three years. The Department acquired operating rights through an option contract for the future design, placement, configuration and maintenance of a network.

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**29.2 Disposals**

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
Software	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-
Services and operating rights	-	-	-	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**29.3 Movement for 2015/16**

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

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	19 344	-	5 935	-	25 279
Patents, licences, copyright, brand names, trademarks	-	-	33	-	33
Services and operating rights	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>19 344</b>	<b>-</b>	<b>5 968</b>	<b>-</b>	<b>25 312</b>



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**30. Immovable tangible capital assets**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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>	<b>18 233</b>	-	<b>1 379</b>	-	<b>19 612</b>
Non-residential buildings	18 233	-	1 379	-	19 612
Capital work-in-progress	329 083	-	93 990	(1 379)	421 694
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>347 316</b>	-	<b>95 369</b>	<b>(1 379)</b>	<b>441 306</b>

The adjustment to opening balance was due as a result of not receiving the completion certificate on time. The completion certificate of the project completed in the FY 2015/16 was received during the current FY.

The Closing balance of 19,612 is made of the following completed infrastructure assets:

Inquza Hills	<b>18 233</b>
JS Moroko Rev Mahabane House	<b>1 379</b>

## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**30.1 Additions**

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>	<b>93 990</b>	<b>1 379</b>	<b>(93 990)</b>	-	<b>1 379</b>
Non-residential buildings	93 990	1 379	(93 990)	-	1 379
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>93 990</b>	<b>1 379</b>	<b>(93 990)</b>	-	<b>1 379</b>

Non-cash addition refers to the capital work-in-progress project that was completed during the current FY. The payments of this project were recorded under capital expenditure of the previous FY as work-in-progress. The value of the work completed to date is equivalent to the amount capitalized in the current year. **Refer to Annexure 7 for breakdown.**

**30.2 Disposals**

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
<b>TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-



## NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**30.3 Movement for 2015/16**

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

	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>	-	18 233	-	-	18 233
Dwellings	-	-	-	-	-
Non-residential buildings	-	18 233	-	-	18 233
Other fixed structures	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	18 233	-	-	18 233

**30.3.1 Prior-period error**

	2015/16
	R'000
<b>Relating to 2015/16 (affecting the opening balance)</b>	
Nature of prior-period error:	18 233
Immovable tangible capital assets opening balance (completed construction project)	18 233
<b>TOTAL</b>	<b>18 233</b>

The adjustment to opening balance was due as a result of not receiving the completion certificate on time. The completion certificate of the project completed in the FY 2015/16 was received during the current FY.

# NOTES TO ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



## 31. Prior-period errors

### 31.1 Correction of prior-period errors

	2015/16 R'000
<b>Commitments</b>	
Reclassified from current approved and contracted	(210 422)
Reclassified to capital approved and contracted	210 422
<b>NET EFFECT</b>	<b>-</b>
<b>Non-current assets</b>	
Receivable	(135)
<b>NET EFFECT</b>	<b>(135)</b>
<b>Current assets</b>	
Receivable	135
<b>NET EFFECT</b>	<b>135</b>



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**ANNEXURE 1 A**
**Statement of Conditional Grants Paid to the Provinces**

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NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2015/16	
	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	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Summary by province</b>											
Eastern Cape	149 320	-	-	149 320	149 320	-	-	149 320	-	0	142 976
Free State	157 758	-	-	157 758	157 758	-	-	157 758	-	0	155 758
Gauteng	163 339	-	1	163 340	163 340	-	-	163 340	1	0	153 018
KwaZulu-Natal	163 162	-	-	163 162	163 162	-	-	163 162	-	0	157 569
Limpopo	115 295	-	-	115 295	115 295	-	-	115 295	-	0	97 721
Mpumalanga	155 289	-	-	155 289	155 289	-	-	155 289	-	0	150 325
Northern Cape	152 313	-	-	152 313	152 313	-	-	152 313	-	0	145 545
North West	136 494	-	-	136 494	136 494	-	-	136 494	-		112 936
Western Cape	164 162	-	-	164 162	164 162	-	-	164 162	-		158 469
	<b>1 357 132</b>	-	<b>1</b>	<b>1 357 133</b>	<b>1 357 133</b>	-	-	<b>1 357 133</b>	<b>1</b>		<b>1 274 317</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017



NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2015/16	
	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	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Summary by grant</b>											
Community											
Library											
Conditional Grants											
Received	1 357 132	-	-	1 357 132	1 357 132	-	-	1 357 132	-	0	1 274 314
Municipal Agencies and Funds	-	-	1	1	1	-	-	1	1	100	3
	<b>1 357 132</b>	<b>-</b>	<b>1</b>	<b>1 357 133</b>	<b>1 357 133</b>	<b>-</b>	<b>-</b>	<b>1 357 133</b>	<b>1</b>		<b>1 274 317</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

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NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2015/16	
	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	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Community Library Conditional Grants Received</b>											
Eastern Cape	149 320			149 320	149 320	-	-	149 320	-	0	142 976
Free State	157 758			157 758	157 758	-	-	157 758	-	0	155 758
Gauteng	163 339			163 339	163 339	-	-	163 339	-	0	153 015
KwaZulu-Natal	163 162			163 162	163 162	-	-	163 162	-	0	157 569
Limpopo	115 295			115 295	115 295	-	-	115 295	-	0	97 721
Mpumalanga	155 289			155 289	155 289	-	-	155 289	-	0	150 325
Northern Cape	152 313			152 313	152 313	-	-	152 313	-	0	145 545
North West	136 494			136 494	136 494	-	-	136 494	-		112 936
Western Cape	164 162			164 162	164 162	-	-	164 162	-		158 469
	<b>1 357 132</b>	-	-	<b>1 357 132</b>	<b>1 357 132</b>	-	-	<b>1 357 132</b>	-		<b>1 274 314</b>
<b>Municipal Agencies and Funds</b>											
Gauteng	-	-	1	1	1	-	-	1	1	100	3
	-	-	<b>1</b>	<b>1</b>	<b>1</b>	-	-	<b>1</b>	<b>1</b>		<b>3</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**ANNEXURE 1B**
**Statement of Transfers to Departmental Agencies and Accounts**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Performing arts institutions:</b>							
Artscape	55 904			55 904	55 904	100	53 090
State Theatre	49 595			49 595	49 595	100	47 099
Playhouse Company	41 165			41 165	41 165	100	39 576
Performing Arts Centre of the Free State	41 513			41 513	41 513	100	39 424
Market Theatre Foundation	42 419			42 419	42 419	100	29 089
Windybrow Theatre	-			-	-		11 195
National Arts Council	101 182			101 182	101 182	100	96 089
National Film and Video Foundation	122 907			122 907	122 907	100	116 721
Capital transfer - performing arts institutions	74 813		18 520	93 333	92 019	99	37 556
Mzansi Golden Economy Projects	46 310		(7 962)	38 348	37 348	97	17 123
<b>TOTAL</b>	<b>575 808</b>	<b>-</b>	<b>10 558</b>	<b>586 366</b>	<b>584 052</b>		<b>486 962</b>



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Heritage institutions:</b>							
War Museum of the Boer Republics	9 604	-	-	9 604	9 604	100	9 121
KwaZulu-Natal Museum	19 138	-	-	19 138	19 138	100	18 175
National Museum	45 630	-	-	45 630	45 630	100	43 333
Die Afrikaanse Taalmuseum	5 894	-	-	5 894	5 894	100	5 597
The National English Literary Museum	9 535	-	-	9 535	9 535	100	9 055
Voortrekker Museum	13 146	-	-	13 146	13 146	100	12 484
Robben Island Museum	72 045	-	-	72 045	72 045	100	94 448
William Humphreys Arts Gallery	6 564	-	-	6 564	6 564	100	6 234
Nelson Mandela Museum	22 264	-	-	22 264	22 264	100	21 143
Freedom Park	65 548	-	-	65 548	65 548	100	65 665
Luthuli Museum	9 848	-	-	9 848	9 848	100	9 329
South African Heritage Resources Agency	56 125	-	-	56 125	51 125	91	48 552
National Heritage Council	61 574	-	-	61 574	61 574	100	58 655
Capital transfer - heritage institutions	172 746	-	29 530	202 276	178 115	88	193 754
<b>TOTAL</b>	<b>714 699</b>	<b>-</b>	<b>29 530</b>	<b>744 229</b>	<b>715 467</b>		<b>733 283</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Libraries:</b>							
National Library of South Africa	79 729	-	-	79 729	79 740	100	75 716
South African Library for the Blind	18 297	-	1 036	19 333	19 333	100	17 376
National Library of SA (community libraries)	16 632	-	-	16 632	16 632	100	15 795
Capital transfer - libraries	17 900	-	(368)	17 532	17 152	98	16 447
<b>TOTAL</b>	<b>132 558</b>	<b>-</b>	<b>668</b>	<b>133 226</b>	<b>132 857</b>		<b>125 334</b>
<b>Capital works:</b>							
Capital works of performing arts projects	570	-	-	570	-	0	1,100
Capital works of heritage legacy projects	200	-	-	200	200	100	200
Capital works of libraries	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>770</b>	<b>-</b>	<b>-</b>	<b>770</b>	<b>200</b>		<b>1,300</b>
<b>Other:</b>							
**Office accommodation (municipal charges and operating leases)	47 813	-	-	47 813	75 469	158	28 969
Pan SA Language Board	91 967	-	20 000	111 967	111 967	100	87 338
National Youth Development Agency	6 200	-	-	6 200	6 200	100	-
TV licences	-	-	-	-	-	-	7
<b>TOTAL</b>	<b>145 980</b>	<b>-</b>	<b>20 000</b>	<b>165 980</b>	<b>193 636</b>		<b>116 314</b>
<b>TOTAL</b>	<b>1 569 815</b>	<b>-</b>	<b>60 756</b>	<b>1 630 571</b>	<b>1 626 212</b>		<b>1 463 193</b>

\*\* The overspending is due to a journal posted for operating leases paid on behalf of entities from Office Accommodation to the entities. The budget allocation for the operating leases remained under Office Accommodation, Goods and Services as this function has not been devolved to the entities yet.



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 1C

### Statement of Transfers to Higher Education Institutions

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INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2015/16
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Mzansi Golden Economy projects	-	-	-	-	-	-		80
Human Language Technologies	6 180	-	-	6 180	6 171	9	0	-
<b>TOTAL</b>	<b>6 180</b>	<b>-</b>	<b>-</b>	<b>6 180</b>	<b>6 171</b>	<b>9</b>		<b>80</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 1D

## Statement of Transfers/Subsidies to Public Corporations and Private Enterprises

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>									
<b>Transfers</b>	<b>1 125</b>	-	-	<b>1 125</b>	<b>1 124</b>	<b>99,9</b>	-	-	-
National Language Service	1 125	-	-	1 125	1 124	99,9	-	-	-
<b>Subtotal: public corporations</b>	<b>1 125</b>	-	-	<b>1 125</b>	<b>1 124</b>	<b>99,9</b>	-	-	-
<b>Private enterprises</b>									
<b>Transfers</b>	<b>103 171</b>	-	<b>24 881</b>	<b>128 052</b>	<b>128 023</b>	<b>100</b>	-	<b>68 759</b>	<b>123 041</b>
Arts social development and youth	-	-	900	900	900	100	-	50	50
Mzansi Golden Economy projects	90 132	-	31 491	121 623	121 623	100	-	64 609	100 717
National Language Service	1 290	-	-	1 290	1 290	100	-	600	4 396
Capital works of performing arts projects	6 549	-	(6 520)	29	-	-	-	-	14 270
Cultural and creative industries	5 200	-	(990)	4 210	4 210	100	-	3 500	3 608
Capital works of heritage legacy projects	-	-	-	-	-	-	-	-	-
<b>Subtotal: private enterprises</b>	<b>103 171</b>	-	<b>24 881</b>	<b>128 052</b>	<b>128 023</b>	<b>100</b>	-	<b>68 759</b>	<b>123 041</b>
<b>TOTAL</b>	<b>104 296</b>	-	<b>24 881</b>	<b>129 177</b>	<b>129 147</b>	<b>100</b>	-	<b>68 759</b>	<b>123 041</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 1E

### Statement of Transfers to Foreign Government and International Organisations

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FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
African World Heritage Fund	1 800	-	11 128	12 928	12 928	100	1 700
Sub fees: Commonwealth	2 403	-	-	2 403	1 963	82	2 497
<b>TOTAL</b>	<b>4 203</b>	<b>-</b>	<b>11 128</b>	<b>15 331</b>	<b>14 891</b>		<b>4 197</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 1F

## Statement of Transfers to Non-Profit Institutions

	TRANSFER ALLOCATION			TRANSFER		2015/16	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
<b>NON-PROFIT INSTITUTIONS</b>	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Arts, social development and youth	13 734	-	(3 567)	10 167	9 394	92	15 822
Gcwala Ngamasiko Cultural Festival	1 700	-	-	1 700	1 700	100	2 340
Cultural and creative industries	14 937	-	(2 850)	12 087	11 734	97	8 353
Northern Cape Theatre - Capital	2 000	-	-	2 000	-	0	4 000
Mzansi Golden Economy projects	103 769	-	(2 874)	100 895	99 087	98	105 107
National Language Service	-	-	-	-	-	-	-
Heritage projects	4 000	-	(637)	3 363	1 630	48	5 400
Library and Information Association of South Africa	1 800	-	-	1 800	1 800	100	4 518
South African National Council for the Blind (SANCB)	-	-	-	-	-	-	982
Capital works heritage projects	22 824	-	-	22 824	6 148	27	22 889
Capital works of performing arts projects	22 006	-	-	22 006	4 635	21	16 724
iAri	-	-	637	637	637	100	370
	<b>186 770</b>	<b>-</b>	<b>(9 291)</b>	<b>177 479</b>	<b>136 765</b>		<b>186 505</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>NON-PROFIT INSTITUTIONS</b>							
Subsidies							
Business Arts South Africa	11 053	-	-	11 053	11 053	100	7 648
Engelen House Art Collection: PTA	318	-	-	318	318	100	302
Blind SA	7 485	-	-	7 485	7 485	100	7 108
Blind SA - Capital	-	-	-	-	-		365
	<b>18 856</b>	-	-	<b>18 856</b>	<b>18 856</b>		<b>15 423</b>
<b>TOTAL</b>	<b>205 626</b>	-	(9 291)	<b>196 335</b>	<b>155 621</b>		<b>201 928</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

**ANNEXURE 1G**
**Statement of Transfers to Households**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
<b>HOUSEHOLDS</b>	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee social benefits	-	-	639	639	639	100	1 832
Language development projects	6 000	-	-	6 000	6 000	100	6 001
Cultural and creative industries	800	-	62	862	800	93	884
Mzansi Golden Economy projects	3 500	-	2 585	6 085	4 894	80	3 788
Heritage promotion	5 331	-	-	5 331	4 605	86	5 047
Arts, social development and youth	9 338	-	(1)	9 337	7 035	75	8 596
International relations	98	-	-	98	98	100	-
Donations and gifts	-	-	1	1	1	100	-
Human Language Technologies	-	-	-	-	-	-	2 859
<b>TOTAL</b>	<b>25 067</b>	<b>-</b>	<b>3 286</b>	<b>28 353</b>	<b>24 072</b>		<b>29 007</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 2A

### Statement of Investments in and Amounts Owing by/to National/Provincial Public Entities

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NAME OF PUBLIC ENTITY	Public entity's PFMA schedule type (state year end if not 31 March)	% of shares held		Number of shares held		Cost of investment		Net asset value of investment		Profit/(Loss) for the year		Losses guaranteed
		2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	Yes/No
		%				R'000		R'000		R'000		
<b>National public entity</b>												
<b>Other</b>												
Capital Venture Fund		0	0	1	-	20 000	-	20 000	-	-	-	0
<b>Subtotal</b>				<b>1</b>	<b>-</b>	<b>20 000</b>	<b>-</b>	<b>20 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>				<b>1</b>	<b>-</b>	<b>20 000</b>	<b>-</b>	<b>20 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 3A

### Statement of Financial Guarantees Issued as at 31 March 2017 - Local

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	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	-	-	-	19	-	-
Total		429	42	-	-	-	42	-	-
<b>TOTAL</b>				<b>1</b>	<b>-</b>		<b>-</b>		



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 3B

## Statement of Contingent Liabilities as at 31 March 2017

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NATURE OF LIABILITY	Opening balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
Legal (arbitration and litigation case)	28 270	35 853	1 109	-	63 014
<b>TOTAL</b>	<b>28 270</b>	<b>35 853</b>	<b>1 109</b>	<b>-</b>	<b>63 014</b>

NATURE OF LIABILITIES RECOVERABLE	Opening balance 1 April 2016	Details of liability and recoverability	Movement during the year	Closing balance 31 March 2017
	R'000		R'000	R'000
Litigation case: double payment of invoices	81	Double payment of invoices	-	81
Litigation case: funding, no report received	4 038	Refund on a project that was never implemented	-	4 038
Litigation case: legal costs	511	Legal fees incurred	(511)	-
Litigation case: poor service	126	Refund on a project that was never implemented	5 729	5 855
Litigation case: fraud and corruption	-	Fraud and corruption	8	8
<b>TOTAL</b>	<b>4 756</b>		<b>5 226</b>	<b>9 982</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 4

### Claims Recoverable

	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>GOVERNMENT ENTITY</b>						
<b>Departments</b>						
Department of Communication	-	264	-	-	-	264
Department of Water and Sanitation	-	-	-	-	-	-
	-	<b>264</b>	-	-	-	<b>264</b>
<b>Other Government Entities</b>						
National Empowerment Fund	515	-	-	-	515	-
	<b>515</b>	-	-	-	<b>515</b>	-
<b>TOTAL</b>	<b>515</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>264</b>





## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 5

## Inter-Government Payables

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GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to 6 working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Departments</b>								
<b>Current</b>								
Department of Public Works	-	85	-	-	-	85	-	-
Limpopo Provincial Government	-	765	-	-	-	765	-	-
KZN Department of Arts and Culture	4 500	484	489	100	4 989	584	31/03/2017	1 379
Free State Premier's Office	-	-	-	3 394	-	3 394	-	-
Department of Justice and Constitutional Development	330	223	-	-	330	223	31/03/2017	292
Department of International Relation	2 942	324	-	-	2 942	324	-	-
North West Department of Arts and Culture	-	-	4 000	-	4 000	-	-	-
Northern Cape Department of Arts and Culture	-	-	2 000	-	2 000	-	-	-
Government Communication & Information System (GCIS)	305	-	-	-	305	-	-	-
Western Cape Department of Arts and Culture	-	-	250	-	250	-	-	-
<b>TOTAL DEPARTMENTS</b>	<b>8 077</b>	<b>1 881</b>	<b>6 739</b>	<b>3 494</b>	<b>14 816</b>	<b>5 375</b>		<b>1 671</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
<b>GOVERNMENT ENTITY</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Other Government Entities</b>						
<b>Current</b>						
G Fleet	52	19	-	-	52	19
Government printers	-	2	-	-	-	2
DPW Property Management Trading Entity	80 571	99 599	25 700	-	106 271	99 599
State Information Technology Agency	-	2 143	-	-	-	2 143
Special Investigating Unit	-	1 751	-	-	-	1 751
Independent Development Trust	-	-	29 626	-	29 626	-
<b>Total other government entities</b>	<b>80 623</b>	<b>103 514</b>	<b>55 326</b>	<b>-</b>	<b>135 949</b>	<b>103 514</b>
<b>TOTAL INTERGOVERNMENTAL</b>	<b>88 700</b>	<b>105 395</b>	<b>62 065</b>	<b>3 494</b>	<b>150 765</b>	<b>108 889</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 6

### Inventory

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	2016/17		2015/16	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	4 729	832	4,751	821
Add/(less): adjustments to prior-year balances	-	-	-	36
Add: additions/purchases - cash	2 615	4 284	38 087	13,374
Add: additions - non-cash	-	-	-	-
(Less): disposals	-	-	-	-
(Less): issues	(2 626)	(4 283)	(38 109)	(13 375)
Add/(less): adjustments	-	-	-	(24)
<b>CLOSING BALANCE</b>	<b>4 718</b>	<b>833</b>	<b>4 729</b>	<b>832</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

## ANNEXURE 7

### Movement in Capital Work-in-Progress

	Opening balance	Current year capital WIP	Completed assets	Closing balance
	R'000	R'000	R'000	R'000
<b>Buildings and Other Fixed Structures</b>	<b>329 083</b>	<b>93 990</b>	<b>(1 379)</b>	<b>421 694</b>
Dwellings	-	-	-	-
Non-residential buildings	329 083	93 990	(1 379)	421 694
Other fixed structures	-	-	-	-
<b>TOTAL</b>	<b>329 083</b>	<b>93 990</b>	<b>(1 379)</b>	<b>421 694</b>

AGE ANALYSIS ON ONGOING PROJECTS	NUMBER OF PROJECTS		2016/17
	Planned, construction not started	Planned, construction started	Total
			R'000
0 to 1 year	-	-	-
1 to 3 year(s)	-	2	125 954
3 to 5 years	-	6	223 160
Longer than 5 years	-	1	72 580
<b>TOTAL</b>	<b>-</b>	<b>9</b>	<b>421 694</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

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	2016/17
	Total
	R'000
<b>Balances in capital work in progress projects</b>	
Muyexe Community Library	26 662
Project Management Office	11 176
Enyokeni	114 779
Regional OR Tambo	12 046
Regional JL Dube	21 560
Winnie Mandela House	594
Wesleyan Church	1 773
Upgrading of fire protection system and refurbishment of HVA C	61 085
National Library of South Africa, Pretoria	72 580
Sarah Baartman Centre of Remembrance	99 439
	<b>421 694</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

	Opening balance	Prior-period errors	Current year capital WIP	Completed assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Buildings and Other Fixed Structures</b>	<b>243 161</b>	<b>(18 233)</b>	<b>104 155</b>	<b>-</b>	<b>329 083</b>
Dwellings	-	-	-	-	-
Non-residential buildings	243 161	(18 233)	104 155	-	329 083
Other fixed structures	-	-	-	-	-
<b>TOTAL</b>	<b>243 161</b>	<b>(18 233)</b>	<b>104 155</b>	<b>-</b>	<b>329 083</b>

### Prior-period error

The opening balance was adjusted as follows:	-
Opening balance	169 268
Amount erroneously added in a previous year	(40 016)
DPW opening balance	113 910
	<b>243 161</b>



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended at 31 March 2017

### ANNEXURE 8A

#### Inter-Entity Advances Paid (Note 14)

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ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National Departments</b>						
Department of International Relations	-	-	3 665	2 395	3 665	2 395
Government Communication & Information System	2 317	149	-	-	2 317	149
<b>TOTAL</b>	<b>2 317</b>	<b>149</b>	<b>3 665</b>	<b>2 395</b>	<b>5 982</b>	<b>2 544</b>

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