



arts & culture

Department:  
Arts and Culture  
REPUBLIC OF SOUTH AFRICA



ANNUAL

*Report*

2017 | 2018



LAYING THE FOUNDATION FOR GREATNESS





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PART



GENERAL

*Information*

# 1.1 GENERAL *Departmental* INFORMATION

**Physical address:** Sechaba House  
202 Madiba Street  
Pretoria

**Postal address:** Private Bag X897  
PRETORIA  
0001

**Telephone:** +27 12 441 3000

**Fax:** +27 12 441 3699

**Email address:** [info@dac.gov.za](mailto:info@dac.gov.za)

**Website address:** [www.dac.gov.za](http://www.dac.gov.za)

**ISBN:** 978-1-919965-43-7



# 1.2 LIST OF *Abbreviations* / ACRONYMS

<b>ACH</b>	Arts, Culture and Heritage	<b>DORA</b>	Division of Revenue Act
<b>AENE</b>	Adjusted Estimates of National Expenditure	<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>AFS</b>	Annual Financial Statements	<b>DPSA</b>	Department of Public Service and Administration
<b>AGSA</b>	Auditor-General of South Africa	<b>DPW</b>	Department of Public Works
<b>AIDS</b>	Acquired Immunodeficiency Syndrome	<b>DST</b>	Department of Science and Technology
<b>ALHP</b>	African Liberation Heritage Programme	<b>DTI</b>	Department of Trade and Industry
<b>APP</b>	Annual Performance Plan	<b>EAP</b>	Employee Assistance Program
<b>APRR</b>	Annual Performance Review Report	<b>FS</b>	Free State
<b>AR</b>	Annual Report	<b>FY</b>	Financial Year
<b>AU</b>	African Union	<b>G&amp;S</b>	Goods and Services
<b>BAS</b>	Basic Accounting System	<b>GCIS</b>	Government Communication and Information System
<b>BASA</b>	Business Association of South Africa	<b>GDP</b>	Gross Domestic Product
<b>BBBEE</b>	Broad-Based Black Economic Empowerment	<b>GEHS</b>	Government Employees Housing Scheme
<b>BRICS</b>	Brazil, Russia, India, China and South Africa	<b>GRAP</b>	Generally Recognised Accounting Practice
<b>CACs</b>	Community Arts Centres	<b>GTAC</b>	Government Technical Advisory Centre
<b>CFO</b>	Chief Financial Officer	<b>HCT</b>	Hematocrit
<b>CORE</b>	Codes of Remuneration	<b>HDI</b>	Historically Disadvantaged Individuals
<b>CPI</b>	Consumer Price Index	<b>HIRA</b>	Hazard Identification Risk Assessment
<b>CSD</b>	Central Supplier Database	<b>HIV</b>	Human Immunodeficiency Virus
<b>DAC</b>	Department of Arts and Culture	<b>HLT</b>	Human Language Technology
<b>DBE</b>	Department of Basic Education	<b>HOA</b>	Homeowner's Allowance
<b>DBSA</b>	Development Bank of Southern Africa	<b>HRM</b>	Human Resources Management
<b>DDG</b>	Deputy Director-General	<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>DG</b>	Director-General	<b>IAA</b>	Internal Audit Activity
<b>DHET</b>	Department of Higher Education and Training	<b>ICT</b>	Information and Communication Technology
<b>DIRCO</b>	Department of International Relations and Cooperation	<b>IESBA</b>	International Ethics Standards Board for Accountants



<b>INA</b>	Institut National de l'Audiovisuel	<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>ISAs</b>	International Standards on Auditing	<b>RIM</b>	Robben Island Museum
<b>ISBN</b>	International Standard Book Number	<b>RWP</b>	Revised White Paper
<b>LIASA</b>	Library and Information Association of South Africa	<b>SA</b>	South Africa
<b>LLLP</b>	Living Legends Legacy Programme	<b>SADC</b>	Southern African Development Community
<b>MCS</b>	Modified Cash Standard	<b>SAHRA</b>	South African Heritage Resources Agency
<b>MEC</b>	Member of the Executive Council	<b>SCM</b>	Supply Chain Management
<b>MGE</b>	Mzansi Golden Economy	<b>SCOA</b>	Standard Chart of Accounts
<b>MISS</b>	Minimum Information Security Standards	<b>SEIAS</b>	Socio-Economic Impact Assessment System
<b>MoA</b>	Memorandum of Agreement	<b>SITA</b>	State Information Technology Agency
<b>MPAT</b>	Management Performance Assessment Tool	<b>SLA</b>	Service Level Agreement
<b>MPSA</b>	Ministry of Public Service and Administration	<b>SMS</b>	Senior Management Service
<b>MRM</b>	Moral Regeneration Movement	<b>SPCHP</b>	Social Protection, Community and Human Development
<b>N/A</b>	Not Applicable	<b>STI</b>	Sexually Transmitted Infection
<b>NAB</b>	National Art Bank	<b>TB</b>	Tuberculosis
<b>NAC</b>	National Arts Council	<b>TIC</b>	Technical Implementation Committee
<b>NAROS</b>	National Register of Oral Sources	<b>TID</b>	Technical Indicator Description
<b>NCCAL</b>	National Council of Culture, Arts and Letters	<b>UAMP</b>	User Asset Management Plan
<b>NDP</b>	National Development Plan	<b>UN</b>	United Nations
<b>NEF</b>	National Empowerment Fund	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>NELM</b>	National English Literary Museum	<b>UNHRC</b>	United Nations Human Rights Council
<b>NT</b>	National Treasury	<b>VAT</b>	Value-Added Tax
<b>OAG</b>	Office of the Accountant-General	<b>VWL</b>	Van Wijk Louw
<b>OHASA</b>	Oral History Association of South Africa	<b>WSP</b>	Workplace Skills Plan
<b>OHS</b>	Occupational Health and Safety		
<b>PAA</b>	Public Audit Act		
<b>PFMA</b>	Public Finance Management Act		
<b>PMDS</b>	Performance Management Development System		
<b>PMG</b>	Paymaster-General		
<b>PPP</b>	Public-Private Partnerships		

# 1.3 LIST OF *Figures*

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*Mr Nathi Mthethwa (MP)  
Minister of Arts and Culture*

# 1.4 FOREWORD BY THE *Minister*

This is the last batch of annual reports to be tabled in Parliament under the stewardship of the fifth democratic administration. It is time for the renewal of the democratic mandate in our country, and all sectors of our society are preparing themselves for this coming period.

However, this year coincides with a number of important landmarks in the existence of our young nation; among these we can cite:

- former President Nelson Rolihlahla Mandela and Mama Nontsikelelo Albertina Sisulu would have turned a hundred years old had they lived
- it is the 40th anniversary of the untimely passing of Professor Robert Mangaliso Sobukwe, a patriot and a combatant for liberation in Africa; and
- progressive humankind is celebrating the centenary of the Armistice marking the end of the First World War; an occasion, the remembrance of which should teach us never to engage in war again. Knowing the consequences and the price paid in human life should always persuade us to find peaceful resolutions to our disputes.

The above patriots, those who perished in the last two world wars, and those who resisted colonialism and apartheid in

our country are aptly described by the inscription found at the main entrance of the Solomon Mahlangu Freedom College in Mazimbu, Tanzania, which reads as follows:

*“Ours was not for personal glory nor distinction, but for a noble cause of our time – the liberation of the people of South Africa and the entire humanity.”*

These giants of our country and progressive human kind lived because they had surrendered their very beings to the people. They embodied love, an idea, and the hope, aspiration and vision of our collective destination.

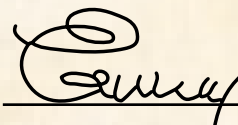
This year we hosted ministers of culture from the SADC countries to discuss, among other things, the Roads to Independence: African Liberation Heritage Programme, which was adopted in 2005 at the 33rd General Conference of UNESCO recognising struggle heritage as being of universal value and significance (33 C/DR.29). It was again endorsed at the Sixteenth Ordinary Session of the African Union [Assembly/AU/Dec.357 (XVI)] in 2011 when the United Republic of Tanzania’s mandate was broadened to include the responsibility for establishing a continental, instead of a regional, African Liberation Heritage Programme in Dar es Salaam, with maximum support from the AU Commission and all member states.

The Roads to Independence: African Liberation Heritage Programme is aimed at commemorating, celebrating, promoting, preserving, conserving, and educating people about the resistance and liberation heritage of South Africa, as well as providing a durable statement of Africa's road to independence.

Due to a shortage of skills in the Arts, Culture and Heritage (ACH) Sector, the Department undertook a study with the purpose of increasing the pool of professional cultural workers. The outcome of the study indicated the need for urgent intervention and a bursary scheme was set up to deal effectively with this challenge. Although the programme is not exclusively for the youth, the majority of beneficiaries are youths. As a result of this programme, the future of the ACH Sector looks much brighter.

Our actions today in various stations of our lives always talk to the aspirations of previous generations.

The annual report we table this year and its interrogation by Members of the House should help us to enhance our ability to discharge our service to the people of our country and, in particular, the ACH Sector.



*Mr Nathi Mthethwa (MP)*  
*Minister of Arts and Culture*



**OURS WAS NOT FOR PERSONAL GLORY NOR DISTINCTION, BUT FOR A  
NOBLE CAUSE OF OUR TIME — THE LIBERATION OF THE PEOPLE OF SOUTH  
AFRICA AND THE ENTIRE HUMANITY.**





*Ms Magdeline Soty (MP)  
Deputy Minister of Arts and Culture*

# 1.5 STATEMENT BY THE *Deputy Minister*

As former British prime minister Tony Blair once said, “... when more children get access to the joy of art, it is not the art alone that they learn; it is the art of living, thinking and creating” (Hesmondhalgh, D., et al. 2015. Culture, economy and politics: the case of new labour).

The Department of Arts and Culture affirms this wisdom by making the youth sector the focal point for maximum service delivery through the following projects/programmes: bursaries in the language field, flag hoisting at schools, internships, Young Patriots, Artists in Schools, Moral Regeneration, and annual Archives and National Library Week awareness campaigns. These programmes emphasise youth empowerment and cultural tolerance, as well as diversity and coexistence of South Africans.

In the past financial year every effort has been made by the Department to not only visit as many schools as possible, but also empower the youth to lead in these efforts to preserve societal memory through the Annual Archives Week, Oral History Programme and back-to-school campaigns.

Various schools such as Alfred Stamper Public Primary School in Zwelethemba (WC), Vulamasango High School in Kagisanong (FS), Matshediso Intermediate School in Brandfort (FS); and !Xunkhwesa Combined School in Kimberley (NC) were visited

during the year. Flags were hoisted, learners were engaged with and educational gifts distributed.

Learners at schools are now being introduced to the annual National Archives Week Programme to ensure that the profession of archiving is popularised among learners, and communities are constantly engaged in the importance of good record-keeping practices.

All these programmes seek to remove barriers to youth unemployment and to overcome physical isolation, obstacles, obstructions, prejudices and misunderstandings.

These efforts notwithstanding, the biggest problem of all, which can erode or destroy the above-mentioned successes and planned interventions, is simply human neglect – the failure to act promptly when the execution of our mandate is in danger.

Grand and glossy annual performance plans do not guarantee service delivery to communities.

Designated people, who are our workforce, need to recognize value and maintain diligence in order for the Department to succeed.

Therefore, this Department can survive and prosper only through the capabilities, patriotism, passion and professionalism of its human capital.

The gains that are proclaimed in this report must not for a single moment mask the reality that, in our communities, the arts, culture and heritage sector (ACH) is still facing difficulties when it comes to finance, legitimacy, and access.

Through funding instruments such as the Mzansi Golden Economy (MGE) Fund and the National Arts Council (NAC), the Department is thus ready to forge a survival strategy for ACH in our communities.

The Department should not be out of touch with what is happening on the ground; we must jealously guard against this Sector becoming the privilege of the few. This will ensure that ACH continues to be accessible to everyone.

The Ministry of Arts and Culture acknowledges with appreciation the key role our Parliamentary Portfolio and Select Committees of Arts and Culture play in their oversight function.

These Members of Parliament in both Houses (the National Assembly and the National Council of Provinces) have persistently ensured that the Executive of the Department effectively implemented the role of portfolio, programme and project management at all levels in the Department according to policy and project prioritisation as per the allocated budget.

Their oversight role, indeed, actively supports the Department's Risk Management Unit in tackling head-on any form of risk that may derail the Department.

In time, services that are provided by the Department will be a right, and not a privilege, for all practitioners and aspirant practitioners in the ACH Sector.

The Department must continue to obligate itself to the call for equity as we pay homage and tribute to the nation's international icons, Nelson Mandela and Albertina Sisulu through centenary celebrations.

These stalwarts' selfless commitment and dedication to a better life for all South Africans must continue to inspire the Department as we start the new financial year (2018/2019).



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*Ms Magdeline Sotyú (MP)*  
*Deputy Minister of Arts and Culture*





*Mr Vusumuzi Mkhize  
Director-General*

# 1.6 REPORT OF THE *Accounting Officer*

## 1. GENERAL REVIEW OF THE STATE OF AFFAIRS

### 1.1 SPENDING TRENDS

	2017/18 R'000	2016/17 R'000
Amount voted	4 371 738	4 062 572
Actual expenditure	4 141 480	3 957 982
Surplus	230 258	104 590

The unspent amount represents 5,27% voted funds for the 2017/18 financial year.

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

Economic Classification	R'000
<b>Compensation of Employee</b>	3 794
The variance of R3,8 million was partly due to the fact that the Department could not fill the post of DDG: Arts and Culture Promotion & Development after an unsuccessful recruitment process. The Department also had two senior managers (Chief Director and Director) who resigned during February and March 2018.	

Economic Classification	R'000
<b>Goods and Services</b> The variance of R36.7 million was mainly due to the following: <ul style="list-style-type: none"> <li>• The Argentina Cultural Week which did not take place because negotiations with Argentina on the format and other contractual obligations were not concluded on time. The SA Embassy in Argentina also had reservations about having the SA Cultural Week during the off-peak or holiday season as there would be no one in town to view/see or support the event.</li> <li>• The appointed panel of experts for the architectural competition to design the National Heroes Acre could not meet due to an outstanding matter regarding the environmental impact assessment on the identified site at Groenkloof Nature Reserve.</li> <li>• The strikes at the Sarah Baartman construction site had an impact on the appointment of the museum planner, resulting in under-expenditure.</li> </ul>	36 732
<b>Transfers and Subsidies</b> <b>Departmental Agencies and Accounts (Cur/Cap)</b> The variance of R9,2 million (over-expenditure) was mainly due to journals for operating leases paid on behalf of public entities being posted from the office accommodation to transfers to public entities in this line item.	(9 201)
<b>Foreign Government Organisations</b> The variance of R1 million was due to the exchange rate, which was lower than the estimated budget for the Commonwealth Foundation transfer. In addition, the final tranche to the African World Heritage Fund could not be made as the entity could not obtain a tax clearance certificate by 31 March 2018.	1 024
<b>Households</b> The variance of R3,8 million was mainly due to under-expenditure on the heritage professionals bursaries project as there were challenges with regard to obtaining the necessary documentation from universities in order to finalise the memoranda of agreements (MoAs) between universities and the Department.	3 835

Economic Classification	R'000
<b>Public Corporations (Cur/Cap)</b> The variance of R36,2 million (under-expenditure) was mainly due to the following: <ol style="list-style-type: none"> <li>National Heritage Monument projects;</li> <li>Upgrading of community arts centres; and</li> <li>Funding relating to Mzansi Golden Economy (MGE) projects.</li> </ol>	36 231
<b>Non-profit institutions (Cur/Cap)</b> The variance of R21,3 million was mainly due to under-expenditure relating to the following capital works projects: <ol style="list-style-type: none"> <li>Northern Cape Theatre;</li> <li>Upgrading of community arts centres;</li> <li>Caiphus Katse Semenya Foundation incubator;</li> <li>MGE; and</li> <li>Financial support to projects of the Directorate: Arts and Social Development.</li> </ol>	21 312
<b>Machinery and equipment</b> The variance of R32,8 million was due to delays in the shipment of equipment from overseas for the ICT network project earmarked for the VWL Building.	32 810
<b>Higher Education Institutions</b> An amount of R7,6 million (103,2%) had been incurred as at 31 March 2018. The expenditure relates to Human Language Technology (HLT) project.	(233)
<b>Software and other intangible assets</b> The variance of R4,4 million was due to the following: <ol style="list-style-type: none"> <li>Unspent funds on information management system for infrastructure; and</li> <li>Savings were realised with the cost of the Khoe and San Heritage Site Route project as it was incorporated with the Liberation Heritage Route project. These projects required similar services and one service provider was therefore appointed.</li> </ol>	4 367
<b>Heritage assets</b> The variance of R99,6 million was attributed to delays with the implementation of capital works projects.	99 587
<b>Total</b>	<b>230 258</b>



## 1.2 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 2017/18 to augment the economic classifications that are over-spending in line with section 43 of the Public Finance Management Act (PFMA) and the Standard Chart of Accounts (SCOA), as outlined below:

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

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

Programmes	Adjusted Appropriation 2017/18	Shifting of funds	Virement	Final Appropriation 2017/18
	R'000	R'000	R'000	R'000
Administration	370 422	1 916	-	372 338
Institutional Governance	297 420	1 299	(1 000)	297 719
Arts and Culture Promotion & Development	1 092 595	(1 763)	-	1 090 832
Heritage Promotion & Preservation	2 611 301	(1 452)	1 000	2 610 849
<b>Total</b>	<b>4 371 738</b>	<b>-</b>	<b>-</b>	<b>4 371 738</b>

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

## 2. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- 2.1 All six national days were successfully held and celebrated: Human Rights Day, Freedom Day, Youth Day, Women's Day, Heritage Day, and the Day of Reconciliation.
- 2.2 A target of 10 social cohesion platforms was set in 2017/18, but due to the political landscape and challenges the Department conducted 22 successful interventions, like the Vuwani unrest where Social Cohesion Advocates were deployed at short notice to assist in stabilising the situation over a period of time.
- 2.3 Six sector consultations were convened in various sectors, such as (i) Arts, Culture and Heritage, (ii) Youth, (iii) Women, (iv) Minorities, (v) Faith Fraternity and (vi) Business and Media Houses.
- 2.4 33 community conversations were successfully implemented in all nine provinces in both cities and townships.
- 2.5 In May 2017, Africa Month was successfully celebrated under the theme "The Year of OR Tambo: Building a Better Africa and Better World", in all nine provinces and across various cultural genres. These events contributed towards social cohesion, regional integration and provided a platform for people-to-people contact.
- 2.6 In line with the NDP and South Africa's foreign policy imperative of "regional integration", South Africa's national interests include the development and upliftment of its people, growth and development of the economy, growth and development of Southern Africa and a stable and prosperous African continent. In the financial year, the DAC successfully participated in Africa Seasons in Algeria and Gabon, and the Dakar Talks in Senegal.
- 2.7 In 2017/18, the DAC successfully participated in the SA-Russia Season with the aim to profile and strengthen cultural relations between the two countries and its peoples. The Seasons have become an excellent and innovative way to showcase our cultures, discover new talent and connect new generations of creative professionals and audiences in SA and Russia in this context and beyond.
- 2.8 The DAC participated in the launch and inaugural joint meeting of the High-Level People-to-People Exchange Mechanism, which was held in South Africa in April 2017.

Among others, its aim is to create new opportunities for developing and enriching the current bilateral cooperation and exchange mechanisms between China and South Africa in the fields of arts and culture, health, youth, science and technology, education and tourism.

2.9 The DAC participated in the BRICS Cultural Festival, which was held in Xiamen, China in September 2017. The cultural festival was held to celebrate BRICS cultural diversity and to have a cultural exchange. A BRICS Film Festival that brought together the film industries of the five BRICS countries was held in June 2017.

2.10 In the 2017/18 financial year 27 new libraries were constructed and 41 libraries were upgraded.

### 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 collects, preserves and provides access to audio-visual records created both by government and private bodies or individuals. Its aims are as follows:

- To preserve public and non-public audio-visual records or documents with enduring

value, for use by the public and the State;

- To make such records accessible and promote their use by the public;
- To ensure the proper management and care of all public audio-visual records;
- To collect non-public audio-visual and related records with enduring value of national significance, which another institution cannot more appropriately preserve;
- To maintain national registers of non-public records with enduring value, and to promote cooperation 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 translating and editing service to all government departments. 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

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

## 4. CAPACITY CONSTRAINTS

The 2017/18 financial year was one of the most challenging years with regard to managing the human capacity in the Department. The cuts in the compensation of employee budget as communicated by National Treasury meant that the Department could not fill positions to be able to remain within the ceiling amount.

The headcount was managed through the Human Resource Budget Plan. The staff establishment was maintained to reflect only the funded positions. During the 2017/18 financial year, the Department was able to fill the critical positions of Director-General and Chief Director: Social Cohesion. The vacancy rate as at 31 March 2018 was 3,9%.

## 5. UTILISATION OF DONOR FUNDS

In the 2017/18 financial year no donor funds were received by the Department.

## 6. PUBLIC ENTITIES (RELATED PARTIES)

The Department funded public entities, a constitutional institution, and non-profit organisations as outlined in the sections below. The actual amounts transferred to each entity in the 2017/18 financial year include subsidy, capital transfers, MGE related project partnerships, community libraries, GRAP 103 and municipal charges as indicated below:

### 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:

Institution	2017/18 R'000	2016/17 R'000
Die Afrikaans Taalmuseum, Paarl	9 711	6 294
Engelenburg House Collection, Pretoria (NPI)	334	318
Freedom Park, Pretoria	115 613	65 548
Iziko Museums of Cape Town	109 150	78 958
KwaZulu-Natal Museum, Pietermaritzburg	36 686	19 138
Luthuli Museum, Groutville, Kwa-Dukuza	14 863	15 815
National Heritage Council, Pretoria	64 653	82 724
National Museum, Bloemfontein	100 378	48 630
Nelson Mandela Museum, Mthatha	26 779	22 264
Ditsong Museum, Pretoria	125 777	73 259
Robben Island Museum, Cape Town	99 782	98 166
The National English Literary Museum, Grahamstown	16 272	9 535
Msunduzi/Voortrekker Museum, Pietermaritzburg	18 297	13 146
War Museum of the Boer Republics, Bloemfontein	23 084	10 753
William Humphreys Art Gallery, Kimberley	10 967	7 564
<b>Total</b>	<b>772 346</b>	<b>552 112</b>

### 6.2 South African Heritage Resources Agency

The South African Heritage Resources Agency was established in terms of the National Heritage Resources Act no. 25 of 1999, in order to:

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

	2017/18 R'000	2016/17 R'000
	70 861	51 125

### 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	2017/18 R'000	2016/17 R'000
Artscape, Cape Town	77 467	85 582
State Theatre, Pretoria	59 011	63 655
Playhouse Company, Durban	53 544	56 687
Performing Arts Centre of the Free State, Bloemfontein	47 589	73 273
Market Theatre Foundation, Johannesburg	61 762	54 306
Windybrow Theatre, Johannesburg*	-	-
<b>Total</b>	<b>299 373</b>	<b>333 503</b>

\* The allocation for 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.

	2017/18 R'000	2016/17 R'000
	8 456	11 053

### 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.

	2017/18 R'000	2016/17 R'000
	129 052	122 907

### 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.

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

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



	2017/18 R'000	2016/17 R'000
	106 241	101 182

#### 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.

	2017/18 R'000	2016/17 R'000
	108 634	111 967

#### 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	2017/18 R'000	2016/17 R'000
National Library of SA	150 312	113 524
South African Library for the Blind	19 221	19 333
Blind SA	7 859	7 485
<b>Total</b>	<b>177 392</b>	<b>140 342</b>

## 7. OTHER ORGANISATIONS TO WHICH TRANSFER PAYMENTS WERE MADE

The Department supports and promotes projects that aim to promote arts, culture and heritage. The Department 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 others, the payment of tranches and reporting requirements. The Department expensed the following amounts from various programmes in the 2017/18 financial year:

Transfers & Subsidies	2017/18 R'000	2016/17 R'000
Provinces and municipalities (conditional grant payments)	1 419 963	1 357 133
Higher Education Institutions	7 575	6 171
Public Corporations & Private Enterprises	89 470	129 147
Foreign Organisations	2 899	14 891
Non-Profit Institutions	158 824	155 621
Households	29 605	24 072
<b>Total</b>	<b>1 708 336</b>	<b>1 687 035</b>

## 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

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

The IAA assisted the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities. This was achieved through the audit assignments that were executed in line with the approved Risk-Based Rolling Three-Year Strategic and Annual/Operational Internal Audit Plan for 2017/18; which was informed by the Department's approved Strategic and Operational Risk Assessment results and approved by the Audit Committee of the Department.

The results of all the assurance activities/assignments referred to above were duly reported to the Department's Senior/Executive Management, including the Accounting Officer, and to the Audit and Risk Management Committees of the Department throughout the financial year; and recommendations provided on areas where shortcomings were identified for corrective action to be 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 2018/19 Annual Performance Plan and counsel to the management of the Department through consulting engagements held.

Additional to the approved planned risk-based internal audit assignments and statutory

assignments, i.e. performance information and internal financial controls, the IAA also reviewed the Department's Management Action Plan. This plan was developed by the Department's management on the basis of the outcomes of the Auditor-General South Africa's audit report for the year ended 2016/17 to ensure that internal controls were improved through the identification of adequate controls/action plans as well as the implementation thereof. Significant improvements to the action plans are still required to strengthen the internal controls, i.e. preventative and detective.

Internal Audit adhered to the approved Annual/Operational Risk-Based Internal Audit Plan through participation in an existing panel of internal audit service providers already appointed in the Department of Public Works until November 2017, and with the assistance of its appointed internal audit service provider; contracted in November 2017 to supplement the insufficient human resource capacity and the required specialized audit skills, i.e. information technology audits.

### 8.3 AUDIT COMMITTEE

The Department has a functional Audit Committee which comprised five independent (non-executive) members including the Chairperson; one independent member's term ended in September 2017. The Audit Committee (Committee) conducted its oversight role in line with its approved Charter/Terms of Reference throughout the financial year.

The Audit Committee played a significant role in providing oversight on the internal control status by recommending the development of a detailed Management Action Plan. This included stringent monitoring of the action plan through ordinary and special meetings of the Committee to assist the Department to reduce internal control deficiencies experienced in the past to a minimum, and or realise improvements as well as to improve planned performance against pre-determined objectives aimed at realising the mandate of the Department.

### 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 in line with Treasury Regulation 4.1-4.3.



The Internal Audit Activity has one permanent resource responsible for conducting investigations into allegations reported to the Department through Risk Management Directorate. It was necessary to participate in the existing panel of forensic service providers already appointed by the National Department of Public Works. This arrangement was done in order to address the backlog of allegations experienced including new allegations received every financial year. There were delays in establishing the Department's own panel of forensic service providers however this process will be implemented before the end of November 2019.

## 9. RISK MANAGEMENT

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

### 9.1 ANNUAL RISK ASSESSMENTS

The Department conducted its annual risk assessment for the 207/18 financial year. The risk profile of the Department was approved at Audit Committee level and informed the annual internal audit risk-based audits.

### 9.2 POLICIES DEVELOPMENT

In addition to the existing risk management policies, the Committee approved new policies to aid in the management of risks in the various organisational processes within the Department. The following policies were approved and are now in effect:

- Conflict of Interest policy – to identify risks around conflict and the management thereof.
- Project Risk Management Framework – to guide project managers to identify, and report risks aligned to capital and transversal projects.
- Compliance Risk Framework – to identify the regulation risk universe for the Department, i.e. all the compliance risks that could affect the Department.

## 10. RISK MANAGEMENT COMMITTEE

The Department has a fully functional and operational Risk Management Committee chaired by an independent non-executive member. The Committee held five meetings with an average attendance of 83% throughout the financial year. The Committee placed special emphasis on the following:

- Development and approval of the Project Risk Management Framework, including setting of the project risk tolerance and appetite statements for the Department, to address the risk exposures aligned to capital and transversal projects.
- Development of a Compliance Risk Framework to enable the assessment of compliance risks aligned to key regulations that affect the core function of the Department.
- Conflict of interest assessments as part of the Ethics & Integrity oversight responsibilities to meet the requirements of organisational compliance in line with the Public Service Regulations.

The Risk Management Committee continues to conduct an annual self-assessment as part of the road-map to increased maturity levels within the Department. The following areas were identified:

### i. Training and Development

This is a continuous improvement area and management has increased awareness internally for all employees.

### ii. Risk Culture

The ownership of risk at executive management level is mature as opposed to the operational level of the organisation. Low levels of maturity in terms of risk culture influence the behaviour and attitudes of employees towards risk management. The limited awareness among employees has led to increased training efforts aimed at ensuring that employee understand what their role and responsibility is in Risk Management and for them to accept these responsibilities to mitigate risks identified throughout the organisation. The Committee identified this as a focused continuous improvement area for the Department.

### iii. Efficacy of the Risk Assessment process

This area has increased in terms of maturity levels but not to levels that are acceptable to the Committee. The Department has since conducted stress tests on its financial performance in analysing its capability to spend on capital projects. A gap analysis on the value chain of project management confirmed existing project shortcomings which will receive attention going forward. Integration of Departmental and Sector risk assessment with our public entities remains an area that requires improvement.

## 11. RISK ADVISORY SERVICES

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

- Setting of risk appetite and tolerance statements for capital projects.
- Development of the Compliance Framework.
- Roll-out of the Hazard Identification Risk (HIRA) Assessment to confine and mitigate occupational risks at the Department.

## 12. ASSET MANAGEMENT

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

On 7 July 2017 the Department had a public auction to dispose of redundant and obsolete moveable assets, i.e. furniture, office equipment, computer equipment and other machinery and equipment; the proceeds were deposited into the Revenue Account.

The Department also donated office furniture and computer equipment to schools and non-governmental organisations. Year-end physical verification of all moveable assets started on 20 April 2018.

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

## 13. 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 the 2017/18 financial year.

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.

The adoption of the BarnOwl System in the 2017/18 financial year indicates the importance of managing performance information within the Department. To this end, the system has provided the following benefits:

- Accessibility and large storage capacity.
- Performance information is kept in a central and reliable location.
- User-friendly system and access to information is restricted.
- Easy to trace corrections.
- Time-efficient system.

## 14. SUPPLY CHAIN MANAGEMENT

In the 2017/18 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.

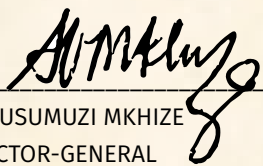
The Department appointed a panel of service providers for a period of two years for the procurement of events management services to facilitate the rapid procurement of services for major events. Any deviations that occurred, variations and extensions of contracts have been reported to National Treasury and the Office of the Auditor-General.

## 15. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

- 15.1 In the 2017/18 financial year the irregular expenditure opening balance is R411,9 million and the irregular expenditure relating to 2017/18 amounted to R12.3 million. There was a significant reduction in irregular expenditure due to improvement of internal controls in the procurement section of the Department.
- 15.2 The Department has taken disciplinary action against nine officials for incurring irregular, fruitless and wasteful expenditure. A total of R129 thousand will be recovered from officials/companies who caused the Department to incur fruitless and wasteful expenditure.
- 15.3 The Department incurred R32,5 million fruitless and wasteful expenditure due to arrear rental paid in unoccupied building and interest/penalties on late payment of invoices.

## 16. APPROVAL

The Annual Financial Statements as set out on pages 129 to 230 have been approved by the Accounting Officer.



MR VUSUMUZI MKHIZE  
DIRECTOR-GENERAL

31 July 2018





# 1.7 STATEMENT OF RESPONSIBILITY FOR

## *Performance Information*

FOR THE YEAR ENDED 31 MARCH 2018

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.

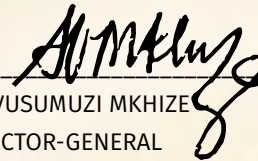
The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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 2018.



MR VUSUMUZI MKHIZE  
DIRECTOR-GENERAL  
31 July 2018



# 1.8 STRATEGIC *Overview*

## VISION

**A creative and inclusive nation.**

## MISSION

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

## VALUES

- **Patriotism:** as loyal PATRIOTS we passionately serve South Africa and its people to build a nation.
- **Ubuntu:** CARE and concern for the wellbeing of our staff, customers and stakeholders is the foundation of our success.
- **Creative/Innovative:** in everything we do, we strive for CREATIVE/ INNOVATIVE approaches.
- **Integrity:** in our day-to-day activities, our INTEGRITY shines through.
- **Professionalism:** together we act PROFESSIONALLY to deliver value to the South African economy, its people and ourselves.
- **Accountability:** we are ACCOUNTABLE to the people of South Africa in our quest to provide them with high-quality services.

## STRATEGIC OUTCOME ORIENTED GOALS

**A transformed and productive ACH Sector, aiming to:**

- develop, protect and promote the cultural and creative sector
- develop, preserve, protect and promote heritage
- develop and promote the official languages
- build relationships and partnerships locally and internationally
- provide access to information

**An integrated and inclusive society, aiming to:**

- lead, coordinate and implement social cohesion programmes

**An efficient and effective ACH Sector, aiming to:**

- create a coherent policy and legislative environment for the Sector
- drive integrated outcomes-based research, planning, monitoring and evaluation across the Sector
- implement sound financial management and control systems
- strengthen and modernise archives and records management systems

**A professional and capacitated ACH Sector, aiming to:**

- build human resource capacity and promote excellence

# 1.9 LEGISLATIVE & OTHER *Mandates*

- Constitution of the Republic of South Africa, 1996
- Copyright Act, 1978 (Act No. 98 of 1978)
- Cultural Institutions Act, 1998 (Act No. 119 of 1998)
- Cultural Promotion Act, 1983 (Act No. 35 of 1983)
- Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Government-wide, Monitoring and Evaluation System, 2007
- Heraldry Act, 1962 (Act No. 18 of 1962)
- Legal Deposit Act, 1997 (Act No. 54 of 1997)
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Minimum Information Security Standards (MISS) 1996
- 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 Services Act, 2001 (Act No. 6 of 2001)
- National Development Plan (Vision 2030)
- 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)
- National Youth Policy, 2009
- Pan South African Language Board Act, 1995 (Act No. 59 of 1995)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Protection of Personal Information Act (POPIA), 2013 (Act No. 4 of 2013)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- 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)
- White Paper on Arts, Culture and Heritage, 1996



**MISSION**  
**TO DEVELOP, PRESERVE, PROTECT AND PROMOTE ARTS,  
 CULTURE AND HERITAGE.**





# 1.10 ORGANISATIONAL *Structure*



MINISTER  
MR NATHI MTHETHWA



DEPUTY MINISTER  
MS MAGDELINE SOTYU



DIRECTOR-GENERAL  
MR VUSUMUZI MKHIZE



DDG: HERITAGE PROMOTION AND PRESERVATION  
MR VUSITHEMBA NDIMA



ACTING DDG: ARTS AND CULTURE PROMOTION AND DEVELOPMENT  
MR CHARLES MABASO



DDG: CORPORATE SERVICES  
MS MATILDAH MOGOTSI



DDG: INSTITUTIONAL GOVERNANCE  
MS KELEBOGILE SETHIBELO



CHIEF FINANCIAL OFFICER  
MR MAKOTO MATLALA

# 1.11 PUBLIC ENTITIES REPORTING *to the Minister*

## DEVELOPMENT AGENCIES:



## PERFORMING ARTS INSTITUTIONS:



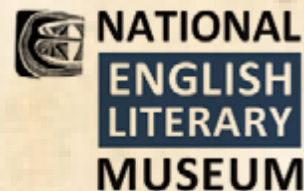
## LIBRARIES:



## CONSTITUTIONAL:



HERITAGE INSTITUTIONS:









PART

*B*



PERFORMANCE

*Information*

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

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

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

## 2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

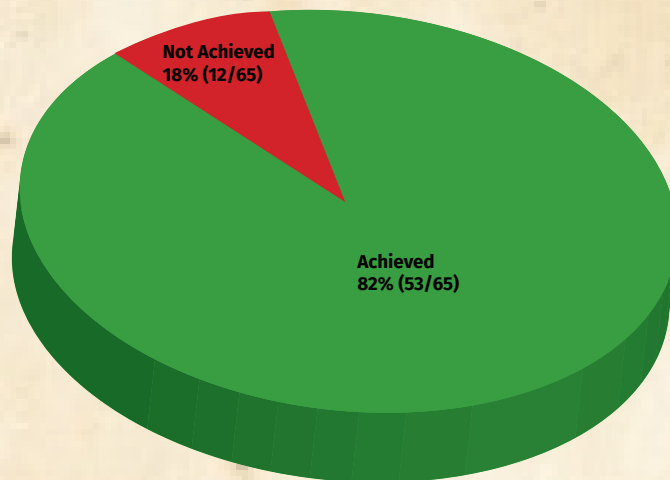


Figure 1: Departmental Performance Overview (Predetermined Objectives)

In the 2017-18 financial period, the Department fully achieved 82% of the targets planned for the year under review, as depicted in Figure 1. Twelve performance targets were not fully achieved as planned. Figure 2 depicts programme-specific performance during the period under review. Noteworthy is that all programmes recorded performance of 71% and above, with Programme 2 recording the highest performance of 94%.

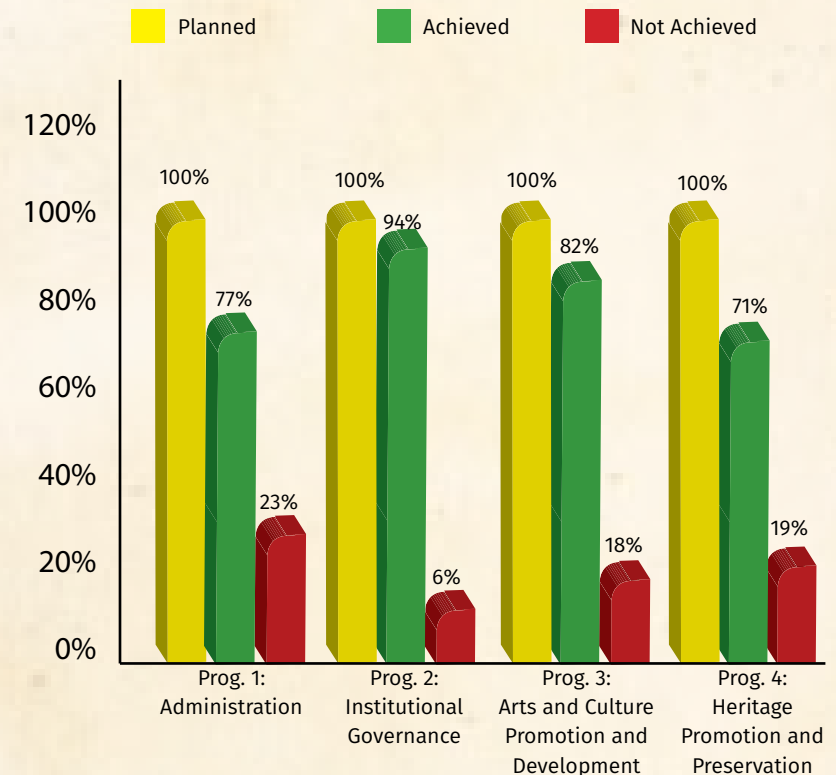


Figure 2: Programme-Specific Performance (Predetermined Objectives)

## 2.2.1 KEY HIGHLIGHTS

### PROGRAMME 1

#### COMPLIANCE AND REPORTING

Compliance requirements continued to be integrated into the Department's day-to-day operations. Through the recruitment strategy which continues to experience serious compensation challenges, the Department managed to achieve the national imperative of employing previously marginalised groups by ensuring that its staff establishment comprised of 2.57% People with Disabilities.

The Department was able to submit the In-Year Monitoring reports to National Treasury by the 15th of every month as required by legislation. The rollover requests, the Medium Term Expenditure Framework, the Adjusted Estimates of National Expenditure and Estimates for National Expenditure were also submitted as required by the Treasury Guidelines.

Furthermore all valid invoices were paid within thirty days in the year under review, which is an improvement compared to the previous financial year. In line with the economic transformation the department was able to award 73% of the procurement to BBBEE compliant suppliers.

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

Socio-Economic Impact Assessment was conducted to finalise the revision of the 1996 White Paper. The system was introduced by Cabinet in February 2015 to assess the impact of policies, laws and regulations in line with the National Development Plan. The SEIA process was finalised in March 2018 to allow for Cabinet processes to take place.

#### SKILLS PROGRAMME

The Department continues to focus on capacitating its employees by ensuring that the training programmes available to employees are in line with their development plans and the Skills Audit that was conducted in the 2016/2017 financial year. The work-study project

was initiated to assist in ensuring that the Department has the right type of skills and the right number of employees to be able to achieve its strategic objectives.

#### COMMUNICATIONS AND MARKETING

The successful implementation and publicizing of the Department's projects increased brand awareness and visibility of the work of the Department. The projects were communicated and marketed through above-the-line and below-the-line communication platforms.

#### EMPLOYEE WELLNESS PROGRAMME

The Public Service Regulations, 2016 as amended, paragraph E.5, requires that the Heads of Departments should put in place health promotion programmes that are meant to raise and intensify appropriate education, awareness and prevention interventions.

In response and compliance to the above, the Employee Wellness unit in the Department of Arts and Culture (DAC) has set a precedence of ensuring that wellness promotion campaigns are conducted once in every quarter. The objectives of these Wellness activities are to encourage employees to actively self-manage their lifestyle behaviour in order to reduce the risk of ill health and onset of morbidity; reduce and contain the spread of contagious diseases among employees within the workplace; and to provide all employees with an opportunity to be tested/screened and attend to their health challenges without staying away from work.



*Employee Wellness Day Proceedings*



## PROGRAMME 2

### THE SOCIAL COHESION PROGRAMME

As part of the Social Cohesion and Nation-Building Programme, the Department supported the Albinism Awareness Campaign held at Freedom Park, Pretoria, on 29 June 2017. In doing so, the Department was heeding the call of the 2013 resolution of the United Nations Human Rights Council (UNHRC) calling for the prevention of attacks and discrimination against persons with albinism. This UNHRC resolution was subsequently adopted and endorsed by the UN General Assembly and civic society organisations in 2015.

The June 29 campaign was well attended by people with albinism and various supporting groups such as the police and the academic sector. Problems facing people with albinism were discussed in detail, such as the multiple forms of discrimination they are confronted with worldwide and the fact that the condition is profoundly misunderstood socially and medically. The erroneous beliefs and myths, influenced by superstition, which foster the marginalization and social exclusion of people with the physical appearance of albinism were also the subject of discussions. These beliefs and myths are centuries old and are prevalent in cultural practices around the world, which put the security and lives of persons with albinism at risk.

The year 2017/18 also saw the Department implement programmes geared for people with disabilities to showcase their talent and further profile their role and importance in society. These programmes included:

- The Zwakala Awards, designed to recognize the abilities of children with hearing disability. The event serves as a tool to create awareness of the silent minority that is cut off from the hearing world due to prejudice, and lack of tolerance and understanding.

- The hosting of the annual national performing arts competition for learners with hearing disability on 27 October 2017 at the M1 Studio, SABC and Radio Park. Every effort was made to ensure that the competition reached out to all schools for the deaf in South Africa, to provide a platform where the deaf youth can express their feelings, their fears, and their hopes through performing arts.

The Department partnered with the Moral Regeneration Movement (MRM) to host an imbizo on Anti-Femicide, geared towards confronting the callous murder of women and girls. The event was held on Friday, 23 June 2017 at Regina Mundi Catholic Church in Soweto under the theme, "Respect Human Dignity and Equality" to promote ethical and moral values, irrespective of social origin, gender, race, age, status and class.

Statistics relating to femicide indicate a loss of morals in our communities, and this has the potential to disrupt the path to the ideal of a socially cohesive society. Therefore, during the imbizo the MRM challenged communities to commit themselves to: respect the worth of all individuals; fight against the physical and emotional harassment of women that result in rape and other forms of abuse; eradicate the abuse of children brought about by social ills such as malnutrition, child labour, drug trafficking, pornography and prostitution. The imbizo was well attended by the youth, business, labour, cultural and religious formations, political parties and civil society.

Another notable event supported by the Department in the period under review was the Back-to-School National Campaign. The event engaged both learners and parents in the quest to revive the nation-building principles and legacy of the first democratically elected president of South Africa, the late President Nelson Mandela, and other liberation heroes and heroines.



*The Deputy Minister during her engagements in the back to school campaigns*



## THE INTERNATIONAL RELATIONS PROGRAMME

Arts, culture and heritage transcends borders and the Department therefore manages a number of collaborative initiatives with various countries on the African continent and in the rest of the world through signed cultural agreements and treaties. Below are some of the noteworthy achievements recorded in the year under review.

### THE PRIDE AND JOY OF AFRICA MONTH CELEBRATIONS

The Africa Month programme is designed to reignite our pride in being African. The 2017/18 month-long programme was made up of a number of exciting projects and activities that took place across all nine provinces, and included the participation of a number of African countries. The celebration was themed “The Year of OR Tambo: Building a Better Africa and a Better World”, in recognition of the legacy of OR Tambo and to promote African unity.

The celebrations kicked off with a launch at the National Heritage Monument and Heroes’ Acre site in Pretoria on Wednesday, 3 May 2017. From there on, the Department hosted highly successful Africa Month festivities featuring various arts and culture disciplines, including music, literature, film, fashion and cuisine, along with panel discussions and dialogues.

People were proudly dressed in colourful traditional attire to showcase the legacy and pride of African people. Topics around decolonization, and forging unity and social cohesion were at the core of this year’s celebrations and were featured in dialogues and artistic performances.



Minister Nathi Mthethwa with other delegates during the Africa Month launch



Africa Month Launch Proceedings

## PEOPLE-TO-PEOPLE EXCHANGE MECHANISM

The purpose of the People-to-People Exchange Mechanism is to deepen mutual understanding between the peoples of South Africa and other countries, and to enhance People-to-People exchanges and cooperation in areas of, among others, culture, education, communication, health, science and technology, sport, tourism, women’s affairs and youth. The following are some of the noteworthy exchange initiatives that were pursued in the year under review:

- The Comprehensive Strategic Partnership Framework between South Africa and China identified a need to initiate a mechanism that would facilitate people-to-people exchanges between the two countries. This need was kick-started with a high-level People-to-People Exchange Mechanism meeting held in Pretoria from 24–27 April 2017.
- The Department, together with Embassy of Kuwait, officially opened and showcased the Kuwait Contemporary Arts Exhibition at the Ditsong Museum from 21–25 February 2018. The Exhibition was made up of 47 paintings that displayed the history and culture of Kuwait. The Exhibition formed part of the reciprocal cultural exchange programme between SA and Kuwait, following the successful participation of South Africa in the celebrations of Kuwait as the Islamic Capital in October 2016 and the Islamic Capital of Youth in March 2017.

Diplomatic relations between South Africa and Kuwait were established on 20 May 1994. Relations between the two countries were further strengthened by official visits to Kuwait by former President Nelson Mandela in 1995 and subsequently numerous South African Ministers, including the Ministers of Public Enterprises and Trade and Industry.

## PROGRAMME 3

### STRENGTHENING CAPACITY BUILDING IN THE ARTS, CULTURE AND HERITAGE SECTOR

On 13 July 2017, the Minister launched a Debut Fund Programme in Port Elizabeth, Eastern Cape. The Programme is a partnership between the Department and the Business Association of South Africa (BASA), and is designed to create training, mentoring and funding opportunities for young artists from all disciplines making their debut (or first appearance) as professional artists in their respective art forms. Administered through the DAC MGE Open Call process, the Debut Fund allows young artists to publish their first book, produce their first play, cut their first album or host their first exhibition, among other things.

Linked to the Debut Fund will be a mentorship programme to ensure that the aspirant arts professionals have the best possible advice and guidance to sustain their careers. The mentorship programme will be rolled out in phases, and will include elements such as Train-the-Trainer (which involves artist recruitment), workshops, reviewing of assignment submissions, and providing feedback to potential delegates under the guidance and supervision of the BASA in-house facilitator. Further, efforts to ensure the sustainability of the programme in the different provinces will include the training of provincial representatives from local arts centres to become co-facilitators in the programme.



*Minister Nathi Mthethwa engaging the community during the launch of the Debut Fund Programme*

### ENHANCING PLATFORMS FOR COMMERCIAL ARTS TRANSACTIONS

Advocacy for improved funding of the arts will be enhanced through a demonstration of how the arts contribute to the gross domestic product (GDP) of the country. Improving the exposure and consumption of arts products and offerings are key to increasing the contribution of the arts to the national GDP. The National Art Bank (NAB) will provide a vehicle towards this ideal by creating a market platform for the work of artists and for moving their work from the second to the first economy. These sentiments were echoed by Minister Mthethwa during the launch of the NAB at Oliewenhuis Art Museum when stating that, “The NAB will also provide the opportunity for South African artists to receive exposure locally as well as internationally.”

The brand-new NAB provides a novel model for arts funding and acquisition that could completely change the way artists and museums access and create funding. The NAB will create a store of artworks by purchasing them from galleries and private artists. The ‘Bank’ of artwork will then be leased to corporate and private individuals. This creates a way for the NAB to ultimately become self-funded—and also allows those renting to keep their environments full of fresh artwork that is normally beyond the means of their acquisition budgets. The NAB programme will further promote, support and supplement the income of contemporary South African artists.

The new collection will, for the moment, be held at the Oliewenhuis Art Museum in Bloemfontein. The first acquisitions are currently being showcased and feature 54 artworks by 32 different artists from eight provinces.

### THE INCUBATOR PROGRAMME

Over the past two years, each of the six Performing Arts Institutions have received a grant from the Department’s Incubator Fund to unleash the economic potential of the creative sector through a structured programme of skills training and the development of locally produced content in the performing and visual arts sectors. The first Incubator Trade Fair, which took place at the Market Theatre from 19–25 June 2017 sought to showcase the arts development initiatives emanating from the Incubator Programme. The week-long Arts Incubator Trade



Fair showcased a diverse offering of theatre, poetry and dance produced and presented by Artscape, the Performing Arts Centre of the Free State (PACOFs), the Durban Playhouse, the South African State Theatre, the Windybrow Arts Centre and the Market Theatre. In addition, the Market Photo Workshop presented a new exhibition and documented the Trade Fair.

#### THE SOUTH AFRICAN CULTURAL OBSERVATORY

The 2017-18 financial year saw the successful hosting of the second South African Cultural Observatory National Conference from 24–25 May 2017. Respected global and local subject-matter experts, researchers and practitioners spent time exploring and debating the theme, “The Creative Economy and Development”, drawing on perspectives from Africa and around the world. The theme is very relevant for the South African government, which is exploring new options to expand and thus grow the economy. The Conference coincided with Africa Day (25 May) celebrations and as such most of the discussion were premised on the African experience of growing, maintaining and developing a strong cultural and creative economy.

#### BOOKS AND PUBLISHING

The South African Book Fair, which was held at Museum Africa, Newtown, from 8–10 September 2017 provided an opportunity for the publishing sector to entrench itself as a relevant, inclusive and representative part of South African and African development. The theme of the Book Fair - “OUR STORIES” - was inspired by the origin of storytelling, which is deeply rooted in African culture and tradition. The Book Fair brought to light the importance of telling #OURSTORIES as Africans and included various discussions on topics such as African democracy, media freedom and racism.

#### CELEBRATING OUR CULTURAL DIVERSITY

##### INDONI CULTURAL FESTIVAL

The Indoni Cultural Festival was held in Durban on 9 October 2017. Indoni is a celebration of our culture and heritage, bringing together various cultures from across the country while showcasing their diversity and richness through various activities and functions. The Festival

included the Indoni Miss Cultural South Africa 2017 event. Finalists, called princesses, were chosen by a panel of judges within their regions to represent their cultures. The selection criteria included the Indoni Culture School exam results, understanding of their cultures, living their cultural values, cultural performances, and their confidence and potential to be effective ambassadors for their culture.



*Indoni Cultural Festival Proceedings*

## PROGRAMME 4

### TRANSFORMING THE HERITAGE LANDSCAPE

The agreement emanating from a bilateral meeting on 18 November 2016 between Minister Nathi Mthethwa and the former Tanzanian Minister of Information, Culture, Arts and Sports, Mr Nape Nnauye, to convene a discussion on the African Liberation Heritage came to fruition with the hosting of the Southern African Development Community Ministerial Roundtable at the St. George Hotel and Conference Centre in Pretoria from 27–29 March 2018.

Under the theme, “Roads to Independence: The African Liberation Heritage-Towards an Integrated SADC Road Map to the Africa We Want”, the event brought together Ministers of Arts and Culture, senior government officials and technical experts from the region to deliberate on the best strategy to effectively achieve the implementation of the African Liberation Heritage Programme (ALHP) as a collective. The main purpose of the ALHP is to identify, preserve, commemorate and document the common African liberation struggle

history and memory to ensure that the current and future generations know about the collective fight for the continent's independence and development.



*Minister Nathi Mthethwa with Minister Naledi Pandor and other delegates*

*Performance during the SADC Ministerial Roundtable*

In his keynote address, Minister Nathi Mthethwa said, "One of the innovative ways in which the Heritage of Resistance and Liberation must succeed is to ensure that the work of this project supports local and regional development agendas (Agenda 2063), and that it meets the needs of present generations without harming the ability of future generations to sustain themselves. The sustainability agenda of this heritage will include education, capacity building, tourism, heritage conservation and dissemination, communication as well as the creative economy. All of these must be done in such a way that is sensitive to the reality that this is a glorious yet painful heritage."

### **COMMEMORATIONS AND CELEBRATIONS**

On Friday, 27 October 2017, former President Jacob Zuma delivered a keynote address during the Centenary Celebration of Oliver Reginald Tambo. Government hosted the centenary celebrations under the theme, "Life and Legacy of OR Tambo", and used the celebrations to draw lessons from Tambo's life and to acknowledge the sacrifices and contributions he made towards a free, non-racial and democratic South Africa.

A colloquium in honour of the late Stephen Bantu Biko was hosted at Freedom Park's Gallery of Leaders in Pretoria on 11 September 2017. Under the theme, "The Year of OR Tambo: Celebrating Our Liberation Heritage and Black Consciousness". The event marked 40 years since the death of Steve Biko, the leader and founder of the Black Conscious Movement, and dealt with a broad array of issues that exemplified Biko's life as an intellectual and a political activist.

### **ACCESS TO INFORMATION**

Libraries play a crucial role in promoting access to information. Minister Nathi Mthethwa together with the KwaZulu-Natal MEC for Arts, Culture, Sports and Recreation, Mrs Bongwiwe Sithole-Moloi, officially opened the modular library in Zonza, KwaMthethwa (in uMfolozi Municipality on the north coast). The library, which will benefit the children and community at large, is fully equipped with all the necessary resources and books that will allow easy access to information. The community will also have access to computers with internet connection that will assist job seekers, especially unemployed graduates and youth, in their career development.

During his keynote address, the Minister said, "We need to treat libraries as spaces where information conveyed through new technologies can help to revolutionise and transform our people's lives for the better". He urged the community to recognise the librarians as the trusted guardians of the rich legacy of our African continent and of the world at large. "They are tasked with sharing this wealth of knowledge in order to bring people closer together, in order to inculcate greater mutual understanding and cultural coalescence. They provide us with the knowledge of how the world works and trace our journey to a new and better world," said Minister Mthethwa.





*Opening of the Zonza modular library in uMfolozi Municipality*

#### LIASA CONFERENCE

The Library and Information Association of South Africa (LIASA) seeks to promote freedom of access to information as enshrined in our Constitution and to champion the culture of reading and life-long learning to build an informed nation. It is also committed to the development and growth of South Africa through excellence in librarianship.

The 18th LIASA Annual Conference, under the theme “Re-envisioning the Role of Library and Information Services”, was held at the Birchwood Hotel in Boksburg from 2–6 October 2017. The theme sought to guide discussion on the current state of libraries and librarianship in South Africa and the future of the South African library and information services sector. The keynote address for the Conference was delivered by the Deputy Minister, Ms Magdeline Soty.

She urged delegates to engage on their challenges, experiences and best practices with the aim to reposition the library and information services sector for optimal service delivery. The Conference also deliberated on topics relating to enhancing teaching and learning through interactive information literacy tools, collaborative learning spaces and developing potential library clients.

#### THE 14TH NATIONAL ORAL HISTORY CONFERENCE

The 2017 National Oral History Conference was held under theme “OR Tambo in Memoriam: Reminiscing on a Centenary of Struggle, True Leadership & Leadership Values of the Liberation Stalwart”. The Conference was organised by the Department in partnership with the Oral History Association of South Africa (OHASA) and the Eastern Cape Department of Sport, Recreation, Arts and Culture, and served as a platform for an exchange of ideas, for sharing research findings and as an opportunity for skilling new oral history practitioners.

The Conference brought together delegates from various sectors to share information and unique experiences in order to enhance national identity and social cohesion, and ultimately build trust and unity with the communities involved. Academics, historians, learners, religious and traditional leaders, and public representatives discussed the effect of the past, present and future on various societal livelihoods. Some of the speakers were Dr Tshepo Moloji, Prof. Somadoda Fikeni, Prof. Gordon Zide, Ms Dululu Hlatshaneni, Mr Mda Mda, Prof. Mlungiseleli Jadezweni, Prince Zolile Ncamashe, Ms Nomaza Dingayo and Mr Sakhiwe Sodo.

The Conference has now incorporated a schools’ programme, which focuses on training learners from Grades 9–11 in oral history collection methodologies and presentation skills. This programme is intended to empower and prepare learners to present their findings during the Conference. It is done in consultation with the DAC Youth Development section and the Department of Basic Education’s Albert Luthuli Oral History programme. Learners are empowered to research their clan names, which they recite during the Conference. The level of youth participation in the 2017 Conference was encouraging and showed that the future of South Africa is in good hands. In the year under review, for instance, 10 out of the 25 learners from Mthatha presented their papers at the Conference.

The practice of oral history is designed to ensure that future generations are able to learn about the history of South Africa and advance the cause of freedom. Members of the public who have oral history collections in their custody that they believe have historical importance are encouraged to submit such information to the National Archives and Records Service of South Africa. The information is made available to the public through the Online National Register of Oral Sources (NAROS).

## NATIONAL ARCHIVES WEEK

As part of Africa Month celebrations, the Department hosted Archives Awareness Week from 8–12 May 2017 under the theme, “The Year of OR Tambo: Archives - Promoting Youth Education”. The Archives Awareness initiative seeks to highlight to the public the significance and role of the National Archives and Records Service of South Africa in terms of collecting and preserving South Africa’s documentary heritage. The awareness programme further seeks to highlight career paths that can be pursued in the archiving profession.

Learners from different schools gathered at the National Archives building and were taken on a very informative tour, with staff of the Archives showing them the different departments and their functions. The intention of such a tour is to stimulate the curiosity and enthusiasm that will propel these young learners to consider taking up careers in the archiving profession.

### 2.2.2 SERVICE DELIVERY IMPROVEMENT PLAN

n/a

### 2.2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

One of the steps indicative of the Department’s commitment to transforming the Arts, Culture and Heritage Sector is the rate at which its policies are reviewed to ensure that they remain abreast with the needs of society. In the period under review a number of policies were subjected to review or consultation, or approved by Cabinet.

#### **National Policy on South African Living Heritage**

Living heritage has the potential to promote social cohesion and nation building, and could facilitate and improve the livelihoods of individuals and communities. It provides a basis for how people understand themselves, their place in the world and their relation to other people. Some aspects of living heritage are premised on Ubuntu. The Living Heritage Policy promotes Ubuntu in all social institutions, such as families, education, etc. The Policy could therefore be key in achieving government priorities such as social cohesion.

The White Paper on Arts, Culture and Heritage (1996) highlights the importance of living heritage for the socio-economic development of South Africa. It also indicates the importance of finding ways and means to enable song, dance, storytelling and oral history to be permanently recorded and conserved in the formal heritage structure.

Historically, the institutional framework (as inherited from the European system) has promoted tangible heritage at the expense of intangible heritage. This creates some challenges that need to be addressed, such as the artificial separation of tangible and intangible heritage, the legacy of unequal knowledge systems, the understanding of human rights and equality, and the potential misinterpretation of ‘safeguarding’ as meaning ‘stagnation’. In addressing these challenges, there is therefore a need to establish a national policy framework to guide the heritage sector in this regard and to ensure availability of resources towards the sustainability of all aspects of South Africa’s heritage.

In South Africa, most living heritage has been neglected and seen as backward, and one of the contributing factors has been the absence of a policy instrument to safeguard and protect living heritage. As a result, some aspects of living heritage are under threat of extinction, hence the need to use this policy to preserve and safeguard them.

The National Policy on South African Living Heritage was provisionally approved by Cabinet on 12 August 2015, pending the clarification of a few grey areas by the DAC. The DAC addressed Cabinet’s concerns, presented the Policy to the Social Protection, Community and Human Development (SPCHD) Cluster, and Cabinet approved the final Policy in the third quarter of the 2017/18 financial year. It is worth noting that 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’. Therefore the Living Heritage Policy will significantly enhance the preservation and promotion of South Africa’s living heritage.

## Policy Framework for National Museums

The aim of the Policy is to transform the management and operation of museums in terms of access, redress, equity, social cohesion and nation building to enable the sector to preserve our national heritage efficiently while contributing effectively to national development.

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

The Policy defines a South African museum as “... a formally constituted institution that promotes the development of society through research, collection, conservation, communication and exhibition of natural and cultural heritage in ways that reflect the diversity and values of a democratic society.”

Museums play an important role in social development by providing access to knowledge and creating environments where people can learn to think innovatively. Museums not only research and exhibit social, cultural and natural phenomena, but also influence behaviour by providing access to information or taking a stand on issues. The importance of intangible culture has been recognised recently and has opened up new avenues in collecting, research and public programmes.

In terms of ethical museum practice, the Policy addresses issues such as human remains, restitution of heritage objects, access to museums, and illicit trafficking and heritage crime.

The Policy proposes that the current institutional and governance framework be reconfigured to allow for the clustering of national museums into new management structures that will achieve the broad objective of the policy framework, which is transformation through equity, redress, access, social cohesion and nation building.

There is no logical basis for the current differentiation between national, provincial and local museums (e.g. the term ‘national museum’ simply refers to a museum that is funded by national government and governed by the Cultural Institutions Act). The proliferation of museums and museum-like institutions adds urgency to the need to develop criteria for the categorisation or grading of museums. The purpose of developing such criteria would be to provide a basis for grading museums according to the quality, scope and significance of their collections, and to enable more equitable funding.

Museum work includes various educational levels and a wide range of academic disciplines and museum-specific support services. In terms of human resource development, the museum sector lacks an occupational framework that recognises the diverse careers within the sector, and a framework that details training standards. Without such a framework and standards, the museum sector is unable to prescribe the qualifications required for entering the museum field, to develop programmes for continuing professional development or to develop performance management systems.

The purpose of accreditation is to create a system to evaluate and rank institutions in terms of established standards of best practice, based on criteria drawn from measurable performance indicators in the exercise of the museum’s operational tasks. Museums will be accredited according to the roles they play in socio-economic transformation, and the performance standards achieved in core museum functions and management of resources.

Museums must transcend the conventional notion of a ‘frozen’ core of museum functions and embrace other expressions, narratives and interpretations of the museum landscape. Core functions must be determined by the public service rendered in line with the values and culture of South Africa. The museum transformation process has the potential to help museums redefine their functions to become community service centres for entertainment and knowledge development in addition to their core functions.

Due to its uniqueness, the draft Policy was developed primarily in consultation with the Arts, Culture and Heritage Sector, and other spheres of government such as the provincial governments of KwaZulu-Natal and the Western Cape, and Ethekwini Municipality, but valuable inputs were also made by academic institutions such as the Universities of the Western Cape, Wits, Stellenbosch and Rhodes, by stakeholders such as Natal Museum, Iziko



Museums, Taalmuseum, Post Office Museum, National Museum, Anglo-Boer War Museum, Msunduzi Museum and Robben Island Museum, as well as private institutions, e.g. Archival Platform, and individuals.

A National Consultative Workshop was held in Cape Town in August 2014. This workshop produced valuable comments, inputs and critique from the Sector. Written comments and inputs were then invited, with very positive results. All inputs received were taken into account and the policy was amended accordingly.

In the 2016-17 financial year, the Policy was presented to the Technical Working Group as well as the 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 consulted with these two departments, but did not receive responses. The Policy has subsequently been routed for approval by Cabinet.

### **National Policy Framework on Underwater Cultural Heritage**

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

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

associated with South Africa's own shipping industry can provide information on the growth of mining, industry, agriculture, etc.

But underwater cultural heritage also incorporates internal waters and submerged landscapes. The changing levels of rivers mean that sites that may provide important evidence about the lives and interactions of people who lived along their banks are now submerged. Additionally, the construction of dams has resulted in the inundation of sensitive cultural landscapes associated with early hunter-gatherers and Iron Age communities. Internal waters, which include sacred lakes, constitute an important part of our underwater cultural heritage. Additionally, underwater cultural heritage also resides in intangible cultural heritage and the legacy of interaction between indigenous and non-indigenous people.

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

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

The draft Policy was developed in consultation with the South African Heritage Resources Agency and stakeholders such as the South African Historical Wreck Society, Iziko Museums, the International Council of African Museums and UNESCO, as well as private institutions and individuals. Government departments and entities such as the South African Police Service, the South African Navy, the National Prosecuting Authority, the Office of the State Law Adviser in the Department of Justice, and the Departments of Environmental Affairs, Education, Water and Sanitation, Mineral Affairs, and Cooperative Governance and Traditional Affairs were all consulted to ensure the Policy's compatibility with the South African legislative framework. The Policy was submitted for approval by Cabinet in the period under review.



### National Policy on the Digitization of Heritage Resources

Since the country started democratising and opening up, there has been an increased interest by foreign agencies in digitising South African heritage. In the framing of contracts with external partners, our institutions and practitioners experienced difficulties, because foreign agencies came with huge budgets in dollars and euros. Our practitioners felt that these institutions to some extent were imposing unfavourable conditions that had dire consequences for the long-term custodianship and preservation of South African heritage.

Digitisation projects are currently fragmented and institutions are mostly working in silos. There is also a total lack of consistency in the standards, guidelines and policies being used. The motivation for digitisation is mostly to preserve the collections, therefore skills development is a priority and capacity development within curatorial institutions should be addressed.

The process to develop a National Policy Framework on the digitisation of heritage resources was informed by the many digitisation projects that have been and continue to happen in the country. However, there were no national norms and standards of what to do and how to do it. In the absence of a national framework, digitisation therefore presented some risks to the South African heritage.

The final policy document is the product of interviews, focus groups, etc. The scope of the Policy includes the digitisation of heritage resources for the purpose of preservation, access, and management of ownership. This covers heritage of all forms, including objects, sites, living heritage, scientific and industrial heritage, and natural heritage.

The Policy is about protecting South African heritage. The technological advances that have revolutionised the world have directly and indirectly impacted on the protection and preservation of heritage. The digitisation of heritage is one of the many consequences of technological development. In recent years, a number of South African collections have been digitised and continue to be digitised. However, in the process, issues such as copyright, ownership and access have arisen, and the absence of a national policy on the digitisation of heritage resources meant that these issues were not comprehensively addressed. The draft national policy completed by the Department is an attempt to address these issues.

However, the draft policy was developed in 2011 and is already considered outdated due to the rapid development of technology. The DAC is therefore in the process of updating and revising the draft policy. Consultation on the reviewed Policy will be done in the 2018/2019 financial year, followed by processes to ultimately submit the reviewed Policy to Cabinet for approval.

### South African Library and Information Services Bill

The socio-economic impact assessment report on the South African Library and Information Services Bill was produced and the Department aims to present the Bill to the Cabinet clusters for consideration and approval in the 2018/19 financial year.



## 2.3 DETAILED PROGRAMME-SPECIFIC PERFORMANCE

### 2.3.1 PROGRAMME 1: ADMINISTRATION

#### PURPOSE OF THE PROGRAMME

The programme is responsible for the provision of leadership, management and support functions to the Minister, Deputy Minister, Director-General (DG) and the Department. The administrative function provides support to the entire Department, thus contributing directly and indirectly to the delivery of all four strategic outcome-oriented goals.

#### THE ADMINISTRATION PROGRAMME CONTRIBUTES TO THE FOLLOWING STRATEGIC OBJECTIVES:

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

#### KEY SUBPROGRAMMES

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

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

Achieved	Not Achieved
77% (10/13)	23% (3/13)



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1 : A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To develop, protect and promote the cultural and creative sector	Revised White Paper (RWP) on ACH Sector	CS 1	3rd draft of RWP was submitted to the Department in February 2017	Draft RWP on ACH tabled in Cabinet	4th draft of RWP was completed; Socio-economic impact assessment system (SEIAS) preliminary certification was issued by DPME for cluster briefing	SLA, appointment letters, costing report, SEIAS report and submission and memorandum	Draft RWP on ACH was not tabled in Cabinet	The SEIAS process took longer than anticipated due to the involvement of other key departments, e.g. DTI, DST, DBE and DHET
To develop, preserve, protect and promote heritage	No. of national and commemorative days publicised	CS 2	-	7	7 days (6 national Days and 1 commemorative day) were publicised.	Reports	-	-
To develop and promote official languages	No. of communication and marketing campaigns implemented	CS 3	-	3	3 communication and marketing campaigns were implemented	Media clips, newspaper articles, videos and photos	-	-
To build relationships and partnerships locally and internationally	No. of media relations/ networking programmes implemented	CS 4	-	2	2 media relations/ networking programmes were implemented	Media advisory	-	-



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To provide access to information	% of ICT service Uptime	CS 5	-	95%	95% ICT service uptime was achieved	Uptime and downtime Report	-	-
<b>STRATEGIC GOAL 3: AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To create a coherent policy and legislative environment for the ACH Sector	% of total value of procurement awarded to BBBEE-compliant service providers	CFO 1	96.06%	70%	79.75% of total value of procurement was awarded to BBBEE-compliant service providers	BBBEE commitment registers and CSD reports of top 20 suppliers	+9.75	The over-achievement was due to more contracts being awarded to BBBEE-compliant services providers
	% of payments made within 30 days (where requisite supporting documents exist)	CFO 2	97%	100%	100% of payments were made within 30 days (where requisite supporting documents exist).	Payment registers, 30 days payment reports and payment stubs for Q2 and Q3,	-	-
To implement sound financial management and control systems	% of annual budget spent	CFO 3	97.4%	100%	95% of the annual budget was spent	Drawings/cash flow projections, in- year monitoring report	-5%	The non-achievement was due to under-expenditure of R230 million in Compensation of Employees, Goods and Services, Departmental Agencies and Account, Foreign Government Organisations, Households, Public Corporations, Non-Profit Institutions, Machinery and equipment, Higher Education Institutions, Software and other intangible assets and Heritage Assets

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 2 : AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programme	No. of Izimbizo held	CS 6	50	20	31 izimbizo were held	izimbizo reports	+11	Due to public demand, more engagements were held
<b>STRATEGIC GOAL 4 : A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resource capacity and promote excellence	No. of Workplace Skills Plan (WSP) reports generated	CS 7	-	4	4 WSP reports were generated	WSP and WSP reports	-	-
	% of women employed at SMS level	CS 8	50.94%	50%	47.83% women were employed at SMS level as at 31 March 2018	Work force profile summary and alphabetical list	-2.17%	DAC lost two female SMS members during the fourth quarter of the 2017/18 financial year
	% of staff that are people with disabilities	CS 9	2.57%	2%	2,81% of staff were people with disabilities	Workforce profile , alphabetical Persal list and Persal report on people with a disability	+0.81%	DAC exceeded the national target set because more employees disclosed their disabilities
To implement sound financial management and control systems	% of the vacancy rate	CS 10	2.51%	<10%	3,9% vacancy rate was achieved	Workforce profile summary and alphabetical Persal list	+6.08%	-

## 2.3.2 PROGRAMME 2: INSTITUTIONAL GOVERNANCE

### PURPOSE OF THE PROGRAMME

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

### THE INSTITUTIONAL GOVERNANCE PROGRAMME CONTRIBUTES TO THE FOLLOWING STRATEGIC OBJECTIVES:

- To build relationships and partnerships locally and internationally
- To develop, protect and promote cultural and creative sector
- To create a coherent policy and legislative environment for the ACH Sector
- To drive integrated outcomes-based research, planning, monitoring and evaluation across the Sector
- To lead, coordinate and implement social cohesion programmes
- To develop, preserve, protect and promote heritage

### KEY SUBPROGRAMMES

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

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

Achieved	Not achieved
94% (16/17)	6% (1/17)





Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To build relationships and partnerships locally and internationally	No. of international engagements facilitated and/or coordinated	IG 1	-	12	12 international engagements were facilitated and/or coordinated	Approved submissions, signed minutes, and draft/ final reports	-	-
	No. of Africa/ Middle East engagements facilitated and or coordinated	IG 2	-	8	8 Africa/Middle East engagements were facilitated and/or coordinated	Approved submissions, signed minutes, and draft/ final reports	-	-
To develop, protect and promote cultural and creative sector	No. of arts and social development programmes supported	IG 3	2	2	2 arts and social development programmes were supported	Approved submissions, payment stubs and signed reports	-	-
<b>STRATEGIC GOAL 3: AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To create a coherent policy and legislative environment for the ACH Sector	No. of shareholder compacts signed with DAC public entities	IG 4	26	24	24 shareholder compacts were signed with DAC public entities as planned	Copies of shareholder compacts	-	-
	% of councils of DAC public entities that are fully constituted	IG 5	96%	100%	100 % of councils of DAC public entities are fully constituted	Appointment letters	-	-

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To drive integrated outcomes-based research, planning, monitoring and evaluation across the Sector	Annual performance plan tabled in Parliament	IG 6	-	2018/19 annual performance plan tabled in Parliament	2018/19 annual performance plan was tabled in Parliament on 8 March 2018	First and second draft of the 2018/19 APP, emails to DPME and NT, tabling letter, approved 2018/19 APP and payment stub	-	-
	DAC quarterly performance reports generated and submitted to National Treasury and DPME	IG 7	-	4	4 DAC quarterly performance reports were generated and submitted to National Treasury and DPME	Emails, quarterly performance reports, sign-off letters and approved submissions	-	-
	Approved DAC annual report tabled in Parliament	IG 8	-	2016/17 approved DAC annual report tabled in Parliament	2016/17 approved DAC annual report was tabled in Parliament on 20 September 2017	2016/17 annual performance review Report, 2016/17 annual report, tabling letters, payment stub, proof of submission of APRR to AG, and emails to DPME and NT	-	-

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 2 : AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programme	No. of arts and youth development programmes supported	IG 9	-	3	3 arts and youth development programmes were supported	Approved submissions, proposals, MoAs, payment stubs and report	-	-
	No. of young patriots supported	IG 10	-	300	300 young patriots were supported	Approved submission, MoA, annual project plan and annual report	-	-
	No. of arts education programme supported	IG 11	-	1	1 arts education programme was supported	Approved submission, MoA, and report	-	-
	No. of community conversations held	IG 12	33	33	33 community conversations were held	Report, attendance registers, programmes, and audio recordings	-	-
	No. of moral regeneration movement programmes supported	IG 13	-	1	1 moral regeneration movement programme was supported	Business plan, submission and annual report	-	-
	No. of national days commemorated	IG 14	6	6	6 national days were commemorated	Concept papers, programmes and reports for each of the national days	-	-



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To lead, coordinate and implement social cohesion programme	No. of Outcome 14 reports submitted to Cabinet	IG 15	4	4	4 Outcome 14 reports were generated and submitted to Cabinet	Approved submission and Outcome 14 reports	-	-
	No. of social cohesion advocates platforms created and/or supported	IG 16	27	20	22 social cohesion advocates platforms were created and/or supported	Reports, submissions, invitations and attendance registers	+ 2	Due to public demand, more platforms were created and/or supported
<b>STRATEGIC GOAL : A TRANSFORMED AND ACH SECTOR</b>								
To develop, preserve, protect and promote heritage	UAMP Approved	IG 17	-	2018/19 DAC UAMP approved	2018 ENE, which forms part of the UAMP, was developed and approved	2018 ENE inputs	2018/19 DAC UAMP was not approved	Contract with appointed service provider (Bigen Africa Services) was terminated due to non-compliance with the terms of reference; Quotations were sourced 4 times until a suitable service provider, Afrotec, was appointed on 27 February 2018

### 2.3.3 PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT

#### PROGRAMME PURPOSE:

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

#### THE ARTS AND CULTURE PROMOTION AND DEVELOPMENT PROGRAMME CONTRIBUTES TO THE FOLLOWING STRATEGIC OBJECTIVES:

- To develop, protect and promote cultural and creative sector
- To develop and promote official languages
- To build relationships and partnerships locally and internationally
- To provide access to information
- To drive an integrated, outcomes-based research, planning, monitoring and evaluation process across the Sector
- To lead, coordinate and implement social cohesion programmes
- To build human resource capacity and promote excellence

#### KEY SUBPROGRAMMES

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

#### 1. National Language Service

- Human Language Technologies (HLT)
- Translation and Editing
- Language Planning
- Terminology Coordination

#### 2. Cultural and Creative Industries Development

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

Achieved	Not achieved
83% (15/18)	17% (3/18)



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To develop, protect and promote cultural and creative sector	No. of flagship events supported financially	ACPD 1	27	20	20 flagship events were supported financially.	Submission, proposals, grant letters, MoAs or Z59s, payment stubs and reports	-	-
	No. of public art projects supported financially	ACPD 2	20	20	7 public art projects were supported financially	MoAs, grant letters, payment stubs, reports	-13	Delays in setting up adjudication panel to process MGE funding request/ applications and non-compliance by beneficiaries
	No. of cultural and creative sector strategies developed	ACPD 3	-	3	3 cultural and creative sector strategies were developed.	Reports	-	-
	No. of cultural and creative sector projects supported financially through Cultural Events open call	ACPD 4	5	30	30 cultural and creative sector projects were supported financially through Cultural Events open call	Submission, MoA, grant letter, payment stubs and report	-	-
	No. of Living Legends Legacy Programmes (LLLP) supported financially	ACPD 5	LLLP supported through 27 Living Legends Master classes	1	1 LLLP was supported financially	MoA, grant letter, payment stubs and report	-	-



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	No. of projects promoting local content development supported financially	ACPD 6	1	2	2 projects promoting local content development were supported financially	MoA, grant letter, payment stubs and reports	-	-
To develop and promote official languages	No. of domains in which terminologies are developed	ACPD 7	4	4	Terminologies were developed in 4 domains as follows: <ul style="list-style-type: none"> <li>• 800 ICT terminologies,</li> <li>• 400 Financial terminologies</li> <li>• 800 Pharmaceutical terminologies</li> <li>• 400 Engineering and Construction terminologies</li> </ul>	Terminology lists, quarterly activity reports and payment stubs	-	-
	No. of multi-year HLT projects supported financially	ACPD 8	10	8	9 multi-year HLT projects were supported financially	Business plans, MoAs, grant letters, submissions, and managerial reports	+1	The costing for two new projects was less than the budgeted amount, hence a 9 <sup>th</sup> project could be supported

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To build relationships and partnerships locally and internationally	No. of market access platforms supported financially	ACPD 9	10	13	13 market access platforms were supported financially	Submission, grant letter, payment stub and report	-	-
	No. of Touring Venture projects supported financially	ACPD 10	50	30	30 touring venture projects were supported financially	MOA, grant letter, payment stubs and reports	-	-
To provide access to information	% of documents received and accepted translated and/or edited	ACPD 11	100% (728)	100%	100% of documents received (484) and accepted were translated and /or edited	Document registers and quarterly activity reports	-	-
<b>STRATEGIC GOAL 3 : AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To drive an integrated, outcomes-based research, planning, monitoring and evaluation process across the Sector	No. of research reports produced by Cultural Observatory	ACPD 12	20	27	27 research reports were produced by the Cultural Observatory	Research reports	-	-

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 2: AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programme	No. of community arts projects supported financially	ACPD 13	150	150	150 community arts projects were supported financially	Application forms, MoAs, payment stubs and reports	-	Inadequate collaborating evidence during the assessment period
	No. of community arts centres (CACs) refurbishment projects supported financially	ACPD 14	7	15	1 CAC refurbishment project was supported financially	MoA, application form, report and payment stub	-14	Funds could not be transferred to implementing agencies due to non-submission of compliance documents
	No. of artists placed in schools	ACPD 15	342	340	352 artists were placed in schools	MoAs, Payment stubs, contracts and ID documents of arts practitioners, reports, list of schools and list of artists,	+12	Partnerships with other stakeholders enabled the Department to place more artists in schools



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 4: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resource capacity and promote excellence	No. of bursaries awarded towards development of qualified language practitioners	ACPD 16	445	320	429 bursaries were awarded towards development of qualified language practitioners	List of language bursary recipients for the 2017/18 financial year, reports from 6 universities with list of students for each university, MoAs, payment stubs, students' contracts with proof of registration and payment, and submission approving expenditure for the language bursary cycle	+109	The additional 109 students supported had no bearing on the funds allocated to universities by DAC. Bursaries are awarded at the discretion of universities
	No. of incubator projects supported financially	ACPD 17	12	14	14 incubator projects were financially supported	MoA, grant letter, payment stubs and reports	-	-
	No. of training and development projects supported financially	ACPD 18	46	13	13 training and development projects were supported financially	MoAs, grant letters, payment stubs and reports	-	-



## 2.3.4 PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION

### PROGRAMME PURPOSE

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

THE HERITAGE PRESERVATION AND PROMOTION PROGRAMME CONTRIBUTES TO THE FOLLOWING STRATEGIC OBJECTIVES:

- To develop, protect and promote heritage
- To provide access to information
- To create a coherent policy and legislative environment for the ACH Sector
- To strengthen and modernise archives and records management systems
- To lead, coordinate and implement social cohesion programmes
- To build human resource capacity and promote excellence

### KEY SUBPROGRAMMES

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

#### 1. National Archives and Libraries

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

#### 2. Heritage Preservation and Promotion

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

Achieved	Not achieved
71% (12/17)	29% (5/17)



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 1: A TRANSFORMED AND PRODUCTIVE ACH SECTOR</b>								
To develop, preserve, protect and promote heritage	No. of Gazettes on standardisation of geographical names published	HPP 1	3	3	3 Gazettes on standardisation of geographical names were published	Government Gazettes	-	-
	No. of living human treasures documented per annum	HPP 2	18	18	18 living human treasures were documented	Database documenting the 18 living treasures	-	-
	No. of reports generated on the heritage infrastructure projects being implemented	HPP 3	-	4	4 quarterly reports on the heritage infrastructure projects being implemented were generated	4 quarterly reports	-	-
To provide access to information	No. of multi-year projects supported financially to modernise Archives	HPP 4	3	4	3 multi-year projects were supported financially to modernise Archives	Approved training submission and addendum, approved submission, project plan, correspondence with relevant officials, and other verification sources are available for viewing when needed	-1	Training at the National Audio-visual Institute (INA) could not take place during the reporting period due to arrangements outside the Department's control. The INA was available to provide training to the DAC's archivists only during April 2018. 4 archivists successfully attended the INA training during the first two weeks of April 2018.

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	No. of newly built and/or modular libraries supported financially	HPP 5	23	26	27 newly built and/or modular libraries were supported financially	Payments stubs, progress report, business plans, practical completion certificate and invoices	+1	Ibisi library in KwaZulu- Natal was scheduled to be completed in 2018/19 but the contractor redirected resources to complete the project ahead of schedule
	No. of library maintenance and/or upgrading projects supported financially	HPP 6	43	40	41 library maintenance and/or upgraded projects were supported financially	Business plans, payment stubs and progress report	+1	Mtubatuba library in KwaZulu-Natal was damaged by storms and had to be prioritised for renovations
<b>STRATEGIC GOAL 3: AN EFFECTIVE AND EFFICIENT ACH SECTOR</b>								
To create a coherent policy and legislative environment for the ACH Sector	Legislative framework (South African Public Library and Information Services Bill) developed	HPP 7	-	Socio-economic impact assessment report on the South African Public Library and Information Services Bill	Socio-economic impact assessment report on the South African Public Library and Information Services Bill was completed	Socio-economic impact assessment report	-	-
	No. of heritage policies developed	HPP 8	-	Socio-economic impact assessment reports on 2 heritage policies developed	Socio-economic impact assessment report on Underwater Cultural Heritage Policy developed	Draft policy, socio-economic impact assessment report.	-1 (Policy on the digitisation of heritage resources was not developed)	Experienced challenges to obtain three quotations in order to appoint a service provider to review the national policy on the digitisation of heritage resources; therefore the process was delayed

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
To strengthen and modernise archives and records management systems	No. of accepted disposal authorities issued	HPP 9	16	12	22 accepted disposal authorities were issued	Applications and authority letters	+10	More applications than planned for were received and some of the applications were not as complicated as envisaged
	No. of records management inspections conducted	HPP 10	12	12	12 records management inspections were conducted	Applications and authority letters	-	-
	No. of records management training courses provided	HPP 11	1	2	2 records management training courses were provided	Attendance register, programme, records management policy manual	-	-
	No. of accepted file plans evaluated and approved	HPP 12	12	8	5 file plans were evaluated and approved as at 31 March 2018	Approved letter, approval sheet	-3	The official responsible for evaluation and approval of file plans resigned in June 2017
<b>STRATEGIC GOAL 2: AN INTEGRATED AND INCLUSIVE SOCIETY</b>								
To lead, coordinate and implement social cohesion programme	No. of oral history projects implemented	HPP 13	3	3	3 oral history projects were implemented	Approved memorandum , attendance register, agenda and project close-out reports	-	-



Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
	No. of national and international archives awareness initiatives implemented	HPP 14	4	3	3 national and international archives awareness initiatives were implemented	Approved memorandum /submissions, attendance registers, and programme and close-out reports	-	-
	No. of flags installed in schools	HPP 15	-	500	528 flags were installed in schools	Flag installation stubs	+28	DAC partnered with other provinces and the Young Patriots Programme to roll out the flag installation project, which resulted in a higher number of installations. However, due to inadequate collaborating evidence at the time of assessment of performance outcomes the achievement could not be verified
	No. of national symbols toolkits distributed to district offices of the Department of Basic Education	HPP 16	6115	6430	6 784 national symbols toolkits distributed to district offices of the DBE	Signed delivery notes from DBE district offices.	+354	Western Cape has more districts and schools and thus received more toolkits

Strategic Objectives	Performance Indicator	Code	Baseline for 2016/17	Target for 2017/18 as per Annual Performance Plan (APP)	Actual Achievement as at 31 March 2018	Verification Source(s)	Deviation from Planned Target	Reason for Deviation
<b>STRATEGIC GOAL 4: A PROFESSIONAL AND CAPACITATED ACH SECTOR</b>								
To build human resources capacity and promote excellence	No. of heritage bursaries awarded	HPP 17	69	65	61 Heritage bursaries were awarded	signed MOA's, proof of payments	-4	Universities took long to adhere to the requirements, which delayed the payment of the bursaries





## 2.4 CONDITIONAL GRANTS

Through the Conditional Grant for Community Libraries Programme, the Department seeks to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives

The graph below details the conditional grants and earmarked funds paid for the period 1 April 2017 to 31 March 2018.

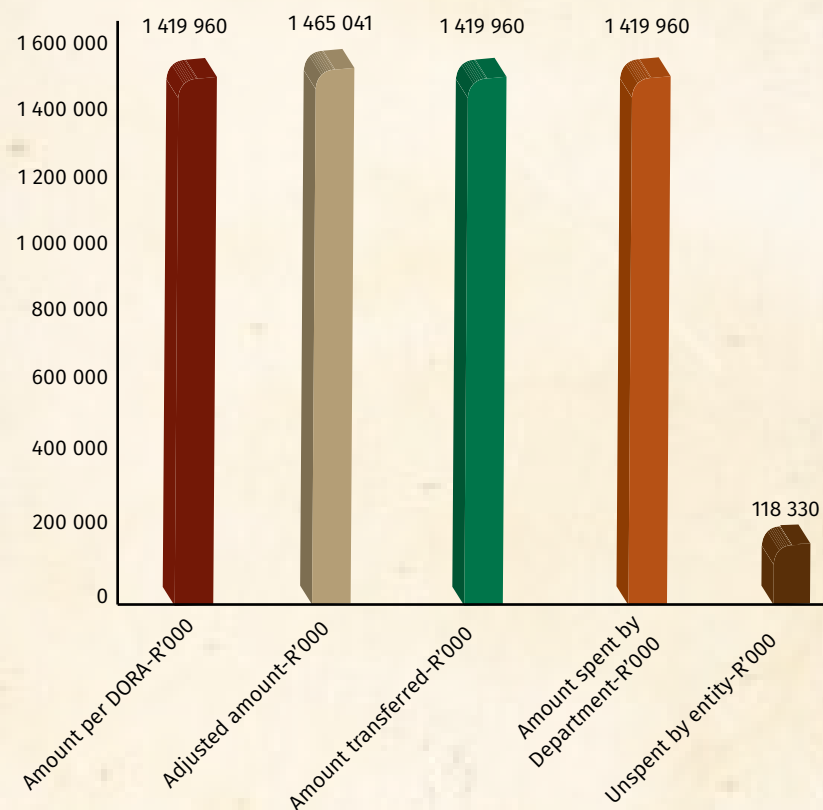


Figure 3: Conditional Grants and Earmarked Funds Received by the Department

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	055534
Gauteng	Gauteng Exchequer Account	First National Bank	62298193500	210554
KwaZulu-Natal	KZN Provincial Government – Exchequer Account	ABSA	4072455883	630305
Limpopo	Limpopo Exchequer Account	Standard Bank	301684677	057448
Mpumalanga	Mpumalanga Provincial Treasury	Standard Bank	330670 034	002852
Northern Cape	NCPG Exchequer Account	Standard Bank	043399029	050002
North West	North West Provincial Exchequer	ABSA	4075700170	632005
Western Cape	Provincial Government of the Western Cape: Exchequer Account	Nedbank	1452045143	145209

Below are some of the achievements worth noting in the conditional grant for community libraries programme:

- 27 new library services were established
- 41 libraries were upgraded
- 416 436 additional library materials were purchased
- 451 libraries' ICT infrastructure was upgraded
- 955 libraries were connected with free public internet access
- 41 services for the visually impaired established and 69 maintained at community libraries in all provinces
- 1 956 existing library staff contracts maintained in all provinces
- 85 new staff appointed at public libraries to support function shift
- 23 capacity-building programmes provided from which 1 015 public librarians benefited

#### 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% 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 they are meant for and to improve project management skills and capacity.

In the financial period, the Department further provided oversight over the implementation of the projects through MinMEC and the TIC on a quarterly basis to ensure regular communication and reporting is undertaken. The National Treasury through the Government Technical Advisory Centre also provides technical expertise and knowledge, especially on infrastructure projects.

An amount of R118 330.00 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.

## 2.5 CAPITAL INVESTMENT

In the 2017/18 financial year, no immovable assets were acquired, disposed of, scrapped or stolen, closed down or down-graded.

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 December 2017, a service provider was appointed to do a condition assessment of all facilities that are used by the DAC and its public entities. Due to non-compliance with the terms of reference the DAC withdrew the appointment in August 2018 and is currently at the procurement stage of reappointing a service provider. Therefore, the status quo of the condition of facilities will remain as is until the next assessment:

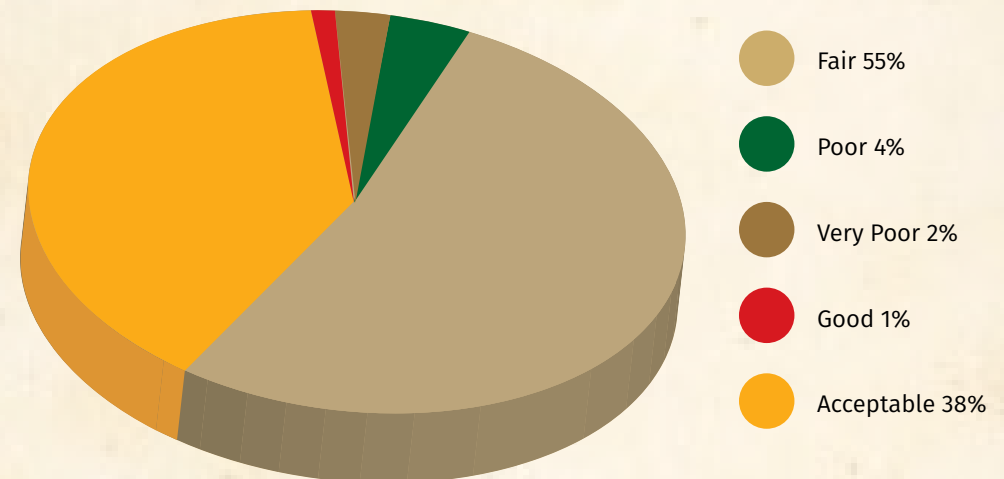


Figure 4: Overall Condition of Facilities of the Department in 2011/12



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 facilities maintenance (FM) project for Robben Island Museum. A tripartite agreement was signed between the DAC, DPW and RIM. Both the DAC and the DPW committed funds to maintain and upgrade the island. The DPW appointed Coega as implementing agent for a period of 4 years. The contract started in the 2015/16 financial year and will expire in the 2019/20 financial year. The contract will not be extended.

The RIM has requested to take over implementation of all projects on the island due to the tripartite challenges.

### 2. Nelson Mandela Museum

The 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 was delayed. A project manager was appointed to take over the development of the detailed plan and the implementation thereof.

### Project list breakdown

Institution names and project description	Progress status
<b>Heritage Promotion and Preservation</b>	
<b>South African Library for the Blind</b>	
Upgrading of the Jossie Wood building	Planning
<b>Iziko Museums of South Africa</b>	
Construction of a storage structure in the court yard	Construction
Maintenance of all Iziko Museums of South Africa	Planning
<b>National English Literary Museum</b>	
Construction of new NELM	Defects liability period
Upgrading of Schreiner House precinct	Planning
<b>Ditsong Museums of South Africa</b>	
Sammy Marks Museum – construction renovation and upgrading	Cancelled
<b>KwaZulu-Natal Museum</b>	
Natal Museum – installation of backup generator	Completed
<b>Nelson Mandela Museum</b>	
Upgrading of Bhunga building	Completed
Facilities management and maintenance of buildings	Planning
<b>Robben Island Museum (various projects)</b>	
Power generation (diesel)	Completed
New floating jetty	Construction

Institution names and project description	Progress status
New power plant generator completed (2 x 450 kva) – standby to replace 2 x 300 kva (No. 1 and No. 4) – Coega recommended, and new power plant generator engine (1000 kva) No. 5	Completed
Desalination Plant	Cancelled
Wastewater treatment plant	Cancelled
Diesel plant and reticulation - new plant	Completed
Bluestone Quarry Project (direct transfer)	Cancelled
Harbour Precinct Project	Procurement
<b>National Library of South Africa (various projects)</b>	
Installation of integrated security system – CCTV and Optic installation, Phase 2	Completed
Facility maintenance contract (Pretoria and Cape Town Campus)	Construction
Total revamp of ICT infrastructure	Construction
<b>Luthuli Museum</b>	
Memorial site	Planning
Construction of resource centre	Tender
<b>Afrikaanse Taalmuseum en-monument</b>	
Upgrading of workers' change room	Design
Maintenance of all facilities	Planning
<b>War Museum of the Boer Republics</b>	
Construction of new guard house, access control and security upgrade	Completed
Facility maintenance	Construction
<b>Freedom Park</b>	
Maintenance of Freedom Park Complex	Planning
<b>William Humphreys Art Gallery</b>	
Construction of new library	Completed

Institution names and project description	Progress status
<b>Msunduzi Museum</b>	
Restoration of all buildings at complex and security upgrades	Tender
<b>Institutional Governance</b>	
<b>National Archives</b>	
Upgrading of fire protection system	Construction
Old library building remedial work	Practical completion
<b>Adams College</b>	
Upgrading of old house to museum	Construction
<b>Legacy projects</b>	
Sarah Baartman Centre: construction of a centre of remembrance	Construction
Matola Raid Monument (Maputo): construction of remembrance site	Practical completion
Mbuzini: Samora Machel memorial – Phase 2 construction	Practical completion
Liberation Heritage Route	Planning
Liliesleaf Farm: archival infrastructure and exhibition	-
Valoyi Traditional Authority Trust (Nwamitwa Cultural Village)	-
Maropeng Virtual Lab	-
National Heritage Project (heroes acres and statues)	On hold pending investigation
South African Heritage Resources Agency: Delville Wood Memorial upgrading	Planning
Isibhubhu Cultural Arena	Planning
JL Dube Memorial Centre	Planning
OR Tambo Memorial Centre	Planning
Winnie Mandela House Museum	Planning

Institution names and project description	Progress status
Ingquza Hill Massacre Museum	Completed
Waaioek (Wesleyan Church) Museum Exhibition	On hold pending exhibition content approval
Khananda Massacre Museum	Planning
SANKOFA Arts Charitable Trust (Prof. Ntuli)	Completed
<b>Arts and Culture Promotion and Development</b>	
<b>Market Theatre Foundation</b>	
Upgrading of COSAC building	Completed
Windybrow Theatre – refurbishment of heritage house, Phase 2	Planning
Laager Theatre – rebuilding and adding new dressing rooms and green rooms	Completed
Barney Simon Theatre – renovation	Planning
<b>Artscape</b>	
Space Optimisation	Phase 1 – completed; Phase 2 – construction
Flying bars (opera stage)	Construction
Installation of new backup generators	Procurement
<b>The Playhouse Company</b>	
Installation of backup generator	Completed
Additional lighting for drama and opera theatres	Completed
Incubator - upgrading of recording studio	Completed
<b>State Theatre</b>	
Refurbishment of foyer and ablutions - Phase 2	Construction phase
Replacement of stage lighting equipment	Planning

Institution names and project description	Progress status
<b>Performing Arts Centre of the Free State</b>	
Mechanical ventilation and air-conditioning system	On hold
<b>National Arts Council</b>	
Upgrading of disability access	Completed
<b>Community Arts Centres</b>	
Upgrading of Community Arts Centres	Upgrading of Sibikwa Community Arts Centre: phase two completed.
<b>Incubators</b>	
National Academy of Africa's Performing Arts (Caiphus Katse Semenya)	Construction in progress – near completion <ul style="list-style-type: none"> <li>• Structural steel – completed</li> <li>• Roof structure – completed</li> <li>• Roof sheeting – in progress</li> </ul>
Upgrading of the Northern Cape Theatre	Completed
<b>Upgrading of public spaces</b>	
Tholoanajaka Projects and Services (Pty) Ltd	Completed
Atheo Consulting (Pty) Ltd	Completed
Owakgale Human Capital and Projects (Pty) Ltd	Planning – awaiting approval of addendum submission
Rare-Zolution Design and Craft	Planning – awaiting approval of addendum submission
Thatheho Business Enterprise (Pty) Ltd	Planning – awaiting approval of addendum submission
Lebekarabo Trading (Pty) Ltd	Completed
Zugo Holdings	Planning – awaiting approval of addendum submission

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# HUMAN RESOURCE *Management*



### 3.1 INTRODUCTION

The shrinking fiscal resources require the Department to come up with strategies that will ensure optimal utilization of the available human capacity to be able to achieve its strategic goals without necessarily appointing new people. It was indicated in the Annual Report of 2016/2017 that the Department would conduct a work-study and organisation review exercise. The Government Technical Advisory Centre (GTAC) has been appointed to assist the Department with the process during the 2018/2019 financial year.

The work-study exercise will inform and provide an overview of the functioning of the whole Department and examines all aspects that are relevant to the needed performance improvement including systems, process and human capacity related issues. The Department experienced a staff turnover rate of 29,20%; 13,40% was due to natural attrition and 2,60% was promotions. The Department was able to maintain a vacancy rate of less than 10%. Only funded positions are captured and maintained in the Department's establishment. The vacancy rate was 3,9% as at 31 March 2018.

#### PERFORMANCE MANAGEMENT

The performance management development system is seen as a vehicle to increase organisational effectiveness by obtaining better performance from employees. Viewed from this point, the PMDS system becomes a very important factor in assisting the Department to achieve its strategic objectives. The submission rate of performance agreements for the 2017/18 financial year was 85,63% for salary level 1-12 and 82,22% for the senior management service.

#### WELLNESS

The Wellness Programme provided employees with appropriate interventions to deal with challenges they encounter on a daily basis. Screening campaigns offered through the Wellness Programme assisted with early detection of prostate, breast and cervical cancer. This gave employees the opportunity to register on the disease management programme.

The Chief Directorate: HRM, through the Wellness Unit, managed to implement initiatives meant to promote work-life balance, improve morale and promote productivity in the form of two wellness sports days. The opportunity to take part in sporting codes such as soccer, netball and aerobics continue to play a big role in promoting the Healthy Living Programme.

#### ACHIEVEMENTS

Despite the constraints in filling the vacant positions due to reduced compensation of employee budget, the Department was able to exceed the legislated 2% of people with disabilities. The percentage of people with disabilities as at 31 March 2018 was 2,81% of the 392 filled positions.

#### CHALLENGES

The Department was not able to achieve the target of 50% women in SMS positions for the 2017/18 financial year. This was due to the resignation of two female SMS members in the last quarter of the financial year. The percentage of women in SMS positions was 47,83% as at 31 March 2018.

## 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 2017 TO 31 MARCH 2018

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

Programme	Total expenditure (R'000)	Personnel cost (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)	Employment
Administration	339 673	96 204	0	0	28,30	240	401
Arts and Culture Promotion & Development	1 046 382	44 870	0	0	4,30	112	401
Heritage Promotion & Preservation	2 594 302	52 233	0	0	2,00	130	401
Institutional Governance	158 696	35 362	0	0	22,30	88	401
<b>Z = Total as on Financial Systems (BAS)</b>	<b>4 139 053</b>	<b>228 669</b>	<b>0</b>	<b>0</b>	<b>5,50</b>	<b>570</b>	<b>401</b>

TABLE 3.2.2 - PERSONNEL COST BY SALARY BAND FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Salary band	Personnel cost (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total personnel cost including Goods and Services (R'000)	No. of employees
Contract (levels 1-2)	138	0,10	138 000	232 094	1
Contract (levels 3-5)	2 921	1,30	417 286	232 094	7
Contract (levels 6-8)	1 897	0,80	316 167	232 094	6
Contract (levels 9-12)	8 584	3,70	780 364	232 094	11
Contract (levels 13-16)	8 162	3,50	1 632 400	232 094	5
Contract other	611	0,30	305 500	232 094	2
Periodic remuneration	64	0,00	7 111	232 094	9
Lower skilled (levels 1-2)	2 176	0,90	181 333	232 094	12
Skilled (levels 3-5)	7 662	3,30	232 182	232 094	33
Highly skilled production (levels 6-8)	42 947	18,50	380 062	232 094	113
Highly skilled supervision (levels 9-12)	102 480	44,20	644 528	232 094	159
Senior management (levels 13-16)	51 132	22,00	1 189 116	232 094	43
<b>Total</b>	<b>228 774</b>	<b>98,60</b>	<b>570 509</b>	<b>232 094</b>	<b>401</b>

Note: The number of employees in this table also includes nine periodical appointments that are not included in Table 3.3.1.

TABLE 3.2.3 - SALARIES, OVERTIME, HOMEOWNERS' ALLOWANCES AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Programme	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per programme (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost	
Administration	82 160	84,82	604	0,62	2 171	2,24	2 878	2,97	96 861
Arts and Culture Promotion & Development	38 000	83,17	16	0,04	1 054	2,30	1 693	3,70	45 685
Heritage Promotion & Preservation	44 243	83,58	60	0,11	1 317	2,48	2 033	3,84	52 934
Institutional Governance	30 835	84,21	44	0,12	716	2,00	694	1,90	36 613
<b>Total</b>	<b>195 238</b>	<b>84,12</b>	<b>724</b>	<b>0,31</b>	<b>5 258</b>	<b>2,26</b>	<b>7 298</b>	<b>3,14</b>	<b>232 094</b>

TABLE 3.2.4 - SALARIES, OVERTIME, HOME OWNERS' ALLOWANCES AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Salary band	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per programme (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost	
Contract (levels 1-2)	131	94,90	0	0,00	0	0,00	0	0,00	138
Contract (levels 3-5)	2 763	93,80	7	0,20	0	0,00	0	0,00	2 945
Contract (levels 6-8)	1 816	95,10	24	1,30	1	0,10	4	0,20	1 910
Contract (levels 9-12)	8 055	92,20	3	0,03	2	0,02	40	0,50	8 740
Contract (levels 13-16)	7 852	95,20	0	0,00	0	0,00	3	0,03	8 244
Contract other	594	82,70	10	1,40	0	0,00	0	0,00	718
Periodic remuneration	0	0,00	0	0,00	0	0,00	0	0,00	76
Lower skilled (levels 1-2)	1 472	67,60	1	0,04	182	8,40	353	16,20	2 176
Skilled (levels 3-5)	5 847	76,10	41	0,50	430	5,60	627	8,20	7 683

Salary band	Salaries		Overtime		Homeowner's allowance (HOA)		Medical aid		Total personnel cost per programme (R0'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost	
Highly skilled production (levels 6-8)	33 989	78,70	349	0,80	1 562	3,60	2 902	6,70	43 181
Highly skilled supervision (levels 9-12)	87 522	84,10	283	0,30	2 128	2,00	2 845	2,70	104 066
Senior management (levels 13-16)	45 196	86,60	5	0,23	954	1,80	523	1,00	52 217
<b>Total</b>	<b>195 238</b>	<b>84,10</b>	<b>724</b>	<b>0,30</b>	<b>5 259</b>	<b>2,30</b>	<b>7 297</b>	<b>3,10</b>	<b>232 094</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 2018

Programme	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Administration, permanent	166	158	4,80	16
Arts and Culture Promotion & Development, permanent	77	75	2,60	1
Heritage Promotion and Preservation, permanent	113	109	3,50	2
Institutional Governance, permanent	51	49	3,90	3
Institutional Governance, temporary	1	1	0,00	1
<b>Total</b>	<b>408</b>	<b>392</b>	<b>3,90</b>	<b>23</b>

Note: The number of employees in this table does not include the nine periodical appointments that are included in Table 3.2.1; therefore, the difference in the number of filled posts

TABLE 3.3.2 - EMPLOYMENT AND VACANCIES BY SALARY BAND AS AT 31 MARCH 2018

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	1	1	0,00	2
Contract (levels 3-5), permanent	7	7	0,00	3
Contract (levels 6-8), permanent	6	6	0,00	3
Contract (levels 9-12), permanent	11	11	0,00	7
Contract (levels 13-16), permanent	5	5	0,00	6
Other, permanent	2	2	0,00	2
Lower skilled (levels 1-2),	12	12	0,00	0
Skilled (levels 3-5),	36	33	8,33	0
Highly skilled production (levels 6-8)	117	113	3,41	0
Highly skilled supervision (levels 9-12)	161	159	1,24	0
Senior management (levels 13-16)	48	43	10,41	0
<b>Total</b>	<b>408</b>	<b>392</b>	<b>3,90</b>	<b>23</b>

Note: The number of employees in this table does not include the nine periodical appointments that are included in Table 3.2.2; therefore, the difference in the number of filled posts.

TABLE 3.3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS AT 31 MARCH 2018

Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Administrative related, permanent	41	41	0,00	3
Archivists, curators and related professionals, permanent	38	38	0,00	0
Auxiliary and related workers, permanent	14	14	0,00	1
Cleaners in offices, workshops, hospitals, etc., permanent	12	12	0,00	1
Client information clerks (switchboard, reception, information clerks), permanent	2	2	0,00	0
Communication and information related, permanent	89	86	3,40	2
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	14	13	7,10	0
Financial and related professionals, permanent	8	7	12,50	0
Financial clerks and credit controllers, permanent	9	9	0,00	1
Food services aids and waiters, permanent	5	5	0,00	0
General legal admin and related professionals, permanent	1	1	0,00	1
Human resources and organisational develop and related, permanent	6	6	0,00	0
Human resources clerks, permanent	3	3	0,00	0
Human resources related, permanent	17	13	23,50	0
Information technology related, permanent	1	0	100,00	0
Language practitioners, interpreters and other communication related, permanent	17	16	5,90	0
Legal related, permanent	2	2	0,00	1
Library, mail and related clerks, permanent	5	5	0,00	1
Logistical support personnel, permanent	1	1	0,00	0
Material-recording and transport clerks, permanent	5	5	0,00	0
Messengers, porters and deliverers, permanent	6	6	0,00	0
Other admin and related clerks and organisers, permanent	14	14	0,00	4

Critical occupation	No. of posts on approved establishment	No. of posts filled	Vacancy rate - %	No. of employees additional to establishment
Other admin policy and related officers, permanent	7	7	0,00	0
Other information technology personnel, permanent	12	11	8,30	0
Other occupations, permanent	3	3	0,00	0
Risk management and security services, permanent	3	3	0,00	0
Secretaries and other keyboard-operating clerks, permanent	31	31	0,00	1
Security officers, permanent	13	13	0,00	0
Senior managers, permanent	25	21	16,00	7
<b>Total</b>	<b>408</b>	<b>392</b>	<b>3,90</b>	<b>23</b>

Note: The number of employees in this table does not include the nine periodical appointments that are included in Table 3.2.1; therefore, the difference in the number of filled posts.

#### Notes

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

## 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 2018

SMS level	Total no. of funded SMS posts	Total no. of SMS posts filled	% of SMS posts filled	Total no. of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0,00
Salary level 16	2	2	100	0	0,00
Salary level 15	5	4	80,00	1	20,00
Salary level 14	14	12	85,71	2	14,29
Salary level 13	32	27	84,38	5	15,63
<b>Total</b>	<b>54</b>	<b>46</b>	<b>85,19</b>	<b>8</b>	<b>14,81</b>

TABLE 3.4.2 - SMS POST INFORMATION AS AT 30 SEPTEMBER 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 Department	1	1	100	0	0
Salary level 16	2	2	100	0	0
Salary level 15	5	4	80,00	1	20,00
Salary level 14	16	13	81,25	3	18,75
Salary level 13	33	29	87,88	4	12,12
<b>Total</b>	<b>57</b>	<b>49</b>	<b>85,96</b>	<b>8</b>	<b>14,04</b>

TABLE 3.4.3 - ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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

TABLE 3.4.4 - REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS POSTS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Reasons for vacancies not advertised within six months
The compensation budget cuts prevented the Department from finalising the filling of vacant and already advertised positions.
Reasons for vacancies not filled within twelve months
The compensation budget cuts prevented the Department from finalising the filling of vacant and already advertised positions

**Notes**

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



## 3.4.5 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 1 APRIL 2017 AND 31 MARCH 2018

Disciplinary steps taken
N/A

**Notes**

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

## 3.5 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.5.1 - JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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)	1	0	0	0	0	0	0,00
Contract (levels 3-5)	7	0	0	0	0	0	0,00
Contract (levels 6-8)	6	0	0	0	0	0	0,00
Contract (levels 9-12)	11	0	0	0	0	0	0,00
Contract Band B	4	0	0	0	0	0	0,00
Contract Band C	1	0	0	0	0	0	0,00
Other	2	0	0	0	0	0	0,00
Lower skilled (levels 1-2)	12	0	0	0	0	0	0,00
Skilled (levels 3-5)	37	0	0	0	0	0	0,00
Highly skilled production (levels 6-8)	117	4	3,42	0	0	1	25,00
Highly skilled supervision (levels 9-12)	161	4	2,48	0	0	2	25,00
Senior Management Service Band A	32	0	0	0	0	0	0,00
Senior Management Service Band B	10	0	0	0	0	0	0,00
Senior Management Service Band C	4	0	0	0	0	0	0,00

Senior Management Service Band D	3	0	0	0	0	0	0,00
<b>Total</b>	<b>408</b>	<b>8</b>	<b>1,96</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>37,50</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 2017 TO 31 MARCH 2018

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
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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 2017 TO 31 MARCH 2018

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Administration Officer	1	7	8	Counter offer
Assistant Director: Records Management	1	9	10	Rank and leg promotion
Deputy Director: Events Management	1	11	12	Rank and leg promotion
Total no. of employees whose salaries exceeded the level determined by job evaluation				3
Percentage of total employed				0,77%

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

TABLE 3.5.4 - PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	0	0	0	1	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>

Employees with a disability	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 2017 TO 31 MARCH 2018

Salary band	No. of employees as at 1 April 2017	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate
Contract (levels 1-2), permanent	2	1	1	50,00
Contract (levels 3-5), permanent	33	50	50	151,50
Contract (levels 6-8), permanent	8	17	19	237,50
Contract (levels 9-12), permanent	14	16	20	142,90
Other, permanent	23	2	22	95,70
Contract (Band A), permanent	4	0	2	50,00
Contract (Band B), permanent	5	1	3	60,00
Contract (Band C), permanent	1	1	1	100,00
Lower skilled (levels 1-2), permanent	13	0	0	0,00
Skilled (levels 3-5), permanent	38	0	4	10,50
Highly skilled production (levels 6-8), permanent	137	0	7	5,10
Highly skilled supervision (levels 9-12), permanent	141	0	2	1,40
Senior Management Service Band A, permanent	24	0	1	4,20
Senior Management Service Band B, permanent	9	0	1	11,10

Salary band	No. of employees as at 1 April 2017	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate
Senior Management Service Band B, temporary	1	0	0	0,00
Senior Management Service Band C, permanent	5	0	1	20,00
Senior Management Service Band D, permanent	1	0	0	0,00
<b>Total</b>	<b>459</b>	<b>88</b>	<b>134</b>	<b>29,20</b>

TABLE 3.6.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Critical occupation	No. of employees as at 1 April 2017	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate
Administrative related, permanent	42	3	7	16,70
Archivists, curators and related professionals, permanent	40	0	2	5,00
Auxiliary and related workers, permanent	23	12	12	52,20
Building and other property caretakers, permanent	1	0	1	100,00
Cleaners in offices, workshops hospitals, etc., permanent	14	1	2	14,30
Client information clerks (switchboard, reception, information clerks), permanent	2	0	0	0,00
Communication and information related, permanent	85	6	3	3,50
Communication and information related, temporary	1	0	0	0,00
Custodian personnel, permanent	1	0	0	0,00
Engineers and related professionals, permanent	2	0	0	0,00
Finance and economics related, permanent	13	0	0	0,00
Financial and related professionals, permanent	8	0	0	0,00
Financial clerks and credit controllers, permanent	9	1	1	11,10
Food services aids and waiters, permanent	6	0	1	16,70
General legal, admin and related professionals, permanent	1	0	0	0,00
Human resources and organisational development and related personnel, permanent	7	0	1	14,30
Human resources clerks, permanent	4	0	0	0,00



Critical occupation	No. of employees as at 1 April 2017	Appointments and transfers into Dept.	Terminations and transfers out of Dept.	Turnover rate
Human resources related, permanent	13	0	0	0,00
Information technology related, permanent				
Language practitioners, interpreters and other communication related, permanent	18	1	3	16,70
Legal related, permanent	2	4	4	200,00
Librarians and related professionals, permanent				
Library, mail and related clerks, permanent	4	1	2	50,00
Logistical support personnel, permanent	1	0	0	0,00
Material-recording and transport clerks, permanent	5	0	0	0,00
Messengers, porters and deliverers, permanent	6	6	6	100,00
Other admin and related clerks and organisers, permanent	52	34	55	105,80
Other admin policy and related officers, permanent	10	1	4	40,00
Other information technology personnel, permanent	12	0	1	8,30
Other occupations, permanent	2	0	0	0,00
Risk management and security services, permanent	3	0	0	0,00
Secretaries and other keyboard-operating clerks, permanent	32	12	14	43,80
Security officers, permanent	13	0	0	0,00
Senior managers, permanent	27	5	14	51,90
<b>Total</b>	<b>459</b>	<b>88</b>	<b>134</b>	<b>29,20</b>

#### Notes

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

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

TABLE 3.6.3 - REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Termination type	Number	% of total resignations	% of total employment	Total	Total employment
Death	1	0,70	0,30	134	392
Resignation	18	13,40	4,60	134	392
Expiry of contract	110	82,10	28,10	134	392
Retirement, permanent	5	3,70	1,30	134	392
<b>Total</b>	<b>134</b>	<b>100</b>	<b>34,20</b>	<b>134</b>	<b>392</b>

TABLE 3.6.4 - GRANTING OF EMPLOYEE-INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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

TABLE 3.6.5 - PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupation	No. of employees at 1 April 2017	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to another notch within salary level	Notch progression as % of employees by occupation
Contract (levels 1-2), temporary	2	0	0,00	0	0,00
Contract (levels 3-5), temporary	33	1	3,00	0	0,00
Contract (levels 6-8), temporary	8	1	12,50	0	0,00
Contract (levels 9-12), temporary	14	1	7,10	0	0,00

Occupation	No. of employees at 1 April 2017	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to another notch within salary level	Notch progression as % of employees by occupation
Contract (levels 13-16), temporary	10	1	10,00	2	20,00
Other, permanent	23	0	0,00	0	0,00
Lower skilled (levels 1-2), permanent	13	0	0,00	3	23,10
Skilled (levels 3-5), permanent	38	0	0,00	27	71,10
Highly skilled production (levels 6-8), permanent	137	1	0,70	92	67,20
Highly skilled supervision (levels 9-12), permanent	141	5	3,50	117	83,00
Senior management (levels 13-16), permanent	39	2	5,10	29	74,40
Senior management (levels 13-16), temporary	1	0	0,00	0	0,00
<b>Total</b>	<b>459</b>	<b>12</b>	<b>2,60</b>	<b>270</b>	<b>58,80</b>

TABLE 3.6.6 - PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Salary band	No. of employees at 1 April 2017	Promotions to another salary level	Salary band promotions as % of employees by salary level	Progressions to another notch within salary level	Notch progression as % of employees by salary band
Administrative related, permanent	42	2	4,80	18	42,90
Archivists, curators and related professionals, permanent	40	1	2,50	31	77,50
Auxiliary and related workers, permanent	23	0	0,00	8	34,80
Building and other property caretakers, permanent	1	0	0,00	0	0,00
Cleaners in offices, workshops, hospitals, etc., permanent	14	0	0,00	5	35,70
Client information clerks (switchboard, reception, information clerks), permanent	2	0	0,00	2	100,00
Communication and information related, permanent	86	2	2,30	65	75,60
Custodian personnel, permanent	1	0	0,00	1	100,00
Engineers and related professionals, permanent	2	0	0,00	0	0,00
Finance and economics related, permanent	13	0	0,00	10	76,90
Financial and related professionals, permanent	8	0	0,00	5	62,50

Salary band	No. of employees at 1 April 2017	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
Financial clerks and credit controllers, permanent	9	0	0,00	8	88,90
Food services aids and waiters, permanent	6	0	0,00	2	33,30
General legal admin and related professionals, permanent	1	0	0,00	1	100,00
Human resources and organisational development and related personnel, permanent	7	0	0,00	6	85,70
Human resources clerks, permanent	4	0	0,00	3	75,00
Human resources related, permanent	13	0	0,00	13	100,00
Language practitioners, interpreters and other communication related, permanent	18	0	0,00	14	77,80
Legal related, permanent	2	0	0,00	1	50,00
Library, mail and related clerks, permanent	4	2	50,00	2	50,00
Logistical support personnel, permanent	1	0	0,00	1	100,00
Material-recording and transport clerks, permanent	5	0	0,00	4	80,00
Messengers, porters and deliverers, permanent	6	1	16,70	3	50,00
Other admin and related clerks and organisers, permanent	52	0	0,00	7	13,50
Other admin policy and related officers, permanent	10	0	0,00	3	30,00
Other information technology personnel, permanent	12	0	0,00	6	50,00
Other occupations, permanent	2	0	0,00	1	50,00
Risk management and security services, permanent	3	0	0,00	3	100,00
Secretaries and other keyboard-operating clerks, permanent	32	1	3,10	23	71,90
Security officers, permanent	13	0	0,00	10	76,90
Senior managers, permanent	27	3	11,10	14	51,90
<b>Total</b>	<b>459</b>	<b>12</b>	<b>2,60</b>	<b>270</b>	<b>58,80</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 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	0	11	1	1	1	23
Professionals	86	2	0	8	81	4	1	14	196
Technicians and associated professionals	22	0	0	2	34	2	0	3	63
Clerks	16	0	0	0	46	1	1	6	70
Service and sales workers	9	1	0	3	2	1	0	0	16
Skilled agriculture and fishery workers	9	0	0	0	15	0	0	0	24
<b>Total</b>	<b>151</b>	<b>3</b>	<b>0</b>	<b>13</b>	<b>189</b>	<b>9</b>	<b>3</b>	<b>24</b>	<b>392</b>
<b>Employees with disabilities</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>

TABLE 3.7.2 - TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS AT 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	4	0	0	0	3	0	0	0	7
Senior management, permanent	15	1	0	0	16	1	1	1	35
Senior management, temporary	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, permanent	61	1	0	6	71	6	1	13	159
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	36	1	0	7	59	1	1	8	113

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Not available, permanent	0	0	0	0	2	0	0	0	2
Contract (top management), permanent	0	0	0	0	1	0	0	0	1
Contract (senior management), permanent	3	0	0	0	1	0	0	0	4
Contract (professionally qualified), permanent	8	0	0	0	3	0	0	0	11
Contract (skilled technical), permanent	2	0	0	0	4	0	0	0	6
Contract (semi-skilled), permanent	5	0	0	0	2	0	0	0	7
Contract (unskilled), permanent	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>151</b>	<b>3</b>	<b>0</b>	<b>13</b>	<b>189</b>	<b>9</b>	<b>3</b>	<b>24</b>	<b>392</b>

TABLE 3.7.3 - RECRUITMENT FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Not available, permanent	0	0	0	0	2	0	0	0	2
Contract (top management), permanent	0	0	0	0	1	0	0	0	1
Contract (senior management), permanent	1	0	0	0	0	0	0	0	1
Contract (skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	4	0	0	0	13	0	0	0	17
Contract (professionally qualified and experienced specialists and mid-management,), permanent	13	0	0	0	3	0	0	0	16
Contract (unskilled), permanent	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>
<b>Employees with disabilities</b>									

TABLE 3.7.4 - PROMOTIONS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	3	0	0	0	1	0	0	0	4
Senior management, permanent	10	1	0	0	13	1	1	1	27
Professionally qualified and experienced specialists and mid-management, permanent	49	0	0	4	53	4	1	11	122
Unskilled and defined decision making, permanent	0	0	0	0	3	0	0	0	3
Contract (senior management), permanent	2	0	0	0	1	0	0	0	3
Contract (professionally qualified) permanent	0	0	0	0	1	0	0	0	1
Contract (skilled technical) permanent	1	0	0	0	0	0	0	0	1
Contract (semi-skilled) permanent	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>105</b>	<b>2</b>	<b>0</b>	<b>10</b>	<b>134</b>	<b>7</b>	<b>3</b>	<b>21</b>	<b>282</b>
<b>Employees with disabilities</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>

TABLE 3.7.5 - TERMINATIONS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	1	1
Senior management	0	0	0	0	1	0	0	1	2

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents, permanent	2	0	0	0	3	1	0	1	7
Semi-skilled and discretionary decision making	1	0	0	0	3	0	0	0	4
Not available, permanent	7	1	0	0	12	1	0	1	22
Contract (top management), permanent	0	0	0	0	1	0	0	0	1
Contract (professionally qualified), permanent	15	0	1	0	4	0	0	0	20
Contract (skilled technical), permanent	5	0	0	0	14	0	0	0	19
Contract (semi-skilled), permanent	28	0	0	0	22	0	0	0	50
Contract (unskilled), permanent	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>64</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>62</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>134</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

TABLE 3.7.6 - DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
No outcome	3	0	0	0	1	0	0	0	4
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

TABLE 3.7.7 - SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	13	1	1	0	32	0	1	1	49
Professionals	88	4	0	5	85	4	2	13	201
Technicians and associated professionals	29	0	0	2	60	3	3	1	98



Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Clerks	15				26			4	45
Elementary occupations	1				1				2
<b>Total</b>	<b>146</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>204</b>	<b>7</b>	<b>6</b>	<b>19</b>	<b>395</b>
<b>Employees with disabilities</b>									

### 3.8 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

TABLE 3.8.1 - SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS AT 31 MAY 2017

SMS level	Total no. of funded SMS posts	Total no. of SMS members	Total no. of signed performance agreements	Signed performance agreements as % of total no. of SMS members
Director-General/ Head of Dept.	1	0	0	0,00
Salary level 16	2	2	2	100
Salary level 15	5	4	4	100
Salary level 14	14	12	12	100
Salary level 13	32	27	19	70,30
<b>Total</b>	<b>54</b>	<b>45</b>	<b>37</b>	<b>82,22</b>

**Notes**  
*In the event of a national or provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2017.*

TABLE 3.8.2 - REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS AT 31 MAY 2017

Reasons
Some SMS members who did not comply had not been appointed by 31 May 2017.

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

TABLE 3.8.3 - DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS AT 31 MAY 2017

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

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

### 3.9 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

TABLE 3.9.1 - PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	28	146	19,20	623,60	22 271,00
Female	38	185	20,50	760,25	20 006,00
<b>Asian</b>					
Male	0	0	0,00	0,00	0,00
Female	0	3	0,00	0,00	0,00
<b>Coloured</b>					
Male	1	3	33,30	42,30	42 302,00
Female	4	9	44,40	90,30	22 574,00
<b>White</b>					
Male	7	12	58,30	214,15	30 592,00
Female	7	23	30,40	195,81	27 972,00
<b>Total</b>	<b>89</b>	<b>392</b>	<b>22,70</b>	<b>1 992,55</b>	<b>22 388,00</b>
<b>Employees with a disability</b>	<b>4</b>	<b>11</b>	<b>36,40</b>	<b>66,15</b>	<b>16 539,00</b>

TABLE 3.9.2 - PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SMS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within group	Cost (R'000)	Average cost per employee
Contract (levels 1-2)	0	1	0,00	0	0
Contract (levels 3-5)	0	7	0,00	0	0
Contract (levels 6-8)	0	6	0,00	0	0
Contract (levels 9-12)	1	11	9,10	22,29	22 287,00
Other	0	2	0,00	0	0
Lower skilled (levels 1-2)	11	12	91,70	84,65	7 695,00
Skilled (levels 3-5)	19	33	57,60	202,99	10 684,00
Highly skilled production (levels 6-8)	26	113	23,00	509,14	19 582,00
Highly skilled supervision (levels 9-12)	32	159	20,10	1 173,48	36 671,00
<b>Total</b>	<b>89</b>	<b>344</b>	<b>25,90</b>	<b>1 992,55</b>	<b>22 388,00</b>

TABLE 3.9.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related, permanent	6	41	14,60	209,73	34 955,00
Archivists, curators and related professionals, permanent	16	38	42,10	393,19	24 574,00
Auxiliary and related workers, permanent	8	14	57,10	90,68	11 334,00
Cleaners in offices, workshops, hospitals, etc., permanent	12	12	100,00	95,68	7 973,00
Client information clerks (switchboard, reception, information clerks), permanent	2	2	100,00	18,89	9 446,00
Communication and information related, permanent	14	87	16,10	520,07	37 148,00
Custodian personnel, permanent	0	1	0	0	0
Engineers and related professionals, permanent	1	2	50,00	22,29	22 287,00

Race and gender	Beneficiary profile			Cost	
	No. of beneficiaries	No. of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Finance and economics related, permanent	3	13	23,10	118,52	39 506,00
Financial and related professionals, permanent	1	7	14,30	16,49	16 494,00
Financial clerks and credit controllers	1	9	11,10	12,35	12 348,00
Food services aids and waiters, permanent	2	5	40,00	15,25	7 623,00
General legal admin and related professionals, permanent	0	1	0	0	0
Human resources and organisational development and related professionals, permanent	1	6	16,70	39,86	39 856,00
Human resources clerks, permanent	0	3	0	0	0
Human resources related, permanent	2	13	15,40	82,85	41 423,00
Language practitioners, interpreters and other communication related, permanent	1	16	6,30	19,14	19 142,00
Legal related, permanent	0	2	0	0	0
Library, mail and related clerks, permanent	0	5	0	0	0
Logistical support personnel, permanent	0	1	0	0	0
Material-recording and transport clerks, permanent	0	5	0	0	0
Messengers, porters and deliverers, permanent	2	6	33,30	20,80	10 398,00
Other admin and related clerks and organisers, permanent	4	14	28,60	54,80	13 700,00
Other admin policy and related officers, permanent	0	7	0	0	0
Other information technology personnel, permanent	2	11	18,20	44,30	22 150,00
Other occupations, permanent	0	3	0	0	0
Risk management and security services, permanent	2	3	66,70	43,84	21 918,00
Secretaries and other keyboard-operating clerks, permanent	7	31	22,60	137,67	19 667,00
Security officers, permanent	1	13	7,70	22,90	22 904,00
Senior managers, permanent	0	21	0	0	0
<b>Total</b>	<b>89</b>	<b>392</b>	<b>22,70</b>	<b>1 992,55</b>	<b>22 388,00</b>



## Notes

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

TABLE 3.9.4 – PERFORMANCE-RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SMS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Salary band	Beneficiary profile			Cost		Total cost as % of total personnel cost
	No. of beneficiaries	No. of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	26	0	0	0	0
Band B	0	14	0	0	0	0
Band C	0	5	0	0	0	0
Band D	0	3	0	0	0	0
<b>Total</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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 2017 TO 31 MARCH 2018

Salary band	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE 3.10.2 - FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Major occupation	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	100	1	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>1</b>	<b>1</b>

### 3.11 LEAVE UTILISATION

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

TABLE 3.11.1 - SICK LEAVE FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

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 (R'000)	Total no. of employees using sick leave	Total no. of days with medical certificate
Contract (levels 1-2)	1	100,00	1	0,30	1	0	349	1
Contract (levels 3-5)	33	75,80	12	3,40	3	24	349	25
Contract (levels 6-8)	21	90,50	4	1,10	5	25	349	19
Contract (levels 9-12)	39	87,20	5	1,40	8	99	349	34
Contract (levels 13-16)	3	100,00	1	0,30	3	12	349	3
Contract, other	21	71,40	10	2,90	2	5	349	15
Lower skilled (levels 1-2)	69	76,80	11	3,20	6	38	349	53
Skilled (levels 3-5)	367	73,30	35	10,00	10	270	349	269

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 (R'000)	Total no. of employees using sick leave	Total no. of days with medical certificate
Highly skilled production (levels 6-8)	733	68,80	100	28,70	7	978	349	504
Highly skilled supervision (levels 9-12)	997	79,10	135	38,70	7	24330	349	789
Senior management (levels 13-16)	175	78,30	35	10,00	5	703	349	137
<b>Total</b>	<b>2 459</b>	<b>75,20</b>	<b>349</b>	<b>100</b>	<b>7</b>	<b>4 587</b>	<b>349</b>	<b>1 849</b>

TABLE 3.11.2 - DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

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 (R'000)	Total no. of days with medical certificate	Total no. of employees using disability leave
Skilled (levels 3-5)	6	100	2	16,70	3	4	6	12
Highly skilled production (levels 6-8)	435	100	6	50,00	73	587	435	12
Highly skilled supervision (levels 9-12)	45	100	4	33,30	11	88	45	12
<b>Total</b>	<b>486</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>41</b>	<b>679</b>	<b>486</b>	<b>12</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 2017 TO 31 DECEMBER 2017

Salary band	Total no. of days taken	Average no. of days per employee	No. of employees using annual leave
Contract (levels 1-2)	47	24	2
Contract (levels 13-16)	76	8	10
Contract (levels 3-5)	210	6	33
Contract (levels 6-8)	72	7	10
Contract (levels 9-12)	149	9	16
Contract, other	184	8	24
Lower skilled (levels 1-2)	321	25	13
Skilled (levels 3-5)	884	23	38
Highly skilled production (levels 6-8)	2 807	21	132
Highly skilled supervision (levels 9-12)	3 903	23	168
Senior management (levels 13-16)	1 003	22	46
<b>Total</b>	<b>9 656</b>	<b>20</b>	<b>492</b>

TABLE 3.11.4 - CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

Salary band	Total no. of days of capped leave taken	No. of employees using capped leave	Average no. of days taken per employee	Average capped leave per employee as at 31 March 2018
Contract (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	2	2	1	52
Highly skilled production (levels 6-8)	3	1	3	38



Salary band	Total no. of days of capped leave taken	No. of employees using capped leave	Average no. of days taken per employee	Average capped leave per employee as at 31 March 2018
Highly skilled supervision (levels 9-12)	0	0	0	27
Senior management (levels 13-16)	0	0	0	35
<b>Total</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>33</b>

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

3.11.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Reason	Total amount (R'000)	No. of employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2017/18	1 131	62	18 242
Current leave pay-outs on termination of service for 2017/18	94	6	15 667
<b>Total</b>	<b>1 225</b>	<b>68</b>	<b>18 015</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		Ms Matilda C Mogotsi: DDG/Corporate Services is designated to implement the provision contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
Question	Yes	No	Details, if yes
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Two  Employees are paid from the compensation budget and projects from the goods and services budget (HRM)
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		By offering key services the Employee Health and Wellness Unit aims to achieve the following goals:  <b>Implementing the National Strategic Plan for HIV/Aids, STI and TB 2017-2022 by-</b> <ul style="list-style-type: none"> <li>• addressing the social, structural and behavioural drivers of HIV, STI and TB;</li> <li>• preventing new HIV, TB and STI infections;</li> <li>• sustaining health and wellness; and</li> <li>• protecting human rights of people living with HIV and TB infections.</li> </ul> <b>Promoting and enhancing DAC employees' performance and organisational performance through-</b> <ul style="list-style-type: none"> <li>• developing a wellness management policy; and</li> <li>• implementing a wellness management operational plan with the following objectives:</li> </ul>

Question	Yes	No	Details, if yes
			<p>(a) to promote physical wellness of employees;  (b) to promote psychosocial wellness of employees; and  (c) to promote and encourage organisational wellness.</p> <p><b>Addressing all aspect of employees' health that affect their work performance through-</b></p> <ul style="list-style-type: none"> <li>developing, implementing and popularising the Health and Productivity Management Policy to DAC employees;</li> <li>promoting the management of non-communicable and communicable diseases;</li> <li>promoting the management of mental health, including the workplace;</li> <li>promoting the management of incapacity, leave and ill-health retirement; and</li> <li>promoting healthy behaviour by employees through educational interventions.</li> </ul>
<p>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.</p>	Yes		<p>The Employee Health and Wellness Unit appointed the following DAC employees as members of Employee Health and Wellness Committee:</p> <ul style="list-style-type: none"> <li>Opelo Thole: Sub-directorate Terminology &amp; Coordination</li> <li>Sylvia Makapan: Sub-directorate Terminology &amp; Coordination</li> <li>Hlwaela Mphuloane: Sub-directorate Payment &amp; Asset Management</li> <li>Mokgadi Matemane: CD:National Language Service</li> <li>Corry Masilela: Sub-directorate Events Management</li> <li>Matsobane Kekane: Directorate :Internal Audit</li> <li>Luvuyo Ngingi: Sub-directorate Terminology &amp; Coordination</li> <li>Patricia Mohlala: Division Security</li> <li>Petrus Mathiba: Division Registry</li> <li>Tumelo Modjela: Directorate: Information Technology</li> <li>Tshepiso Serokolo: Directorate: Information Technology</li> <li>Tsoana Mosiea: CD: Marketing &amp; Communication</li> <li>Adeline Huma: Branch: Corporate Services</li> </ul> <p>The Committee members are reimbursed for the positions they were appointed to in the Department.</p>

Question	Yes	No	Details, if yes
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		<p>The following polices have been reviewed:</p> <ul style="list-style-type: none"> <li>• Leave Policy</li> <li>• Recruitment and Selection</li> <li>• Induction/Orientation Policy</li> <li>• Human Resource Development Policy</li> <li>• Sexual harassment Policy</li> <li>• EAP Policy</li> </ul>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		<ul style="list-style-type: none"> <li>• Provide educational information on the stigma related to HIV/Aids and TB in the workplace through electronic and print medium.</li> <li>• Provide ongoing emotional and psychosocial support to employees who are victims of stigmatisation and discrimination related to HIV/Aids and TB.</li> <li>• Popularise policies that address discrimination and stigmatisation of employees infected with HIV and TB in the workplace through print and electronic medium.</li> <li>• Promote and mainstream HR policies that address barriers to human rights through print and electronic medium.</li> <li>• Review the existing policy on EEA, which addresses equity and protection of vulnerable individuals in the workplace.</li> </ul>





Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> <li>• Raise awareness of issues related to violence against women, children, youth people living with disability and people living with HIV/Aids.</li> <li>• Intensify awareness of women's empowerment and gender equality issues through print and electronic medium.</li> <li>• Encourage and promote behavioural change interventions through print and electronic medium.</li> </ul>
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Between April 2017 and March 2018, 25, male employees, and 63 female employees participated in HCT. From the 88 employees who participated in HCT only 1 employee was tested HIV positive.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<p>The Employee Wellness Unit will provide a report on the impact of the implementation of the health promotion programme to the Directors-General of the Department of Arts and Culture and the Department of Public Service and Administration at least once per annum in the form of the following operational plans:</p> <ul style="list-style-type: none"> <li>• HIV&amp;Aids, TB and STI Operational Plan.</li> <li>• Health and Productivity Management Operational Plan.</li> <li>• Wellness Management Operational Plan.</li> </ul>

### 3.13 LABOUR RELATIONS

TABLE 3.13.1 - COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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 2017 TO 31 MARCH 2018

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0,00
Verbal warning	0	0,00
Written warning	0	0,00
Final written warning	1	33,33
Suspended without pay	0	0,00
Fine	0	0,00
Demotion	0	0,00
Dismissal	0	0,00
Not guilty	0	0,00
Case withdrawn	2	66,66
<b>Total</b>	<b>3</b>	<b>100</b>

TABLE 3.13.3 - TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Type of misconduct	Number	% of total
Alleged assault	1	33,33
Insubordination	0	0,00
Irregular expenditure	2	66,66
<b>Total</b>	<b>3</b>	<b>100</b>

TABLE 3.13.4 - GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Grievances	Number	% of total	Total
No. of grievances resolved	5	55,55	9
No. of grievances not resolved	4	44,44	9
<b>Total number of grievances lodged</b>	<b>9</b>	<b>100</b>	<b>9</b>

TABLE 3.13.5 - DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Disputes	Number	% of total
No. of disputes upheld	0	0,00
No. of disputes dismissed	2	100
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100</b>

TABLE 3.13.6 - STRIKE ACTION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Total no. of working days lost	1
Total cost of working days lost (R'000)	1
Amount recovered as a result of no work, no pay (R'000)	1

TABLE 3.13.7 - PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2017 AND 31 MARCH 2018

No. of people suspended	1
No. of people whose suspension exceeded 30 days	1
Average no. of days suspended	90
Cost of suspension (R'000)	129 787,09

## 3.14 SKILLS DEVELOPMENT

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

3.14.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Gender	No. of employees at 1 April 2017	Training needs identified at beginning of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	54	0	54
	Male	24	0	37	0	37
Professionals	Female	94	0	136	0	136
	Male	74	0	104	0	104
Technicians and associated professionals	Female	74	0	140	0	140
	Male	45	0	84	0	84
Clerks	Female	24	0	35	0	35
	Male	20	0	21	0	21
Elementary occupations	Female	12	0	21	0	21
	Male	3	0	9	0	9
<b>Gender subtotals</b>	<b>Female</b>	<b>226</b>	<b>0</b>	<b>386</b>	<b>0</b>	<b>386</b>
	<b>Male</b>	<b>166</b>	<b>0</b>	<b>255</b>	<b>0</b>	<b>255</b>
<b>Total</b>		<b>392</b>	<b>0</b>	<b>641</b>	<b>0</b>	<b>641</b>



## 3.14.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Occupational category	Gender	No.of employees at 1 April 2017	Training provided in reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	34	0	34
	Male	24	0	15	0	15
Professionals	Female	94	0	104	0	104
	Male	74	0	97	0	97
Technicians and associated professionals	Female	74	0	67	0	67
	Male	45	0	31	0	31
Clerks	Female	24	0	30	0	30
	Male	20	0	15	0	15
Elementary occupations	Female	12	0	1	0	1
	Male	3	0	1	0	1
Gender subtotals	Female	226	0		0	236
	Male	166	0		0	159
<b>Total</b>		<b>392</b>	<b>0</b>		<b>0</b>	<b>395</b>

## 3.15 INJURY ON DUTY

The following tables provide basic information on injury on duty

TABLE 3.15.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	23	88,46
Temporary total disablement	3	11,54
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>26</b>	<b>100</b>

### 3.16 USE OF CONSULTANTS

The following tables relate information on the use of consultants in the Department. In terms of the Public Service Regulations 'consultant' means a natural or juristic person or a partnership who or which, in terms of a specific contract, on an ad-hoc basis provides any of the following professional services to a department against remuneration received from any source:

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

TABLE 3.16.1 - CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Project title	Total no. of consultants who worked on project	Duration (working days)	Contract value in Rand
Independent Contractor- Library Conditional Grant Project	2	1 June 2016–31 May 2021	R2 327 072,00
Stakeholder Management	1	1 September 2017–31 August 2018	R3 050 200,00

Total no. of projects	Total no. of individual consultants	Total duration	Contract value in Rand
2	3	30 months	R5 377 272,00

TABLE 3.16.2 - ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Project title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups who worked on project
Library Conditional Grant	100	100	2
Stakeholder Management	100	100	1

TABLE 3.16.3 - CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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

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

TABLE 3.16.4 - ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS IN TERMS OF HDI FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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

### 3.17 SEVERANCE PACKAGES

TABLE 3.17.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

Salary band	No. of applications received	No. of applications referred to the MPSA	No. of applications supported by MPSA	No. of packages approved by Dept.
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





PART



*Governance*

## 4.1 INTRODUCTION

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

## 4.2 RISK MANAGEMENT

As required by Section 38(1)(a)(i) of the PFMA, and in line with the Public Sector Risk Management Framework, the Department has an established risk management committee that advises the Accounting Officer on matters of risk management in fulfilling his mandate as required by the Act. The Risk Management Committee operates on the advice of an independent member as the Chairperson, who reports to the Department's Audit Committee. The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges its responsibilities in compliance with the Charter.

The Committee comprises the Director-General and executive management at deputy director-general level, as well as all chief directors and selected senior managers who represent core operational functions within the DAC. The Committee held five meetings during the 2017/18 financial year with an average attendance rate of 83%.

The Department maintained a Risk Management Framework and Risk Policy, including a Fraud Policy, Fraud Prevention Strategy and a Fraud Investigation Policy. The Department reviewed the existing ethics and integrity policies (Gifts Policy; Remunerative Work outside the Public Sector), and developed the following new policies:

- i. Project Risk Management Framework
- ii. Compliance Risk Framework
- iii. Conflict of Interest Policy

Quarterly strategic risk mitigation reports are submitted to the Risk Management Committee by the respective deputy directors-general for each programme. Risk management progress is monitored quarterly by the Risk Management Unit with the assistance of Branch

coordinators at strategic level, including appointed risk champions who collate and validate the risk mitigation efforts at an operational level. The Branch reports are reviewed and submitted to the Audit Committee for oversight.

The Risk Management Committee placed special emphasis on strategic risk mitigation for the following areas:

- i. Regulation and Compliance Risks
- ii. ICT Availability Risks
- iii. Funding Risks
- iv. Project Management Risks
- v. Health and Safety Risks

## 4.3 FRAUD AND CORRUPTION

Reporting of fraud allegation and applying of Fraud Prevention Policy:

- The Department has an approved Fraud Prevention Strategy, and maintained fraud prevention and investigation policies. A whistle-blowing policy is in place and fully applied.
- The Department has maintained processes to collate all fraud reporting by employees received through walk-in, etc. to the risk Management Directorate, including the escalation of all received allegations from the Public Service Commission. All reported allegations are escalated to the Accounting Officer and the Chief Audit Executive for preliminary investigations and follow-up.

## 4.4 MINIMISING CONFLICT OF INTEREST

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

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

- Financial disclosures: all senior managers disclosed their financial interests for 2017/18 by 30 April 2018.
- Gift disclosures: gifts to the value of R52 980,00 were disclosed during the financial year.
- Approval for remunerative work: approval to conduct remunerative work outside the public sector is granted by the Executive Authority in line with the Public Service Regulations. Approval is subject to annual review, in line with the Department's approved Remunerative Work Policy.
- A conflict of interest policy was developed to better direct the monitoring and disclosure of conflict of interest at an organisational level.

## 4.5 CODE OF CONDUCT

The Department complied with the Code of Conduct as articulated in Chapter 2, Part 1 of the Public Service Regulations, 2016.

## 4.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The vision of the Department's OHS programme is a healthy and safe working environment for all who enter its premises, in compliance with the relevant legislation. The mission of the programme is to prevent accidents, injuries and illness resulting from all foreseeable workplace hazards and risks, and to respond rapidly and appropriately when these occur. The DAC considers its staff to be its most valuable asset and is committed to maintaining the health and safety of all staff as a priority. This commitment also extends to others in the workplace, such as our visitors, on-site contractors and stakeholders who visit our various sites and attend our events.

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

To support this commitment, the Occupational Health and Safety Policy was implemented. A health and safety plan, which outlines 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 Office assisted extensively during the relocation of the Department from the old building to the new premises – health and safety representatives assisted to ensure that the relocation had minimal adverse effects on the health and well-being of employees as required by the OHS Act. Upon occupying the new building, additional health and safety representatives were appointed and designated in writing. Training in first aid, basic firefighting and basic SHE Rep functions within an occupational environment was organised for all the SHE Reps.

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

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

The IAA was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter, based on Treasury Regulation 3.2 and the Standards for the Professional Practice of Internal Auditing. The scope of the IAA's work was derived from the approved Risk-Based Three-Year Strategic and Annual Operational Plans approved by the Audit Committee for the 2017/2018 financial year.

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

discharge of their responsibilities:

- Review of the Draft 2018/19 Annual Performance Plan (APP)
- Review of the Enterprise Risk Management
- Review of the 2017/18 Unaudited Interim Financial Statements
- Quarterly Reviews of Predetermined Objectives – 2017/18 financial year and Quarter 4 of the 2016/17 financial year
- MPAT 1.7 Verification
- Internal Financial Controls
- Review of the Updated SCM Policy
- Financial audit of accounting records of a grant-in-aid beneficiary – National Heritage Project Company (NHPC)
- Review of the Annual Performance Report – 2016/2017
- Review of the 2016/17 Unaudited Annual Financial Statements
- Review of the 2017/18 Quarter 3 Unaudited Financial Statements
- Review of the Management Action Plan to address the AGSA 2016/17 findings (Adequacy and Effectiveness Review)
- DAC 2018/19 Technical Indicator Description (TID) Review
- Transfers

#### 4.7.2 AUDIT COMMITTEE

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

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

- (i) financial reporting, systems of internal control and performance against predetermined objectives;
- (ii) enhancing business ethics and trust in the Department;
- (iii) ensuring and enhancing the independence of the IAA;
- (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 four members (external to the Department) as at 31 March 2018 (one independent member's term ended in September 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. WE Huma	Self-employed	<ul style="list-style-type: none"> <li>• LLM (Master of Laws)</li> <li>• LLB (Bachelor of Laws)</li> <li>• BProc</li> <li>• Post-Graduate Diploma in Company Direction (Corporate Governance)</li> <li>• Fellow of the Institute of Directors.</li> <li>• Financial Management (Finance for Non-Financial Managers)</li> </ul>	Chairperson [non-executive member]	14 May 2014 (1 <sup>st</sup> term)	13 May 2017	9
				15 May 2017 (2 <sup>nd</sup> term)	30 September 2020	



Name	Employer	Qualifications	Designation	Date of appointment	End of term	No. of meetings attended
b) Ms F Mdanda	Smith Capital	<ul style="list-style-type: none"> <li>• MBA</li> <li>• Honours BCom (Auditing)</li> <li>• BCompt</li> </ul>	Non-executive member	1 September 2014 (2 <sup>nd</sup> Term)	31 August 2017	4
c) Mr MAE. Amod	Self-employed	<ul style="list-style-type: none"> <li>• Chartered Director, South Africa (CD-SA)</li> <li>• MBA</li> <li>• BCom</li> <li>• Certified Internal Auditor</li> <li>• Certified Government Auditing Professional</li> <li>• Certification in Risk Management Assurance</li> </ul>	Non-executive member	14 May 2014 (1 <sup>st</sup> term)	13 May 2017	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 BCom (Accounting)</li> <li>• Specialist Diploma in Auditing</li> <li>• B Com (Accounting)</li> <li>• Certificate of Corporate Governance in Public Sector</li> </ul>	Non-executive member	19 October 2016	18 October 2019	8
e) Ms F Tshikhudo	State-owned entity	<ul style="list-style-type: none"> <li>• Honours BCompt</li> <li>• BCom (Accounting and Auditing)</li> <li>• Post-Graduate Diploma (Accounting Science)</li> <li>• Post-Graduate Diploma: Risk Management</li> <li>• Certificate in Management Development</li> <li>• Certified Risk Management Assurance</li> <li>• Certified Internal Auditor</li> </ul>	Non-executive member	19 October 2016	18 October 2019	6

The Audit Committee met on 9 occasions – 4 Ordinary Audit Committee meetings and 5 Special Audit Committee meetings. 2 of the Special Audit Committee meetings dealt with the annual financial statements (unaudited and audited), and the remaining 3 dealt with the following matters:

- DAC Risk and Governance Reports;
- Introduction of the newly appointed Internal Audit Service Provider and approval of Internal Audit's Final Audit Plan as well as resourcing; and
- Review and oversight over certain forensic investigation project(s).

## 4.8 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2018.

### 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 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 adopted appropriate formal terms of reference as its Charter, which was duly approved, and regulated its affairs in compliance with this Charter and 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 the categories of effectiveness and efficiency of operations, financial reporting, and compliance with applicable laws and regulations, and policies and procedures.

The Audit Committee provided oversight on business areas of the Department in line with applicable provisions of the PFMA, the Treasury Regulations and its approved Audit Committee Charter. This was achieved through the assurance reviews conducted by IAA as well as from the assurance reviews by the Auditor-General of South Africa (AGSA) in line with the approved coverage plans, respectively. The IAA provided the Audit Committee and Management with assurance on the existence of internal controls, their appropriateness and effectiveness, and recommendations where weaknesses and or deficiencies in internal controls were noted.

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

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

- Policies and procedures - Instances where the periodic review and approval of certain policies and procedures was delayed and resulted in recurring AGSA findings, i.e. human resource management policies, monitoring and evaluation framework, policy and standard operating procedures, ICT disaster and security policies;
- Strategic and annual performance planning, i.e. delayed and fragmented planning;
- Lack of adequate project management in the Department (coordination, monitoring, reporting and requisite skills);
- Inadequate maintenance of sufficient reliable and complete verification sources for reported performance information;
- Unsatisfactory IT general controls;
- Inadequate review and quality of the Department's financial statements, i.e. preparation and quality assurance;
- Inadequate and delayed implementation of management action plans developed to improve internal controls and performance, as well as the application of consequence management;
- Some deficiencies/non-compliance noted within SCM procurement, and contract management; and

- Although Irregular expenditure has been reduced with the introduction of further internal controls, instances of non-compliance with policies and procedures by employees, which result in irregular, fruitless and wasteful expenditure, are still continuing and monitoring by management is required to ensure accountability.

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

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

The Committee monitored the improvement and turn-around of the internal control environment as well as the external audit outcome through oversight of the management action plan in relation to the 2016/17 AGSA audit outcomes, and has observed that although some improvements were made, they did not have much impact on the 2017/18 financial year as a result of delayed implementation, e.g. approval of policies, development and implementation of adequate internal controls.

#### 4.8.3 INTERNAL AUDIT

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

Nevertheless, the Committee still considers the IAA to be under-resourced, given its current human resources and budget allocation, to function optimally and maximise its coverage of the risk exposures facing the Department. Efforts to supplement the capacity of the IAA have been noted by the Committee, and will continue to be monitored.

#### 4.8.4 RISK MANAGEMENT

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

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

In line with its approved Charter, the Risk Management Committee held four (quarterly) ordinary risk management committee meetings during the 2017/18 financial year with an average attendance rate of 83%, which is an improvement on the 79% reported in the previous year. The Risk Management Committee reports to the Audit Committee on all its activities and functions.

The following are the activities approved by the Audit Committee through its oversight role in Risk Management:

##### **a. Risk Management Policies**

The Department maintained a Risk Management Framework and Risk Management Policy, including a Fraud Prevention Policy, Fraud Prevention Strategy and a Fraud Investigation Policy. The Department further implemented and developed the following new policies:

- i. Project Risk Management Framework
- ii. Compliance Risk Framework
- iii. Conflict of Interest Policy

## b. Monitoring and Reporting Risks and Significant Risk Exposures

Risk Management progress is monitored quarterly through the Risk Management Committee, which reports to the Audit Committee for oversight. The Audit Committee, through the reporting received from the Risk Management Committee, noted that the overall risk mitigation at departmental level was measured at 68%.

The following is a summary of significant risk matters considered by the Risk Committee and reported to the Audit Committee:

- i. **Regulatory reform** – review and address inherent gaps found in the last revision of the 1996 White Paper.
- ii. **ICT availability** – transition and progress of the transfer of accepted archival material to digitised format was noted by the Risk Committee. Partnerships with the French government has yielded positive results through the acquisition of Archeo phones and training of existing archivists to use these resources, which will assist towards increased knowledge regarding digitisation.
- iii. **Funding risk** – access to funding to ensure increased strategic support of the Department's funding strategies, including the effective recruitment and placement of staff, was impacted by the non-approval of conditional grants for the National Archives to address ICT infrastructure and staffing.
- iv. **Project management** – unspent capital expenditure for infrastructure projects continues to be a concern; however, the Department approved a Project Risk Management Framework and will monitor projects with a material impact on the Department's deliverables going forward.

## c. Ethics and Integrity Management Programme

In order to manage conflict of interest, the Department through its Ethic and Integrity Programme, ensured that all designated officials declared their financial interests, including the disclosure of accepted gifts and other benefits. The Fraud Awareness Campaign was deferred to early in the 2018/19 financial year and it is currently ongoing.

Approval to perform remunerative work outside the public sector was administered and approved by the Executive Authority in line with the Public Service Integrity Management Framework, and Chapter 2 and 3 of the Public Service Regulations, 2016. All senior managers disclosed their financial interests for 2017/18 by 30 April 2018.

The Department made great strides towards the development, adoption and setting of project risk appetite and tolerance statements. The next phase is to implement the governance structures as articulated in the Project Risk Management Framework. They will also need to be incorporated into the Project Management Policy of the Department once the Project Management Office is established this year.

The organisational structure for the Department remains in its draft format for the fourth year as at of March 2018, and continues to be the root cause for the adverse impact on the allocation of resources, which additionally compromises the strategic placing of resourcing in programmes that drive the core function of the Department. The National Archives has been flagged as an area of concern; efforts to minimise the ICT infrastructure have been slow and the executive management historically missed the opportunity to prioritise funding of this programme to address the aging ICT infrastructure at the National Archives. The risk exposure as reported carries extensive reputational risk in the advent of failed service delivery by the National Archives at national and international level.

### 4.8.5 SUMMARY OF THE MAIN ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

The Committee has played an active oversight role in the Department's most challenging areas, which are ongoing or are still receiving attention in the Department:

- Project management relating to infrastructure projects and all transfers made by the Department to ensure value for money – ensuring adequate skills and capacity in general project management and also in the built environment;
- Centralisation 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 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 policies and procedures to manage and guide remunerated work outside the Department and disclosures on conflict of interest, as well as ensuring compliance therewith and reviewing any related policy to ensure alignment to new prescripts and to ensure consequence management for non-compliance;
- 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 framework should also take into account the integrated reporting/assurance that is already being done for the Department's performance information;
- Framework on Compliance with Laws and Regulations - finalisation of the draft Framework and 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 and progress of management action plans for the emerging high-risk areas brought to the attention of the Audit Committee during the financial year;
- Capacitating the Risk Management Unit and the IAA;
- Early development of the Strategic Plan and Annual Performance Plan to ensure alignment between the plans and the risk identification process;
- Enforcement of accountability and consequence management where instances of non-compliance with 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.

#### 4.8.6 QUALITY OF IN-YEAR MONITORING AND QUARTERLY REPORTS

The Department has reported quarterly to the National Treasury as required by the PFMA and Treasury Regulations in terms of performance information and financial statements. The following recommendations were made to the Accounting Officer in terms of the quarterly and interim financial statements:

- Regular review and timely preparation of the Department's financial statement to ensure the quality thereof;
- Development of a narration report (presentation) to give detailed explanations of material variances and/or any other significant variations on financial statement items, as well as the development of a materiality framework for the Department;
- Deviations from normal SCM procurement processes should be managed in line with applicable National Treasury prescripts and reported on a quarterly basis to the Audit Committee for oversight purposes;
- Quarterly reporting of irregular, fruitless and wasteful expenditure, and progress on consequence management for responsible officials to the Audit Committee for oversight purposes; and
- Quarterly reviews of financial statements by Internal Audit.

The following recommendations were made to the Accounting Officer in terms of the quarterly and annual performance information:

- Maintenance of sufficient, reliable and complete verification sources for reported performance information;
- Approved policies and procedures to manage Programme 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;
- Independent quality assurance provided by the Department's Monitoring and Evaluation Unit to ensure completeness and accuracy of reported performance information;
- Quarterly reviews of reported performance information by Internal Audit; and
- Quarterly reporting of audited quarterly performance information to the Audit Committee for oversight purposes.

## 4.8.7 FORENSIC INVESTIGATIONS

The Committee monitored and provided oversight on allegations of fraud, corruption and financial misconduct reported to the Department, and is satisfied that the allegations are receiving attention. 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. The Committee has noted an increase in the number of allegations relating to DAC public entities which have been prioritised by the Department due to the reputational risk associated with these allegations resulting from negative media publicity. However, tremendous progress is envisaged as it has been approved that the Department's IAA may participate in the Department of Public Works panel of forensic investigation companies that were appointed through a tendering system.

## 4.8.8 EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee reports that:

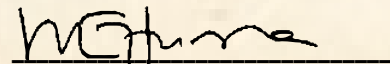
- it has reviewed and discussed the annual financial statements (both unaudited and audited) with management of the Department and the AGSA;
- reviewed the Auditor-General's Audit Report and Management Report, including management's response thereto;
- reviewed any changes in accounting policies and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

## 4.8.9 AUDITOR-GENERAL'S REPORT

We have reviewed the Department's implementation plan for audit findings raised by the AGSA in the previous year (2016/2017). While 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 implemented effectively to prevent future recurrence of deficiencies). However, Management has assured the Audit Committee that they are addressing all these issues.

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

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the audited Annual Financial Statements and Performance Information, and is of the opinion that the audited Annual Financial Statements and the Performance Information Report should be accepted and 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: 28 August 2018**

PART



FINANCIAL

*Information*

# 5.1 STATEMENT OF *Responsibility*

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

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

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

- the financial statements have been prepared in accordance with the National Treasury determined framework as prescribed by treasury regulations and the PFMA ;
- the financial statements are complete and accurate;
- all amounts appearing on the financial statements have been cast and cross-cast and accurately cross referenced;
- the financial statements are free from material misstatements, including omissions; and
- accounting estimates are reasonable in the circumstances.

The Department of Arts and Culture annual financial statements for the year ended 31 March 2018 have been audited by external auditors and their report is presented on page 123.

The Annual Financial Statements of the Department as set out on page 129 to page 230 have been approved.



MR VUSUMUZI MKHIZE  
DIRECTOR-GENERAL  
31 JULY 2018



# 5.2 REPORT OF THE *Auditor-general* TO PARLIAMENT ON VOTE 37 DEPARTMENT OF ARTS AND CULTURE

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

1. I have audited the financial statements of the Department of Arts and Culture (DAC) set out on pages 137 to 210, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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 as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) PFMA and Division of Revenue Act of South Africa, 2017 (Act No.3 of 2017) (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 this auditor's report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA 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 211 to 230 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### RESPONSIBILITIES OF ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA and DORA, and for such internal control as the accounting

officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting officer is responsible for assessing the DAC's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

#### AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### INTRODUCTION AND SCOPE

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not

evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – Institutional Governance	48 – 52
Programme 3 – Arts and culture promotion and development	53 – 58

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

#### Programme 2 – Institutional governance

Indicator number 11 - Number of arts education programme supported

17. The planned target for this indicator was not specific in clearly identifying the nature and required level of performance and not measurable.
18. The achievement for target on number of arts education programme supported reported in the annual performance report was 1. However, the supporting evidence

provided did not agree to the reported achievement and indicated an achievement of 0 nil.

Indicator number 16 - Number of social cohesion advocates platforms created and or supported.

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievement on number of social cohesion advocates platforms created and or supported. This was due to the fact that, there was no evidence that the social cohesion advocates were appointed and or approved by the department therefore I was unable to verify whether the platforms created and or supported were conducted by appointed social cohesion advocate. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 22 as reported in the annual performance report.

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

Indicator number 13 - Number of community arts projects supported financially

20. The achievement for number of community arts projects supported financially reported in the annual performance report was 150. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 85.

Indicator number 15 - Number of artists placed in schools

21. I was unable to obtain sufficient appropriate audit evidence for the reported achievement on number of artists placed in schools. This was due to limitations placed on the scope of my work as management did not have adequate controls in place to verify the source supporting the actual reported performance. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 352 as reported in the annual performance report.

### OTHER MATTER

22. I draw attention to the matter below.

### Achievement of planned targets

23. Refer to the annual performance report on pages 44 to 64 for information on the achievement of planned targets for the year and explanations provided for the under or over achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 17 to 22 of this report.

## REPORT ON THE 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 on compliance with specific matters in key legislations are as follows:

### Annual Financial Statements

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 40(1)(a) of the PFMA. Material misstatements on commitments and contingent liabilities identified by the auditors in the submitted financial statement were corrected resulting in the financial statements receiving an unqualified audit opinion.



**Expenditure management**

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R 12.3 million, 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 irregular expenditure was caused by deviating from the normal procurement process and the approved reasons were not justifiable.
28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R32,5 million, 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. The majority of the fruitless and wasteful expenditure was caused by rental paid on an unoccupied building.

**Procurement and contract management**

29. 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 with treasury regulation 16A6.4.
30. Invitations for competitive bidding were not always advertised for a required minimum period, as required by treasury Regulations 16A6.3(c).

**Consequence management**

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

**OTHER INFORMATION**

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements,

the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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.
35. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

**INTERNAL CONTROL DEFICIENCIES**

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for my opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

**Leadership**

Controls in place were not always effective to ensure oversight monitoring and review of compliance with laws and regulations, annual performance report and the annual financial statements.



### Financial and performance management

Management did not perform adequate review of the annual financial statement submitted for audit purpose, as the financial statements contained material misstatements which were corrected as a result of the audit process resulting in the department receiving an unqualified audit opinion.

Management did not perform adequate review of the annual performance report submitted for audit purposes, as the annual performance report contained material misstatements which were not corrected.

Management did not implement adequate controls in place to prevent and detect non-compliance with laws and regulations which resulted in occurrence of irregular and fruitless and wasteful expenditure.

*Auditor - General*

Pretoria

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



# ANNEXURE - *Auditor General's* RESPONSIBILITY FOR THE AUDIT

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

## FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Arts and

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

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

# 5.3 ANNUAL FINANCIAL *Statements*

## ACCOUNTING POLICIES

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

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (PFMA), and 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 at the date of payment/receipt.

## 6. COMPARATIVE INFORMATION

### 6.1 PRIOR PERIOD COMPARATIVE INFORMATION

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

### 6.2 CURRENT YEAR COMPARISON WITH BUDGET

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

## 7. REVENUE

### 7.1 APPROPRIATED FUNDS

Appropriated funds 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 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.

### 7.2 DEPARTMENTAL REVENUE

Departmental revenue is recognised in the statement of financial performance when

received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

### 7.3 ACCRUED DEPARTMENTAL REVENUE

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

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

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy

## 8. EXPENDITURE

### 8.1 COMPENSATION OF EMPLOYEES

#### 8.1.1 SALARIES AND WAGES

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

#### 8.1.2 SOCIAL CONTRIBUTIONS

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

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



## 8.2 OTHER EXPENDITURE

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

## 8.3 ACCRUALS AND PAYABLES NOT RECOGNISED

### 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.

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.

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.

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

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

Subsequent expenditure that is of a capital nature 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 the project.

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

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

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

Subsequent expenditure 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 at the reporting date.

### 17.2 CONTINGENT LIABILITIES

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

### 17.3 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and 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.

### 17.4 COMMITMENTS

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

## 18. UNAUTHORISED EXPENDITURE

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

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

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

## 19. FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

## 20. IRREGULAR EXPENDITURE

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

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

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

## 21. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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



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

## 22. EVENTS AFTER THE REPORTING DATE

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

## 23. PRINCIPAL-AGENT ARRANGEMENTS

The Department is party to a principal-agent arrangement for 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 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 at the date of acquisition.

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.

## 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.



Appropriation per programme									
Programme	2017/18							2016/17	
	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
ADMINISTRATION	370 422	1 916	-	372 338	322 208	50 130	86,5	262 340	243 199
INSTITUTIONAL GOVERNANCE	297 420	1 299	(1,000)	297 719	161 635	136 084	54,3	239 698	192 230
ARTS AND CULTURE PROMOTION AND DEVELOPMENT	1 092 595	(1 763)	-	1 090 832	1 050 635	40 197	96,3	1 126 112	1 099 327
HERITAGE PROMOTION AND PRESERVATION	2 611 301	(1 452)	1,000	2 610 849	2 607 002	3 847	99,9	2 434 422	2 423 226
<b>TOTAL</b>	<b>4 371 738</b>	<b>-</b>	<b>-</b>	<b>4 371 738</b>	<b>4 141 480</b>	<b>230 258</b>	<b>94,7</b>	<b>4 062 572</b>	<b>3 957 982</b>
Reconciliation with Statement of Financial Performance									
<b>Add:</b>									
Departmental receipts				1 547				1 262	
NRF Receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>4 373 285</b>				<b>4 063 834</b>	
<b>Add:</b>									
Aid assistance									-
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>4 141 480</b>				<b>3 957 982</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Appropriation per economic classification programme									
	2017/18							2016/17	
	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>669 204</b>	<b>(3 173)</b>	<b>(41 114)</b>	<b>624 917</b>	<b>584,391</b>	<b>40 526</b>	<b>93,5</b>	<b>565 294</b>	<b>541 699</b>
Compensation of employees	232 464	-	-	232 464	228 670	3 794	98,4	237 703	226 421
Salaries and wages	205 111	(774)	-	204 337	202 264	2 073	99,0	208 634	200 812
Social contributions	27 353	774	-	28 127	26 406	1 721	93,9	29 069	25 609
Goods and services	436 740	(3 173)	(41 114)	392 453	355 721	36 732	90,6	327 500	315 187
Administrative fees	1 739	1 725	-	3 464	3 320	144	95,8	1 329	1 329
Advertising	14 181	(3 652)	-	10 529	9 454	1 075	89,8	5 647	5 647
Minor assets	316	636	-	952	929	23	97,6	172	172
Audit costs: external	12 524	(2 449)	-	10 075	10 075	-	100	11 204	11 204
Bursaries: employees	774	(293)	-	481	481	-	100	574	574
Catering: departmental activities	3 774	6	-	3 780	3 481	299	92,1	2 806	2 806
Communication (G&S)	9 795	(2 043)	-	7 752	7 382	370	95,2	8 067	8 067
Computer services	11 752	5 023	-	16 775	16 775	-	100	13 652	13 444
Consultants: business and advisory services	22 118	16 190	-	38 308	37 051	1 257	96,7	30 065	28 954
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 925	(2 362)	-	1 563	1 416	147	90,6	5 289	5 289
Contractors	109 736	(3 088)	(32 919)	73,729	63 988	9 741	86,8	87,271	87,271
Agency and support/outsourced services	9 777	980	(693)	10 064	9 284	780	92,2	10 728	10 728
Entertainment	188	(61)	-	127	127	-	100	157	157
Fleet services (including government motor transport)	2 960	(368)	-	2 592	2 592	-	100	2 326	
Inventory: Other supplies	1 140	-	(173)	967	967	-	100	4 404	4 404



Appropriation per programme									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	2 185	(1 304)	-	881	881	-	100	480	480
Consumable: stationery, printing and office supplies	3 540	(2 388)	(416)	736	736	-	100	1 209	1 209
Operating leases	125 947	(9 868)	(37)	116 042	97 854	18 188	84,3	58 684	48 280
Property payments	28 752	(862)	-	27 890	27 472	418	98,5	18 174	18 174
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	55 657	1 949	(5 882)	51 724	50 895	829	98,4	53 140	52 550
Training and development	2 452	(1 148)	-	1 304	1 304	-	100	1 308	1 308
Operating payments	4 904	(778)	(13)	4 113	4 036	77	98,1	3 938	3 938
Venues and facilities	8 442	(764)	(981)	6 697	3 313	3 384	49,5	6 717	6 717
Rental and hiring	162	1 746	-	1 908	1 908	-	100	159	159
Interest and rent on land	-	-	-	-	-	-	-	91	91
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	91	91
<b>Transfers and subsidies</b>	<b>3 486 869</b>	<b>3 016</b>	<b>44 614</b>	<b>3 534 499</b>	<b>3 481 531</b>	<b>52 968</b>	<b>98,5</b>	<b>3 363 080</b>	<b>3 313 247</b>
Provinces and municipalities	1 419 960	3	-	1 419 963	1 419 963	-	100	1 357 133	1 357 133
Provinces	1 419 960	3	-	1 419 963	1 419 963	-	100	1 357 133	1 357 133
Provincial Revenue Funds	1 419 960	-	-	1 419 960	1 419 960	-	100	1 357 132	1 357 132
Provincial agencies and funds	-	3	-	3	3	-	100	1	1
Departmental agencies and accounts	1 744 270	-	19 724	1 763 994	1 773 195	(9 201)	100,5	1 630 571	1 626 212
Departmental agencies (non-business entities)	1 744 270	-	19 724	1 763 994	1 773 195	(9 201)	100,5	1 630 571	1 626 212

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Appropriation per programme									
	2017/18							2016/17	
	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
Higher education institutions	7 342	-	-	7 342	7 575	(233)	103,2	6 180	6 171
Foreign governments and international organisations	3 923	-	-	3 923	2 899	1 024	73,9	15 331	14 891
Public corporations and private enterprises	114 193	-	11 508	125 701	89 470	36 231	71,2	129 177	129 147
Public corporations	23 260	-	-	23 260	1 133	22 127	4,9	1 154	1 124
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	23 260	-	-	23 260	1 133	22 127	4,9	1 154	1 124
Private enterprises	90 933	-	11 508	102 441	88 337	14 104	86,2	128 023	128 023
Other transfers to private enterprises	90 933	-	11 508	102 441	88 337	14 104	86,2	128 023	128 023
Non-profit institutions	166 919	-	13 217	180 136	158 824	21 312	88,2	196 335	155 621
Households	30 262	3 013	165	33 440	29 605	3 835	88,5	28 353	24 072
Social benefits	-	1 464	-	1 464	1 464	-	100	639	639
Other transfers to households	30 262	1 549	165	31 976	28 141	3 835	88,0	27 714	23 433
<b>Payments for capital assets</b>	<b>215 665</b>	<b>-</b>	<b>(3 500)</b>	<b>212 165</b>	<b>75 401</b>	<b>136 764</b>	<b>35,5</b>	<b>134 102</b>	<b>102 940</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	115 407	93 990
Buildings	-	-	-	-	-	-	-	115 407	93 990
Machinery and equipment	64 170	(3 598)	-	60 572	27 762	32 810	45,8	10 312	4 584
Transport equipment	-	-	-	-	-	-	-	1 500	740
Other machinery and equipment	64 170	(3 598)	-	60 572	27 762	32 810	45,8	8 812	3 844
Heritage assets	146 525	-	(3 500)	143 025	43 438	99 587	30,4	-	-
Software and other intangible assets	4 970	3 598	-	8 568	4 201	4 367	49,0	8 383	4 366
<b>Payment for financial assets</b>	<b>-</b>	<b>157</b>	<b>-</b>	<b>157</b>	<b>157</b>	<b>-</b>	<b>100</b>	<b>96</b>	<b>96</b>
	<b>4 371 738</b>	<b>-</b>	<b>-</b>	<b>4 371 738</b>	<b>4 141 480</b>	<b>230 258</b>	<b>94,7</b>	<b>4 062 572</b>	<b>3 957 982</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 1: ADMINISTRATION	2017/18							2016/17	
	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>									
MINISTRY	4 603	(304)	-	4 299	4 299	-	100	4 558	4 211
MANAGEMENT	46 949	9 611	-	56 560	56 560	-	100	62 895	61 422
CORPORATE SERVICES	148 507	(284)	-	148 223	116 373	31 850	78,5	100 246	92 814
OFFICE OF THE CFO	29 684	310	-	29 994	29 994	-	100	28 736	29 251
OFFICE ACCOMMODATION	140 679	(7 417)	-	133 262	114 982	18 280	86,3	65 905	55 501
	<b>370 422</b>	<b>1 916</b>	<b>-</b>	<b>372 338</b>	<b>322 208</b>	<b>50 130</b>	<b>86,5</b>	<b>262 340</b>	<b>243 199</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>307 252</b>	<b>(668)</b>	<b>-</b>	<b>306 584</b>	<b>288 279</b>	<b>18 305</b>	<b>94,0</b>	<b>248 838</b>	<b>235 425</b>
Compensation of employees	94 060	2 144	-	96 204	96 204	-	100	100 032	97 023
Salaries and wages	81 672	4 094	-	85 766	85 766	-	100	87 917	86 845
Social contributions	12 388	(1 950)	-	10 438	10 438	-	100	12 115	10 178
Goods and services	213 192	(2 812)	-	210 380	192 075	18 305	91,3	148 715	138 311
Administrative fees	658	300	-	958	958	-	100	698	698
Advertising	1 673	(523)	-	1 150	1 150	-	100	1 655	1 655
Minor assets	123	805	-	928	905	23	97,5	102	102
Audit costs: external	10 179	(881)	-	9 298	9 298	-	100	9 570	9 570

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 1: ADMINISTRATION	2017/18							2016/17	
	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
Bursaries: Employees	774	(293)	-	481	481	-	100	574	574
Catering: departmental activities	516	18	-	534	534	-	100	291	291
Communication (G&S)	5 427	(636)	-	4 791	4 791	-	100	5 266	5 266
Computer services	10 450	5 866	-	16 316	16 316	-	100	13 333	13 333
Consultants: business and advisory services	2 157	2 135	-	4 292	4 292	-	100	5 011	5 011
Legal services	2 209	(2 055)	-	154	154	-	100	3 695	3 695
Contractors	6 120	(1 961)	-	4 159	4 157	2	100	1 320	1 320
Agency and support/outsourced services	1 174	(1 058)	-	116	116	-	100	2 615	2 615
Entertainment	126	(41)	-	85	85	-	100	99	99
Fleet services (including government motor transport)	2 793	(458)	-	2 335	2 335	-	100	2 304	2 304
Consumable supplies	859	(175)	-	684	684	-	100	347	347
Consumable: Stationery, printing and office supplies	1 160	(634)	-	526	526	-	100	928	928
Operating leases	123 933	(8 217)	-	115 716	97 854	17 862	84,6	58 679	48 275
Property payments	26 947	438	-	27 385	26 967	418	98,5	17 032	17 032
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	10 921	6 967	-	17 888	17 888	-	100	20 854	20 854
Training and development	2 452	(1 195)	-	1 257	1 257	-	100	1 205	1 205
Operating payments	1 879	(660)	-	1 219	1 219	-	100	1 337	1 337



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	2017/18							2016/17	
	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
Venues and facilities	527	(517)	-	10	10	-	100	1 734	1 734
Rental and hiring	135	(37)	-	98	98	-	100	66	66
Interest and rent on land	-	-	-	-	-	-	-	91	91
Rent on land	-	-	-	-	-	-	-	91	91
<b>Transfers and subsidies</b>	-	<b>2 499</b>	-	<b>2 499</b>	<b>2 499</b>	-	<b>100</b>	<b>394</b>	<b>394</b>
Provinces and municipalities	-	3	-	3	3	-	100	1	1
Provinces	-	3	-	3	3	-	100	1	1
Provincial revenue funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	3	-	3	3	-	100	1	1
Households	-	2 496	-	2 496	2 496	-	100	393	393
Social benefits	-	878	-	878	878	-	100	392	392
Other transfers to households	-	1 618	-	1 618	1 618	-	100	1	1
<b>Payments for capital assets</b>	<b>63 170</b>	-	-	<b>63 170</b>	<b>31 345</b>	<b>31 825</b>	<b>49,6</b>	<b>13 085</b>	<b>7 357</b>
Machinery and equipment	63 170	(3 598)	-	59 572	27 747	31 825	46,6	10 010	4 282
Transport equipment	-	-	-	-	-	-	-	1 500	740
Other machinery and equipment	63 170	(3 598)	-	59 572	27 747	31 825	46,6	8 510	3 542
Software and other intangible assets	-	3 598	-	3 598	3 598	-	100	3 075	3 075
<b>Payment for financial assets</b>	-	<b>85</b>	-	<b>85</b>	<b>85</b>	-	<b>100</b>	<b>23</b>	<b>23</b>
	<b>370 422</b>	<b>1 916</b>	-	<b>372 338</b>	<b>322 208</b>	<b>50 130</b>	<b>86,5</b>	<b>262 340</b>	<b>243 199</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 2: INSTITUTIONAL GOVERNANCE	2017/18							2016/17	
	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	35 379	2 017	-	37 396	30 963	6 433	82,8	26 654	25 908
2. SOCIAL COHESION AND NATION BUILDING	62 029	400	-	62 429	57 790	4 639	92,6	45 292	40 263
3. COORDINATION, MONITORING, EVALUATION AND GOOD GOVERNANCE	30 778	(2 404)	-	28 374	20 115	8 259	70,9	25 721	25 721
4. CAPITAL WORKS	169 234	1 286	(1 000)	169 520	52 767	116 753	31,1	142 031	100 338
	<b>297 420</b>	<b>1 299</b>	<b>(1 000)</b>	<b>297 719</b>	<b>161 635</b>	<b>136 084</b>	<b>54,3</b>	<b>239 698</b>	<b>192 230</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>85 572</b>	<b>1 226</b>	<b>-</b>	<b>86 798</b>	<b>70 731</b>	<b>16 067</b>	<b>81,5</b>	<b>73 007</b>	<b>70 747</b>
Compensation of employees	34 063	1 299	-	35 362	35 362	-	100	35 784	33 524
Salaries and wages	30 537	1 172	-	31 709	31 709	-	100	31 967	30 013
Social contributions	3 526	127	-	3 653	3 653	-	100	3 817	3 511
Goods and services	51 509	(73)	-	51 436	35 369	16 067	68,8	37 223	37 223
Administrative fees	309	1 891	-	2 200	2 057	143	93,5	139	139
Advertising	927	808	-	1 735	1 735	-	100	1 250	1 250
Minor assets	28	(23)	-	5	5	-	100	30	30
Audit costs: External	200	91	-	291	291	-	100	318	318
Bursaries: Employees	-	-	-	-	-	-	-	-	-

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 2: INSTITUTIONAL GOVERNANCE	2017/18							2016/17	
	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	2 047	(52)	-	1 995	1 718	277	86,1	1 275	1 275
Communication (G&S)	1 848	(514)	-	1 334	1 013	321	75,9	968	968
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	1 714	(556)	-	1 158	1 114	44	96,2	1 476	1 476
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	150	198	-	348	201	147	57,8	650	650
Contractors	18 004	(337)	-	17 667	7 928	9 739	44,9	14 868	14 868
Agency and support / outsourced services	1 020	-	-	1 020	240	780	23,5	1 005	1 005
Entertainment	26	(8)	-	18	18	-	100	20	20
Fleet services (including government motor transport)	-	4	-	4	4	-	100	-	-
Consumable supplies	891	(850)	-	41	41	-	100	12	12
Consumable: Stationery, printing and office supplies	135	(23)	-	112	112	-	100	117	117
Operating leases	460	(134)	-	326	-	326	-	-	-
Travel and subsistence	18 753	(2 759)	-	15 994	15 165	829	94,8	12 038	12 038
Training and development	-	47	-	47	47	-	100	103	103
Operating payments	536	628	-	1 164	1 087	77	93,4	421	421
Venues and facilities	4 434	(225)	-	4 209	825	3 384	19,6	2 442	2 442
Rental and hiring	27	1 741	-	1 768	1 768	-	100	91	91

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 2: INSTITUTIONAL GOVERNANCE	2017/18							2016/17	
	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>60 353</b>	<b>53</b>	<b>2 500</b>	<b>62 906</b>	<b>46 843</b>	<b>16 063</b>	<b>74,5</b>	<b>47 677</b>	<b>27 486</b>
Departmental agencies and accounts	12 700	-	-	12 700	12 700	-	100	200	200
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	12 700	-	-	12 700	12 700	-	100	200	200
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 058	-	-	2 058	1 899	159	92,3	2 403	1 963
Public corporations	12 000	-	-	12 000	-	12 000	-	900	900
Other transfers to public corporations	12 000	-	-	12 000	-	12 000	-	-	-
Private enterprises	-	-	-	-	-	-	-	900	900
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	900	900
Non-profit institutions	23 789	-	2 500	26 289	22 548	3 741	85,8	34 691	17 242
Households	9 806	53	-	9 859	9 696	163	98,3	9 483	7 181
Social benefits	-	122	-	122	122	-	100	48	48
Other transfers to households	9 806	(69)	-	9 737	9 574	163	98,3	9 435	7 133
<b>Payments for capital assets</b>	<b>151 495</b>	<b>-</b>	<b>(3 500)</b>	<b>147 995</b>	<b>44 041</b>	<b>103 954</b>	<b>29,8</b>	<b>119 007</b>	<b>93 990</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	115 407	93 990
Buildings	-	-	-	-	-	-	-	115 407	93 990
Heritage assets	146 525	-	(3 500)	143 025	43 438	99 587	30,4	-	-
Software and other intangible assets	4 970	-	-	4 970	603	4 367	12,1	3 600	-
<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>7</b>	<b>7</b>
	<b>297 420</b>	<b>1 299</b>	<b>(1 000)</b>	<b>297 719</b>	<b>161 635</b>	<b>136 084</b>	<b>54,3</b>	<b>239 698</b>	<b>192 230</b>



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT	2017/18							2016/17	
	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 Services	50 680	(5 678)	-	45 002	44 885	117	99,7	45 930	45 104
2. Pan South African Language Board	108 634	-	-	108 634	110 696	(2 062)	101,9	113 514	115 564
3. Cultural And Creative Industries Development	373 635	3 915	-	377 550	355 415	22 135	94,1	382 992	375 537
4. Performing Arts Institutions	296 447	-	-	296 447	296 447	-	100	334 982	334 398
5. National Film And Video Foundation	129 052	-	-	129 052	129 052	-	100	122 907	122 907
6. National Arts Council	106 241	-	-	106 241	106 241	-	100	101 182	101 182
7. Capital Works Of Performing Arts Institutions	27 906	-	-	27 906	7 899	20 007	28,3	24 605	4 635
	<b>1 092 595</b>	<b>(1 763)</b>	<b>-</b>	<b>1 090 832</b>	<b>1 050 635</b>	<b>40 197</b>	<b>96,3</b>	<b>1 126 112</b>	<b>1 099 327</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>140 738</b>	<b>(2 043)</b>	<b>(9 000)</b>	<b>129 695</b>	<b>128 995</b>	<b>700</b>	<b>99,5</b>	<b>129 895</b>	<b>126 768</b>
Compensation of employees	49 014	(3 443)	-	45 571	44 871	700	98,5	48 618	45 699
Salaries and wages	46 003	(6 911)	-	39 092	39 092	-	100	42 217	39 986
Social contributions	3 011	3 468	-	6 479	5 779	700	89,2	6 401	5 713
Goods and services	91 724	1 400	(9 000)	84 124	84 124	-	100	81 277	81 069
Administrative fees	353	(239)	-	114	114	-	100	169	169

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT	2017/18							2016/17	
	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
Advertising	7 698	(3 914)	-	3 784	3 784	-	100	899	899
Minor assets	101	(101)	-	-	-	-	-	32	32
Audit costs: External	1 745	(1 745)	-	-	-	-	-	524	524
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	271	300	-	571	571	-	100	265	265
Communication (G&S)	835	(282)	-	553	553	-	100	586	586
Computer services	346	(346)	-	-	-	-	-	319	111
Consultants: Business and advisory services	12 118	13 887	-	26 005	26 005	-	100	18 451	18 451
Legal services	1 166	(537)	-	629	629	-	100	471	471
Contractors	45 504	(3 835)	(9 000)	32 669	32 669	-	100	41 301	41 301
Agency and support / outsourced services	5 882	3 046	-	8 928	8 928	-	100	6 470	6 470
Entertainment	20	(8)	-	12	12	-	100	19	19
Fleet services (including government motor transport)	-	9	-	9	9	-	100	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5	15	-	20	20	-	100	6	6
Consumable: Stationery, printing and office supplies	702	(694)	-	8	8	-	100	44	44
Operating leases	779	(779)	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	397	397

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT	2017/18							2016/17	
	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
Transport provided: departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	10 893	(2 698)	-	8 195	8 195	-	100	9 452	9 452
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	864	(658)	-	206	206	-	100	477	477
Venues and facilities	2 442	(21)	-	2 421	2 421	-	100	1 395	1 395
<b>Transfers and subsidies</b>	<b>951 857</b>	<b>251</b>	<b>9 000</b>	<b>961 108</b>	<b>921 611</b>	<b>39 497</b>	<b>95,9</b>	<b>995 989</b>	<b>972 331</b>
Departmental agencies and accounts	697 768	-	(13 390)	684 378	686 820	(2 442)	100,4	700 450	699 616
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	697 768	-	(13 390)	684 378	686 820	(2 442)	100,4	700 450	699 616
Higher education institutions	7 342	-	-	7 342	7 575	(233)	103,2	6 180	6 171
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	102 193	-	11 508	113 701	89 470	24 231	78,7	128 277	128 247
Public corporations	11 260	-	-	11 260	1 133	10 127	10,1	1 154	1 124
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	11 260	-	-	11 260	1 133	10 127	10,1	1 154	1 124
Private enterprises	90 933	-	11 508	102 441	88 337	14 104	86,2	127 123	127 123
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	90 933	-	11 508	102 441	88 337	14 104	86,2	127 123	127 123
Non-profit institutions	129 696	-	10 717	140 413	123 734	16 679	88,1	148 041	126 509

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 3: ARTS AND CULTURE PROMOTION AND DEVELOPMENT	2017/18							2016/17	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropriation	Final Appro- priation	Actual Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	14 858	251	165	15 274	14 012	1 262	91,7	13 041	11 788
Social benefits	-	251	-	251	251	-	100	94	94
Other transfers to households	14 858	-	165	15 023	13 761	1 262	91,6	12 947	11 694
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>208</b>	<b>208</b>
Software and other intangible assets	-	-	-	-	-	-	-	208	208
<b>Payment for financial assets</b>	-	<b>29</b>	-	<b>29</b>	<b>29</b>	-	<b>100</b>	<b>20</b>	<b>20</b>
<b>Total</b>	<b>1 092 595</b>	<b>(1 763)</b>	-	<b>1 090 832</b>	<b>1 050 635</b>	<b>40 197</b>	<b>96,3</b>	<b>1 126 112</b>	<b>1 099 327</b>



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION	2017/18							2016/17	
	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	86 177	7 751	(32 114)	61 814	54 934	6 880	88,9	97 895	92 342
2. NATIONAL ARCHIVE SERVICES	48 774	(7 977)	-	40 797	39 431	1 366	96,7	37 695	37 278
3. HERITAGE	737 323	-	32 114	769 437	764 316	5 121	99,3	630 412	634 901
4. NATIONAL LIBRARY SERVICES	162 694	-	-	162 694	164 574	(1 880)	101,2	133 497	142 617
5. PUBLIC LIBRARY SERVICES	1 447 230	-	-	1 447 230	1 444 870	2 360	99,8	1 382 671	1 380 970
6. SOUTH AFRICAN HERITAGE RESOURCES AGENCY	59 861	-	1 000	60 861	70 861	(10 000)	116,4	68 259	51 125
7. SOUTH AFRICAN GEOGRAPHICAL NAMES COUNCIL	4 589	(1 226)	-	3 363	3 363	-	100	1 269	1 269
8. NATIONAL HERITAGE COUNCIL	64 653	-	-	64 653	64 653	-	100	82 724	82 724
	<b>2 611 301</b>	<b>(1 452)</b>	<b>1 000</b>	<b>2 610 849</b>	<b>2 607 002</b>	<b>3 847</b>	<b>99,9</b>	<b>2 434 422</b>	<b>2 423 226</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>135 642</b>	<b>(1 688)</b>	<b>(32 114)</b>	<b>101 840</b>	<b>96 386</b>	<b>5 454</b>	<b>94,6</b>	<b>113 554</b>	<b>108 759</b>
Compensation of employees	55 327	-	-	55 327	52 233	3 094	94,4	53 269	50 175
Salaries and wages	46 899	871	-	47 770	45 697	2 073	95,7	46 533	43 968
Social contributions	8 428	(871)	-	7 557	6 536	1 021	86,5	6 736	6 207
Goods and services	80 315	(1 688)	(32 114)	46 513	44 153	2 360	94,9	60 285	58 584

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION	2017/18							2016/17	
	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
Administrative fees	419	(227)	-	192	191	1	99,5	323	323
Advertising	3 883	(23)	-	3 860	2 785	1 075	72,2	1 843	1 843
Minor assets	64	(45)	-	19	19	-	100	8	8
Audit costs: External	400	86	-	486	486	-	100	792	792
Catering: Departmental activities	940	(260)	-	680	658	22	96,8	975	975
Communication (G&S)	1 685	(611)	-	1 074	1 025	49	95,4	1 247	1 247
Computer services	956	(497)	-	459	459	-	100	-	-
Consultants: Business and advisory services	6 129	724	-	6 853	5 640	1 213	82,3	5 127	4 016
Legal services	400	32	-	432	432	-	100	473	473
Contractors	40 108	3 045	(23 919)	19 234	19 234	-	100	29 782	29 782
Agency and support / outsourced services	1 701	(1 008)	(693)	-	-	-	-	638	638
Entertainment	16	(4)	-	12	12	-	100	19	19
Fleet services (including government motor transport)	167	77	-	244	244	-	100	22	22
Inventory: Other supplies	1 140	-	(173)	967	967	-	100	4 404	4 404
Consumable supplies	430	(294)	-	136	136	-	100	115	115
Consumable: Stationery, printing and office supplies	1 543	(1 037)	(416)	90	90	-	100	120	120
Operating leases	775	(738)	(37)	-	-	-	-	5	5
Property payments	1 805	(1 300)	-	505	505	-	100	745	745
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	15 090	439	(5 882)	9 647	9 647	-	100	10 796	10 206
Operating payments	1 625	(88)	(13)	1 524	1 524	-	100	1 703	1 703

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME 4: HERITAGE PROMOTION AND PRESERVATION	2017/18							2016/17	
	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
Venues and facilities	1 039	(1)	(981)	57	57	-	100	1 146	1 146
Rental and hiring	-	42	-	42	42	-	100	2	
<b>Transfers and subsidies</b>	<b>2 474 659</b>	<b>213</b>	<b>33 114</b>	<b>2 507 986</b>	<b>2 510 578</b>	<b>(2 592)</b>	<b>100,1</b>	<b>2 319 020</b>	<b>2 313 036</b>
Provinces and municipalities	1 419 960	-	-	1 419 960	1 419 960	-	100	1 357 132	1 357 132
Provinces	1 419 960	-	-	1 419 960	1 419 960	-	100	1 357 132	1 357 132
Provincial Revenue Funds	1 419 960	-	-	1 419 960	1 419 960	-	100	1 357 132	1 357 132
Departmental agencies and accounts	1 033 802	-	33 114	1 066 916	1 073 675	(6 759)	100,6	929 921	926 396
Departmental agencies (non-business entities)	1 033 802	-	33 114	1 066 916	1 073 675	(6 759)	100,6	929 921	926 396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 865	-	-	1 865	1 000	865	53,6	12 928	12 928
Non-profit institutions	13 434	-	-	13 434	12 542	892	93,4	13 603	11 870
Households	5 598	213	-	5 811	3 401	2 410	58,5	5 436	4 710
Social benefits	-	213	-	213	213	-	100,0	105	105
Other transfers to households	5 598	-	-	5 598	3 188	2 410	56,9	5 331	4 605
<b>Payments for capital assets</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>15</b>	<b>985</b>	<b>1,5</b>	<b>1 802</b>	<b>1 385</b>
Machinery and equipment	1 000	-	-	1 000	15	985	1,5	302	302
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 000	-	-	1 000	15	985	1,5	302	302
Software and other intangible assets	-	-	-	-	-	-	-	1 500	1 083
<b>Payment for financial assets</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>23</b>	<b>-</b>	<b>100</b>	<b>46</b>	<b>46</b>
<b>Total</b>	<b>2 611 301</b>	<b>(1 452)</b>	<b>1 000</b>	<b>2 610 849</b>	<b>2 607 002</b>	<b>3 847</b>	<b>99,9</b>	<b>2 434 422</b>	<b>2 423 226</b>

## NOTES TO THE APPROPRIATION STATEMENT

### 1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in the note on Transfers and subsidies 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 a % of Final Approp.
	R'000	R'000	R'000	%
ADMINISTRATION	372 338	322 208	50 130	13,5

The under-expenditure was due to ICT network project for the VWL Building emanating from delays in delivery of equipment from overseas.

INSTITUTIONAL GOVERNANCE	297 719	161 635	136 084	45,7
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The under-expenditure was mainly attributed to delays with the implementation of capital works projects.



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME NAME	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
ARTS AND CULTURE PROMOTION AND DEVELOPMENT	1 090 832	1 050 635	40 197	3,7

Delays were experienced with the implementation of projects by beneficiaries of Mzansi Golden Economy, and with the upgrading of Community Arts Centres projects.

HERITAGE PROMOTION AND PRESERVATION	2 610 849	2 607 002	3 847	0,1
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The under-expenditure was due to non-completion of infrastructure project.

#### 4.2 Per economic classification:

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a %
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	232 464	228 670	3 794	1,6
Goods and services	392 453	355 721	36 732	9,4
Interest and rent on land	-	-	-	-
<b>Transfers and subsidies</b>				
Provinces and municipalities	1 419 963	1 419 963	-	0,0
Departmental agencies and accounts	1 763 994	1 773 195	(9 201)	(0,5)
Higher education institutions	7 342	7 575	(233)	(3,2)
Public corporations and private enterprises	3 923	2 899	1 024	26,1
Foreign governments and international organisations	125 701	89 470	36 231	28,8
Non-profit institutions	180 136	158 824	21 312	11,8
Households	33 440	29 605	3 835	11,5
<b>Payments for capital assets</b>				
Buildings and other fixed structures	-	-	-	-

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Machinery and equipment	60 572	27 762	32 810	54,2
Heritage assets	143 025	43 438	99 587	69,6
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Software and other intangible assets	8 568	4 201	4 367	51,0
Payments for financial assets	157	157	-	0,0

**The main contributors to the under-expenditure were the following:**

- Outstanding installation of network cabling, switches, Wi-Fi equipment, server room and telecommunications infrastructure emanating from delays with delivery of equipment from overseas.
- Delays with the implementation of capital works' projects.

**4.3 Per conditional grant**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
COMMUNITY LIBRARY CONDITIONAL GRANTS RECEIVED	1 419 963	1 419 963	-	0,0

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2018

Statement of Financial performance	Note	2017/18 R'000	2016/17 R'000
<b>REVENUE</b>			
Annual appropriation	1	4 371 738	4 062 572
Departmental revenue	2	1 547	1 262
<b>TOTAL REVENUE</b>		<b>4 373 285</b>	<b>4 063 834</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	228 669	226 421
Goods and services	4	355 721	315 187
Interest and rent on land	5	-	91
<b>Total current expenditure</b>		<b>584 390</b>	<b>541 699</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	3 481 531	3 313 247
<b>Total transfers and subsidies</b>		<b>3 481 531</b>	<b>3 313 247</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	71 200	98 574
Intangible assets	8	4 202	4 366
<b>Total expenditure for capital assets</b>		<b>75 402</b>	<b>102 940</b>
<b>Payments for financial assets</b>		<b>157</b>	<b>96</b>

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2018

	Note	2017/18 R'000	2016/17 R'000
<b>TOTAL EXPENDITURE</b>		4 141 480	3 957 982
<b>SURPLUS FOR THE YEAR</b>		<b>231 805</b>	<b>105 852</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		230 258	104 590
Annual appropriation		<b>230 258</b>	<b>104 590</b>
Departmental revenue and NRF Receipts	13	1 547	1 262
<b>SURPLUS FOR THE YEAR</b>		<b>231 805</b>	<b>105 852</b>



## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Note	2017/18 R'000	2016/17 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>231 223</b>	<b>106 108</b>
Cash and cash equivalents	9	217 885	97 621
Prepayments and advances	10	11 843	7 326
Receivables	11	1 495	1 161
<b>TOTAL ASSETS</b>		<b>231 223</b>	<b>106 108</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>231 046</b>	<b>105 937</b>
Voted funds to be surrendered to the Revenue Fund	12	229 742	104 588
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	15	24
Payables	14	1 289	1 325
<b>TOTAL LIABILITIES</b>		<b>231 046</b>	<b>105 937</b>
<b>NET ASSETS</b>		<b>177</b>	<b>171</b>
<b>Represented by:</b>			
Recoverable revenue		177	171
<b>TOTAL</b>		<b>177</b>	<b>171</b>

## STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 31 MARCH 2018

	Note	2017/18 R'000	2016/17 R'000
<b>Recoverable revenue</b>			
Opening balance		171	72
Transfers		<b>6</b>	<b>99</b>
Debts revised		28	31
Debts recovered (included in departmental receipts)		(59)	(94)
Debts raised		37	162
Closing balance		<b>177</b>	<b>171</b>
<b>TOTAL</b>		<b>177</b>	<b>171</b>

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>4 373 065</b>	<b>4 063 834</b>
Annual appropriated funds received	1	4 371 738	4 062 572
Departmental revenue received	2	1 304	1 222
Interest received	2.2	23	40
Net (increase) in working capital		(4 887)	(5 232)
Surrendered to Revenue Fund		(106 660)	(149 748)
Current payments		(584 390)	(541 608)
Interest paid	5	-	(91)
Payments for financial assets		(157)	(96)
Transfers and subsidies paid	7	(3 481 531)	(3 313 247)
<b>Net cash flow available from operating activities</b>		<b>195 440</b>	<b>53 812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(75 402)	(102 940)
Proceeds from sale of capital assets	2.3	220	-
<b>Net cash flows from investing activities</b>		<b>(75 182)</b>	<b>(102 940)</b>

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		6	99
Net cash flows from financing activities		6	99
Net increase/ (decrease) in cash and cash equivalents		120 264	(49 029)
Cash and cash equivalents at beginning of period		97 621	146 650
<b>Cash and cash equivalents at end of period</b>	9	<b>217 885</b>	<b>97 621</b>

## 1. ANNUAL APPROPRIATION

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received
Programmes	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	372 338	370 422	1 916	262 340	262 601
INSTITUTIONAL GOVERNANCE	297 719	297 421	298	239 698	325 217
ARTS AND CULTURE PROMOTION AND DEVELOPMENT	1 090 832	1 092 595	(1 763)	1 126 112	1 068 236
HERITAGE PROMOTION AND PRESERVATION	2 610 849	2 611 300	(451)	2 434 422	2 406 518
<b>Total</b>	<b>4 371 738</b>	<b>4 371 738</b>	<b>-</b>	<b>4 062 572</b>	<b>4 062 572</b>

## 2. DEPARTMENTAL REVENUE

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	320	298
Interest, dividends and rent on land	2.2	23	40
Sales of capital assets	2.3	220	-
Transactions in financial assets and liabilities	2.4	984	924
<b>Departmental revenue collected</b>		<b>1 547</b>	<b>1 262</b>

The decrease in interest received was due to the decrease in the prime rate and recoveries of staff debts. During the 2016/17 financial year the prime rate was 10,5% and this decreased to 10,2% in 2017/18 financial year.

An amount of R137 000,00 was received during the current financial year but this was in relation to an auction of transport assets in the previous financial year by G-Fleet on behalf of the Department. The Department received R83 000,00 in the current financial year by auctioning off assets.

The departmental revenue under the cash flow statement is made up of the sales of goods and services other than capital assets, and transactions in financial assets and liabilities.



	Note	2017/18 R'000	2016/17 R'000
<b>2.1 Sales of goods and services other than capital assets</b>	2		
Sales by market establishment		56	14
Administrative fees		1	2
Other sales		263	282
<b>Total</b>		<b>320</b>	<b>298</b>
<b>2.2 Interest, dividends and rent on land</b>	2		
Interest		23	40
<b>Total</b>		<b>23</b>	<b>40</b>
<b>2.3 Sales of capital assets</b>			
Tangible assets	2	220	-
Machinery and equipment		220	-
<b>Total</b>		<b>220</b>	<b>-</b>
<b>2.4 Transactions in financial assets and liabilities</b>	2		
Receivables		48	75
Other receipts including recoverable revenue		936	849
<b>Total</b>		<b>984</b>	<b>924</b>

### 3. COMPENSATION OF EMPLOYEES

	Note	2017/18 R'000	2016/17 R'000
<b>3.1 Salaries and wages</b>			
Basic salary		157 947	155 870
Performance award		1 993	2 241
Service based		176	267
Compensative/circumstantial		3 990	5 180
Other non-pensionable allowances		38 160	37 253
Total		<b>202 266</b>	<b>200 811</b>
<b>3.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		19 056	18 441
Medical		7 314	7 136
Bargaining council		33	33
Total		<b>26 403</b>	<b>25 610</b>
<b>Total compensation of employees</b>		<b>228 669</b>	<b>226 421</b>
Average number of employees		441	504

The general salary increase of CPI was effected; however, there was a reduction in the average number of employees. This contributed to a net increase of only one percent on the total compensation of employees' expenditure

## 4. GOODS AND SERVICES

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		3 321	1 329
Advertising		9 456	5 645
Minor assets	4.1	929	173
Bursaries (employees)		481	574
Catering		3 481	2 805
Communication		7 381	8 066
Computer services	4.2	16 776	13 443
Consultants: business and advisory services		37 050	28 955
Legal services		1 415	5 289
Contractors		63 986	87 272
Agency and support/outsourced services		9 284	10 729
Entertainment		127	157
Audit cost – external	4.3	10 075	11 204
Fleet services		2 592	2 327
Inventory	4.4	967	4 404
Consumables	4.5	1 618	1 688
Operating leases		97 854	48 280
Property payments	4.6	27 471	18 174
Rental and hiring		1 907	159
Travel and subsistence	4.7	50 895	52 550
Venues and facilities		3 314	6 717
Training and development		1 303	1 308
Other operating expenditure	4.8	4 038	3 939
<b>Total</b>		<b>355 721</b>	<b>315 187</b>

#### ADMINISTRATIVE FEES:

Administrative fees are R2,0 million higher than the previous year. This is due to management fee charged on the Isibhubhu Cultural Arena projects in the 2017/18 FY.

#### ADVERTISING:

There was high volume of advertising in the 2017/18 FY for marketing the celebration of Africa Month and OR Tambo Centenary Campaign.

#### COMPUTER SERVICES:

The increase is due to the relocation project. The Department relocated from Kingsley Centre to the VWL Building. Therefore, the Department incurred additional expenditure in setting up the servers and reconfiguring the local area network in the new building.

#### CONSULTANTS: BUSINESS AND ADVISORY SERVICES

The increase is mainly due to payments made to the South African Cultural Observatory for research services on behalf of the Department. There was also a slight increase in the payments to conditional grant project managers.

#### LEGAL SERVICES

The decrease in expenditure in the 2017/18 FY is a result of implementation of consequence management in cases that implicated a number of senior management staff that were resolved during the year; only a few cases are outstanding.

#### CONTRACTORS

The decrease is due to savings realised from the national day's budget as the Department did not cater for the additional number of attendees requested by provinces/presidency. This year provinces catered for additional attendees contrary to prior financial years. The budget allocated for the OR Tambo Ekurhuleni event could also not be spent as the event was moved to Bizana and the Eastern Cape provincial department carried the costs of the event.

#### INVENTORY

The decrease is due to the focus of the installation of flags in school project being on auditing through the young patriots programme and also using the same programme for the installation of flags in schools instead of sourcing a service provider.

#### OPERATING LEASES

The increase is due to the relocation of the DAC to the VWL Building. The rental of the new building is slightly higher than that of the old building. The arrears rental and additional security scanners also contributed to the increase.

## PROPERTY PAYMENTS:

The increase is due to the relocation project. The Department relocated from Kingsley Centre, 481 Steve Biko Rd, to the VWL Building, 202 Madiba Street. Therefore, the Department incurred additional expenditure to prepare the building.

	Note	2017/18 R'000	2016/17 R'000
<b>4.1 Minor assets</b>	4		
Tangible assets		<b>915</b>	<b>173</b>
Machinery and equipment		915	173
Intangible assets		14	-
Software		14	-
<b>Total</b>		<b>929</b>	<b>173</b>
<b>4.2 Computer services</b>	4		
SITA computer services		10 010	7 475
External computer service providers		6 766	5 968
<b>Total</b>		<b>16 776</b>	<b>13 443</b>

The increase in computer services is due to the relocation project. The Department relocated from Kingsley Centre to the VWL Building. Therefore, the Department incurred additional expenditure to set up the servers and reconfigure the local area network in the new building.



	Note	2017/18 R'000	2016/17 R'000
<b>4.3 Audit cost – external</b>	4		
Regularity audits		6 770	7 043
Investigations		2 816	3 866
Computer audits		489	295
Total		<b>10 075</b>	<b>11 204</b>
<b>4.4 Inventory</b>	4		
Materials and supplies		967	4 404
Total		<b>967</b>	<b>4 404</b>
<b>4.5 Consumables</b>	4		
Consumable supplies		882	477
Uniforms and clothing		9	6
Household supplies		408	395
Building material and supplies		127	31
IT consumables		296	24
Other consumables		42	21
Stationery, printing and office supplies		736	1 211
Total		<b>1 618</b>	<b>1 688</b>

	Note	2017/18 R'000	2016/17 R'000
<b>4.6 Property payments</b>	<b>4</b>		
Municipal services		9 369	6 953
Property management fees		469	2 797
Property maintenance and repairs		10 182	399
Other		7 451	8 025
<b>Total</b>		<b>27 471</b>	<b>18 174</b>
Property payments: other			
Gardening services		94	
Cleaning services		1	
First aid		2	
Safeguard and security		7 354	
		<b>7 451</b>	

The increase in property payments is due to the relocation project. The Department relocated from Kingsley Centre to the VWL Building. Therefore, the Department incurred additional expenditure to prepare the building.

	Note	2017/18 R'000	2016/17 R'000
<b>4.7 Travel and subsistence</b>	<b>4</b>		
Local		36 959	36 667
Foreign		13 936	15 883
<b>Total</b>		<b>50 895</b>	<b>52 550</b>

Implementation of cost containment measures resulted in a reduction in travelling costs.

	Note	2017/18 R'000	2016/17 R'000
<b>4.8 Other operating expenditure</b>	<b>4</b>		
Professional bodies, membership and subscription fees		1 596	782
Resettlement costs		57	113
Other		2 385	3 044
<b>Total</b>		<b>4 038</b>	<b>3 939</b>
Other operating expenditure: other			
Courier and delivery services		827	
Freight services/transport for goods		22	
Honoraria (voluntary workers)		171	
Laundry services		4	
Non-life insurance premium (TR12.1.2)		209	
Printing and publication service		1 152	
		<b>2 385</b>	

## 5. INTEREST AND RENT ON LAND

	Note	2017/18 R'000	2016/17 R'000
Interest paid		-	91
<b>Total</b>		<b>-</b>	<b>91</b>

## 6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2017/18 R'000	2016/17 R'000
Other material losses written off	6.1	157	96
<b>Total</b>		<b>157</b>	<b>96</b>
<b>6.1 Other material losses written off</b>	6		
Nature of losses			
Damages and losses written off		157	96
<b>Total</b>		<b>157</b>	<b>96</b>

The increase is due to the fact that the Department has experienced an increase in damages to hired vehicles. Some of these cases were investigated and written off on. In cases where the employees were found liable, recovery measures have been taken and debt was raised.

## 7. TRANSFERS AND SUBSIDIES

	Note	2017/18 R'000	2016/17 R'000
Provinces and municipalities	32	1 419 963	1 357 133
Departmental agencies and accounts	ANNEXURE 1A	1 773 195	1 626 212
Higher education institutions	ANNEXURE 1B	7 575	6 171
Foreign governments and international organisations	ANNEXURE 1D	2 899	14 891
Public corporations and private enterprises	ANNEXURE 1C	89 470	129 147
Non-profit institutions	ANNEXURE 1E	158 824	155 621
Households	ANNEXURE 1F	29 605	24 072
<b>Total</b>		<b>3 481 531</b>	<b>3 313 247</b>



## 8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		<b>71 200</b>	<b>98 574</b>
Buildings and other fixed structures	8	43 438	93 990
Machinery and equipment	8	27 762	4 584
<b>Intangible assets</b>	8	<b>4 202</b>	<b>4 366</b>
Software		4 202	4 366
<b>Total</b>		<b>75 402</b>	<b>102 940</b>

Decrease in expenditure is due to infrastructure invoices which were not processed, namely HVAC project invoices amounting to R60 million and R18 million for other capital projects. Of the R60 million, R31 million is disclosed under accruals and R28 million is disclosed under contingent liabilities.

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>8.1 Analysis of funds utilised to acquire capital assets - 2017/18</b>			
<b>Tangible assets</b>	<b>71 200</b>	-	<b>71 200</b>
Buildings and other fixed structures	43 438		43 438
Machinery and equipment	27 762	-	27 762
<b>Intangible assets</b>	<b>4 202</b>	-	<b>4 202</b>
Software	4 202	-	4 202
<b>Total</b>	<b>75 402</b>	-	<b>75 402</b>

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>8.2 Analysis of funds utilised to acquire capital assets - 2016/17</b>			
<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>

## 9. CASH AND CASH EQUIVALENTS

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		217 885	97 581
Disbursements		-	40
<b>Total</b>		<b>217 885</b>	<b>97 621</b>

From a total amount of R4,3 billion received during the year, R4,1 billion was spent and R230 million remained as unspent. A significant portion of unspent funds relates to capital works infrastructure projects that were delayed. The unspent amount remained in the Department's PMG account as cash equivalent and will be surrendered. The balance in cash equivalent was reduced to R217,8 million due to the increase in the advance payments processed, refer to note 10 for prepayment and advances.

## 10. PREPAYMENTS AND ADVANCES

	Note	2017/18 R'000	2016/17 R'000
Travel and subsistence		462	467
Prepayments (not expensed)	10.2	877	877
Advances paid (not expensed)	10.1	10 504	5 982
<b>Total</b>		<b>11 843</b>	<b>7 326</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The Department transferred funds as an advance payment to the Department of Government Communication and Information Systems (GCIS) for marketing of the following campaigns. The balance of this advance was R6,4 million at the end of the financial year.

- African Month
- Freedom Month
- Heritage Month
- OR Tambo Centenary Campaign
- Generic Campaign Project
- Nominations Of Living Human Treasures
- Human Rights Day
- MGE Campaign

In addition, an advance payment transferred of R4,1 million was made to the Department of International Relations (DIRCO) for international travel arrangements.

	Note	Balance as at 1 April 2017 R'000	Less: amount expensed in current year R'000	Add: current year advances R'000	Balance as at 31 March 2018 R'000
<b>10.1 Advances paid (not expensed)</b>	10				
National departments		5 982	16 265	20 787	10 504
<b>Total</b>		<b>5 982</b>	<b>16 265</b>	<b>20 787</b>	<b>10 504</b>
<b>10.2 Prepayments (not expensed)</b>	10				
Capital assets		877	-	-	877
<b>Total</b>		<b>877</b>	<b>-</b>	<b>-</b>	<b>877</b>

The prepayments (not expensed) was for IT-related equipment purchased from an overseas supplier. The supplier requested prepayment before shipment of the item; the item was not yet received by the reporting date.

## 11. RECEIVABLES

Details	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
<b>11. Receivables</b>							
Recoverable expenditure	11.1	1 125	-	1 125	794	-	794
Staff debt	11.2	370	-	370	367	-	367
<b>Total</b>		<b>1 495</b>	<b>-</b>	<b>1 495</b>	<b>1 161</b>	<b>-</b>	<b>1 161</b>

Recoverable expenditure has increased due to an increase in the Damages and losses account. During the year the Department experienced an increase in damages to hired vehicles and claims were being submitted and settled. However, the internal investigation process to determine the Department's vicarious liability on the merit of each case was not finalized by the reporting date. The recovery process will be followed where the investigation reveals that the Department is not vicariously liable for the damage.

	Note	2017/18	2016/17
		R'000	R'000
<b>11.1 Recoverable expenditure (disallowance accounts)</b>	11		
Damages and losses		1 119	791
Salaries disallowances account		1	2
Tax debt		5	1
<b>Total</b>		<b>1 125</b>	<b>794</b>
<b>11.2 Staff debt</b>	11		
Staff debt		370	367
<b>Total</b>		<b>370</b>	<b>367</b>

## 12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2017/18 R'000	2016/17 R'000
Opening balance		104 588	148 324
Transfer from statement of financial performance (as restated)		230 258	104 590
Paid during the year		(105 104)	(148 326)
<b>Closing balance</b>		<b>229 742</b>	<b>104 588</b>

The Department spent 94,7% of the budget. An underspending of 5,3% amounting to R230 million remains in the account as unspent funds. The major portion of this amount is in relation to capital projects invoices that were not processed due to a dispute with the service provider, e.g. HVAC project. The unspent amount of R230 million, which must be surrendered to Exchequer Grant account, was reduced to R229,7 million by R515 thousand receivable from Exchequer Grant account as a result of prior year expenditure restatement. The DAC reinstated prior year expenditure by increasing expenditure and reducing the receivable (refer Note 31: Prior period errors).

	Note	2017/18 R'000	2016/17 R'000
<b>12.1 Prior period error</b>	12		
Relating to 2016/17			515
Restatement of prior compensation of employees expenditure			515
			<b>515</b>



### 13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2017/18 R'000	2016/17 R'000
Opening balance		24	184
Transfer from Statement of Financial Performance (as restated)		1 547	1 262
Paid during the year		(1 556)	(1 422)
<b>Closing balance</b>		<b>15</b>	<b>24</b>

### 14. PAYABLES - CURRENT

	Note	2017/18 R'000	2016/17 R'000
Amounts owing to other entities		1 079	1 079
Clearing accounts	14.1	136	172
Other payables	14.2	74	74
<b>Total</b>		<b>1 289</b>	<b>1 325</b>

Amounts owing to other entities are in relation to a matter that is still to be decided by the court. A portion of this was disclosed under the contingent liabilities. Other payables will be surrendered to National Treasury after consultation with the Development Bank of Southern Africa (DBSA).

	Note	2017/18 R'000	2016/17 R'000
<b>14.1 Clearing accounts</b>	14		
Government Employees Housing Scheme (GEHS) control account		11	-
Salaries income tax		125	172
<b>Total</b>		<b>136</b>	<b>172</b>
<b>14.2 Other payables</b>	14		
Exchequer grant account		74	74
<b>Total</b>		<b>74</b>	<b>74</b>

## 15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance		231 805	105 852
Add back non-cash/cash movements not deemed operating activities		(36 365)	(52 040)
(Increase)/decrease in receivables		(334)	(257)
(Increase)/decrease in prepayments and advances		(4 517)	(4 708)
Increase/(decrease) in payables – current		(36)	(267)
Proceeds from sale of capital assets		(220)	-
Expenditure on capital assets		75 402	102 940
Surrenders to Revenue Fund		(106 660)	(149 748)
<b>Net cash flow generated by operating activities</b>		<b>195 440</b>	<b>53 812</b>

## 16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		217 885	97 581
Disbursements		-	40
<b>Total</b>		<b>217 885</b>	<b>97 621</b>

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

		Note	2017/18 R'000	2016/17 R'000
<b>17.1 Contingent liabilities</b>				
<b>Liable to:</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annexure 2A	42	42
Claims against the Department		Annexure 2B	82 557	63 014
Intergovernmental payables (unconfirmed balances)		Annexure 3	49 391	62 065
<b>Total</b>			<b>131 990</b>	<b>125 121</b>

The possible obligation has risen 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 risen 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 a court cases involved. The majority of these claims emanated from contract disputes. The possible obligation has risen as a result of unconfirmed intergovernmental claims that are not recognised because 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. The decrease in the inter-governmental payable is due to infrastructure invoices which were being disputed namely HVAC projects invoices, which are currently disclosed under accruals.

		Note	2017/18 R'000	2016/17 R'000
<b>17.2</b>	<b>Contingent Asset</b>			
	Nature of contingent asset			
	Litigation cases	Annexure 2B	11 366	9 982
	<b>Total</b>		<b>11 366</b>	<b>9 982</b>

A contingent asset rose 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 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 right to claim being waved or amount being received.

## 18. COMMITMENTS

		Note	2017/18 R'000	2016/17 R'000
	<b>Current expenditure</b>			
	Approved and contracted		34 698	66 264
	Approved but not yet contracted		564	75 556
			<b>35 262</b>	<b>141 820</b>
	<b>Capital expenditure</b>			
	Approved and contracted		94 090	91 569
			<b>94 090</b>	<b>91 569</b>
	<b>Total commitments</b>		<b>129 352</b>	<b>233 389</b>

Commitments for capital expenditure are for infrastructure projects that run over more than one year.

Prior year commitments were made of the following:

- Current expenditure –approved and contracted includes a purchase order for R24 million in relation to cultural observatory that was paid in full in the current financial year.
- Current expenditure – approved but not yet contracted includes R75 million in relation to rental agreement that was signed. After the inception date of the lease this amount is now amortized and disclosed under operating lease commitment.
- Capital expenditure – approved and contracted commitments are reduced by the value of work performed and processing of payments according to invoices received.

All the above contributed collectively to the decrease in the commitments of the current financial year.

## 19. ACCRUALS AND PAYABLES NOT RECOGNISED

				2017/18	2016/17
				R'000	R'000
<b>19.1</b>	<b>Accruals</b>				
	<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
	Goods and services	19 702	4 216	23 918	74 313
	Capital assets	115	34 210	34 325	21 881
	<b>Total</b>	<b>19 817</b>	<b>38 426</b>	<b>58 243</b>	<b>96 194</b>

		Note	2017/18	2016/17
			R'000	R'000
	<b>Listed by programme</b>			
	Programme 1: Administration		20 591	7 119
	Programme 2: Institutional Governance		34 340	71 889
	Programme 3: Arts and Culture Promotion and Development		3 077	6 101
	Programme 4: Heritage Promotion and Preservation		235	11 085
	<b>Total</b>		<b>58 243</b>	<b>96 194</b>

The decline in accruals is due to infrastructure invoices which are being disputed, namely HVAC project invoices amounting to R60 million and R18 million for other capital projects



				2017/18	2016/17
				R'000	R'000
<b>19.2</b>	<b>Payables not recognised</b>				
	<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
	Goods and services	508	6	514	7 968
	<b>Total</b>	<b>508</b>	<b>6</b>	<b>514</b>	<b>7 968</b>
<hr/>					
		Note	2017/18		2016/17
			R'000		R'000
	<b>Listed by programme</b>				
	Programme 1: Administration		492		477
	Programme 2: Institutional Governance		-		6 248
	Programme 3: Arts and Culture Promotion and Development		-		1 158
	Programme 4: Heritage Promotion and Preservation		22		85
	<b>Total</b>		<b>514</b>		<b>7 968</b>
<hr/>					
	<b>Included in the above totals are the following:</b>				
	Confirmed balances with departments	Annexure 3	6 821		8 077
	Confirmed balances with other government entities	Annexure 3	44 440		80 623
	<b>Total</b>		<b>51 261</b>		<b>88 700</b>

## 20. EMPLOYEE BENEFITS

	2017/18 R'000	2016/17 R'000
Leave entitlement	11 419	10 767
Service bonus (thirteenth cheque)	5 607	5 555
Performance awards	3 803	3 487
Capped leave commitments	5 397	5 097
Other	148	208
<b>Total</b>	<b>26 374</b>	<b>25 114</b>

- The increase across all items under employee benefits is in line with general salary increase for the financial year 2017/18.
- Leave with credit balance amounts to R183 210,74.
- The amount disclosed under Other is in relation to long service awards.

## 21. LEASE COMMITMENTS

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Operating leases</b>			
<b>2017/18</b>			
Not later than 1 year	20 832	4 243	25 075
Later than 1 year and not later than 5 years	140 280	3 098	143 378
<b>Total lease commitments</b>	<b>161 112</b>	<b>7 341</b>	<b>168 453</b>

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Operating leases (continued)</b>			
2016/17			
Not later than 1 year	-	2 702	2 702
Later than 1 year and not later than 5 years	-	2 922	2 922
<b>Total lease commitments</b>	<b>-</b>	<b>5 624</b>	<b>5 624</b>

The Department entered into an operating lease arrangement for services such as provision of vehicles, office accommodation and photocopier equipment. Lease arrangements are for a period of not more than three years with no renewal and purchase option. These leases resulted in the following increases:

- Under buildings and other fixed structures there is a new lease agreement for DAC office accommodation with inception date 1 July 2017, namely VWL Building. The lease agreement is for a period of 7 years.
- The increase in machinery and equipment is due to new vehicles, which were delivered during the year under the old lease agreement.

## 22. ACCRUED DEPARTMENTAL REVENUE

	Note	2017/18 R'000	2016/17 R'000
Interest, dividends and rent on land		13 984	13 317
Sale of capital assets		-	136
<b>Total</b>		<b>13 984</b>	<b>13 453</b>

	Note	2017/18 R'000	2016/17 R'000
<b>22.1 Analysis of accrued departmental revenue</b>			
Opening balance		13 453	12 448
Less: amounts received		136	-
Add: amounts recognised		667	1 005
<b>Closing balance</b>		<b>13 984</b>	<b>13 453</b>

## 23. IRREGULAR EXPENDITURE

	Note	2017/18 R'000	2016/17 R'000
<b>23.1 Reconciliation of irregular expenditure</b>			
Opening balance		411 964	403 376
Add: irregular expenditure - relating to prior year		5 217	-
Add: irregular expenditure - relating to current year		12 385	15 202
Less: prior year amounts condoned		-	(2 647)
Less: current year amounts condoned		-	(3 967)
Irregular expenditure awaiting condonation		<b>429 566</b>	<b>411 964</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		12 385	10 888
Prior years		417 181	401 076
<b>Total</b>		<b>429 566</b>	<b>411 964</b>

		Note	2017/18 R'000
<b>23.2</b>	<b>Details of irregular expenditure – added current year (relating to current and prior years)</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
Order amount exceeded approved budget without approval from delegated official.	Disciplinary steps in progress		295
No approval from delegated official for payment of service provider	Disciplinary steps in progress		887
Procurement done outside SCM resulting in CSD not being verified	Incident has been report recently		613
Preference points system not applied when sourcing quotations	Disciplinary steps in progress		151
Three quotations were not obtained and reasons for deviation unjustified	Incident has been report recently		877
No evidence that bids were received timely	Disciplinary steps in progress		116
Tax non-compliant service provider used	Incident has been report recently		161
SCM process not followed in procuring gifts and minor assets	Incident has been report recently		26
No delegated approval to pay for repairs	Incident has been report recently		17
Preference points system not applied when evaluating quotes	Incident has been report recently		421
Competitive bidding process not followed in appointing legal firm	Disciplinary steps in progress		277
Competitive bidding process not followed and reasons for deviation not justifiable	Incident has been report recently		3 639
Prior approval of variation not obtained from National Treasury	Incident has been report recently		2 538
Variation of scope not in the original contract and no approval to deviate obtained from National Treasury.	Incident has been report recently		6 043
National Treasury prior approval not obtained to vary/expand order.	Incident has been report recently		14
Extension not supported by National Treasury as original contract expired on 15 March 2017. National Treasury letter issued on 10 April 2017	Incident has been report recently		310
Employee doing business with Department	Incident has been report recently		1 217
<b>Total</b>			<b>17 602</b>



## 24. FRUITLESS AND WASTEFUL EXPENDITURE

	Note	2017/18 R'000	2016/17 R'000
<b>24.1 Reconciliation of fruitless and wasteful expenditure</b>			
Opening balance		12 016	11 523
Fruitless and wasteful expenditure – relating to current year		32 594	493
<b>Closing balance</b>		<b>44 610</b>	<b>12 016</b>
<b>24.2 Analysis of awaiting resolution per economic classification</b>			
Current		36 083	5 107
Transfers and subsidies		8 527	6 909
<b>Total</b>		<b>44 610</b>	<b>12 016</b>

		Note	2017/18 R'000
24.3 Analysis of current year's fruitless and wasteful expenditure relating to current and prior years			
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings initiated</b>		
Interest paid on Telkom account	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		5
Payment of penalties on invoices	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		2 103
Payment for cancelled events	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		207
VAT paid to unregistered VAT vendor	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		65
Settlement contract due to dismissal	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		1 618
Arrears rent paid on unoccupied building	No disciplinary steps taken/criminal proceedings initiated because the incident was recently confirmed and reported		28 596
<b>Total</b>			<b><u>32 594</u></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 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.

## 25. RELATED PARTY TRANSACTIONS

	Note	2017/18 R'000	2016/17 R'000
<b>Payments made</b>			
Goods and services		-	233
Transfers		30 000	20 000
<b>Total</b>		<u>30 000</u>	<u>20 233</u>

The amount of R30 million was transferred to the National Empowerment Fund (NEF). The NEF will operate for the entire term (three years) and at the end of the term any credit balance reflecting in the NEF will be reinvested by the NEF or any other vehicle that advances the purpose. The DAC contributed to the NEF an amount of R20 million during the 2016/17 financial year; R30 million during the 2017/18 financial year and R50 million will be contributed during the 2018/19 financial year. Similarly, the NEF contributed R30 million during the 2016/17 financial year; R45 million during the 2017/18 financial year and R75 million will be contributed during the 2018/19 financial year.

## RELATED PARTY RELATIONSHIPS

NO	NAME OF THE PUBLIC ENTITY	RELATIONSHIP
1	Artscape	Department's public entity
2	State Theatre	Department's public entity
3	Playhouse Company	Department's public entity
4	Performing Arts Centre of the Free State	Department's public entity
5	Market Theatre Foundation	Department's public entity
6	Windybrow Theatre	Department's public entity
7	National Arts Council	Department's public entity
8	National Film and Video Foundation	Department's public entity
9	Northern Flagship Institution	Department's public entity
10	Iziko Museums of Cape Town	Department's public entity
11	War Museum of the Boer Republics	Department's public entity
12	KwaZulu-Natal Museum	Department's public entity
13	National Museum, Bloemfontein	Department's public entity
14	Afrikaanse Taalmuseum	Department's public entity
15	National English Literature Museum	Department's public entity
16	uMsunduzi/Voortrekker Museum	Department's public entity
17	Robben Island Museum	Department's public entity
18	Willam Humphreys Art Gallery	Department's public entity
19	Nelson Mandela Museum	Department's public entity
20	Freedom Park	Department's public entity
21	Luthuli Museum	Department's public entity
22	South African Heritage Resources Agency	Department's public entity
23	National Heritage Council	Department's public entity
24	National Library of South Africa	Department's public entity
25	South African Library for the Blind	Department's public entity
26	Pan South African Language Board	Department's constitutional entity



## 26. KEY MANAGEMENT PERSONNEL

	No. of individuals	2017/18 R'000	2016/17 R'000
Political office bearers	3	4 300	4 267
Officials:			
Level 15 to 16	6	7 667	7 105
Level 14	18	18 170	17 008
<b>Total</b>		<b>30 137</b>	<b>28 380</b>
<b>Key management personnel</b>			
Chief Financial Officer	1	1 392	1 307
Legal advisor	1	1 309	1 723
<b>Total</b>		<b>2 701</b>	<b>3 030</b>

## 27. PROVISIONS

	Note	2017/18 R'000	2016/17 R'000
Supplier payments current obligation		381	381
Court judgment/award		25 344	-
<b>Total</b>		<b>25 725</b>	<b>381</b>

The provision was raised due to the arbitration award against the Department for staging of premiere campaign pertaining to documentary film by beneficiary. The Department is expected to make a payment during the 2018/19 financial year.



	Supplier payment	Judgement	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
<b>27.1 Reconciliation of movement in provisions - 2017/18</b>					
Opening balance	381	-	-	-	381
Increase in provision	-	25 344	-	-	25 344
<b>Closing balance</b>	<b>381</b>	<b>25 344</b>	<b>-</b>	<b>-</b>	<b>25 725</b>

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

	Supplier payment	Assets and liability	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
Unused amount reversed	-	(189)	-	-	(189)
<b>Closing balance</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381</b>

## 28. MOVABLE TANGIBLE CAPITAL ASSETS

## MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	2 818	-	-	-	2 818
Heritage assets	2 818	-	-	-	2 818
<b>MACHINERY AND EQUIPMENT</b>	47 809	-	28 532	2 588	73 753
Transport assets	2 720	-	594	-	3 314
Computer equipment	32 608	-	10 860	2 228	41 240
Furniture and office equipment	11 571	-	17 018	343	28 246
Other machinery and equipment	910	-	60	17	953
<b>Total movable tangible capital assets</b>	<b>50 627</b>	<b>-</b>	<b>28 532</b>	<b>2 588</b>	<b>76 571</b>

	Number	Value R'000
<b>Movable tangible capital assets under investigation</b>		
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	40	669

	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>28.1 Additions</b>					
<b>ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>					
<b>MACHINERY AND EQUIPMENT</b>	27 763	769	-	-	28 532
Transport assets	-	594	-	-	594
Computer equipment	10 735	125	-	-	10 860
Furniture and office equipment	17 018	-	-	-	17 018
Other machinery and equipment	10	50	-	-	60
<b>Total additions to movable tangible capital assets</b>	<b>27 763</b>	<b>769</b>	<b>-</b>	<b>-</b>	<b>28 532</b>

	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>28.2 Disposals</b>				
<b>DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>				
<b>MACHINERY AND EQUIPMENT</b>	2 588	-	2 588	83
Computer equipment	2 228	-	2 228	34
Furniture and office equipment	343	-	343	49
Other machinery and equipment	17	-	17	-
<b>Total disposal of movable tangible capital assets</b>	<b>2 588</b>	<b>-</b>	<b>2 588</b>	<b>83</b>

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>28.3 Movement for 2016/17</b>					
<b>MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017</b>					
<b>HERITAGE ASSETS</b>	<b>12 239</b>	<b>(268)</b>	<b>-</b>	<b>9 153</b>	<b>2 818</b>
Heritage assets	12 239	(268)	-	9 153	2 818
<b>MACHINERY AND EQUIPMENT</b>	<b>44 226</b>	<b>(302)</b>	<b>4 584</b>	<b>699</b>	<b>47 809</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	(302)	308	-	910
<b>Total movable tangible capital assets</b>	<b>56 465</b>	<b>(570)</b>	<b>4 584</b>	<b>9 852</b>	<b>50 627</b>

	Note	2017/18 R'000	2016/17 R'000
<b>28.3.1 Prior period error</b>			
Nature of prior period error			
			<b>(570)</b>
Relating to 2015/16 (affecting the opening balance)			(268)
Reclassified from Movable Heritage Assets to Immovable Heritage Assets			(302)
<b>Total</b>			<b>(570)</b>

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
<b>28.4 Minor assets</b>					
<b>MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>					
Opening balance	1	220	16 774	-	16 995
Additions	14	-	915	-	929
Disposals	-	-	664	-	664
<b>Total minor assets</b>	<b>15</b>	<b>220</b>	<b>17 025</b>	<b>-</b>	<b>17 260</b>



	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
<b>28.4 Minor assets (continued)</b>					
Number of R1 minor assets	-	85	341	-	426
Number of minor assets at cost	2	200	13 656	-	13 858
<b>Total number of minor assets</b>	<b>2</b>	<b>285</b>	<b>13 997</b>	<b>-</b>	<b>14 284</b>

	Number	Value
<b>Minor capital assets under investigation</b>		
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	20	20

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

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	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>

**28.5 Assets transferred in terms of S.42 of the PFMA****MAJOR ASSETS SUBJECT TO TRANSFER IN TERMS OF S. 42 OF THE PFMA - 31 MARCH 2018**

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
No of assets	-	-	1	-	1
Value of assets (R'000)	-	-	15	-	15

**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 (R'000)	-	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 (R'000)	-	-	22	-	22

## 29. INTANGIBLE CAPITAL ASSETS

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	28 534	-	3 377	-	31 911
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	1 091	-	443	-	1 534
SERVICES AND OPERATING RIGHTS	53	-	382	-	435
<b>Total intangible capital assets</b>	<b>29 678</b>	<b>-</b>	<b>4 202</b>	<b>-</b>	<b>33 880</b>

**Addition****29.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	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	3 377	-	-	-	3 377
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	443	-	-	-	443
SERVICES AND OPERATING RIGHTS	382	-	-	-	382
<b>Total additions to intangible capital assets</b>	<b>4 202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 202</b>

**Movement for 2016/17****29.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	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>

**30. IMMOVABLE TANGIBLE CAPITAL ASSETS****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	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>	19 914	-	4 362	-	24 276
Non-residential buildings	19 612	-	4 362	-	23 974
Other fixed structures	302	-	-	-	302
<b>HERITAGE ASSETS</b>	268	-	-	-	268
Heritage assets	268	-	-	-	268
<b>Total immovable tangible capital assets</b>	<b>20 182</b>	<b>-</b>	<b>4 362</b>	<b>-</b>	<b>24 544</b>

An amount of R4,3 million was capitalized with regard to Ingquza Hill Museum building. The total amount of R23,9 million includes JS MorokoRev Mahabane House amounting to R1,3 million, and Ingquza Hills amounting to R22,6 million.





	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>30.1 Additions</b>					
<b>ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018</b>					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	43 438	-	(39 076)	-	4 362
Non-residential buildings	43 438	-	(39 076)	-	4 362
<b>Total additions to immovable tangible capital assets</b>	<b>43 438</b>	<b>-</b>	<b>(39 076)</b>	<b>-</b>	<b>4 362</b>

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>30.2 Movement for 2016/17</b>					
<b>MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017</b>					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	18 233	302	1 379	-	19 914
Non-residential buildings	18 233	-	1 379	-	19 612
Other fixed structures	-	302	-	-	302
<b>HERITAGE ASSETS</b>	-	<b>268</b>	-	-	<b>268</b>
Heritage assets	-	268	-	-	268
<b>Total immovable tangible capital assets</b>	<b>18 233</b>	<b>570</b>	<b>1 379</b>	<b>-</b>	<b>20 182</b>

	Note	2016/17 R'000
<b>30.2.1 Prior period error</b>		
<b>Nature of prior period error</b>		
<b>Relating to 2015/16 (affecting the opening balance)</b>		<b>570</b>
Reclassified from movable heritage assets to immovable heritage assets		268
Reclassified from movable other machinery and equipment to immovable other fixed structure		302
<b>Total</b>		<b>570</b>

	Note	Opening balance 1 April 2017	Current year WIP	Ready for use (assets to the AR)/contracts terminated	Closing balance 31 March 2018
		R'000	R'000	R'000	R'000
<b>30.3 Capital Work-in-progress</b>	Annexure 4				
<b>CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018</b>					
Buildings and other fixed structures		410 518	39 076	-	449 594
<b>Total</b>		<b>410 518</b>	<b>39 076</b>	<b>-</b>	<b>449 594</b>
<b>CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017</b>	Annexure 4				
Buildings and other fixed structures		317 907	93 990	(1 379)	410 518
<b>Total</b>		<b>317 907</b>	<b>93 990</b>	<b>(1 379)</b>	<b>410 518</b>

The opening balance of R329 million for the 2016/17 financial year was reinstated as project management office cost was included under capital work projects, which was an error. The opening balance has now been adjusted to R317 million. The project management office costs amounting to R11 million was erroneously capitalized in the 2014/15 financial year and cumulatively in 2015/16.

## 31. PRIOR PERIOD ERRORS

	Note	Amount before error correction R'000	Prior period error R'000	2016/17 Restated amount R'000
<b>31.1 Correction of prior period errors</b>				
Expenditure:				
Compensation of employees		225 906	515	226 421
<b>Net effect</b>		<b>225 906</b>	<b>515</b>	<b>226 421</b>

The nature of prior year error is a misinterpretation of the facts as stated in the secondment agreement. The Department interpreted the agreement to the effect that it would retain the right to claim compensation of employees for seconded officials. However, it became clear that the agreement does not give the Department the right to claim compensation of employees expenditure but to defray the costs. Therefore, the compensation of employees was increased.

	Note	Amount before error correction R'000	Prior period error R'000	2016/17 Restated amount R'000
<b>Assets:</b>				
Receivables		1 676	(515)	1 161
<b>Net effect</b>		<b>1 676</b>	<b>(515)</b>	<b>1 161</b>

The nature of prior year error is a misinterpretation of the facts as stated in the secondment agreement. The Department interpreted the agreement to the effect that it would retain the right to claim compensation of employees for seconded officials. However, it became clear that the agreement does not give the Department the right to claim compensation of employees expenditure but to defray the costs. Therefore, the receivables were decreased.

	Note	Amount before error correction R'000	Prior period error R'000	2016/17 Restated amount R'000
<b>31.1 Correction of prior period errors (continued)</b>				
Liabilities: (e.g. payables current, voted funds to be surrendered, commitments and provisions)				
Voted funds to be surrendered		105 103	(515)	104 588
Payable		1 496	(171)	1 325
<b>Net effect</b>		<b>106 599</b>	<b>(686)</b>	<b>105 913</b>
Recoverable revenue		-	171	171
Employee benefits		24 906	208	25 114
Operating lease commitments		5 152	472	5 624
Commitments		306 636	(73 247)	233 389
<b>Net effect</b>		<b>336 694</b>	<b>(72 396)</b>	<b>264 298</b>

Nature of the prior period restatement on the recoverable revenue was as a result of changes in Modified Cash Standard. The nature of restatement on the employee benefits was as a result of long service award provision, which was not recognized in the prior year. Operating lease commitment was restated as a result of VAT amount, which was not added to the amortization. The commitments were restated due to an amount of R73,2 million on the agreement being disputed by the Department.



## 32. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by dept	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Summary by province												
Eastern Cape	156 105	-	-	156 105	156 105	-	-	-	-	-	-	149 320
Free State	159 017	-	-	159 017	159 017	-	-	-	-	-	-	157 758
Gauteng	172 428	-	3	172 431	172 431	-	-	-	-	-	-	163 340
KwaZulu-Natal	173 093	-	-	173 093	173 093	-	-	-	-	-	-	163 162
Limpopo	121 184	-	-	121 184	121 184	-	-	-	-	-	-	115 295
Mpumalanga	162 777	-	-	162 777	162 777	-	-	-	-	-	-	155 289
Northern Cape	163 000	-	-	163 000	163 000	-	-	-	-	-	-	152 313
North West	141 092	-	-	141 092	141 092	-	-	-	-	-	-	136 494
Western Cape	171 264	-	-	171 264	171 264	-	-	-	-	-	-	164 162
	1 419 960	-	3	1 419 963	1 419 963	-	-	-	-	-	-	1 357 133
Summary by grant												
COMMUNITY LIBRARY CONDITIONAL GRANTS RECEIVED	1 419 960	-	-	1 419 960	1 419 960	-	-	-	-	-	-	1 357 132
MUNICIPAL AGENCIES AND FUNDS	-	-	3	3	3	-	-	-	-	-	-	1
	1 419 960	-	3	1 419 963	1 419 963	-	-	-	-	-	-	1 357 133

## 32. STATEMENT OF CONDITIONAL GRANTS RECEIVED (CONTINUED)

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by dept	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>COMMUNITY LIBRARY CONDITIONAL GRANTS RECEIVED</b>												
Eastern Cape	156 105			156 105	156 105							149 320
Free State	159 017			159 017	159 017							157 758
Gauteng	172 428			172 428	172 428							163 339
KwaZulu-Natal	173 093			173 093	173 093							163 162
Limpopo	121 184			121 184	121 184							115 295
Mpumalanga	162 777			162 777	162 777							155 289
Northern Cape	163 000			163 000	163 000							152 313
North West	141 092			141 092	141 092							136 494
Western Cape	171 264			171 264	171 264							164 162
	1 419 960	-	-	1 419 960	1 419 960	-	-	-	-	-		1 357 132
<b>MUNICIPAL AGENCIES AND FUNDS</b>												
Gauteng	-	-	3	3	3							1
	-	-	3	3	3	-	-	-	-	-		1
<b>TOTAL</b>	<b>1 419 960</b>	<b>-</b>	<b>3</b>	<b>1 419 963</b>	<b>1 419 963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1 357 133</b>

## ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Performing Arts Institutions:</b>							
Artscape	58 699	-	-	58 699	58 699	100	55 904
State Theatre	52 075	-	-	52 075	52 075	100	49 595
Playhouse Company	49 838	-	-	49 838	49 838	100	41 165
Performing Arts Centre of the Free State	47 589	-	-	47 589	47 589	100	41 513
Market Theatre Foundation	44 540	-	-	44 540	44 540	100	42 419
National Arts Council	106 241	-	-	106 241	106 241	100	101 182
National Film and Video Foundation	129 052	-	-	129 052	129 052	100	122 907
Capital Transfer - Performing Arts Institutions	35 250	-	-	35 250	35 250	100%	93 333
Mzansi Golden Economy Projects	64 500	-	(13 390)	51 110	50 840	99%	38 348
<b>Total</b>	<b>587 784</b>	<b>-</b>	<b>(13 390)</b>	<b>574 394</b>	<b>574 124</b>	<b>100%</b>	<b>586 366</b>

## ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Heritage Institutions:</b>				-			
Northern Flagship Institution	125 777	-	-	125 777	125 777	100%	73 080
Iziko Museums of Cape Town	95 644	-	11 997	107 641	107 641	100%	71 958
War Museum of the Boer Republics	22 084	-	-	22 084	22 084	100%	9 604
KwaZulu-Natal Museum	36 686	-	-	36 686	36 686	100%	19 138
National Museum, Bloemfontein	100 378	-	-	100 378	100 378	100%	45 630
Afrikaanse Taalmuseum	8 711	-	-	8 711	8 711	100%	5 894
National English Literary Museum	12 155	-	3 117	15 272	15 272	100%	9 535
uMsunduzi/Voortrekker Museum	17 297	-	-	17 297	17 297	100%	13 146
Robben Island Museum	89 438	-	-	89 438	89 438	100%	72 045
Willam Humphreys Art Gallery	9 967	-	-	9 967	9 967	100%	6 564
Nelson Mandela Museum	26 779	-	-	26 779	26 779	100%	22 264
Freedom Park	96 613	-	17 000	113 613	113 613	100%	65 548
Luthuli Museum	14 113	-	-	14 113	14 113	100%	9 848
South African Heritage Resources Agency	57 861	-	-	57 861	57 861	100%	56 125
National Heritage Council	64 653	-	-	64 653	64 653	100%	61 574
Capital transfer - heritage institutions	83 347	-	1 000	84 347	80 585	96%	202 276
	<b>861 503</b>	<b>-</b>	<b>33 114</b>	<b>894 617</b>	<b>890 855</b>	<b>100%</b>	<b>744 229</b>

## ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	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	117 934	-	-	117 934	117 934	100%	79 729
South African Library for the Blind	19 221	-	-	19 221	19 221	100%	19 333
National Library of SA (community libraries)	17 464	-	-	17 464	17 464	100%	16 632
Capital transfer - libraries	17 680	-	-	17 680	12 914	73%	17 532
	<b>172 299</b>	-	-	<b>172 299</b>	<b>167 533</b>	97%	<b>133 226</b>
<b>Capital works:</b>							
Capital works of performing arts projects	1 350	-	-	1 350	2 000	148%	570
Capital works of heritage legacy projects	-	-	-	-	-	0%	200
Capital works of libraries	-	-	-	-	-	0%	-
	<b>1 350</b>	-	-	<b>1 350</b>	<b>2 000</b>	148%	<b>770</b>
<b>Other:</b>							
**Office accommodation (municipal charges and operating leases)	-	-	-	-	17 349	0 %	47 813
Pan SA Language Board	108 634	-	-	108 634	108 634	100%	111 967
National Youth Development Agency	12 000	-	-	12 000	12 000	100%	6 200
TV licences	-	-	-	-	-	0%	-
Constitutional hill development	700	-	-	700	700	100%	-
<b>Total</b>	<b>121 334</b>	-	-	<b>121 334</b>	<b>138 683</b>	100%	<b>165 980</b>
<b>Total</b>	<b>1 744 270</b>	-	<b>19 724</b>	<b>1 763 994</b>	<b>1 773 195</b>		<b>1 630 571</b>



## ANNEXURE 1B STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2016/17
	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
Human Language Technologies	7 342	-	233	7 575	7 575	-	0%	6 180
<b>Total</b>	<b>7 342</b>	<b>-</b>	<b>233</b>	<b>7 575</b>	<b>7 575</b>	<b>-</b>		<b>6 180</b>

## ANNEXURE 1C STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	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>683</b>	-	-	<b>1 683</b>	<b>1 133</b>	<b>67,3%</b>	-	<b>1 133</b>	<b>1 125</b>
National Language Services	1 683	-	-	1 683	1 133	67,3%	-	1 133	1 125
<b>Sub total: Public corporations</b>	<b>1 683</b>	-	-	<b>1 683</b>	<b>1 133</b>	<b>67,3%</b>	-	<b>1 133</b>	<b>1 125</b>

## ANNEXURE 1C STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES (CONTINUED)

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	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>Private enterprises</b>									
<b>Transfers</b>	<b>112 510</b>	-	<b>11 508</b>	<b>124 018</b>	<b>88 337</b>	<b>71,2%</b>	<b>52 208</b>	<b>36 129</b>	<b>128 052</b>
Arts social development and youth	-	-	-	-	-	-	-	-	900
Mzansi Golden Economy projects	75 933	-	11 508	87 441	78 346	89,6%	50 188	28 158	121 623
National Language Service	-	-	-	-	200	-	-	200	1 290
Capital works of performing arts projects	15 577	-	-	15 577	1 350	8,7%	-	1 350	29
Cultural and creative industries	9 000	-	-	9 000	8 441	93,8%	2 020	6 421	4 210
Capital works of heritage legacy projects	12 000	-	-	12 000	-	-	-	-	-
<b>Subtotal: private enterprises</b>	<b>112 510</b>	-	<b>11 508</b>	<b>124 018</b>	<b>88 337</b>	<b>71,2%</b>	<b>52 208</b>	<b>36 129</b>	<b>128 052</b>
<b>Total</b>	<b>114 193</b>	-	<b>11 508</b>	<b>125 701</b>	<b>89 470</b>	<b>71,2%</b>	<b>52 208</b>	<b>37 262</b>	<b>129 177</b>

## ANNEXURE 1D STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
African World Heritage Fund	1 865	-	-	1 865	1 000	54%	12 928
Sub fees: Commonwealth	2 058	-	-	2 058	1 899	92%	2 403
<b>Total</b>	<b>3 923</b>	<b>-</b>	<b>-</b>	<b>3 923</b>	<b>2 899</b>		<b>15 331</b>

## ANNEXURE 1E STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Arts, social development and youth	15 690	-	-	15 690	13 108	84%	10 167
Gcwala Ngamasiko Cultural Festival	2 360	-	-	2 360	2 000	85%	1 700
Cultural and creative industries	14 287	-	-	14 287	12 570	88%	12 087
Northern Cape Theatre - Capital	2 000	-	-	2 000	-	0%	2 000
Mzansi Golden Economy projects	95 974	-	10 717	106 691	98 159	92%	100 895
Heritage projects	3 211	-	-	3 211	2 319	72%	3 363
Library and Information Association of South Africa	1 890	-	-	1 890	1 890	100%	1 800
Capital works heritage projects	5 739	-	2 500	8 239	7 440	90%	22 824
Capital works of performing arts projects	8 979	-	-	8 979	4 549	51%	22 006
iAri	140	-	-	140	140	100%	637
	150 270	-	13 217	163 487	142 175		177 479



## ANNEXURE 1E STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS (CONTINUED)

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Subsidies</b>							
Business Arts South Africa	8 456	-	-	8 456	8 456	100%	11 053
Engelburg House Art Collect: Pretoria	334	-	-	334	334	100%	318
Blind SA	7 859	-	-	7 859	7 859	100%	7 485
	16 649	-	-	16 649	16 649		18 856
<b>Total</b>	<b>166 919</b>	<b>-</b>	<b>13 217</b>	<b>180 136</b>	<b>158 824</b>		<b>196 335</b>

## ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee social benefits	-	-	3,082	3,082	3,083	100%	639
Language development projects	6 300	-	-	6 300	6 300	100%	6 000
Cultural and creative industries	-	-	-	-	-		862
Mzansi Golden Economy projects	8 558	-	165	8 723	7 460	86%	6 085
Heritage promotion	5 598	-	-	5 598	3 188	57%	5 331
Arts, social development and youth	9 806	-	(69)	9 737	9 574	98%	9 337
International relations	-	-	-	-	-		98
Donations and gifts	-	-	-	-	-		1
<b>Total</b>	<b>30 262</b>	<b>-</b>	<b>3 178</b>	<b>33 440</b>	<b>29 605</b>		<b>28 353</b>

## ANNEXURE 1G STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2017/18 R'000	2016/17 R'000
<b>Made in kind</b>		
Sikholwane décor pot to Director-General of the National Council for Culture, Arts and Letters (NCCAL)	3	-
Large grass woven basket to Director-General of National Council for Culture, Arts and Letters (NCCAL)	4	-
Flowers for plenary and Rare-Zolution Design to the Vice-Premier of China	7	-
Ndebele wall hanging as ministerial gift to Tanzania	8	-
<b>Total</b>	<b>22</b>	<b>-</b>

## ANNEXURE 2A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
<b>Standard Bank</b>		139	23	-	-	-	23	-	-
<b>Absa</b>		290	19	-	-	-	19	-	-
<b>Total</b>		<b>429</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>

## ANNEXURE 2B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

NATURE OF LIABILITY	Opening balance 1 April 2017	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
<b>Legal (Arbitration and litigation cases)</b>	63 014	42 543	23 000	-	82 557
					-
<b>Total</b>	<b>63 014</b>	<b>42 543</b>	<b>23 000</b>	<b>-</b>	<b>82 557</b>



## ANNEXURE 2B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018 (CONTINUED)

NATURE OF LIABILITY	Opening balance 1 April 2017	Details of liability and recoverability	Movement during the year	Closing balance 31 March 2018
	R'000		R'000	
Break of contract	-	Break of contract	1 323	1 323
Double payment of invoices	81	Double payment of invoices	-	81
Fraud and corruption	8	Fraud and corruption	-	8
Funding, no report received	4 038	Funding, no report received	(703)	3 335
Funding, poor work performance	5 729	Funding, poor work performance	-	5 729
Legal costs	-	Legal costs	586	586
Poor service	126	Poor service	-	126
Taxed costs	-	Taxed costs	178	178
<b>Total</b>	<b>9 982</b>		<b>1 384</b>	<b>11 366</b>

## ANNEXURE 3 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
KZN Department of Arts and Culture	2 500	4 500	8 984	489	11 484	4 989
Department of Justice and Constitutional Development	2 461	330	-	-	2 461	330
Department of International Relations	792	2 942	-	-	792	2 942
North West Department of Arts and Culture	-	-	2 500	4 000	2 500	4 000
Northern Cape Department of Arts and Culture	-	-	-	2 000	-	2 000
Government Communication and Information System (GCIS)	1 068	305	-	-	1 068	305
Western Cape Department of Arts and Culture	-	-	-	250	-	250
Department of Government Communication (GCIS)	1 068	305	-	-	1 068	305
Eastern Cape Department of Arts and Culture	-	-	-	-	-	-
Western Cape Department of Arts and Culture	-	-	-	250	-	250
<b>Total Departments</b>	<b>6 821</b>	<b>8 077</b>	<b>11 484</b>	<b>6 739</b>	<b>18 305</b>	<b>14 816</b>

## ANNEXURE 3 INTER-GOVERNMENT PAYABLES (CONTINUED)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
G Fleet	276	52	-	-	276	52
Government printers	11	-	-	-	11	-
DPW Property Management Trading Entity	44 153	80 571	37 907	25 700	82 060	106 271
Independent Development Trust	-	-	-	29 626	-	29 626
<b>Total other Government entities</b>	<b>44 440</b>	<b>80 623</b>	<b>37 907</b>	<b>55 326</b>	<b>82 347</b>	<b>135 949</b>
<b>Total intergovernmental</b>	<b>51 261</b>	<b>88 700</b>	<b>49 391</b>	<b>62 065</b>	<b>100 652</b>	<b>150 765</b>

ANNEXURE 4  
 MOVEMENT IN CAPITAL WORK-IN-PROGRESS  
 MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	410 518	39 076	-	449 594
Non-residential buildings	410 518	39 076	-	449 594
<b>Total</b>	<b>410 518</b>	<b>39 076</b>	<b>-</b>	<b>449 594</b>

Inqguza building construction was completed in 2015/16 financial year and recorded under disclosure note 41, immovable tangible capital assets.

Rev Mahabane House JS Moroko construction was completed in 2016/17 financial year and recorded under disclosure note 41, immovable capital assets.

## ANNEXURE 4

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

Age analysis on ongoing projects	Number of projects		2017/18
	Planned, construction not started	Planned, construction started	"Total R'000"
0 to 1 year	-	-	-
1 to 3 year(s)	-	1	114 779
3 to 5 years	-	7	240 992
Longer than 5 years	-	1	93 823
<b>Total</b>	-	<b>9</b>	<b>449 594</b>

Include discussion on projects longer than 5 years in capital work-in-progress:

Balances in capital work-in-progress projects

Muyexe Community Library	26 662
Enyokeni	114 779
Regional OR Tambo	13 474
Regional JL Dube	21 560
Winnie Mandela House	732
Weslyn Church	1 773
Upgrading of fire protection system and refurbishment of HVAC	62 978
Pretoria National Library of South Africa	93 823
Sarah Baartman Centre of Remembrance	113 813
	<b>449 594</b>



## ANNEXURE 4

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS

## MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 201</b>					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	329 083	(11 176)	93 990	(1 379)	410 518
Non-residential buildings	329 083	(11 176)	93 990	(1 379)	410 518
<b>Total</b>	<b>329 083</b>	<b>(11 176)</b>	<b>93 990</b>	<b>(1 379)</b>	<b>410 518</b>

The opening balance of R329 million for the 2016/17 financial year was reinstated as there was an error in identifying capital works project. This was reinstated as R317 million. The project management office costs amounting to R11 million was erroneously capitalized in the 2014/15 financial year and cumulatively in 2015/16.

## ANNEXURE 5 INVENTORY

	Note	2017/18		2016/17	
		Quantity	R'000	Quantity	R'000
<b>Inventory</b>					
Opening balance		4 718	833	4 729	832
Add/(less): adjustments to prior year balances		1	(10)	-	-
Add: additions/purchases - cash		3 113	2 315	2 615	4 284
Add: additions - non-cash		-	-	-	-
(Less): disposals		-	-	-	-
(Less): issues		(3 113)	(2 315)	(2 626)	(4 283)
Add/(less): adjustments		-	-	-	-
<b>Closing balance</b>		<b>4 719</b>	<b>823</b>	<b>4 718</b>	<b>833</b>



Private Bag X897

Pretoria

0001

South Africa

Tel: +2712 441 3000

Fax: +2712 441 3699

[www.dac.gov.za](http://www.dac.gov.za)



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