National Heritage Council

ANNUAL REPORT

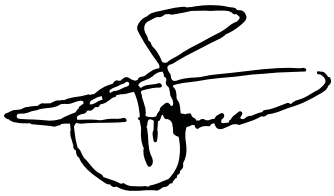
2013
2014

nhc
National Heritage Council
SOUTH AFRICA
an agency of the
Department of Arts and Culture

INTRODUCTION

I have the honour of submitting the Annual Report of the National Heritage Council for the period 1 April 2013 to 31 March 2014.

Regards



Advocate Sonwabile Mancotywa
NHC Chief Executive Officer

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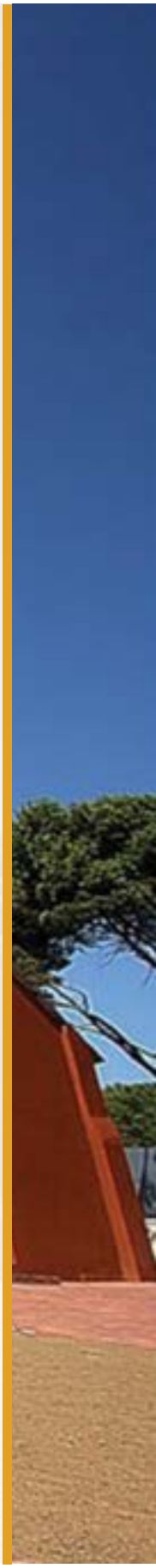

PART A: GENERAL INFORMATION

PART A: GENERAL INFORMATION

1. GENERAL & CONTACT INFORMATION

REGISTERED NAME	National Heritage Council Of South Africa
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EXTERNAL AUDITORS	Auditor-General Of South Africa
BANKERS:	First National Bank
COMPANY SECRETARY	Ms Zimkhitha Thomas
ISBN:	978-0-621-42918-3
RP NUMBER	208/2014
PUBLICATION DESIGN	Ideahub Communications www.ideahub.co.za +27 12 753 5037

2. LIST OF ABBREVIATIONS & ACRONYMS

AGSA	Auditor-General Of South Africa
APP	Annual Performance Plan
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
LHR	Liberation Heritage Route
PFMA	Public Finance Management Act
PSETA	Public Sector Education and Training Authority
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management

3. STRATERGIC OVERVIEW

3.1. VISION

To build a nation proud of its African heritage

3.2. MISSION

To transform, protect and promote South African heritage for sustainable development.

3.3. VALUES

The following values will guide the programmes, actions and behaviours of Council members and employees of the NHC and all those who are acting in its name:

- Ubuntu
- Integrity
- Creativity
- Professionalism
- Equity

3.4. STRATEGIC OUTCOME ORIENTATED GOALS

These are as per the NHC's strategic plan, annual performance plan and budget documents.

4. LEGISLATIVE MANDATES

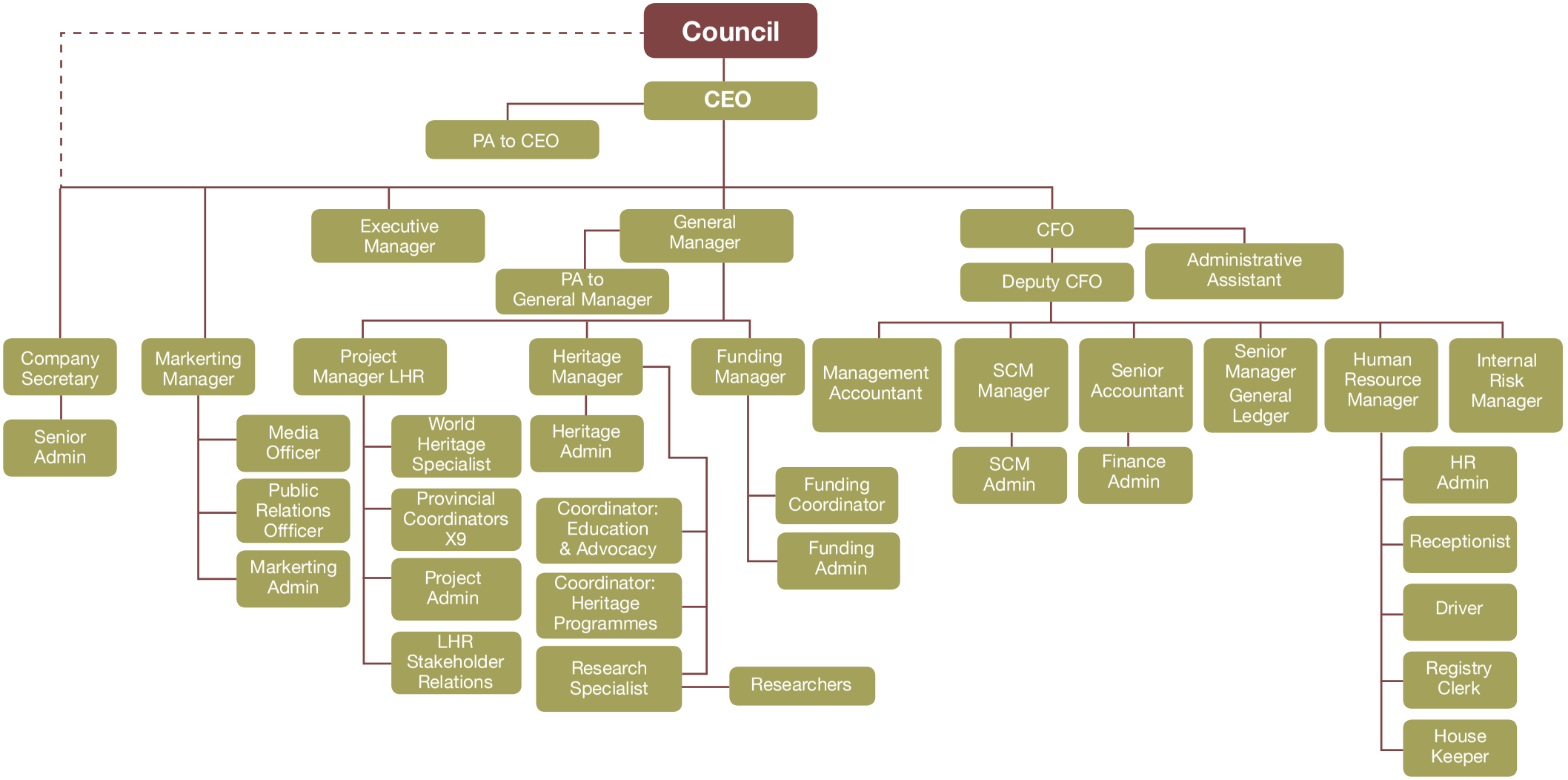
The mandate of the NHC is contained in Section four of the National Heritage Council Act, 1999 (No. 11 of 1999) as per the objects of the Act as stated below:

a) Develop, promote and protect the national heritage for present and future generations;
b) To coordinate heritage management;
c) To protect, preserve and promote the content and heritage which resides in orature in order to make it accessible and dynamic;
d) To integrate living heritage with functions and activities of the Council and all other heritage authorities and institutions at national, provincial and local levels;
e) To promote and protect indigenous knowledge systems, including but not limited to enterprise and industry, social upliftment, institutional framework and liberatory processes, and;
f) To intensify support for the promotion of history and culture of all our peoples and particularly to support research and publications on enslavement in South Africa.

The core functions of the Council of the NHC are set out in the NHC Act. These core functions inform the day to day realities of the organisation and will therefore be pre-eminent in the strategic initiatives and their related objectives. The core functions of the Council are to:

a) Advise the Minister on:
   - National policies on heritage matters, including indigenous knowledge systems, treasures, restitution and other relevant matters; and
   - Any other matter concerning heritage which the Minister may from time to time determine;
b) Advise the Minister on the allocation of core funding to declared cultural institutions;
c) Investigate ways and means of effecting the repatriation of South African heritage objects presently held by foreign governments, public and private institutions and individuals;
d) Make grants to any person, organisation or institution in order to promote and develop national heritage activities and resources;
e) Co-ordinate the activities of public institutions involved in heritage management in an integrated manner to ensure optimum use of State resources
f) Monitor and co-ordinate the transformation of the heritage sector, with special emphasis on the development of heritage projects;
g) Consult and liaise with relevant stakeholders on heritage matters;
h) Generally support, nurture and develop access to institutions and programmes that promote and bring equity to heritage management;
i) Promote an awareness of the history of all our peoples, including the history of enslavement in South Africa;
j) Lobby in order to secure funding for heritage management and to create a greater public awareness of the importance of our nation's heritage;
k) Perform such duties in respect of its objects as the Minister may assign to it; and
l) The Council may on its own initiative advise the Minister on any matter concerning heritage.

ORGANISATIONAL STRUCTURE



FOREWORD BY THE CHAIRPERSON

Mr M. Zwane
NHC Chairperson

The National Heritage Council marked its tenth anniversary milestone on 26 February 2014 for which South Africa has much to celebrate as part of the twenty years of democracy. During the first ten years of our democracy, the nation's immediate focus was on dismantling old apartheid laws, formulating a new democratic dispensation, and addressing immediate structural and socio-economic needs.

By the time we reached the second decade of the new dispensation, it was time to focus on nation-building and, in particular, on the role that culture and heritage has to play in creating unity in diversity thereby consolidating the transformation agenda of the country. This, then, was the National Heritage Council's founding objective: to establish a solid platform to build a nation that is proud of its rich and diverse African heritage.

When reflecting on how far we have come since 2004, we are able to do so with pride. This is true not only because we have achieved so many worthy goals, but because our founding ideal remains truly alive to the NHC's executive, management and staff.

Some of the larger projects we have undertaken over the past ten years are worth mentioning here, including but not limited to, the establishment of both the Ubuntu Honours Programme and the Golden Shield Heritage Awards. These are aimed at honouring individuals, groups, communities and organisations that have made selfless contribution to the preservation, interpretation and promotion of South Africa's heritage.

We are also exceptionally proud of the work that has been done on planning and obtaining funding for the Liberation Heritage Route, a project which will identify and develop key sites of historical significance. Through this project, we aim to recognise and remember the people, communities, events and places that were so significant during the struggle for liberation. We are pleased with the progress towards the rollout of the project nationally through the Inter-Governmental Relations Framework that had been developed and shared with key stakeholders charged with the implementation thereof.

These and our many other initiatives are strategically aligned to government's National Development Plan, and also aim to fulfil the objectives defined at the National Summit on Social Cohesion and Nation Building,

held in July 2012. The theme of the summit was that of creating a caring and proud society, a goal to which the National Heritage Council is deeply committed. Working with other government agencies, government departments, non-profit organisations, community groups and individuals, we are guided by this purpose towards even greater successes in the future.

We will, of course, continue to do our work within a framework of impeccable governance, as we have done for the past ten years. Not only have we maintained an unbroken record of obtaining unqualified audit reports from the Auditor-General, but have also invested in a process of continuous improvement. In this, we have been supported by the Executive Management and Staff, whom I would like to thank for their commitment and dedication.

As we embark on the journey towards the third decade of democracy, the NHC is not only working to achieve its core objectives within South Africa's borders, but also actively representing the country and its people in the international arena. For instance, together with UNESCO and fellow heritage workers in other African countries, we have identified sites of historical significance to our country's people in Botswana, Zimbabwe, Tanzania and Angola, and intend to include these in the Liberation Heritage Route Project. We are also cooperating with agencies throughout Africa to identify and create awareness of the continent's heritage as a whole.

As always, the challenge of reaching out to all sectors of society will remain a key focus for the NHC. It is our belief that every South African is a custodian of the country's heritage, and therefore a recipient of the NHC's services in some way. We will, therefore, continue to implement projects and campaigns aimed at engaging communities in the heritage sector, and also encourage citizens' participation in this great national project.

Chairperson

COUNCIL MEMBERS

Mr M. Zwane
Chairperson

Prof. S. Fikeni

Mr J. Sithole

Dr V. Khumalo

Prof S. Mokgoatsana

Adv S. Botha

Mr Z. Mkiva

Dr H. Boshoff

Ms S. Nhlumayo

Prof A. Oliphant

Mr V. Bila

Mr R. Ledwaba

Mr F. Makhanya

Amb. D. Moopela

Mr T. Gwabeni

Prof. L. Mathebula

CEO OVERVIEW

Adv Sonwabile Mancotywa
NHC Chief Executive Officer

The 2014 financial year was a milestone year for the National Heritage Council, which is celebrating ten years since its inception and in the process of embarking on some of its most ambitious projects ever.

As readers of this report may be aware, the National Heritage Council was established to highlight issues of national pride and to focus on building a cohesive national identity. In line with the Constitution, its role is to promote unity in diversity by enabling all of the country's people to feel a sense of pride in their African cultural heritage.

The role of cultural heritage in building a unified national identity cannot be underestimated, especially in a country that has such a history of divisions. The task itself involves many disciplines centred around research and knowledge production, as well as a concerted effort to raise awareness of cultural and heritage issues.

As always, the NHC is privileged to have the active support of the Department of Arts and Culture, which is deeply committed to the work we are doing to preserve our country's heritage and, in particular, the heritage of the liberation struggle.

The role of the NHC in this broad heritage landscape is to advise the Minister of Arts and Culture on policy, to plan and implement key cultural and heritage projects, to fund community based projects, to promote awareness of South Africa's cultural diversity, and to transform the heritage sector in such a way as to make it not only more inclusive, but also a source for socio-economic development.

The Liberation Heritage Route project, which was conceived by the NHC several years ago, will continue to be our flagship project during the course of the next decade, as will a number of projects aimed at engaging and empowering our country's youth. These will be supported by both NHC and other social partners with bias towards uplifting community based projects intended to promote Ubuntu or African humanism.

The Liberation Heritage Route project was ratified by Government in 2012 and 2013 as pronounced in the SoNAs presented by the State President. We are pleased that some part funding for implementation had been granted by the National Lotteries Distribution Trust Fund (NLDTF) to begin implementation. A total of 227 sites are being researched for possible inclusion on the Liberation Heritage Route some of which are prioritised

for infrastructure development while others are candidates for possible enlistment as World Heritage Property. While the first phase of the project will focus on developing sites within the country's borders, it is anticipated that the route will ultimately include sites in the rest of Africa and abroad and those where significant events in the history of the liberation struggle took place.

The project has the support of both provincial and local governments, which will extend and deepen its socio-economic impact throughout the country. Importantly, the project has the support of UNESCO, which has acknowledged that the Liberation Heritage Route tentative list of sites as potentially demonstrable of the outstanding universal value criterion.

In addition to this landmark project, we will continue to grow and develop social cohesion projects such as the Ubuntu Honours Programme and the Golden Shield Heritage Awards. In the international arena, we will also maintain an active role in trend-setting activities and in the public discourse about heritage.

We nevertheless need to acknowledge that the heritage sector as a whole and the NHC in particular continue to face many challenges. Not the least of these is the mismatch between the extent of our task as a national entity and the funding available to fulfil that task.

Public awareness of heritage is, however, increasing, and this is contributing to a need for expansion of the resource base needed to preserve, protect, promote and develop heritage infrastructure effectively. Growing awareness of and interest in heritage is evident from the increasing number of applications and requests for support that the NHC receives from government departments, heritage organisations, community groups and individuals.

Within this context, it is important to reiterate that the Liberation Heritage Route Project is not just about securing historical sites and developing infrastructure, also about the implementation of economically viable projects designed to empower the country's people, especially the youth. Established sites that have proven the efficacy of this model include Robben Island in the Western Cape, Constitution Hill in Johannesburg, the Hector Petersen Memorial in Soweto, the Liliesleaf Farm in Rivonia, and the Walter Sisulu Square of Dedication in Kliptown. These and many other sites have been developed based on plans put forward at the Heritage Development Conference held shortly after the NHC was established. It was there that the concept of positioning heritage as an economic resource was first formulated, and where the groundwork for much of what has been done since then was laid.

Buoyed by the attainment of the 10th consecutive unqualified audit report since NHC's establishment, presenting this annual report approved by Council as the Executive Management of the NHC, we have every confidence that the activities of the organisation will continue to make a meaningful difference in the many communities where heritage is a source of socio-economic wellbeing.

We are proud of our achievements in the first ten years of our existence, and look forward to even greater achievements in the future.

Chief Executive Officer

CELEBRATING **10 YEARS OF**

"PRESERVING THE GREATNESS OF OUR NATION"

Established within a complex national policy and development policy environment to which the NHC had to adapt, and to adapt fast, it had to get on implementing its agenda to cultivate a fresh paradigm on national heritage.

Emerging from a past which suppressed the dignity of the majority of South African citizens, the NHC had to lead in support of the new ethos, values, principles and commitment of a new democratic society. From a fragmented and segmented society, the NHC had to set the agenda in programmes and campaigns which sought to entrench these new values and attitudes on each citizen towards the conscious embracing of non-racialism, non-sexism and patriotism in a democratic society. Central to the themes of the programmes of the NHC were the clarion call for respect, tolerance, positive attitudes to the environment and promotion of social justice after decades of deprivation.

South Africa is a unique society, and the NHC set in motion an extensive geographical footprint with limited personnel to implement programmes with heritage, social and political appeal, and to synthesize and synchronize with the entire heritage sector in South Africa through joint heritage programmes.

The context of the responsibilities of the NHC demanded greater civil society focus to increase social relevance of the organization. All of this was done against the backdrop of glaring reminders of the horrendous apartheid system. African memories lay buried beneath the ruins of apartheid colonialism. The NHC was called upon to unearth and reassert the uniqueness of the collective African memory so as to collect, record and preserve the remnants of what was of value to the African society. Through these efforts the aim was to inculcate in the current generation a deeper sense of patriotism and national identity.

National Dialogue became the agenda setting mechanism through which strategic ideas were derived from a sustained high degree of social engagement. Key ideas emerged to inform the planning, programme and policy interventions of the NHC. Having interacted with key representatives of civil society through the national dialogues, the provincial conferences and imbizos, the NHC was able to determine public support for its approach and to achieve relative national consensus. Consolidation of ideas was derived from deliberate conversations across South Africa.

National consensus on policy and programming alternatives saw incorporation of those in the national action plans which committed multi-level structures of government, people and their civil society structures, and their leaders behind the options for the transformation of heritage in this country.

Political and cultural leaders consulted regularly with the NHC with the main aim of integrating the cultural and political variables in the work of the NHC and of the entire heritage sector in South Africa. In the same vein, the work of the NHC has received extensive scholastic attention, which might account for the extensive intellectual and academic brainpower behind the NHC, some of whom have formally served in various think-tanks established to delve deeper on the intricate issues confronting the heritage sector and the people of South Africa.

Accomodating diversity and allowing people to envision a common national heritage within the contingencies of representation and participation!

Recognising multiple identities which account for our national diversity, and to affirm common nationhood, through the creation of a caring society, with a culture of human rights, human heartedness and social solidarity, the NHC placed the Ubuntu programme high on its social and multi-sectoral interventions. All these efforts were aimed at building cohesive African communities. Suppression of African culture by previous oppressive regimes denied the country of opportunities to harvest from the values of Ubuntu. The apartheid system was a dehumanizing system which retarded the spiritual and material development of black people, and denied their white counterparts benefit from the embedded African knowledge, cultural and indigenous knowledge systems.

The agenda of Africa's cultural renewal is dependent on the positive values of Ubuntu. Through the Ubuntu programmes, advocacy and promotion of values, practical interaction was encouraged for people and communities to reclaim the core values of Ubuntu, so as to live out the values of a just and caring society.

The NHC reasserted through a nation-wide campaign that the moral vision of the South African society is premised on the values of Ubuntu. The humanity of all South Africans, to thrive, depends on the consistency of social solidarity and social partnership.

The NHC entered into a series of meaningful short and long term collaborative relationships between various local, provincial, national and international partnerships to achieve the common purpose of undertaking joint heritage programmes, and related work. Due to the high visibility of the NHC various partners emerged to request the combination of ideas, skills, competencies, resources and benefits for the upliftment of humanity. Effective cross-sectoral partnerships made it possible for the NHC to go through extensive experiential learning of people, cultures, contradictions and possibilities inside and outside South Africa.

Through extensive research, a channel for narration of liberation struggle experiences was created by the NHC through the Liberation Heritage Route project. Focused on the areas of liberation heritage which had been neglected, the NHC spent time and resources to unearth previously unrecorded but significant stories, based on the popular memory of the people and communities who were part of the organized and spontaneous offensive against the apartheid system.

Collection of stories, documentation and presentation of these experiences is a continuing effort of the NHC and its partners towards identity and memory restoration, and contribution towards the construction of a national identity.

Working towards the inscription of the LHR as a world heritage site was paved by the context of UNESCO broadening heritage typologies to include the liberation struggles through the Roads to Independence Resolution of UNESCO and the Memory of the World Programme. Recognition of Africa liberation heritage encouraged the NHC to increase its focus on the enlistment of the Liberation Heritage Route.

SOME OF THE KEY HIGHLIGHT OF THE NHC ARE SUMMARISED BELOW.

- **Focussed attention to community heritage**
  More than R30 million was distributed to heritage projects of communities who would ordinarily not have access to funding from financial institutions.

- **Nation Building**
  Conscientised the country and the world about the concept of Ubuntu as an African philosophy of humanity. Also advocated for the practice of its values to promote a just society.

- **Exposed youth to heritage education**
  Exposed learners from all the provinces on an annual basis to embrace the significance of the diverse culture and heritage of South Africa. Influenced the school curriculum to incorporate the correct reflection of our history and heritage.

- **Participatory public involvement in heritage discourse**
  Activated the involvement of citizens in a wide variety of critical subjects on heritage transformation, preservation and promotion throughout the country.

- **Policy and thought leadership**
  Pro-actively led policy analysis, development of position papers on pertinent legislative non-congruencies, crafted a transformation charter to advance alignment of heritage to the democratic dispensation and made public expressions on obsolete legislation that require a review.

- **Consistent corporate governance**
  In the past 10 years, the NHC has received unqualified annual financial audits from the Auditor General of South Africa.

- **Positioned the preservation of the South African liberation**
  The importance of South Africa's liberation struggle history was successfully placed as a possible heritage property on the UNESCO list of World Heritage Sites.

- **Published material on heritage**
  A number of researched publications on historic subjects of heritage were produced and made available to the public.

- **Restoration of human dignity & pride**
  The NHC provided support to communities that wanted to be reunited with their family members who died in other countries as fallen heroes and heroines of the liberation struggle. The human remains of the heroes and heroines were repatriated, reburied or spiritually interred.

- **Established international partnerships**
  A number of international partnerships were developed to strengthen relations in mutual heritage interests.

Activities of the NHC in the past 10 years

2004 The NHC was inaugurated by the Acting Minister of Arts and Culture, Mrs Phumzile Mlambo-Ngcuka on 26 February 2004. Dr Luli Callinicos was the first Chairperson of the largest board that comprised of 29 members.

2005 The NHC celebrated its first anniversary on 26 February 2005 with the late Vuyo Mbuli at the Heritage Development Conference. The main speaker was the then Deputy Minister of Arts and Culture, Ms Ntombazana Botha. The outcome of the conference was a consensus on the link between heritage and development. It was highlighted that the absence of a measuring mechanism to quantify the contribution of heritage to development, especially economic contribution, needs attention.

The NHC Civil Society Engagement was graced by the then Deputy President, Honourable Jacob Zuma at the Ubuntu Kraal, Soweto, Gauteng on 12th March 2005. This was a national consultation with all the civil society organisations on the best means of involving the public in protecting, preserving and promoting our heritage. This gathering laid the foundation for the NHC's participatory public involvement in heritage discourses.

Another major gathering of heritage practitioners was hosted by the NHC as the Heritage Transformation Indaba on 1 and 2 April 2005 in Ekurhuleni, Gauteng. Mr Pallo Jordan, the then Minister of Arts and Culture was the guest speaker. A task team was established to develop the first draft of the charter which was presented to heritage practitioners in all the provinces for comments. The document was in the later years refined to what is in existence today.

In July 2005, South Africa hosted the 29th Session of the UNESCO World Heritage Committee where the NHC advocated for the adoption of the Africa position Paper on Heritage. This position paper called for the recognition of heritage in the African context of a developing nation that could not be equated to western countries. It also pursued to correct the skewed representation and over-emphasis of natural heritage above the cultural heritage which is part of what defines Africa.

2006 The first community heritage projects receive their grants from the NHC. A combined amount of R7,065,716.00 was awarded to 11 projects nationwide.

Nine young talented South Africans who represented all the different nine provinces of the country were sent to be trained by a veteran artist and retired military Captain in Ethiopia. The skills that they acquired in fine art using an indigenous technique of applying paint on animal hide, turned the young artists into entrepreneurs. The three months (July – September 2006) programme in Ethiopia was also a dedication to the 30th Anniversary of the youth revolt (June 16) in South Africa.

A Heritage CEOs and Directors Forum was established by the NHC to consolidate coordination in the sector that is perceived to be fragmented. The forum became an important body for consultation, reflection and strategising for the future of the heritage sector in South Africa. The department of Arts and Culture supported the initiative and utilised it to its fullest potential.

In partnership with the African Renaissance Centre of UNISA, the NHC hosted the National Question and National Identity Conference. The delegates debated issues around defining the national identity of South Africans in the context of a diverse multi-cultural society that, at the same time, have a shared history.

The National Ubuntu Imbizo was launched in Botshabelo, Mpumalanga from 16 to 17 November 2006 as a dedicated campaign to revive the values of Ubuntu. Over 2000 people attended. President Nelson Mandela was awarded the first Ubuntu Award which was reconceived by Deputy President Phumzile Mlambo-Ngcuka and the Premier of Mpumalanga, Mr Thabang Makwetla.

The South African Traditional Music Awards (SATMA) was launched at the Durban international convention Centre in KwaZulu Natal. The NHC was leading the coordination of partnerships and secured funding from the National Lotteries Distribution Fund (NLTDF) for three years. The SATMAs continued to be a success. It created links with the African diaspora in the United States and elsewhere in the world. Other major partners included the South African Broadcasting Service (SABC) as well as the Kwa-Zulu Natal Provincial Government.

The NHC started to explore critical policy work on the preservation of heritage by investigating the advantages and consequences of digitising heritage. A framework developed by experts in the sector provided guidelines on the protection of heritage and warned against the disownment that is likely to come with the process.

The first Heritage Magazine was launched by the NHC and distributed to practitioners in the sector. The magazine covered the often neglected stories of African heritage and restored the dignity of the people whose stories were told.

Journalists from various media houses, including print and broadcast media, received a training dedicated to understanding the value of heritage as a subject for news. The heritage sector, not only the NHC, realised a gradual improvement in media presence after the training programme.

The South African National Heritage Audit, a record of tangible, living, cultural and natural heritage in South Africa was compiled into a 490 pages book. It listed interesting and unrecorded heritage resources ranging from community memories to properties and research publications.

2007 A modest project of a heritage exchange programme was initiated to allow learners from disadvantaged communities to visit urban heritage sites whilst those from affluent areas were exposed to heritage in townships. The project became popular to learners and educators alike for its educational and nation building value.

The NHC conceptualised the Liberation Heritage Route which will become a world recognised series of sites that are associated with the liberation struggle of South Africa. The project has grown to become Southern African focused. Selected sites were accepted to the tentative World Heritage List of UNESCO.

The former President of Zambia, Dr Kenneth Kaunda was awarded the Ubuntu Honour on the 19th October 2007 at the Boschendal Wine Farm Estates in the Western Cape Province. The peace loving Kaunda contributed greatly to the democracy of South Africa since he was a student at fort Hare University and assisted to break the yoke of the apartheid system when he was President of Zambia.

The second Council was appointed in September 2007 with Prof Rocky Ralebipi-Simela as the Acting Chairperson.

2008 The Liberation Heritage Route was officially launched in Cofimvaba, Eastern Cape in partnership with the Chris Hani District Municipality on 10 April 2008. The launch also marked the commemoration of the death of Chris Hani. Many people attended the event that was graced by other struggle veterans such as Mr Clerence Makwetu of the Pan Africanist Congress. Mr Gwede Mantashe, Secretary General of the African National Congress, was the guest speaker.

Deputy President, Phumzile Mlambo-Ngcuka launched a book on the Irish History in South Africa at Robben Island Gateway in Cape Town, Western Cape on 15 February 2008. This work was a contribution to strengthening the diplomatic relations with Ireland by appreciating the heritage of, among the other, their mission stations in South Africa and their contribution to socio-economic conditions of the immediate communities.

An ambitious project of the NHC was born to collect memories of unsung heroes and heroines in South Africa. Partial funding was obtained from the NLTDF. The project results in a documentary about the selected unsung heroes and heroines.

The NHC completed a study into the Duncan Village Massacre Memorial that was unveiled in March 2008. The simmering concerns of the Duncan Village community prompted the NHC to meet with the stakeholders to investigate issues that have become a nation-wide trend of public expressions of discontent. The Duncan Village Monument was vandalised because communities felt that it misrepresented the history of the massacre.

The NHC hosted a national conference to raise awareness about the valuable South African historical objects and collections that include documents, audio visual material, human remains and artifacts which are in the custody of other countries. This Repatriation Conference in partnership with the South African Heritage Resources Agency was held in Kempton Park, Gauteng on 17 and 18 March 2008. The main objective was to reach consensus on how to return the heritage objects and prevent the illegal exportation.

The Acting Ambassador of Cuba, His Excellency Enrique Orta, formally received and welcomed the Ubuntu Honour on behalf of the recipient President Fidel Castro at a ceremony held at the Mapungubwe World Heritage site in Venda, Limpopo Province on 24 September 2008. The honour recognised him for his role in supporting South Africa during the apartheid era even at the expense of his own country.

2009 The first ever Heritage Funding Summit was held at the Gallagher Estate in Midrand, Gauteng from 9 to 10 July 2009. The Summit discussed the state of heritage funding in South Africa. A research that was presented at the Summit found that heritage is severely underfunded in South Africa.

Patrick Ntobeko Maqubela, Acting Judge of the High Court in Cape Town was found dead in his Cape Town apartment. The NHC hosted a memorial service in his honour at Gallagher Estate and he was buried on 16 June 2009 in Qumbu at the Mpumase Administrative Area, Eastern Cape.

All the staff of the NHC mobilised the Kliptown community to participate in the first Mandela Day "67 minutes campaign" by refurbishing the AME Church - African Methodist Episcopal Church, 162 First Street corner Bridge Road, Kliptown, Soweto Gauteng.

The Ubuntu Honour, that was awarded to President Fidel Castro of Cuba was received by the Cuban government at a formal ceremony on 16 April 2009 at the National Museum of Decorative Arts hosted by the Minister of Culture, Mr Abel Prieto in Vedado, Cuba.

The "9Provinces 9Artists &1 Exhibition" of the artists who were trained in Ethiopia was hosted at the Grahamstown Arts Festival in the Albany History Museum from 9 to 10 July 2009.

2010 The NHC hosted the 'Diski Jive' on the last Foodball Friday before the 2010 FIFA World Cup™ kickoff. All staff and some neighbouring corporates joined this fun session on 4 June 2010 at Catemba restaurant (Atrium Building) in Lynnwood Glen, Pretoria.

The Ubuntu Awards were reviwed at the NATIONAL CONFERENCE on – ***"Reclaiming and Living out the Values of a Just and Caring Society"*** that was held on 31 August 2010 Gallagher Estates, Midrand, Gauteng. The Conference resolved that there need to be a concerted effort by all South African institutions to embrace and incorporate Ubuntu in the light of the many injustices that are reported in the media daily.

February 11, 2010 marked a historic political moment for South Africa when the NHC joined the Mandela Family in facilitating a very intimate conversation of the comrades who were present to receive President Nelson Mandela in 1990. This was a celebration of the 20th anniversary of the release of Mandela from prison after 27 years. These conversations were recorded for posterity.

2011 The fourth council Chaired by Mr Mxolisi Zwane was appointed by the Minister of Arts and Culture, Paul Mashatile. Mama Nomzamo Winnie Madikizela-Mandela personally accepted the Ubuntu Honour as the first female South African recipient. Accompanied by her grandchildren she received the Honour on 30 September 2011 at the Gallagher Estate in Midrand, Gauteng Province. Many people agreed that her dedication to democracy despite the gruesome apartheid treatment that she had gone through her entire life earned her the Ubuntu respect of a woman, mother, wife and activist who fought for all.

The Africa Liberation Workshop was hosted from 16 - 18 August 2011 at the Roodevallei Conference Centre outside Pretoria. Delegates from 17 countries together in Southern Africa attended. The countries agreed to priorities liberation heritage in their countries and work together in preserving this heritage.

The memorial service for the six South Africans who were killed in Lesotho between 1982 and 1985 was a celebration of Human Rights Day in the Eastern Cape, Sisa Dukashe Stadium (Mdantsane) on 21st March 2011. The fallen heroes were Mzwanele Fazzie, Lepota Marai, Sipho Notana, Mzukisi Skweyiya, Cassius Barnabas and the only woman among them was Boniswa Ncukana. Their human remains were brought back to South Africa from Lesotho.

A Rugby Summit was held at the Red Location Museum in Port Elizabeth on 4th & 5th November 2011 to document the history of black rugby that started in the region.

The NHC intervened in facilitating the restoration of the vandalised grave (Graaf Reinet, Eastern Cape) of the founding President of the Pan African Congress (PAC), Robert Mangaliso Sobukwe.

The 51st Anniversary of the Ngquza Rebellion was hosted in partnership with other stakeholders to remember the eleven people who died on the spot, about 58 who were injured and those arrested and sentenced to death by hanging for their involvement in the clash with the apartheid forces in 1960.

2012 The International Liberation Archives Conference was hosted by the NHC in East London, Eastern Cape to mark the 100 years of the oldest liberation movement in Africa – the African National Conference (ANC).

The Golden Shield National Heritage Awards were hosted for the first time in the heritage sector to recognise excellence by stakeholders and activists at the Birchwood Hotel, Boksburg in Gauteng on 21st September 2012.

2013 The NHC launched a new definition for heritage in the South African context and engaged the public to make their comments.

The grandchildren (Nelson Lumumba Lee and Zenzile Makeba Lee) of the 2013 Ubuntu Honour recipient, the late Mama Miriam Makeba received the honour on her behalf on the 20th March 2013 at the Gallagher Estate in Gauteng. The late Grammy award-winning singer and anti-apartheid activist Mama Afrika, as some called her, or "Mazee", was awarded the Ubuntu Honour by the NHC for, among the other, her humanitarian role to the country and its people while she was in exile as well as for the caring gesture she displayed in opening a school for destitute girls when she returned to South Africa.

A campaign to create awareness about the Early African Intellectuals was conducted through the hosting of public lectures in collaboration with Universities. The Sol Plaatje Lecture was held at the UNISA main campus in Pretoria and the JT Jabavu Lecture in collaboration with the Fort Hare University in East London.

The NHC assisted the aBathembu people who originate from KwaZulu Natal province to spiritually repatriate their King Ngoza from the Eastern Cape to Umsinga in Kwazulu/Natal on 4th August 2013.

The NHC continued to implement and grow its flagship projects: Liberation Heritage Route, Heritage Education Outreach, Ubuntu Honours, Golden Shield National Heritage Awards

2014 The NHC celebrates its tenth year

Flagship programmes of the NHC

Liberation Heritage Route

This project seeks to identify and develop precincts on the sites of historical and heritage significance. The LHR reflects the supreme sacrifice for the freedom of South Africans. It is about the recognition of people, communities, events, places, icons and recording of epoch-making stories which had a significant impact on the South African struggle for liberation.

Golden Shield Heritage Awards

We recognise the contribution of individuals, groups, or organisations/academic institutions that protect, preserve and promote the country's heritage. The award recipients and the projects reflect best practice in promotion, preservation, conservation and/or interpretation of our heritage. Nominations are welcomed from all disciplines that have a direct bearing to how heritage is appreciated and preserved in the country.

Heritage Education Outreach

A national schools project for learners from Grade 10 and lower to know their heritage better and explore traditions of other cultures is hosted annually. Schools in the country challenge each other to represent their province at a week-long camp at a national heritage site where learners are taken through an educational cultural exchange experience of a lifetime.

Bataki

'Bataki' is a Sesotho and Setswana word for 'artists' of fine art. It is an initiative that was once funded by the National Lotteries Distribution Trust Fund (NLTDF). Young artistically gifted South Africans from all the provinces are working together to produce indigenous artwork that reflects our heritage. Dr Lemma Guya, an Ethiopian veteran, transferred this rare skill to nine unemployed young artists who spent three months in Ethiopia. Today, many more have learned the skill and use it as a means of a 'Golden Economy' for themselves and to communicate their heritage in beautiful paintings across the country and abroad.

Ubuntu

The Ubuntu campaign recognises and encourages every citizen to embrace the positive values of humanity as one of the intangible cultural heritages of the African people. The campaign promotes love – honesty – compassion – forgiveness – humility and unity. The citizens of South Africa participate in the campaign by nominating their own community members who live these values. Information about the work of these nominated Ubuntu Champions is shared with the entire population to appreciate and possibly emulate – thereby contributing to social cohesion and nation building.

Funding

We continue to assist community heritage initiatives with funding that propels the prospects of the projects into flourishing milestones of protecting, preserving and promoting the cultural heritage of South Africa. Over thirty million rands (R30m) was invested in such deserving projects in the 10 years of the NHC. Applicants are invited to submit proposals annually between November and March.

PART B: PERFORMANCE REVIEW

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

The Chief Executive Officer is responsible for the preparation of the public entity's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the National Heritage Council for the financial year ended 31 March 2014.

Adv. Sonwabile Mancotywa
Chief Executive Officer
31 July 2014

2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

2.1. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2014:

- Programme 1: Strategic Management services on pages 21 to 23
- Programme 2: Corporate Services on pages 23 to 31
- Programme 3: Company Secretariat on pages 31 to 35
- Programme 4: Heritage Management on pages 36 to 44

2.2. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

2.3. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well-defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

2.4. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Strategic Management Services

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

2.6. Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 50% (>20%) of the targets were not specific.

2.7. Performance targets must be measurable. We could not measure the required performance for 50% (>20%) of the targets.

2.8. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 38% (>20%) of the indicators were not well defined.

Reliability of reported performance information

2.9. I did not raise any material findings on the reliability of the reported performance information for Strategic Management Services.

Corporate Services

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

2.10. Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 23% (>20%) of the targets were not specific.

2.11. Performance targets must be measurable. We could not measure the required performance for 23% (>20%) of the targets.
2.12. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 54% (>20%) of the indicators were not well defined.

Reliability of reported performance information

2.14. I did not raise any material findings on the reliability of the reported performance information for Corporate Services.

Company Secretariat

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

2.14. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 33% (>20%) of the indicators were not well defined.

Reliability of reported performance information

2.15. I did not raise any material findings on the reliability of the reported performance information for Company Secretariat.

Heritage Management

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

2.16. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 33% (>20%) of the indicators were not well defined.

Reliability of reported performance information

2.17. I did not raise any material findings on the reliability of the reported performance information for Heritage Management.

Additional matter

2.18. Although I raised no material findings on the reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

2.19. Refer to the Annual Performance Report on pages 21 to 44 for information on the achievement of the planned targets for the year.

3. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

3.1 STRATEGIC OUTCOME ORIENTED GOALS

The four strategic objectives of the NHC are to:

- Implement heritage knowledge interventions that build South Africans who are proud of their heritage;
- Improve the level of public awareness about heritage;
- Ensure institutional sustainability; and to
- Build institutional capability.

3.2 SERVICE DELIVERY ENVIRONMENT

The financial year 2013/14 marked another successful period in the lifespan of the NHC despite the negative economic climate which placed extra pressure on resources, especially in support of community heritage initiatives as there are increasingly limited funding options in the market.

The NHC celebrated ten years of existence with the handover of the Revised Heritage Transformation Charter to the Minister of Arts and Culture on the 10 April 2014.

The Liberation Heritage Route was taken to a higher level with the appointment of Provincial Coordinators to strengthen the NHC's reach and presence in the provinces and local communities in line with our mandate.

Among other highlights of the 2013/14 financial year was the initiation of the repatriation of Chief Dawid Stuurman's remains from Australia. Chief Dawid Stuurman was a Khoi Warrior Chief who had been imprisoned on Robben Island several times and ultimately taken to Australia in 1823 where he died in 1829.

3.3 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

There were some changes to the personnel of the NHC in the year; however, there were minimal disruptions to the overall operations. Several appointments were made to fill the gaps and strengthen the organisation, particularly in the Finance Department.

3.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no significant policy developments and legislative changes in the year under review. The NHC, however, did make a submission to the DAC on the Draft Revised White Paper.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: STRATEGIC MANAGEMENT

The purpose of the programme is to enable NHC performance through delivery of strategic support services.

The sub-programmes are:

- CEO's Office
- Communications
- Strategic Management

Measurable Objectives

No	Measure Objectives
A.1.1.1.1.	Provide strategic management leadership
A.1.2.1.	Provide communications support services
A.1.2.2.1.	Promote access to heritage information
A.1.2.2.2.	
A.1.2.3.1.	Promote access to heritage awareness
A.1.2.3.2.	
A.1.2.4.	Maintain image of the NHC
A.1.2.5.	Build Stakeholder Relations

Key Performance measures and their targets and actual results

Strategic Objectives							
No.	**Perfor-mance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
A.1.1.1	Compliance to strategic management schedule	100% compliance with the strategic management schedule was achieved	100% Compliance to strategic management schedule.	100% achievement of all 2013/14 planned strategic management schedule targets.	No deviation	No variance	N/A
A.1.2.1.	Client satisfaction	A survey on the satisfaction of internal clients (i.e. business units) was conducted and the unit received a high Rating.	Approved Internal Survey Report	Business units that were ser-viced respond-ed positively reflecting satisfaction to the services of Communica-tion support.	No deviation	No variance	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
A.1.2.2.1.	Functional access channels to heritage information	Four channels of communication, namely a web site, a social media presence, a programme of e-mails and telephonic contact with publications were established and are being maintained.	Four channels	All four channels are fully operational and maintained.	No deviation	No variance	N/A
A.1.2.2.2.	Public Interaction	An average annual increase of 24.8% was achieved in terms of audience participation through the various NHC communication platforms.	1,5% annual increase	Printed statistics reports of all the channels showed a tremendous increase.	The target was exceeded.	There was an upward trend in the use of the NHC communication platforms by the public.	The increase is a display of improved knowledge about the NHC and information on heritage.
A.1.2.3.1	National awareness campaign	The campaign was planned for 2013/14.	Approved National Awareness Campaign	A proposal was developed for approval for implementation. However, the project was not implemented due to budget constraints.	The target was not met due to budget constraints.	A proposal was developed.	N/A
A.1.2.3.2.	Media interaction	Media interactions implemented as per plan.	Three per quarter	Media interaction activities implemented satisfactorily.	There were no deviations.	Media interactions implemented satisfactorily as per plan.	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
A.1.2.4.	Stakeholder brand feedback	A brand survey conducted among stakeholders in the heritage sector yielded positive results.	Positive NHC brand index rating.	Brand communication tools were produced and disseminated to the targeted audiences during NHC activities and events.	The brand survey could not be implemented due to budget constraints.	In 2013/14 the survey was not conduced.	N/A
A.1.2.5.	Stakeholder satisfaction	A survey on internal stakeholder satisfaction was conducted and yielded fairly positive results.	Approved survey results	The surveys conducted at the NHC events were consolidated into a report.	There were no deviations.	The results remained positive.	N/A

4.2 PROGRAMME 2: CORPORATE SERVICES

The Corporate Services Programme is intended to enable the delivery of NHC products and services.

The programme is made up of the following sub-programmes:

- Financial Administration and Management
- Budget Management
- Risk Management and Internal Controls
- Supply Chain Management
- Information Technology
- Human Resources and Facilities Management

MEASURABLE OBJECTIVES

No	Measure Objectives
B.2.1.1.1.	Provide finance and budgeting services.
B.2.1.1.2.	
B.2.1.2.1.	Achieve an unqualified NHC audit opinion at the end of the financial year on the implementation of the NHC financial system.
B.2.1.2.2.	
B.2.1.3.1.	Operate within the budget variance limits at all times.
B.2.1.3.2.	
B.2.1.4.	Submit financial reports on time.
B.2.2.1.	Provide supply chain management services.
B.2.2.1.2.	
B.2.2.2.	Achieve 100% NHC compliance to procurement policies and standards at the end of the financial year.
B.2.3.1.1.	Provide risk management and internal control services.
B.2.3.1.2.	
B.2.3.2.	Achieve 70% compliance to risk management and internal control imperatives at the end of the financial year.
B.2.4.1.	Provide human resource and facilities management services.
B.2.4.1.2.	
B.2.4.1.3.	
B.2.4.2.	Ensure compliance with human resource governance imperatives.
B.2.4.3.	Ensure that the facilities SLA targets are 100% met at all times.
B.2.4.3.2.	
B.2.4.4.	Achieve a 100% retention rate for key positions by year-end.
B.2.4.5.	Achieve a 75% level of competence for all staff within the NHC.
B.2.4.6.	Build research and development capability.
B.2.4.7.	Build education and advocacy capability.
B.2.4.8	
B.2.4.9.	Build heritage programme implementation capability.
B.2.4.10.	Build internal NHC capability for fundraising and resource mobilisation function.
B.2.4.11.	
B.2.4.12.	Build liberation route implementation capability.
B.2.4.13.	Build communications management capability.
B.2.4.14.	
B.2.4.15.	
B.2.4.16.	Build strategic management capacity.
B.2.5.1.	Provide information technology systems.
B.2.5.1.2.	
B.2.5.2.	Build information technology capability.

KEY PERFORMANCE MEASURES AND THEIR TARGETS AND ACTUAL RESULTS

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.1.1.1	Client satisfaction index	100% accurate and timely Management Accounts tabled at monthly MEXCO Meetings.	All the time timeliness provision of finance and budget services.	There were some challenges with regards to the accuracy of the Management Accounts which were resolved by year – end.	The timeliness and accuracy of the accounts was not consistent	There were some inaccuracies in the Management Accounts.	The inaccuracies were corrected and accurate financial reports were produced
B.2.1.1.2.			100% quality achieved	The 100% good quality was not achieved.	The quality of the Management Accounts was not at the desired level initially.	There were imperfections in the Management Accounts and errors were picked up.	Corrective measures were put in place to improve the quality of the Management Accounts.
B.2.1.2.1.	Compliance to good principles of accounting, and sound systems of internal control	The NHC received an unqualified audit opinion.	Unqualified Audit Opinion	Implementation plan on audit outcomes of 2012/13 was monitored and reported on regularly.	Year end audit was still in progress at the end of 2013/14.	The variance could not be picked yet as audit was in progress.	The variance could not be picked yet as audit was in progress.
B.2.1.2.2.		There were adequate policies and procedures.	Adequate policies and procedures.	All Finance policies were reviewed, updated and approved by the Council.	There was no deviation from the target.	The status quo was maintained.	N/A

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.1.3.1	Performance against budget	16% budget variance	10% variance of actual to projected budget.	All variances were followed up and explained.	Variances followed.	The NHC incurred a budget deficit for the 2013/14 financial year.	There were unforeseen cost escalations leading to a deficit.
B.2.1.3.2.		Management accounts presented to MEXCO Monthly.	Budget Monitoring Reports.	All variances were followed up and explained.			
B.2.1.4.	Compliance to submission schedule	All reports to the DAC and requests for information were submitted on time.	100% compliance to submission schedule.	Management Accounts were tabled at the Audit and Risk Committee Meetings.	The compliance schedule was adhered to.	There were no variances.	N/A
B.2.2.1.1.	Client satisfaction	Procurement done as per Procurement Schedule and prescripts.	90% compliance to procurement standards and policies.	Purchase orders were generated within 24hrs upon submission of approved requisition.	There was no deviation.	An improvement was recorded in providing service to internal clients in the SCM Department	
B.2.2.1.2.		Tenders advertised and awarded timeously.		Purchase orders were generated within 24hrs upon submission of approved requisition.			
B.2.2.2.	Compliance to procurement policies and standards at the end of the financial year.	A register was kept to monitor irregular expenditure.	Achieve 90% compliance	Monthly SCM reports were produced.	The target was achieved.	The compliance improved in 2013/14.	This target was part of the compliance with procurement schedule and prescripts in 2013/14.

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.3.1.1.	Client satisfaction index	Constant services on risk provided to units. Risk registers were kept up to date and risk strategies Implemented.	Provision of risk management services and internal control services all the time.	Workshop conducted on 02nd March 2014 and risk register reviewed and updated.	There was no deviation.	Risk Management Policy and Risk Management Framework developed.	N/A
B.2.3.1.2.		N/A	100% Quality	Audit and Risk Committee members attended the risk workshop to ensure a quality outcome.	Target achieved.	Risk workshop also attended by Audit and Risk Committee members.	N/A
B.2.3.2.	Impact of risk	Risk reports tabled and adopted by the Audit and Risk Committee on the 5 May 2012.	70% Periodic Risk Reporting.	Risk registers were reviewed in the Risk Workshop conducted on the 02nd March 2014.	Target achieved.	Risk Management Policy and Risk Management Framework developed.	N/A

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.4.1.1.	Client satisfaction	100% provision of support for all HR and facility management services.	100% resolution of problems within two days of lodging with landlord.	Reported incidences were resolved within 3 days and Terms of Reference for new premises were completed.	Target achieved.	There was no variance.	N/A
B.2.4.1.2.			100% completed process for recruitment.	Recruitment processes completed for approved positions.	Target achieved.	There was no variance.	N/A
B.2.4.1.3.			All the time timeous resolution of facilities problems.	Reported incidences were resolved within 3 days and Terms of Reference for new premises were completed.	Target achieved.	There was no variance.	N/A
B.2.4.2.	Level of compliance to human resources standards and policies.	Partially achieved. A few areas were noted for improvement in the following year.	Achieve an NHC unqualified audit opinion at the end of the financial year on the implementation of NHC financial systems.	Unqualified Audit Report achieved in Q2 for the 2012/13 year-end.	Target achieved.	There was an improvement from partially achieved to fully achieved.	N/A

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.4.3.1.	Tenant satisfaction levels.	All facilities related complaints resolved on time.	A turnaround time of < or 2 hours for the resolution of facilities complaints.	Reported incidences were resolved within 3 days -Completed TOR for new premises.	Target achieved.	There was no variance.	N/A
B.2.4.3.2.			100% tenant satisfaction levels	Reported incidences were resolved within 3 days -Completed TOR for new premises.	Target achieved.	There was no variance.	N/A
B.2.4.4.	The number of people in key positions resigning from NHC.	Two key personnel resigned: the Company Secretary and Chief Financial Officer.	< or = 5%	A Deputy CFO and Acting CFO were appointed during the financial year.	Target achieved.	There was no variance.	N/A
B.2.4.5.	Employee Competence.	The target was not achieved but was revised for implementation in the following financial year.	75% achieved	Achieved 75% spending on training.	Target achieved.	Achieved 75% spending on training.	N/A
B.2.4.6.	Competency levels on research and development.	The target was not set for 201/2013.	75% achieved	Achieved 75% spending on training.	Target achieved.	There was no variance.	N/A
B.2.4.7.	Competency level on education and advocacy.	The target was not set for 201/2013.	Trained personnel	Training Report submitted to PSETA.	Target achieved.	There was no variance.	N/A

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.4.8.	Staffing levels.	The target was not set for 2012/2013.	80%	Temporary staff was appointed to fill vacant positions.	Target achieved.	There was no variance.	N/A
B.2.4.9.	Competency level on heritage programme implementation	The target was not set for 2012/2013.	75%	Achieved 75% spending on the training of staff.	Target achieved.	There was no variance.	N/A
B.2.4.10.	Competency level on funding and resource mobilisation.	The target was not set for 2012/2013.	75%	Achieved 75% spending on the training of staff.	Target achieved.	There was no variance.	N/A
B.2.4.11.	Staffing levels.	The target was not set for 2012/2013.	80%	Achieved 75% spending on the training of staff.	Target achieved.	There was no variance.	N/A
B.2.4.12.	Competency level on Liberation Heritage Route implementation.	The target was not set for 201/2013.	75%	Achieved 75% spending on the training of staff.	Target achieved.	There was no variance.	N/A
B.2.4.13.	Level of competence.	The target was not set for 2012/2013.	Positive Audit Opinion	Unqualified Audit Report achieved in Q2 for 2012/13 year-end.	Target achieved.	There was no variance.	N/A
B.2.4.14.	Staffing levels.	The target was not set for 2012/2013.	100%	3 positions advertised and 2 filled.	Target achieved.	There was no variance.	N/A
B.2.4.15.	Staff training.	The target was not set for 2012/2013.	One per person	Management & leadership programme attended.	Target achieved.	There was no variance.	N/A

Strategic Objectives:							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
B.2.4.16.	Trained people on strategic performance management.	The target was not set for 2012/2013.	100%	Presentation on module in Mexco of 24 March 2014.	Target achieved.	There was no variance.	N/A
B.2.5.1.1.	IT user satisfaction.	Target achieved as all problems were attended to speedily by the IT service provider. Registered system down-time was less than 10%.	95%	100% of IT problems resolved within agreed turnaround as per the SLA.	Target achieved.	There was no variance.	N/A
B.2.5.1.2.			= or > 90%	95% System up-time.	Target achieved.	There was no variance.	N/A
B.2.5.2.	Level of competence in IT utilisation.		85%	Internal audit finalised in March.	Target achieved.	There was no variance.	N/A

4.3 PROGRAMME 3: COMPANY SECRETARIAT

The Company Secretariat is intended to ensure that the National Heritage Council (NHC) complies with all applicable codes, as well as its legal and statutory requirements and policy imperatives. The Company Secretary keeps Council members informed of their legal responsibilities, ensures smooth running of Council activities, advises on Council procedures and adherence requirements, ensures that Council and Committee resolutions are communicated to the relevant people and implemented timeously. The programme is also responsible for other activities such as dealing with correspondence, writing reports, contributing for discussions, as and when required, to advise members of the legal, regulatory and/or corporate governance implications of proposed policies and resolutions, etc. as well as the maintenance of governance registers.

MEASURABLE OBJECTIVES

No	Measure Objectives
C.3.1.1.	Ensure compliance to Council Guidelines.
C.3.1.2.	Ensure organisation – wide compliance to governance imperatives.
C.3.1.3.1.	Ensure the safekeeping of company records.
C.3.1.3.2.	
C.3.1.4.	Ensure compliance to legislative

C.3.1.5.	Ensure compliance to contracts.
C.3.1.6.	Conduct Council and Committee Meetings according to schedule.
C.3.1.7.	Provide strategic management leadership.
C.3.1.8.	Ensure compliance to communications governance imperatives.
C.3.2.2.	Ensure compliance to terms and conditions of contracts.
C.3.2.3.	Implement the Legislative Compliance Matrix.
C.3.2.4.	Contribute to changes in the NHC Act.
C.3.2.5.	Ensure Management of Council support.
C.3.2.6.	Ensure management of strategic partnerships.
C.3.2.7.	Build NHC sustainability to implement heritage projects through resource mobilisation.
C.3.2.8.	
C.3.2.9	Facilitate the institutionalisation of LHR in all government levels
C.3.2.10.	

KEY PERFORMANCE MEASURES AND THEIR TARGETS AND ACTUAL RESULTS

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
C.3.1.1.	Compliance to Council guidelines	Draft Register of Council Resolutions produced Revised Charter and Code of Ethics approved by Council. Measurement of the rate of compliance was not completed.	100% compliance to Council guidelines.	1. Approved Council Charter; 2. Revised Code of Conduct and Ethics by Council; and 3. Council Resolutions Register.	Target achieved.	There was no variance.	N/A
C.3.1.2.	Compliance to governance imperatives	Measure revised for inclusion in the 2013/14 APP.	Unqualified Audit Opinion.	Unqualified Audit Opinion for the 2012/13 financial year.	Target achieved.	There was no variance.	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
C.3.1.3.1.	Accurate record keeping	A Draft Record-keeping Framework was produced.	Approved Record Keeping Framework.	Draft record keeping frame-work in place and service provider appointed to de-velop Information Management Sys-tem that is going to feed into the records keeping framework.	The target was partially achieved but on track towards realisation within the 2014/15 Financial Year.	The ap-pointment of the service provider to drive the process.	The framework is on track to be complet-ed.
C.3.1.3.2.	Time to retrieve company documents	All critical company documents were stored electronically and easily accessible to authorised Users.	One hour (time to retrieve company documents.)	All critical company documents were stored electronically and accessible to authorised Users.	Target achieved.	There was no variance.	N/A
C.3.1.4.	Compliance to governance imperatives	N/A	Ensure 100% com-pliance to Legislative Imperatives.	Annual Performance Report, Annual Report and Annual Financial Statements submitted to the DAC and the AGSA on time as per corporate governance and legislative prescripts.	Target achieved.	Ensure 100% compliance to Legislative Imperatives.	
C.3.1.5.	Compliance to terms of contracts	Electronic database of contracts established.	100%	Database of signed copies of contracts is in place as coordinated by the Secretariat Unit	Target achieved.	There was no variance.	N/A
C.3.1.6.	Council member attendance	All Council meetings held as per sschedule.	100% attendance.	Four scheduled Council meetings were held.	Target achieved.	There was no variance.	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
C.3.1.7.	Compliance to strategic management schedule	100% compliance.	100% compliance.	The schedule of Council and Committee Meetings for Financial year 2013/2014 was implemented successfully with minor date shifts.	Target achieved.	100% compliance.	
C.3.1.8.	Level of competence	N/A	Positive audit opinion on compliance.	Positive audit opinion on compliance.	Target achieved.	Positive audit opinion on compliance.	
C.3.2.2.	Compliance to terms of contracts	N/A	100% compliance.	100% compliance.	Target achieved.	100% compliance.	
C.3.2.3.	Competence in use of legislation compliance matrix	Matrix was not tabled for approval by the Audit and Risk Committee.	Staff trained on use of matrix.	The training was not conducted, pending the legislative review.	The target was not achieved.	The training is still pending.	Staff will be workshopped on legislation applicable to the NHC.
C.3.2.4.	N/A	N/A	N/A	NHC submission to the DAC on Revised White Paper, following a workshop held on 29/07/2013.	The target was also partially achieved. It is pending the White Paper Review led by the DAC.	A dashboard of all legislation applicable to the NHC is under compilation.	The NHC will initiate a legislative review to identify gaps in the NHC Act.
C.3.2.5.	Council support	Support was provided to Council and its committees, although a rating of this service was not obtained.	4 – Council Member satisfaction rating.	Ongoing support was provided to the Council.	Council Members' satisfaction ratings were not conducted	There was no variance.	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
C.3.2.6.	Partnership satisfaction	N/A	4 – Partner satisfaction rating.	Partner satisfaction rating not conducted pending the finalisation of the Stakeholder Management Strategy.	The Stakeholder Management Strategy was not completed in 2013/14	A Stakeholder Management Framework was developed and approved.	The completion of the Stakeholder Management Strategy is in the 2014/15 APP.
C.3.2.7.	Resource allocation	N/A	100% compliance to agreed resource owner contractual obligations.	100% compliance.	Target achieved.	100% compliance to agreed resource owner contractual obligations.	
C.3.2.8.	Compliance of funded projects to NHC heritage requirements	100% compliance.	100% compliance.	100% compliance.	Target achieved.	100% compliance.	
C.3.2.9.	Establishment of LHR Structures at all levels of government	N/A	2 Provincial Chapters and Project Management Offices established.	7 provincial coordinators appointed	Target achieved.	2 Provincial Chapters and Project Management Offices established.	
C.3.2.10.		N/A	Approved Terms of Reference	IGR Guidelines and Protocols approved by Council on 12 March 2014.	Target achieved.	Approved Terms of Reference	

4.4 PROGRAMME 4: HERITAGE MANAGEMENT

The aim of the heritage management programme is to meet NHC customer expectations through the delivery of NHC products & services.

This programme is made up of the following sub-programmes:
- Heritage;
- Funding; and
- Special projects - Liberation Heritage Route (LHR).

HERITAGE
The Heritage sub-programme deals with heritage initiatives informed largely by the strategic imperatives in line with the vision of the NHC to produce new knowledge; create and promote heritage awareness underpinned by research. While a number of initiatives are internally conceived a significant other ones are informed by partnerships with stakeholders who collaborate with the NHC for their implementation.

FUNDING
The Funding sub-programme deals with all initiatives towards resource mobilization and disbursement through the newly established Heritage Fund. In line with the mandate of the NHC, key to this sub-programme is to ensure that resources are secured to support in the main community heritage initiatives with tangible research outputs. Capacity building through workshops to ensure sufficient understanding and appreciation of NHC funding processes has become one of the key deliverables. Monitoring and evaluation of funded project is one of the imperatives without which the Funding function cannot be properly discharged. The move going forward is to ensure that the impact of heritage funding is assessed so as to determine and assess the value add on community projects.

SPECIAL PROJECTS - LIBERATION HERITAGE ROUTE (LHR)
A nationwide Liberation Heritage Route has been conceived by the National Heritage Council to contribute in the continuing resurrection of the African memory by ensuring that a durable testament of the road to freedom is reconstructed through a series of networked and linked sites across South Africa. As a project that seeks to re-create and reinforce the pattern of remembering which invokes patriotism, the LHR is geared to make a remarkable contribution in the national agenda of nation-building and social cohesion.

The Liberation Heritage Route is about the reflection and presentation of the supreme sacrifice for the freedom of South Africans. It is about the recognition of people, communities, events, places, icons and the recording of epoch-making stories which had a significant impact on the South African struggle for liberation. With strong social and educational aspects the Liberation Heritage Route sites are also giving the historic character of towns, cities and communities and the embedded memory of these spaces. Such heritage embedded places carry great potential as magnets for eco-tourism and cultural tourism. It is network of sites linked by narratives which depict the journey to liberation through struggles from repression of colonialism, apartheid, depicting Outstanding Universal Values, locally relevant and having socioeconomic relevance to our people, with special attention to developmental priorities.

This project starts with a research phase of people including unsung heroes and heroines, sites, events and epoch making stories linked to the liberation struggle in South Africa with the second phase taking the form of a serial nomination sites for declaration and enlistment as World Heritage Property with the World Heritage Committee under UNESCO. Additional to the objectives of the research programme is that it will help in correcting some of the distortions pertaining to the national liberation struggle. This programme will reveal the richness of the content of the storyline and thereby enriching the liberation heritage content of the Liberation Heritage Route. From this agenda the outcomes will also help in the actual plotting of the route or route mapping. In short, the Research Programme should be help in the research and documenting of the liberation struggle. This record should also be captured in audio visual material.

MEASURABLE OBJECTIVES

No	Measure Objectives
D.4.1.1.1.	Build the NHC to be a national repository of national heritage information in the country.
D.4.1.1.2.	
D.4.1.1.3.	
D.4.1.2.	Contribute research inputs into heritage policy development.
D.4.2.1.	Increase the national level of heritage understanding.
D.4.2.2.	Ensure advocacy of heritage positions.
D.4.3.1.1.	Ensure implementation of all intangible programmes.
D.4.3.1.2.	
D.4.3.2.1.	Support tangible heritage projects with knowledge interventions.
D.4.4.1.1.	Build NHC sustainability to implement heritage projects through resource mobilisation.
D.4.4.1.2.	
D.4.4.1.3.	
D.4.4.1.4.	
D.4.5.1.	Co – ordinate the research on LHR sites.
D.4.5.1.2.	
D.4.5.1.3.	
D.4.5.2.	Contribute to LHR Policy development
D.4.5.3.1.	Contribute to the production of an LHR nomination file that is in line with UNESCO requirements.
D.4.5.3.2.	
D.4.5.3.3.	
D.4.5.3.4.	
D.4.5.4.	Facilitate the institutionalisation of LHR in all government levels.
D.4.5.6.	Achieve LHR current project implementation milestones.

KEY PERFORMANCE MEASURES AND THEIR TARGETS AND ACTUAL RESULTS

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.1.1.1.	Research outputs	Measurement criteria were reviewed in November 2012 and a submission to that effect was made to the Minister of Arts and Culture.	5% expense on research to total NHC budget.	9.33% expense on research to total DAC NHC budget.	The target was exceeded by 4.33%.	In 2012/13 the target was revised from 10% to 1% but not approved. In 2013/14 total spend on research was 9.33%	A total increment of 8.33% from 2012/13 financial year to the 2013/14 financial year.
D.4.1.1.2.		Guidelines on the development of the repository approved by MEXCO.	5% growth of content.	5% growth of content exceeded.	Target achieved.	5% growth of content exceeded.	
D.4.1.1.3.		No target for the year but implementation planned to take place during the course of 2013 as per the APP for 2014.	Approved baseline by Council.	Baseline yet to be completed for submission to Council.	The target was not achieved.	The target had been revised but “in year” changes not approved by the DAC.	
		Guidelines developed and approved by MEXCO.	Approved guidelines.	Rating tool not yet developed.	The target was not achieved.	The revisions to the pre-determined objectives were not approved by the DAC.	
D.4.1.2.	Policy inputs	Feasibility report accepted by MEXCO.	Council approved baseline.	Baseline yet to be completed for submission to Council.	The target was not achieved.	The revisions to the pre-determined objectives were not approved by the DAC.	

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.2.1.	Education levels about heritage	MEXCO approved indices and integration into the Education Outreach Programme.	Approved index rating.	Rating tool not yet developed.	The target was not achieved.	The revisions to the pre-determined objectives were not approved by the DAC.	
D.4.2.2.	Level of stakeholder awareness on Heritage	MEXCO approved indices and integration into the Education Outreach Programme, to be used in the 2014 to test the level of stakeholder awareness.	Approved index rating.	Index utilised by schools at the Schools outreach camp	The target was achieved.	There was no variance.	N/A
D.4.3.1.1.	Achievement of intangible heritage programme milestones	All key milestones were achieved and reports on these compiled.	100% achievement of intangible heritage programme milestones.	Some intangible programmes milestones were achieved save for instances where budget constraints prevented the roll-out e.g. Ubuntu Awards.	Target partially achieved.	Ubuntu Awards were not hosted due to budget constraints. Negotiations with the DAC to co-host in 2014/15 within the Social Cohesion Programme.	There were some targets achieved, but others were not due to budget constraints.
D.4.3.1.2.		All milestones were aligned to strategic objectives and guidelines.	100% alignment.	All the programmes were aligned to the objectives of the NHC.	Target achieved.	There was no variance.	N/A

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.3.2.1.	Achievement of Tangible heritage support projects milestones	100% achievement of all milestones.	100% achievement of tangible heritage programme milestones.	Tangible heritage programmes were supported to the extent resources permitted.	Target achieved.	There was no variance.	N/A
		All milestones were aligned to strategic objectives and guidelines.	100% tangible heritage support programmes aligned to strategic objectives.	All the programmes were aligned to the objectives of the NHC.	Target achieved.	There was no variance.	N/A
D.4.4.1.1.	Resources raised outside DAC grant	100% achievement of all external resourcing objectives. Some provinces and municipalities also made commitments to the LHR following active lobbying by the NHC to do so. These contributions are recorded as off-balance sheet funds raised for heritage projects. The National Lottery also approved NHC applications for funding.	2% funds targeted to be raised outside the DAC allocation.	R16, 764, 814 which is 32% was raised outside the DAC grant.	Target achieved.	Target exceeded by 30%.	Once off funding received for Special projects increased the level of funds raised outside the DAC grant.

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.4.1.2.	Resource allocation	Qualifying projects complied 100% with the NHC's public funding requirements as adjudicated by the NHC Funding Committee.	100% compliance to resources owner contractual obligations.	All approved projects complied with contractual obligations.	Target achieved.	There was no variance.	N/A
D.4.4.1.3.	Compliance of funded projects to NHC heritage requirements	All approved projects complied with NHC requirements.	100% compliance.	20 Public projects contracted and implementing.	Target achieved.	There was no variance.	N/A
D.4.4.1.4.	Project dis-bursements paid on time	Partially achieved in that not all approved projects received their disburse-ments on time, although 95% of them had been contracted by year-end.	100% dis-bursements paid on time.	Delays in timeous dis-bursements caused by financial con-straints within the NHC	Target not completely achieved.	Disbursements to some projects were delayed.	

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.5.1.	Research Outputs on LHR	Target of 5% allocation of budget achieved, with expenditure being incurred on research into specific sites as well as on research commissioned through the HSRC and Fort Hare University.	5% of LHR Budget spent on research.	5% of LHR budget spent on research.	Target achieved.	There was no variance.	Target achieved.
D.4.5.1.2.		Target of 30% of South African universities and heritage institutions conducting research related to the LHR partially achieved, with a research project being commission by the HSRC.	Four (4) institutions conducting research on the LHR.	Four (4) institutions conducting research on LHR.	Target achieved.	There was no variance.	Target achieved.
D.4.5.1.3.		N/A	2000 hits on the LHR Wiki Website.	A total of 122 319 hits were achieved from Jan-Mar 2014. The visits were 12 259 for the three months	Target achieved.	There was a marked increase in the number of visitors to the Wiki Website.	
D.4.5.2.	Contributions to Policy Guidelines on LHR	Development and completion of a Research Report.	Ministry of Arts and Culture approved LHR Implementation Policy Guidelines.	IGR Guidelines and Protocols approved by Council on 12 March 2014.	Target partially achieved.	IGR Guidelines and Protocols approved by Council on 12 March 2014.	

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.5.3.1.	Researched sites on the tentative list of South Africa.	N/A	Four (4) sites researched.	Four (4) sites researched.	Target achieved.	Four (4) sites researched	
D.4.5.3.2.		N/A	Approved Project Plan on the collaboration with SAHRA on the priority sites for development of management plans.	Concept Document and Project Plan presented explanation of change of course explained, status of old and new sites explained and approved.	Target achieved.	Approved Project Plan on the collaboration with SAHRA on the priority sites for development of management plans.	
D.4.5.3.3.	Contribution to the regional and international activities on world heritage relevant to liberation heritage.	N/A	Council approved Attendance Report.	Target achieved - Report Completed in July 2013; Submission for next meeting to be held In June 2014 approved by Council on 12 March 2014.	There was no deviation.	Council approved Attendance Report.	
D.4.5.3.4.	Facilitated compliance with the NHRA of 1999 for sites on the tentative list.	N/A	Four (4) Facilitated sites submitted to SAHRA for grading on the tentative list.	Target achieved - Council approved plan for cooperation with SAHRA on the national declaration of the identified four sites.	There was no deviation.	Four (4) Facilitated sites submitted to SAHRA for grading on the tentative list.	
		N/A	Four (4) sites on the tentative list reviewed for management plans	Target achieved.	There was no deviation.	Four (4) sites on the tentative list reviewed for management plans	

Strategic Objectives							
No.	**Performance Indicator**	**Actual Achievement 2012/2013**	**Planned Target 2013/2014**	**Actual Achievement 2013/2014**	**Deviation from planned target for 2013/2014**	**Variance from 2012/2013 to 2013/2014**	**Comment on variances**
D.4.5.4.	Establishment of LHR structures at all levels of government.	N/A	2 Structures established.	7 provincial coordinators appointed.	There was no deviation.	2 Structures established.	
		N/A	100% compliance with LHR Policy Implementation Guidelines.	All provincial coordinators seized with the implimentation of the LHR through the IGR guidelines which had been shared with the provinces were appointed.	There was no deviation.	100% compliance with LHR Policy Implementation Guidelines.	
D.4.5.6.	Current project implementation milestones.	N/A	100% project milestones.	Various projects were undertaken successfully.	There was no deviation.	100% project milestones.	

PART C:
CORPORATE GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the Protocol on Corporate Governance, which encapsulates the principles contained in the King III Report on Corporate Governance.

Parliament, the Executive and the Boards of the public entity are responsible for corporate governance.

The National Heritage Council is committed to the principles of accountability, openness and integrity as prescribed by the King III Code on Corporate Governance (our policies and charters formalise this commitment). This gives the shareholder and other stakeholders, the assurance that the National Heritage Council is ethically managed according to prudently determined risk parameters in compliance with best practices.

2. PORTFOLIO COMMITTEES

The Arts and Culture Parliamentary Portfolio Committee provides oversight to the National Heritage Council. The NHC appeared before the Committee on 16 April 2013.

3. EXECUTIVE AUTHORITY

The Department of Arts and Culture and the National Heritage Council have signed the Shareholder's Compact. This a requirement imposed by Treasury Regulations on Public Entities listed in Schedule 2, 3B or 3D. Notwithstanding the fact that the National Heritage Council is a Schedule 3A entity and therefore not bound, by this requirement, in the name of Cooperative governance it was deemed necessary to do. The Shareholder's Compact captures the key performance measures and indicators as agreed upon between the Council as Accounting Authority of the National Heritage Council and the Minister of the Department of Arts and Culture as the Executive.

As a consequence of the above agreement and in line with the PFMA, the National Heritage Council submits quarterly reports to the Department. During the year under review, the following reports were submitted:

- 1st Quarterly Report submitted on 30 July 2013;
- 2nd Quarterly Report submitted on 30 October 2013;
- 3rd Quarterly Report submitted on 30 January 2014;
- 4th Quarterly Report submitted on 30 April 2014.

4. THE COUNCIL

Introduction

The National Heritage Council is a juristic entity established in terms of the National Heritage Council Act of 1999 (Act 11 of 1999). The Minister of Arts and Culture appoints members of the public of the Republic of South Africa as members of the National Heritage Council to manage the affairs of the National Heritage Council in terms of the Act and its regulations in line with corporate governance principles. Nine members are appointed by Provincial Arts and Culture MECs and the rest are members by virtue of their being Chairpersons of certain declared cultural institutions. The Council plays an advisory role to the Minister on certain issues, including but not limited to: national policies on heritage matters, allocation of core funding and resources and any other matter concerning heritage that the Minister or the Council may determine.

The Council operates in terms of an approved Charter that clearly spells out its role and responsibilities. The Council plays an oversight role and provides leadership on the affairs of the National Heritage Council. Its role includes the development, review and monitoring of strategic objectives. It also gives strategic direction and ensures compliance with corporate governance and legislative imperatives. The Council oversees the National Heritage Council's systems of internal control, governance and risk management.

The Council meets at least once a quarter and when dictated to by events, special meetings are held. The purpose of the meetings is to review the strategic and operational performance of the National Heritage Council. Amongst others it looks into business plans, policies, approval of major contracts and other strategic issues. The Management of the National Heritage Council is responsible for the implementation of the decisions and strategies of the Council.

4. THE COUNCIL (Continued)

Structure And Composition Of The Council

As mentioned before, the Council members are appointed by the Minister of the Department of Arts and Culture, by Provincial Arts and MECs and by virtue of being chairpersons of certain declared cultural institutions. They are people from diverse backgrounds and have extensive skills in the heritage sector. In his appointment, the Minister takes into consideration issues of gender, diversity and demographics. There are 13 non-executive directors and the National Heritage Council Chief Executive Officer is an ex-officio member. During the period under review three members who were Council members by virtue of being Chairpersons of Cultural Institutions ceased to be members on expiry of their terms within the institutions. The Minister appointed the new Chairpersons to be members of the Council. The North West Province appointed a representative to the Council.

Council Evaluation

During the period under review, the Council members were trained on Corporate Governance and Board effectiveness by the Institute of Directors of South Africa. This training was coupled with induction of new members where the Strategy and the Programmes of the National Heritage Council were presented.

During the year ended 31 March 2014, the following meetings (4 ordinary, 2 special,1 day Strategic Planning Session and 2 day Council Training on Corporate Governance,) were held. Below is the profile of the Council and attendance of Council meetings:

COMPOSITION OF THE COUNCIL

COMPOSITION OF THE COUNCIL

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended out of 4 ordinary,2 special,1 day Strategic Planning Session and 2 Council Training on Corporate Governance
1.Mr M Zwane	Chairperson	01/10/2011 - 31/10/2014	Active	LLB	Legal	PanSALB	None	8
2.Mr V Bila	Member appointed by Minister	01/10/2011 – 31/10/2014	Active	MA	Writer and Poet	Member of Alternative Information and Development Centre and National Arts Council Literature Panel	Member of Heritage Committee & International Relations Committee	7
3.Ms S Nhlumayo	Member appointed by Minister	01/10/2011 – 31/10/2014	Active	MSc	Tourism, Economic Develop-ment, Mar-itime and Governance	Cullinan Holdings (Non-Executive Director) Tourism KZN (Deputy Chairperson) TETA Chamber (Committee Member)	Chairperson of Corporate Services and Member of International Relations Committee	2
4.Prof S Fikeni	Member appointed by Minister	01/10/2011 – 31/10/2014	October 2013 (term expired)	PhD	Political Analyst and Researcher	Former Chairperson of SAHRA	Member of Heritage Committee & International Relations Committee	3
5.Adv B Madumise	Member appointed by Minister	01/10/2011 – 31/10/2014	April 2012 (resigned)	LLM	Legal	None	Member of Audit and Risk Committee	0

COMPOSITION OF THE COUNCIL (continued)

6.Ms N Majokweni	Member appointed by Minister	01/10/2011 – 31/10/2014	09/10/2012 (resigned)	MBA	Founder and Director of Lavante Group	None	Chairperson of Fundraising Marketing Promotion and Awareness Committee	0
7.Prof G M Nkondo	Member appointed by Minister	01/10/2011 – 31/10/2014	October 2013 (term expired)	PHD	Advisor on Heritage Matters	Former Chairperson of National Libraries	Member of Heritage Committee	2
8.Prof A Oliphant	Member appointed by Minister	01/10/2011 – 31/10/2014	October 2013 (term expired)	PHD	Historian and Writer	Former Chairperson of Ditsong Museums	Member of Heritage Committee and International Relations Committee	2
9.Mr J Sithole	Member appointed by Minister	01/10/2011 – 31/10/2014	December 2013 (re-signed)	MA	Lecturer in History Studies	None	Former Chairperson of Heritage Committee	6
10.Mr R Ledwaba	Member Representing Mpumalanga Province	20/06/2012 – 31/10/2014	Active	B Proc	Legal	None	Member of Audit and Risk Committee and Corporate Services Committee	7
11.Mr Z Mkiva	Member Representing Eastern Cape Province	24/10/2011 – 31/10/2014	Active	BA Hons	Poet and Heritage Activist	Member of House of Traditional Leaders	Chairperson of International Relations Committee and Member of Heritage Committee, Corporate Services Committee and Fundraising Committee	5
12.Dr H Boshoff	Member Representing Free State Province	19/10/2011 – 31/10/2014	February 2014 (re-signed)	M.Tech	Local Government Public Ad-ministration	None	Member of Corporate Services Committee	1
13.Adv S Botha	Member Representing Western Cape Province	30/11/2011 – 31/10/2014	Active	LLB	Legal	None	Member of Heritage Committee and Fundraising Committee	4

COMPOSITION OF THE COUNCIL (continued)

14.Prof S Mokgoatšana	Member Representing Limpopo Province	04/04/2012 – 31/10/2014	Active	PhD	Associate Professor - University of Limpopo	None	Member of Heritage Committee and International Relations Committee	8
15.Dr V Khumalo	Member Representing KZN Province	26/07/2013 – 31/10/2014	Active	PhD (History) MA, BA Honours,	Qualitative Research, Political and Social History	Member of Mkhonto Wesizwe Heritage Desk – KZN University of KwaZulu-Natal Committees	Member of Heritage Committee and International Relations Committee	5
16.Mr T Gwabeni	Member Representing North West Province	13/09/2013 – 31/10/2014	Active	Certificate (Executive Management) Certificate (Management in Local Government) Certificate (Road Transport)	Political Administrator	Former Executive Mayor	Member of Heritage Committee and International Relations Committee	5
17.Prof L FM Mathebula	Member appointed by the Minister	22/10/2013 – 31/10/2014	Active	PhD	Public administration	Chairperson of SAHRA	Member of Heritage Committee and Fundraising Committee	4

COMPOSITION OF THE COUNCIL (continued)

18.Ambassador DM Moopeloa	Member appointed by the Minister	22/10/2013 – 31/10/2014	Active	Adv Certificate (Personnel Management) Six Sigma Green Belt Programme, Motorola Post Graduate Dip in Security Management –in progress)	International Relations Affairs	Current Chairperson of IZIKO Museums and Co-Chairperson of SA French Season 2012/2013	Chairperson of Fundraising Marketing and Awareness Committee and Member of the International Relations Committee	5
19.Mr F Makhanya	Member appointed by the Minister	22/10/2013 – 31/10/2014	Active	N Diploma (Architectural Technology) Cert (Financial Management) Diploma (Business Admin and Management) Certificate (Property Development and Management)	Architectural Technology	Current Chairperson of SAHRA	Member of Corporate Services Committee	3

COUNCIL COMMITTEES

In its operation the Council is assisted by five Committees.

a) Heritage- Provides advice and guidance on heritage matters in line with the mandate of the National Heritage Council
b) International Affairs- Provides advice and guidance on NHC engagement with international bodies, organizations, experts, programmes and projects on heritage management
c) Audit and Risk - Assists the National Heritage Council in fulfilling its responsibilities and provides an oversight on behalf of the Council on related audit, finance, performance and risk matters. Its charter is aligned to the duties prescribed by the PFMA and Treasury Regulations.
d) Corporate Services- Responsible for determination and recommendation for approval to Council of sound human resources and remuneration philosophy, strategy and policy.
e) Fund raising, Promotion, Marketing and Awareness- Provides advice and guidance on NHC marketing, communications and fundraising initiatives

All the committees except the Fund Raising, Promotion, Marketing and Awareness Committee operate in terms of Terms of Reference approved by the Council that set out their respective mandates. The Fund Raising, Promotion, Marketing and Awareness Committee is yet to adopt its charter.

Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
Audit and Risk Committee	3	1	None	None	4	Committee Member from 25/05/2010 – 30/09/2013 1. Mr Z Fihlani – Convener 2. Mr S Mda 3. Mr L Mbekeni 4. Mr R Ledwaba
Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
Audit and Risk Committee	3	3	1	2	4	Committee Member from 01/10/2013 – 30/08/2016 1. Mr Z Fihlani - Convener 2. Mr Z Nomafu 3. Mr R Ledwaba 4. Ms N Siwahla - Madiba
Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
Heritage Committee	4	None	None	None	7	1. Prof S Mokgoatšana -Convener 2. Mr V Bila 3. Adv S Botha 4. Mr Z Mkiva 5. Mr T Gwabeni 6. Dr V Khumalo 7. Prof FM L Mathebula

COUNCIL COMMITTEES (continued)

Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
International Relations Committee	4	None	None	None	7	1. Mr Z Mkiva - Convener 2. Ms S Nhlumayo 3. Dr V Khumalo 4. Mr T Gwabeni 5. Mr V Bila 6. Ambassador D Moopeloa
Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
Corporate Services Committee	3	None	None	None	4	1. Ms S Nhlumayo - Convener 2. Mr Z Mkiva 3. Mr R Ledwaba 4. Mr F Makhanya
Committee	No. of ordinary meetings held	No. of special meetings held	No. of Workshops held	No. of Working Sessions held	No. of members	Name of members
Fundraising Marketing Promotion and Awareness Committee	None	None	None	None	5	1. Amb D Moopeloa - Convener 2. Mr Z Mkiva 3. Adv S Mancotywa 4. Adv S Botha 5. Prof FM L Mathebula

REMUNERATION OF BOARD MEMBERS

Remuneration of Council members is per National Treasury Regulations.

Council Expenditure 2013/2014:

No	Name	Remuneration	Other Allowance (i.e. travel and packing, toll gates claims)	Other imbursement	Total
1	Mr M Zwane	R64 232.00	R10 139.36	R6 134.70	R80 506.06
2	Mr V Bila	R31 864.00	R8 799.00	R200.00	R40 863.00
3	Ms S Nhlumayo	R27 173.00	R2 342.30	-	R29 515.30
4	Prof S Fikeni	R6 040.00	-	-	R6 040.00
5	Adv B Madumise	-	-	-	-
6	Ms N Majokweni	-	-	-	-
7	Prof G Nkondo	R10 212.00	R518.40	-	R10 730.40
8	Mr J Sithole	R31 880.00	R5 249.17	R265.00	R37 394.17
9	Prof A Oliphant	R7 064.00	R1 577.20	-	R8 641.20
10	Dr H Boshoff	R8 332.00	R382.40	-	R8 714.40

REMUNERATION OF BOARD MEMBERS (continued)

11	Mr Z Mkiva	R50 872.00	13 410.49	-	R64 282.49
12	Mr R Ledwaba	R76 690.00	R43 888.64	R422.00	R121 000.64
13	Adv S Botha	R13 098.00	R198.72	-	R13 296.72
14	Prof S Mokgoatšana	R39 960.00	R20 838.10	R393.10	R61 191.20
15	Dr V Khumalo	R24 672.00	R2 512.10	-	R27 184.10
16	Mr T Gwabeni	R18 504.00	R21 913.36	-	R40 417.24
17	Amb D Moopeloa	R18 504.00	R1 732.80	-	R20 236.80
18	Prof FM Mathebula	R4112.00	R408.24	-	R4 520.24
19	Mr F Makhanya	R8 224.00	R1 019.36	-	R9 243.36
AUDIT AND RISK COMMITTEE EXTERNAL MEMBERS					
20	Mr Z Fihlani	R87 452.00	R4 517.84	R1 280.00	R93 249.84
21	Mr L Mbekeni	R12 336.00	R1 496.88	-	R13 832.88
22	Mr S Mda	R12 118.00	R674.56	-	R12 792.56
23	Mr Z Nomafu	R32 896.00	R3 144.66	-	R36 040.66
24	Ms N Siwahla- Madiba	R45 232.00	R31 287.24	-	R76 519.24
TOTAL EXPENDITURE		**R639 691.00**	**R184 663.62**	**R8 694.80**	**R833 049.42**

5. RISK MANAGEMENT AND INTERNAL CONTROL

a) An Audit and Risk Committee whose majority members are external and independent is in place. It is chaired by an Independent external member. The Committee operates within the confines of an approved Charter that outlines its mandate, roles and responsibilities. The Internal audit function was outsourced to ORCA Services that reports to the Audi and Risk Committee on a quarterly basis. The Council has put in place Enterprise Risk Management Strategy that looks at minimisation, prevention, increased awareness, transparent evaluation and a sound mitigation of risks facing the NHC.

b) The Internal auditors monitor the operation of the internal control system and report their findings and recommendations to the Audit and Risk Committee, NHC management and the Council. Corrective measures are taken to address control deficiencies and other opportunities for improving the system of internal controls as they are identified. Through the Audit and Risk Committee the Council provides supervision of the financial reporting process and the internal control system.

6. INTERNAL AUDIT AND AUDIT COMMITTEE

The Council has ensured that the National Heritage Council has an effective risk-based and independent internal audit function governed by an internal audit charter that adheres to the Standards and Code of Ethics as set out by the Institute of Internal Auditors. Amongst others the Internal Auditors evaluate the National Heritage Council's governance processes and objectively assess and report on the effectiveness of risk management.

6. INTERNAL AUDIT AND AUDIT COMMITTEE (continued)

Profile of Audit and Risk Committee:

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resigna-tion Date	Qualifications	Area of Expertise	Board Directorship (list the entities)	Other Committee's (e.g Audit Committee)	No. of Meetings attended out of 4 seating's
Mr Z Fihlani	Chairperson and external/ independent member	25/05/2010 – 30/09/2013 and from 01/10/2013 – 30/09/2016	Active Member	B Compt Accounting, B Compt (hons), M Compt Tax, Higher Diploma – International Tax Law, Cert in Theory of Accountancy CA (SA)	Accounting Tax Audit	None	Chairperson for Audit Committee of EC Department of Economic Development & Environmental Affairs / Chairperson of Audit Committee for OR Tambo District Municipality / Chairperson of Audit Committee for National Home Builders' Registration Council / Board Member and Audit Committee Member for South African Weather Service / Risk Committee Chairperson for Metsimaholo Local Municipality	4
Mr L Mbekeni	Former Chairperson and external/ independent member	25/05/2010	30/09/2013 (term expired)	CA(SA), Advanced Certificate in Auditing, Certificate in Theory of Accounting, B. Compt Honours, B.Com Honours – Management B. Com	Accounting Auditing Internal Audit Consulting Tax	None	None	3
Mr S Mda	External/Indepen-dent member	27/02/2011	30/09/2013 (term expired)	CA	Accounting/ Finance	None	Road Traffic Management Corporation and National Arts Council.	3
Mr R Ledwaba	Council Member	20/06/2012 - 31/10/2014	Active Member	B Proc	Audit/ Finance/ Legal	None	None	4

6. INTERNAL AUDIT AND AUDIT COMMITTEE (continued)

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resigna-tion Date	Qualifications	Area of Expertise	Board Directorship (list the entities)	Other Committee's (e.g Audit Committee)	No. of Meetings attended out of 9 seating's
Mr Z Fihlani	Chairperson and external/ independent member	25/05/2010 – 30/09/2013 and from 01/10/2013 – 30/09/2016	Active Member	B Compt Accounting, B Compt (hons), M Compt Tax, Higher Diploma – International Tax Law, Cert in Theory of Accountancy CA (SA)	Accounting Tax Audit	None	Chairperson for Audit Committee of EC Department of Economic Development & Environmental Affairs / Chairperson of Audit Committee for OR Tambo District Municipality / Chairperson of Audit Committee for National Home Builders' Registration Council / Board Member and Audit Committee Member for South African Weather Service / Risk Committee Chairperson for Metsimaholo Local Municipality	8
Mr R Ledwaba	Council Member	20/06/2012 - 31/10/2014	Active Member	B Proc	Audit/Fi-nance/ Legal	None	None s	5
Mr Z Nomafu	External/ Independent member	01/10/2013 – 30/09/2016	Active Member	CA,B Compt (Hons), M Com (Taxation)	Audit, Finance, Taxation	Board member for East-ern Cape Gambling and Betting Board	Chairperson of Finance Committee for East-ern Cape Gambling and Betting Board	7
Ms N Siwahla - Madiba	External/ Independent member	01/10/2013 – 30/09/2016	Active Member	Hons B Compt, CTA, MSc Financial Management	Financial and Risk Manage-ment, Gov-ernance	None	Chairperson of Audit and Risk for HPCSA / Deputy Chairperson of Audit Committee for Eastern Cape Provincial Treasury / Chairperson of Risk Committee for Eastern Cape Provincial Treasury / Non-Executive Director for South Rand Hospital	9

7. COMPLIANCE WITH LAWS AND REGULATIONS

The National Heritage Council complies with pieces of legislation and regulatory imperatives applicable to it including but not limited to The National Heritage Act of 1999, PFMA, Treasury Regulations, Practice Notes, King III Code, Labour laws, Health and Safety Laws, Procurement Prescripts, BEE etc.

The National Heritage Council has started a process of reviewing all pieces of legislation relevant to its work. This process was interrupted by the Department of Arts and Culture's review of its White Paper.

8. FRAUD AND CORRUPTION

To mitigate risk and corruption the following are in place:

i) Fraud Prevention Plan 2011-2014 that is aimed at mitigating the risk of fraud and corruption in the Council.
ii) Anti-Fraud and Corruption Policy
iii) Code of Ethics and Business Conduct
iv) Risk and Fraud Implementation Plans are in place.

The report on fraud and corruption is a standing item on the agenda of the quarterly Audit and Risk Committee meetings. Furthermore, the National Heritage Council participates in the Department of Arts and Culture Hotline. During the period under review, no cases were reported.

9. MINIMISING CONFLICT OF INTEREST

Every employee and Council member of the National Heritage Council signs a Declaration of Interest Form in accordance with the National Heritage Act of 1999.

- Tender Evaluation Committee: at every meeting, before tenders are evaluated, members are given forms to sign declaring that they have no interest in the outcome of the tender.
- Tender Adjudication Committee: Once the Tender Evaluation Committee has finalised its processes, it goes to the Tender Adjudication Committee and members are required to sign declaratory forms indicating that they have no interest in the outcome of the tender
- On an annual basis, declaration forms are sent to all NHC staff to declare their interests.
- A gift register for staff members is being developed.

10. CODE OF CONDUCT

The Council has an approved Code of Conduct and Ethics Policy. The Policy is aimed at providing an understanding of the National Heritage Council's values and the principles accompanying them as set out by the Council. The Policy provides rules and guidelines that govern and support the National Heritage Council's ethical conduct and expected behavioural patterns as embedded in the Council's core values. The Code applies to all persons or entities that have a contractual relationship with the National Heritage Council, including Council members, employees, contractors, sub-contractors, service providers, consultants and temporary staff.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The National Heritage Council has established a facilities management function in terms of which health and environmental issues are addressed.

12. COMPANY SECRETARY

The Company Secretary function which is in-house under the Office of the Chief Executive Officer, is responsible for processes that are necessary to ensure that the National Heritage Council complies with all applicable codes as well as its legal and statutory requirements and policy imperatives. The Company Secretary keeps Council members informed of their legal responsibilities, ensures smooth running of Council activities, advises on Council procedures and adherence requirements, ensures that Council and Committee resolutions are communicated to the relevant stakeholders and implemented timeously. In addition the Company Secretary manages the Legal Services Unit of the National Heritage Council. This entails drafting and vetting of contracts, drafting legal opinions, litigation management etc.

13. AUDIT COMMITTEE REPORT

The committee is pleased to present its report for the financial year ended 31 March 2014.

The Audit and Risk Committee consists of four members and met nine times during the year.

Responsibilities of the Audit and Risk Committee

The committee's responsibilities arise from section 51(1) (a) (ii) of the Public Finance Management and Treasury Regulations 27.1.10. The committee adopted a charter, approved by the Council, which encapsulated its legislative and corporate governance responsibilities. The committee completed the functions and encapsulated therein.

Risk Management

The committee is satisfied that NHC has an on-going risk management process focused on identifying, assessing, managing and monitoring all known forms of significant risk across all operations. This has been in place for the year under review and up to the date of approval of the Annual Financial Statements.

Internal Audit

The committee has evaluated the internal control environment, and based on the information provided, has assessed the internal controls as not always adequate and effective to mitigate related risks. The committee is satisfied that there is a reasonably effective monitoring over the system of internal control in place to mitigate risks as reported by Internal Audit to an acceptable level. In line with the PFMA, the internal audit coverage plan was informed by the risk management process. The coverage plan included the following reviews:

- Human Resources Review;
- Supply Chain Management Review;
- Performance Information Review;
- Company Secretary Review;
- Finance Review; and
- Information Technology General Controls Review.

The Committee met as often as was necessary to discuss issues of concern arising from internal audit reviews.
The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

Z. Fihlani.

Mr Z. Fihlani
Chairperson of the Audit Committee
National Heritage Council
30 July 2014

PART D:
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

1.1 THE VALUE OF HUMAN CAPITAL IN THE PUBLIC SECTOR

The mandate and strategic imperatives of the Human Resources Department of the NHC (a public entity) are to comply with all legislation affecting employment relations in South Africa and also to implement fair and equitable principles in terms of employment practices.

In line with the mandate, the following services are provided accordingly:

- Human Resources Administration;
- Benefits Management;
- Talent Management;
- People Management;
- Exit Management;
- Employee Relations; and
- Organisational Development.

It is in terms of the above value chain that the NHC attracts professional employees and endeavours to retain them in line with its Retention Policy so that the sector can be effectively serviced. In terms of the policy and in recognition of the value of human capital, all non-management staff members are currently on permanent employment. This change was introduced in October 2012. The NHC will explore the possibility of changing the employment of Senior Management to permanent in future to ensure that they are retained.

1.2 OVERVIEW OF HR MATTERS IN THE NHC

The day to day activities of the Human Resources Unit involves the following:

- Human Resources administration
- Benefits Management
- Talent management
- People management
- Exit management
- Employee relations and
- Organisational development
- Facilities management

1.3 HR PRIORITIES AND IMPACT

The main priority of the HR Unit is to sustain and improve the capability of the institution through the following:

Activity	Impact
Build people competencies	Workforce that is creative and competent to meet sector demands

No	Priority	Impact
1	Compliance to HR Governance	Positive for the NHC as few non- compliance areas are registered. This is an indication of ethical conduct and compliance to policies by employees
2	Tenant satisfaction	Good and conducive environment for work.
3	Retention of employees	No impact on operations due to a stable staff complement (low attrition)
4	High competency levels	Satisfactory due to the training and development of staff.

1.4 WORKFORCE PLANNING

The recruitment of staff is done in phases within the NHC. For 2013/2014 only six (6) positions were targeted for three (3) business units to ensure that these units were able to effectively deliver on their objectives. In addition three (3) positions were filled for employees that terminated their employ with the NHC.

Key to the recruitment process, the strategy of the NHC is to offer competitive remuneration in order to attract and retain employees. Strategically, the NHC will also pay a scarcity allowance in case of filling positions where the competencies are unique for the programmes that the NHC is engaged in.

1.5 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The NHC has inculcated a culture of performance in order to serve the heritage sector.
As a result, all employees sign individual performance contracts at the beginning of the financial year. There are two reviews of performance in a year (October and March), to ensure that the organisation keeps track of objective set and monitoring of progress.

1.6 EMPLOYEE WELLNESS

The NHC will be introducing a formal programme for the 2014/2015 year.

1.7 POLICY DEVELOPMENT

The NHC has reviewed all the Human Resources policies and implemented them for ensuring that ethical conduct is maintained. Any new developments in the labour environment are also introduced to ensure alignment to prescripts of good governance and practice in a participatory manner with all employees.

- **Achievements:** The NHC has been able to equip its employees to deliver on their yearly objectives. In addition, the NHC has been able to retain its employees and where there is attrition, the back fill process is timeous, resulting in the operation not being disrupted.

- **Challenges:** One of the challenges that the NHC faces is not being able to resource units in line with the structure as most of the financial allocation received from the Department of Art and Culture is allocated to operations. Hence, the NHC recruits in phases.

- **Future plans:** The NHC plans to train employees so that they can drive the resources mobilisation programme to ease the dependency of the organisation on State allocation. This will ensure that the NHC can be able to reach and provide services to most stakeholders in the sector.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 PERSONNEL COSTS BY PROGRAMME 2013/2014

Programme	Total expenditure for the entity	Personnel expenditure	Personnel as a % of total expenditures	No of employees	Average personnel costs per employee
CEO's Office	4997046.73	3272197.33	7.70	3	1090732.44
Heritage Unit	5365808.11	4409713.22	10.38	9	489968.14
Corporate Services	11770568.35	5415335.35	12.75	11	492303.21
Marketing	3100173.60	1291511.27	3.04	3	430503.76
Funding	5070761.03	1825336.74	5.30	3	608445.58
LHR	8008454.88	2716412.88	6.40	10	271641.29
Company Secretariat	4160512.43	1373834.92	3.23	2	686917.46
Total	42473325.13	20304341.71	47.82	41	4070511.88

2.2 PERSONNEL BY COSTS BY SALARY BAND

Level	Personnel expenditure	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee
Top Management	1353581.26	6.9704663	1	1353581.26
Senior Management	9976960.62	51.3778269	12	831413.39
Professionals	2619743.24	13.4907541	10	261974.37
Skilled	5273538.35	27.1568634	14	376681.31
Semi- skilled	80564.76	0.4148801	2	40282.38
Unskilled	114416.22	0.5892031	2	57208.11
Total	19418804.95	100	41	2921140.82

2.3 PERFORMANCE REWARD

Programme	Performance reward	Personnel expenditure	% of performance rewards to total personnel costs
Top Management	441660.00	1353581.26	2.27
Senior Management	1036965.56	9976960.62	5.34
Professionals	109755.43	2619743.74	0.57
Skilled	263828.28	5273538.35	1.36
Semi- skilled	5063.34	80564.76	0.03
Unskilled	5955.29	114416.22	0.03
Total	1863227.9	19418804.95	9.60

2.4 TRAINING COSTS

Business Unit	Personnel expenditure	Training expenditure	Training costs as a % of personnel costs	Number of employees	Average training costs per employee
Office of the CEO	3272197.33	3993.95	0.02	1	3993.35
Corporate Services	5415335.35	106807.83	0.53	4	26701.96
Heritage Unit	4409713.22	21050.00	0.10	1	21050.00
LHR Unit	2716412.88	20313.86	0.10	3	6771.00
Funding Unit	1825336.74	34850.00	0.07	1	34850.00
Marketing Unit	1291511.27	44974.00	0.22	1	44974.00
Company Secretariat	1373834.92	-	-	-	-
Total	20304341.71	231991.64	1.14	14	138340.31

2.5 EMPLOYMENT AND VACANCIES

Programme	2011/2012 number of employees	2012/2013 approved posts	2012/2013 number of employees	2012/2013 vacancies.	2013/2014 number of employees	% of vacancies
Office of the CEO	2	1	2	1	0	7.31
Heritage Unit	6	7	6	7	1	17.07
Corporate Services	10	2	10	2	1	31.7
LHR	4	2	3	2	4	24.39
Company Secretariat	2	0	2	0	0	4.88
Funding	3	1	3	1	0	7.31
Marketing	1	2	1	2	2	4.88
Top Management	2	1	1	0	1	3.23
Senior Managers	9	1	10	0	10	32.26
Professionals	7	1	8	1	9	29.03
Skilled	2	4	6	7	10	32.26
Semi-skilled	1	3	1	3	1	3.23
Total	23	10	26	11	31	100

2.6 EMPLOYMENT CHANGES

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top Management	1	0	0	1
Senior Managers	11	0	1	10
Professionals	3	7	1	10
Skilled	14	0	2	12
Semi-skilled	1	0	0	1
Unskilled	2	1	1	2

2.7 REASON FOR STAFF LEAVING

Reason	Number	% of total of staff leaving
Death	1	20
Resignation	4	80
Dismissal	0	-
Retirement	0	-
Ill health	0	-
Expiry of contract	0	-
Others	0	-
Total	5	100

2.8 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary action	Number
Verbal Warning	0
Written Warning	2
Final Written Warning	1
Dismissal	0

2.9 EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS

Male								
Levels	African current	Target	Coloured current	Target	Indian Current	Target	White current	Target
Top Management	1							
Senior Managers	11	12	0	1	0	1	0	1
Professionals	10	10	0	1	0	1	0	1
Skilled	14	14	0	1	0	1	0	1
Semi-skilled	2	2	0	1	0	1	0	1
Unskilled	2	3	0	0	0	0	0	0
Total	40	41	0	4		4	0	4

Female								
Levels	African current	Target	Coloured current	Target	Indian Current	Target	White current	Target
Top Management								
Senior Managers	3	5	0	1	0	1	0	1
Professionals	1	2	0	1	0	1	1	1
Skilled	3	4	0	1	0	1	0	1
Semi-skilled	1							
Unskilled	1	1						
Total	9	17	0	3	0	3	1	3

2. HUMAN RESOURCE OVERSIGHT STATISTICS (continued)

Disabled				
Levels	Male current	Target	Female current	Target
Top Management				
Senior Managers		2		2
Professionals		2		2
Skilled		3		3
Semi-skilled				1
Unskilled				
Total		7		8

PART E:
FINANCIAL INFORMATION

1. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2014.

The Chief Executive Officer is responsible for the preparation of the public entity's annual financial statements and for the judgements made in this information.

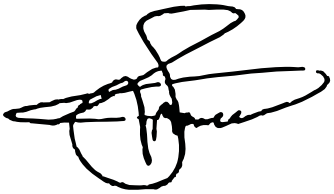
The Chief Executive Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the public entity for the financial year ended 31 March 2014

The external auditors are engaged to express an independent opinion on the AFS of the NHC.

The National Heritage Council Annual Financial Statements for the year ended 31 March 2014 have been audited by the external auditors and their report is presented on page 68.

The Annual Financial Statements of the public entity set out on page 73 to page 117 have been approved.



Adv. Sonwabile Mancotywa
Chief Executive Officer
National Heritage Council
31 July 2014

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON NATIONAL HERITAGE COUNCIL

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the National Heritage Council set out on pages 74 to 113, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Heritage Council as at 31 March 2014 and financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the National Heritage Council at, and for the year ended, 31 March 2013.

Additional matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 114 to 117 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2014:

- Programme 1: Strategic Management services on pages 21 to 23
- Programme 2: Corporate Services on pages 23 to 31
- Programme 3: Company Secretariat on pages 31 to 35
- Programme 4: Heritage Management on pages 36 to 44

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

15. I 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 selected programmes are as follows:

Strategic management services

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

17. Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 50% (>20%) of the targets were not specific.

18. Performance targets must be measurable. We could not measure the required performance for 50% (>20%) of the targets.

19. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 38% (>20%) of the indicators were not well defined.

Reliability of reported performance information

20. I did not raise any material findings on the reliability of the reported performance information for Strategic management services.

Corporate Services

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

21. Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 23% (>20%) of the targets were not specific.

22. Performance targets must be measurable. We could not measure the required performance for 23% (>20%) of the targets.

23. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 54% (>20%) of the indicators were not well defined.

Reliability of reported performance information

24. I did not raise any material findings on the reliability of the reported performance information for Corporate services.

Company Secretariat

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

25. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 33% (>20%) of the indicators were not well defined.

Reliability of reported performance information

26. I did not raise any material findings on the reliability of the reported performance information for Company Secretariat.

Heritage Management

Usefulness of reported performance information

Measurability of indicators and targets

The FMPPI requires the following:

27. Performance indicators/measures must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 33% (>20%) of the indicators were not well defined.

Reliability of reported performance information

28. I did not raise any material findings on the reliability of the reported performance information for Heritage management.

Additional matter

29. Although I raised no material findings on the reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

30. Refer to the Annual Performance Report on pages 21 to 44 for information on the achievement of the planned targets for the year.

Compliance with legislation

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

Annual financial statements, performance and annual report

32. The financial statements submitted for audit did not comply with section 55(2)(a) of the PFMA as material misstatements were identified by the auditors. Material misstatements identified by the auditors in the submitted financial statements were adequately corrected and the supporting records could be provided subsequently, which resulted in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

33. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

34. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1.

35. Contracts were extended or modified without the approval of a properly delegated official as required by Treasury Regulation 8.1 and 8.2. / PFMA section 44.

Expenditure management

36. Contrary to the requirements of section 51(1)(b)(ii) and 57 of the PFMA, management failed to take reasonable steps to prevent irregular expenditure and fruitless and wasteful expenditure.

Asset management

37. Management did not take all reasonable steps to ensure that the entity had and maintained a management, accounting and information system which accounts for the assets of the entity as required by section 51(1)(c) of the PFMA.

Internal control

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

Leadership

39. Actions to address the risks relating to the achievement of complete and accurate financial and performance reporting, compliance and internal controls require improvement.

Financial and performance management

40. Errors were noted in the annual financial statements submitted for auditing; therefore actions to identify all errors pertaining to the financial statements require improvement.

Governance

41. Actions to address risk management activities to ensure that regular risk assessments, including considering information technology risks and fraud prevention, and a risk strategy to address the risks were taken.

OTHER REPORTS

Investigations

42. A report on the investigation into alleged Supply Chain irregularities performed by the Special Investigations Unit has not yet been issued.

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor-General
Pretoria
31 July 2014

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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4. STATEMENT OF RESPONSIBILITY

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the National Heritage Council to ensure that the financial statements fairly present the state of affairs of the National Heritage Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the financial statements.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal controls established by the National Heritage Council and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the National Heritage Council set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

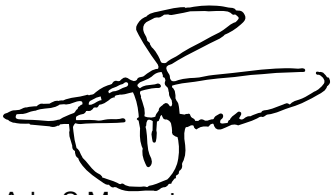
These controls are monitored throughout the National Heritage Council and all employees are required to maintain the highest ethical standards in ensuring that the National Heritage Council's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the National Heritage Council is on identifying, assessing, managing and monitoring all forms of risk known to the National Heritage Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority is of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Accounting Authority has reviewed the National Heritage Council's cash flow forecast for the year ended 31 March 2015 and, in the light of this review and the current financial position, is satisfied that the National Heritage Council has access to adequate resources to continue in operational existence for the foreseeable future.

The National Heritage Council is mainly dependent on the Department of Arts and Culture for continued funding of operations. The financial statements are prepared on the basis that the National Heritage Council is a going concern and that the Department of Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the National Heritage Council.

The financial statements, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2014.



Adv. S Mancotywa
Chief Executive Officer

Mr. Mxolisi Zwane
Chaiperson Of Council

STATEMENT OF FINANCIAL POSITION as at 31 March 2014

	Notes	2014	Restated 2013
		R '000	R '000
Assets			
Current Assets		**8,138**	**15,219**
Receivables From Exchange Transactions	**4**	156	91
Receivables From Non-exchange Transactions	**5**	-	1,377
Prepayments And Advances	**6**	6,151	3,607
Cash And Cash Equivalents	**7**	1,831	10,144
Non-Current Assets		**2,471**	**2,919**
Property, Plant And Equipment	**2**	2,343	2,781
Intangible Assets	**3**	128	138
Total Assets		**10,609**	**18,138**
Liabilities			
Current Liabilities		**18,063**	**7,350**
Payables From Exchange Transactions	**8**	7,797	3,236
Deferred Income/Unspent Conditional Grants/Transfers And Receipts	**9**	7,347	1,806
Finance Lease Obligation	**10**	299	224
Leave Accrual	**11**	626	489
Performance Bonuses	**12**	1,994	1,595
Non-Current Liabilities		**919**	**1,218**
Finance Lease Obligation	**10**	919	1,218
Total Liabilities		**18,982**	**8,568**
Total Net Assets		**(8,373)**	**9,570**
Accumulated Surplus/(Deficit)		(8,373)	9,570
Net Assets		**(8,373)**	**9,570**

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2014

	Notes	2014	Restated 2013
		R '000	R '000
Revenue		**55,746**	**52,450**
Non-exchange revenue		**55,573**	**51,943**
Government grant/Transfer - Department Arts and Culture	**13**	52,714	50,063
Amortised Government/Transfers – Other	**14**	3	372
Amortised Government/Transfers - National Lottery	**14**	2,856	1,508
Exchange revenue		**173**	**507**
Other income	**15**	15	28
Interest received	**16**	158	479
Total Expenses		**(73,689)**	**(54,678)**
Operating expenses	**17**	(22,540)	(14,608)
Administrative expenses	**18**	(25,968)	(19,467)
Employee related costs	**19**	(22,500)	(18,241)
Operating lease expenses	**20**	(1,404)	(1,404)
Debt written off		(28)	-
Finance costs	**21**	(286)	(109)
Depreciation	**22**	(840)	(776)
Amortisation	**23**	(123)	(73)
DEFICIT FOR THE PERIOD		**(17,943)**	**(2,228)**
DEFICIT FOR THE PERIOD Attributable to:			
Owners of the controlling entity		(17,943)	(2,228)
Minority interest		-	-
		(17,943)	**(2,228)**

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2014

		Accumulated Surplus/(Deficit)	Total net Assets
		R '000	R '000
Balance at 1 April 2012		**10,191**	**10,191**
Prior year error	**(29)**	1,607	1,607
Deficit for the period		(2,228)	(2,228)
Balance at 31 March 2013		**9,570**	**9,570**
Deficit for the period		(17,943)	(17,943)
Balance at 31 March 2014		**(8,373)**	**(8,373)**

CASH FLOW STATEMENT for the year ended 31 March 2014

	Notes	2014	2013
		R '000	R '000
CASH FLOW FROM OPERATING ACTIVITIES			
CASH RECEIPTS		**62,609**	**50,570**
Government Grant/Transfer – Department of Arts and Culture	**13**	52,714	50,063
Other Transfer		1,286	-
Other Receipts		25	28
Conditional Grants/Transfers	**9**	8,400	-
Interest Received		184	479
CASH PAID TO SUPPLIERS AND EMPLOYEES		**(70,140)**	**(52,388)**
Employee Related Costs		(21,456)	(17,860)
Suppliers		(48,570)	(34,424)
Interest Paid		(114)	(104)
NET CASH FLOW FROM OPERATING ACTIVITIES	**25**	**(7,531)**	**(1,818)**
CASH FLOW FROM INVESTING ACTIVITIES		**(558)**	**(418)**
Acquisition of Property, plant and equipment	**2**	(443)	(376)
Acquisition of Intangible assets	**3**	(115)	(42)
CASH FLOW FROM FINANCING ACTIVITIES		**(224)**	**(202)**
Payment for finance lease		**(224)**	**(202)**
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS		**(8,313)**	**(2,438)**
Cash and Cash Equivalents at the beginning of the period		10,144	12,582
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**7**	**1,831**	**10,144**

ACCOUNTING POLICIES

1. Presentation Of Annual Financial Statements

The Financial Statements are presented in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP), and the provisions of the Public Finance Management Act (Act 1 of 1999), as amended, as well as other applicable legislation, including any interpretations of such Statements issued by the Accounting Practices Board. The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant notes.

The cash flow statement can only be prepared in accordance with the direct method.

Accounting policy developments include new standards issued, amendments to standards, and interpretation issued on new standards. These developments resulted in the first time adoption of new standards, the restatement of prior year where applicable. Management assessed the impact of all new standards issued, amendments to standards, and interpretations issued on current standards.

Effect of new Standards of GRAP issued

At the date of approval of these financial statements, the following standards were issued but not yet effective. These approved standards of GRAP are not likely to affect Annual Financial Statements when they are adopted since accounting policies have been determined based on the principles in these standards:
Standard
GRAP 18 – Segment Reporting
GRAP 20 – Related Parties Disclosures
GRAP 32 – Service Concession Arrangements: Grantor
GRAP 105 – Transfer of Function between Entities under Common Control
GRAP 106 - Transfer of Function between Entities not under Common Control
GRAP 107 - Mergers
GRAP 108 – Statutory Receivables

1.1 Basis of Preparation

The financial statements have been prepared on the historical cost basis, except where stated otherwise. These financial statements are presented in South African Rands. The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies used by the Council which are consistent with those of the previous year.

1.2 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- It is probable that future economic benefits associated with the item will flow to the Council; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

1.2 Property, Plant and Equipment (continued)

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. The estimated useful lives of the main assets categories are as follows:

Item	**Rate**
Computer equipment	3 years (33.33%)
Office equipment	6 years (16.67%)
Motor vehicles	5 years (20 %)
Furniture and Fittings	6 years (16.67%)
Leasehold improvements	Lease term over the period of lease
Leased Assets	5 years (20%)

Leasehold improvements are amortised over the period of the building lease agreement. Depreciation rates and residual values are considered annually and adjusted if appropriate.

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceed, if any, and the carrying amount of the item.

1.3 Intangible Assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to complete and use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits;
- There are available technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

1.3 Intangible Assets (Continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets, amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write-down the intangible assets on a straight line basis, to their residual values as follows:

Item	**Rate**
Computer software	2 years (50%)

1.4 Financial Instruments

Initial Recognition and Measurement

Financial instruments are recognised initially when the National Heritage Council becomes a party to the contractual provisions of the instruments.

The National Heritage Council classifies financial instruments, or their component parts, on initial recognition as a financial asset or financial liability in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. Financial assets and financial liabilities have not been offset in the Statement of Financial Position.

Trade and Other Receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost which, due to their short term nature, closely approximates their fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables. Other receivables consist of prepaid expenses and deposits relating to the provision of electricity and the leasing of premises. These receivables are stated at cost.

1.4 Financial Instruments (Continued)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Trade and Other Payables

Trade and other payables are stated at fair value. Items classified within trade and other payables are not usually re-measured, as obligations are usually known with a high degree of certainty and its settlement is short-term.

1.5 Tax

Tax Expenses

The National Heritage Council is exempt from taxation in terms of Section 10 (1) (cA) (i) of the Income Tax Act.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

Finance Leases

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.7 Impairment of assets

The National Heritage Council assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the National Heritage Council estimates the recoverable amount of the asset.

1.7 Impairment of assets (Continued)

Irrespective of whether there is any indication of impairment, the National Heritage Council also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at year end and at the same time every period.

If there is an indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

1.8 Employee benefits

Short-term benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and bonus), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Pension contributions are provided for employees by means of a defined contribution provident fund externally administered by Liberty Life. The defined contribution provident fund is governed by the Pension Funds Act, 1956. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Accruals

Accruals are recognised when:

- The National Heritage Council has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of accruals is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required in settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the accruals. Accruals are not recognised for future operating deficits.

1.10 Revenue from Non-Exchange Transactions

Transfers and subsidies are recognised when there is reasonable assurance that:

- The National Heritage Council will comply with the conditions attaching to them; and
- The transfers and subsidies will be received.

1.10 Revenue from Non-Exchange Transactions (Continued)

Transfers and subsidies to which conditions are attached are recognised as revenue in the Statement of Financial Performance to the extent that the entity has complied with any criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions and obligations have not been met, a liability is raised in the Statement of Financial Position.

Unconditional transfers and subsidies are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable. All transfers and subsidies are recognised at fair value.

1.11 Revenue

Revenue comprises the fair value of considerations received or receivable in the ordinary course of the Council's business.

Revenue is also recognised as follows:

- Transfers and subsidies as stated in accounting policy 1.10
- Interest income is recognised in the statement of financial performance on a time proportionate basis using the effective interest rate method.

1.12 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

The comparative figures shown in these financial statements are limited to the figures shown in the previous years' audited financial statements and such other comparative figures that the National Heritage Council may reasonably have available for reporting in terms of the Public Finance Management Act (PFMA).

1.13 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and could have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.14 Irregular expenditure

Irregular expenditure as defined in Section 1 of the Public Finance Management Act (PFMA) is expenditure other than unauthorised expenditure, incurred in contravention of or is not in accordance with a requirement of any applicable legislation.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year - end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

1.14 Irregular expenditure (Continued)

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which has not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write-off the amount as bad debt and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.15 Research and development expenditure

Research costs are charged against operating surplus as incurred.

Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:

- The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;
- The technical feasibility of the product or process can be demonstrated;
- The existence of a market or, if to be used internally rather than sold, its usefulness to the entity can be demonstrated;
- Adequate resources exist, or their availability can be demonstrated, to complete the project and then market or use the product or process; and
- The asset must be separately identifiable.

Where development costs are deferred, they are written off on a straight-line basis over the life of the process or product, subject to a maximum of five years. The amortisation begins from the commencement of the commercial production of the product or use of the process to which they relate.

1.16 Judgements made by Management

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Historical experience and various other factors believed to be reasonable under the circumstances are used in these instances. Actual results in the future could differ from these estimates. Significant judgement has been exercised in determining the following:

Fair value estimation

The amortised cost (using the effective interest method); less impairment provision of trade receivables and payables are assumed to approximate their fair values. The present value of future cash flows (using the effective interest method), is assumed to approximate the fair value of revenue and purchase transactions.

1.16 Judgements made by Management (Continued)

Impairment testing
The entity makes judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions
Provisions are based on estimates using the information available to management at reporting date.

1.17 Services received in kind

Services received in kind consist primarily of technical assistance received by the National Heritage Council and project group members. The National Heritage Council cannot reliably determine a fair value for this assistance, and as a result does not recognise the value of these services received in the Statement of Financial Performance.

1.18 Related Parties

The Council operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the constitutional independence of all three spheres of government in South Africa, only national and provincial spheres of government will be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer, Chief Financial Officer, General Manager and the Company Secretary are the only positions regarded as being at key management level.

Close family members of key management are considered to be those family members who may be expected to influence, or be influenced by key management individuals or other parties related to the entity.

1.19 Finance Income

Finance income comprises interest receivable on positive bank balances and funds invested. Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.20 Material losses

Material losses are losses incurred that do not comprise normal expenditure or income due to the Council and not recovered.

1.21 Contingent Liabilities

A contingent liability 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 wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

1.22 Assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

These assets are stated at the lower of carrying amount and fair value less costs.

2. Property, Plant And Equipment

2014

	Leasehold property	Furniture and Fittings	Motor Vehicles	Office Equipment	IT Equipment	Leased assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening Balances							
Cost	361	1,204	244	422	703	1,610	4,544
Accumulated depreciation	(205)	(695)	(57)	(212)	(300)	(294)	(1,763)
Carrying amount	**156**	**509**	**187**	**210**	**403**	**1,316**	**2,781**
Movements during the year							
Additions	-	199	-	14	230	-	443
Derecognition/Disposal	-	-	-	(27)	(26)	-	(53)
Depreciation	(53)	(174)	(49)	(38)	(204)	(322)	(840)
Closing balances							
Cost	361	1,403	244	408	899	1,610	4,926
Accumulated depreciation	(258)	(869)	(106)	(238)	(496)	(616)	(2,583)
Carrying amount	**103**	**534**	**138**	**170**	**403**	**994**	**2,343**

2. Property, Plant And Equipment (continued)

2013

	Leasehold property	Furniture and Fittings	Motor Vehicles	Office Equip-ment	IT Equipment	Leased assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening Balances							
Cost	334	1,194	244	329	456	465	3,022
Accumulated depreciation	(156)	(523)	(8)	(148)	(240)	(229)	(1,304)
Carrying amount	**178**	**671**	**236**	**181**	**216**	**236**	**1,718**
Movements during the year							
Additions	27	10	-	92	247	1,583	1,959
Derecognition/Disposal	-	-	-	-	-	(120)	(120)
Depreciation	(49)	(172)	(49)	(63)	(60)	(383)	(776)
Closing balances							
Cost	361	1,204	244	422	703	1,610	4,544
Accumulated depreciation	(205)	(695)	(57)	(212)	(300)	(294)	(1,763)
Carrying amount	**156**	**509**	**187**	**210**	**403**	**1,316**	**2,781**

A register containing the information required by section 63 of the Public Finance Management Act (PFMA) is available for inspection at the registered office of the National Heritage Council. The register reconciles to Note 2.

3. INTANGIBLE ASSETS

a) Intangible Assets- 2014	R '000	R '000
	Computer Software	Total
Opening Balance (Cost)	257	257
Opening balance (Accumulated Amortisation)	(119)	(119)
Carrying Amount (Opening Balances)	**138**	**138**
Additions	115	115
Disposals	(2)	(2)
Amortisation (During the year)	(123)	(123)
Carrying Amount (Closing Balances)	**128**	**128**
Cost	371	371
Accumulated Amortisation	(243)	(243)

(b) INTANGIBLE ASSETS- 2013	R '000	R '000
	Computer Software	Total
Opening Balance (Cost)	216	216
Opening balance (Accumulated Amortisation)	(59)	(59)
Carrying Amount (Opening Balances)	**157**	**157**
Additions	42	42
Amortisation (During the year)	(73)	(73)
Carrying Amount (Closing Balances)	**138**	**138**
Cost	257	257
Accumulated Amortisation	(119)	(119)

	2014	2013
	R '000	R '000
4. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Sundry Debtors	95	-
Staff Debtors	46	50
Interest receivable	15	41
Financial assets	**156**	**91**
5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Conditional Grant/Transfer Receivable – Department of Arts and Culture (Ubuntu Awards)	-	624
Conditional Grant/Transfer Receivable - National Lottery (Deferred)	-	6
DAC- Humanitarian Awards	-	250
Heritage Funded Projects	-	497
Financial Assets	**-**	**1,377**
6. PREPAYMENTS AND ADVANCES		
Deposit for rent	129	129
Prepayments and advances	6,022	3,478
Financial assets	**6,151**	**3,607**
7. CASH AND CASH EQUIVALENTS		
Cash on hand	1	-
Cash at bank	1,829	3,871
Funds held on call deposit	1	6,273
Financial assets	**1,831**	**10,144**

	2014 R '000	2013 R '000
8. PAYABLES FROM EXCHANGE TRANSACTIONS		
Financial liabilities	**7,797**	**3,112**
Trade payables	6,908	2,731
Salary related payables	889	381
Other Payables	**-**	**124**
Operating lease payables	-	124
Financial liabilities	**7,797**	**3,236**

See note 27 on Financial Instruments on how risk is managed in relation to the financial assets and liabilities listed above.

9. DEFERRED INCOME/UNSPENT CONDITIONAL GRANTS/TRANSFERS		
Balance at the beginning of the year	**1,806**	**3,686**
Non - current assets – Itec Finance (Pty) Ltd	3	6
Conditional Grants/Transfers - Department of Arts and Culture	-	368
Conditional Grants/Transfers - National Lottery	1,803	3,312
Movement during the year - Receipts	**8,400**	**-**
Conditional Grants/Transfers – Department of Arts and Culture	-	-
Conditional Grants/Transfers - National Lottery	8,400	-
Movement during the year - Recognised	**(2,859)**	**(1,879)**
Non - current assets - Itec Finance (Pty) Ltd	(3)	(3)
Conditional Grants/Transfers – Department of Arts and Culture	-	(368)
Conditional Grants/Transfers - National Lottery – Revenue	(2,856)	(1,508)
Balance at year end	**7,347**	**1,806**
Non - current assets - Itec Finance (Pty) Ltd	-	3
Conditional Grants/Transfers – Department of Arts and Culture	-	-
Conditional Grants/Transfers - National Lottery – Revenue	7,347	1,803
	7,347	**1,806**

	2014	2013
	R '000	R '000
10. FINANCE LEASE OBLIGATION		
Minimum Lease payments due		
- Within one year	397	345
- In second to fifth year inclusive	1,018	1,415
	1,415	**1,760**
Less: Future finance charges	(197)	(318)
Present value of future minimum lease payments	**1,218**	**1,442**
Present value of minimum lease payments due		
- Within one year	299	224
- In second to fifth year inclusive	919	1,218
	1,218	**1,442**
Current portion of finance lease obligation	299	224
Long-term portion of finance lease obligation	919	1,218
	1,218	**1,442**

It is National Heritage Council policy to lease certain equipment under finance leases:

1) Entered into a rental operational agreement with ITEC Finance Limited for one (1) photocopy machine, three (3) photocopy machines and one (1) ITEC IPBX effective, 1 February 2011, 1 June 2012 and 28 June 2012 respectively. The three contracts are for a period of 60 months each at R19, 152, R197, 160 and R50, 400 per annum respectively, using a 15% escalation rate. Additional finance costs are charged by the lessor who is based on the prime rate, thus attracting additional finance costs which are not included in the above reconciliation. The lease is accounted for as a finance lease since the lease term is for the major part of the economic life of the assets, even though the title to the asset may not be transferred on expiry of the lease term.

	2014 R '000	2013 R '000
11. LEAVE ACCRUAL		
Opening balances		
Leave accrual	489	450
Additions		
Leave accrual	626	489
Utilised		
Leave accrual	(79)	(177)
Reversed		
Leave accrual	(410)	(273)
Closing balances		
Leave accrual	626	489
	626	**489**
12. PERFORMANCE BONUSES		
Opening balances		
Performance Bonuses	1,595	1,489
Additions		
Performance Bonuses	1,994	1,595
Utilised		
Performance Bonuses	(1,584)	(1,489)
Reversed		
Performance Bonuses	(11)	-
Closing balances		
Performance Bonuses	1,994	1,595
	1,994	**1,595**

	2014	2013
	R '000	R '000
13. GOVERNMENT GRANT/TRANSFER		
Grant/Transfer received – Department of Arts and Culture	52,714	50,063
	52,714	**50,063**
14. AMORTISED CONDITIONAL GRANTS/TRANSFERS		
Amortised Grant/Transfer - Other		
Non - current assets – Itec Finance (Pty) Ltd	3	3
Department of Arts and Culture (Funded Projects)	-	-
Department of Arts and Culture (Ubuntu 2011)	-	369
	3	**372**
Amortised Grant/Transfer - National Lottery		
National Lottery – Special projects	2,856	1,508
	2,856	**1,508**
15. OTHER INCOME		
Sundry Income	7	28
Gain on assets disposal	8	-
	15	**28**

The National Heritage Council received sundry income from the sale of bid tender documents.

16. INTEREST RECEIVED		
Interest revenue	**158**	**479**

Interest revenue comprises of interest received on positive bank balances and funds invested on one day call account. Interest revenue is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

17. OPERATING EXPENSES		
Legal fees	872	61
Entertainment expenses	183	219
Heritage projects and programmes	20,977	13,945
Staff training and development	419	321
Maintenance, repairs and running costs	89	62
	22,540	**14,608**

	2014	2013
	R '000	R '000
18. ADMINISTRATIVE EXPENSES		
General and Administrative expenses	16,194	13,655
Loss on assets derecognised	-	26
Travel and Accommodation	9,774	5,786
	25,968	**19,467**
19. EMPLOYMENT RELATED COSTS		
Basic salaries	16,782	13,319
Overtime	19	21
Employees contributions - Provident Fund	1,460	1,192
Employees contributions – UIF	47	44
Leave and bonus	2,196	2,084
Council contributions - Provident Fund	1,460	1,192
Council contributions – UIF	47	44
Council contributions – SDL	170	158
Council contributions – Medical Aid	319	187
	22,500	**18,241**
20. OPERATING LEASE EXPENSES		
Office space	1,254	1,254
Parking	150	150
	1,404	**1,404**
21. FINANCE COSTS		
Interest Paid (Other)	173	6
Interest paid on leased assets	113	103
	286	**109**
22. DEPRECIATION		
Motor vehicles	49	49
IT equipment	204	60
Office equipment	38	63
Furniture and fittings	174	172
Leasehold improvement	53	49
Leased assets - office equipment	322	383
	840	**776**

	2014	2013
	R '000	R '000
23. AMORTISATION		
Computer software	**123**	**73**

24. OPERATING LEASES

The National Heritage Council renewed a rental agreement with the Redefine Property Group, effective 1 April 2014. The lease contract is for 24 months at a cost of R 1,827,923.00 per annum, escalating at 9% per annum

Lease commitments (operating leases)		
Up to one year	1,828	1,281
Later than one year and not later than 5 years	1,992	-
	3,820	**1,281**

25. CASH GENERATED FROM (USED IN) OPERATIONS

Deficit for the year	(17,943)	(2,228)
Adjustments for:		
	1,542	1,718
Depreciation - PPE	840	776
Amortisation - intangible assets	123	73
Movement in leave and bonuses pay	536	145
(Gain) or loss of derecognition of PPE	(8)	26
Irrecoverable debt	28	-
Other non-cash items	23	698
Changes in working capital:	8,870	(1,308)
Trade and other receivables	1,312	439
Prepayments and advances	(2,544)	(2,387)
Trade and other payables	4,561	2,519
Deferred income/Unspent conditional grants/transfers	5,541	(1,879)
	(7,531)	**(1,818)**

	2014	2013
	R '000	R '000

26. RELATED PARTIES

RELATED PARTY TRANSACTIONS (RECEIPTS)

1. Grant/transfer – recurring expenditure (Department of Arts and Culture)	52,714	50,063
Receivable from non-exchange - Department of Arts and Culture	874	-
2. National Lottery Distribution Trust Fund	8,400	-
	61,988	**50,063**

RELATED PARTY TRANSACTIONS (PAYMENTS)

Inxuba Yethemba Municipality (Heritage Project)	-	65
Ingquza Hill Municipality (Heritage Project)	107	-
Mbhashe Local Municipality (Heritage Project	200	-
Mangaung Metropolitan Municipality (Heritage Project)	1,000	-
Msinga Ngoza Local Municipality(Heritage Project)	143	-
Vhembe Local Municipality (Heritage Project)	50	-
Amatole District Municipality(Funded Project)	-	500
Nelson Mandela Bay Municipality (Funded Project)	-	221
Nkangala District Municipality (Funded Project)	-	27
Intsika Yethu Municipality (Funded Project)	85	-
Human Sciences Research Council	1,592	-
South Africa Broadcasting Corporation	113	442
Telkom SA	45	52
Ditsong Museum Of South African	150	150
Iziko Museum Of Cape Town	135	165
South African Express (Pty) Ltd	45	-
	3,665	**1,622**

1. The National Heritage Council is a schedule 3A public entity under the National Department of Arts and Culture. The Department of Arts and Culture acts on behalf of the Minister of Arts and Culture as Executive Authority and has the responsibility to make provision for funding the activities of the Council by way of a grant/transfer listed in the Estimates of National Expenditure. The National Heritage Council received R52,714 million as operational grant and R874 payable to National Heritage Council for the period under review. By virtue of the fact that the National Heritage Council is a national public entity and controlled by the national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in our processes and do not receive any remuneration. The National Department of Arts and Culture is the related party of the National Heritage Council.

2. The National Lottery Distribution Trust Fund has made provision for funding projects of the Council. The National Heritage Council received R52,714 million as operational grant and R874,000, payable the the NHC for the period under review. By virtue of the fact that the National Heritage Council is a National Public Entity and controlled by the National Government, any other controlled entity of the National Government is a related party. All transactions with such entities are at arm's length and on normal commercial terms and on normal commercial terms. The National Lottery Distribution Trust Fund is the related party of the National Heritage Council.

26. RELATED PARTIES (Continued)

3. The National Heritage Council has made provision for funding partnerships to various Local, District and Metropolitan Municipalities as a contribution to partnerships. By virtue of the fact that the National Heritage Council is a National Public Entity and controlled by the National Government, any other controlled entity of the National/ Provincial/Local Government is a related party. All transactions with such entities and/or government departments are at arm's length and on normal commercial terms, except where employees of National Departments or National Public Entities participate in our processes and do not receive any remuneration. The Local, District and Metropolitan Municipalities are the related parties of the National Heritage Council.

4. The National Heritage Council through its funding mandate make public calls for heritage project. Qualifying projects are approved as provided by the NHC's Funding Policy guidelines, thereafter contract would naturally be entered into with the relevant institutions. By virtue of the fact that the National Heritage Council is a National Public Entity and controlled by the National Government, any other controlled entity of the National/Provincial/Local Government is a related party. All transactions with such entities and/or government departments are at arm's length and on normal commercial terms, except where employees of National Departments or National Public Entities participate in our processes and do not receive any remuneration. The following institutions were contracted for funded projects and consequently are related parties of the National Heritage Council:

a. Nelson Mandela Bay Municipality (Funded Project)
b. Nkangala District Municipality (Funded Project)
c. Intsika Yethu Municipality (Funded Project)
d. Ditsong Museum of South African
e. Iziko Museum of Cape Town

5. The National Heritage Council has made provision for research work undertaken by Human Sciences Research Council. By virtue of the fact that the National Heritage Council is a National Public Entity and controlled by the National Government, any other controlled entity of the National/Provincial/Local Government is a related party. All transactions with such entities and/or government departments are at arm's length and on normal commercial terms, except where employees of National Departments or National Public Entities participate in our processes and do not receive any remuneration

6. Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer, Chief Financial Officer, General Manager and the Company Secretary are the positions regarded as being at key management level at the National Heritage Council.

27. FINANCIAL INSTRUMENTS

Liquidity risk

The National Heritage Council is only exposed to liquidity risk with regards to the payment of its trade payables. These trade payables are all due within the short-term. The National Heritage Council manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in a money market account.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The National Heritage Council only deposits cash with major banks with high quality credit standing and limits exposure to any other counter-party.

Interest rate risk

This is a risk that fair value or future cash flows from financial instrument will fluctuate as a result of changes in the market interest rates. Values in the financial instruments may change, thus resulting in both potential gains and losses. The National Heritage Council's activities do not expose it to significant market interest rate risks. Therefore, there are no procedures in place to mitigate these risks.

1. Current and Call Account Interest Rate

- A one percentage point increase/decrease in current account interest rate.
- A one percentage point increase/ decrease in call account interest rate.
- A one percentage point increase/ decrease in Finance Lease Agreement interest rate.

2014

Current & call account interest rate.				R'000
Current Balance				
Current bank and call account Balance	1,831		1,923	1,739
% change		5%		-5%
Finance lease agreement interest				
Current Balance		1%		-1%
Finance Lease Agreement	299		327	271
% change		9.5%		-9.5%

2013

Current & call account interest rate.				R'000
Current Balance				
Current bank and call account Balance	10,144		10,651	9,637
% change		5%		-5%
Finance lease agreement interest				
Current Balance		1%		-1%
Finance Lease Agreement	224		245	204
% change		9.5%		-9.5%

27. FINANCIAL INSTRUMENTS (Continued)

2) An analysis of the ageing of Debtors that are more than 30 days

R'000

Debtors type	Total	Current	30-120	120+
2014				
Staff Debtors	46	-	46	-
Sundry Debtors	95	-	95	-
Interest Receivable	15	15	-	-
Totals	**156**	**15**	**141**	**-**
2013				
Staff Debtors	50	50	-	-
Sundry Debtors	-	-	-	-
Interest Receivable	41	41	-	-
Conditional Grant -DAC	1,371	747	-	-
National Lottery	6	6	-	-
Totals	**1,468**	**1,468**	**-**	**-**

3) Financial Assets Subject To Credit Risk

Debtors type	Total	Fully Performing	Over 30 days but not Impaired	Impaired
2014				**R'000**
Staff Debtors	46	46	-	-
Other Debtors	95	95	-	-
Interest Receivable	15	15	-	-
Conditional Grant DAC	-	-	-	-
National Lottery	-	-	-	-
Totals	**156**	**156**	**-**	**-**
2013				**R'000**
Staff Debtors	50	50	-	-
Other Debtors	497	497	-	-
Interest Receivable	41	41	-	-
Conditional Grant DAC	874	874	-	-
National Lottery	6	6	-	-
Totals	**1,468**	**1,468**	**-**	**-**

27. FINANCIAL INSTRUMENTS (Continued)

4) MATURITY PROFILE OF FINANCIAL INSTRUMENTS

31-Mar-14	1 year or less	1-5 years	Total R'000
Assets	**156**	**-**	**156**
Trade and other Receivables			
Cash			
Call Account	1		1
Current Account- Lottery Funds	1,367	-	1,367
Cheque Account	461	-	461
Total Financial assets	**1,985**		**1,985**
Liabilities			
Finance lease	(299)	(919)	(1,218)
Trade and other Payables	(10,417)	-	(10,417)
Total Finance Liability	**(10,716)**	**(919)**	**(11,635)**
Net Financial Asset/ Liability	**(8,731)**	**(919)**	**(9,650)**

31-Mar-13	1 year or less	1-5 years	Total R'000
Assets			
Trade and other Receivables	1,468	-	1,468
Cash			
Call Account	6,273	-	6,273
Current Account- Lottery Funds	1,841	-	1,841
Cheque Account	2,030		2,030
Total Financial assets	11,612	-	11,612
Liabilities			
Lease Liability	(224)	(1,218)	(1,442)
Trade and other Payables	(5,320)	-	(5,320)
Total Finance Liability	(5,544)	(1,218)	(6,762)
Net Financial Asset/ Liability	**6,068**	**(1,218)**	**4,850**

27. FINANCIAL INSTRUMENTS (Continued)

5. LINE ITEMS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION SUMMARISED PER CATEGORY OF FINANCIAL INSTRUMENT

2014

	Carrying Amount	Adjustment	Fair value
FINANCIAL ASSETS			**R'000**
Cash and Cash equivalents	1,831	-	1,831
Trade and other receivables	155	-	155
	1,986	**-**	**1,986**

FINANCIAL LIABILITY			R'000
Finance lease Agreement	1,218	-	1,218
Trade and other Payables	10,417		10,417
	11,635	**-**	**11,635**

2013

	Carrying Amount	Adjustment	Fair value
FINANCIAL ASSETS			**R'000**
Cash and Cash equivalents	10,144	-	10,144
Trade and other receivables	1,468	-	1,468
	11,612	**-**	**11,612**
FINANCIAL LIABILITY			
Finance lease Agreement	1,442	-	1,442
Trade and other Payables	5,320	-	5,320
	6,762	**-**	**6,762**

28. CONTINGENT LIABILITIES

No contingent liabilities are recorded for the period.

29. PRIOR YEAR ADJUSTMENT

The corresponding figures for 31 March 2013 have been restated as a result of errors discovered during the financial year ended 31 March 2014.

The effect of the above errors is as follows:

STATEMENT OF CHANGES IN NET ASSETS

Effect	Nature	R'000
Increase in accumulated surplus	Estimated useful lives of assets were not assessed in the prior years and derecognition of invalid invoices recognised in the prior years.	1,607
Decrease in trade and other payables from exchange transactions	Derecognition of invalid invoices recognised in the prior years.	(930)
Decrease in accumulated depreciation and amortisation	Estimated useful lives of assets were not assessed in the prior years which resulted to non-compliance to GRAP 17.	(677)

STATEMENT OF FINANCIAL POSITION

Effect	Nature	R'000
Decrease in trade and receivable from non-exchange transactions	Correction of error relates to understatement of amortised government grant.	(681)
Increase in trade and other receivables from exchange transactions	Interest income received in the prior year was omitted by error. This income was received in the first month of the new financial which relates to the prior year.	49
Increase in trade and other payables from exchange transactions	Correction error relates unrecognised operating expenses invoices for the prior year.	1,621
Increase in trade and other payables from exchange transactions	Correction error relates unrecognised administrative expenses invoices for the prior year.	1,194
Decrease in finance lease obligation	Correction of error relates to misallocated finance lease obligation payment.	(22)
ncrease in property, plant and equipment and intangible assets	Correction error relates unrecognised property, plant and equipment invoice for the prior year.	197
Increase in trade and other payables from exchange transactions	Correction error relates unrecognised property, plant and equipment invoice for the prior year.	36

9. PRIOR YEAR ADJUSTMENT (Continued)

STATEMENT OF FINANCIAL POSITION (Continued)

Effect	Nature	R'000
Decrease in accumulated depreciation and amortisation	Estimated useful lives of assets were not assessed in the prior years which resulted to non-compliance with GRAP 17.	143
Decrease in assets held for sale	Assets realised/disposed were incorrectly classified as assets held for sale	(26)
Decrease in prepayments	Correction of an error relates to non-derecognised of prepayments in the prior year.	(569)

STATEMENT OF FINANCIAL PERFORMANCE

Effect	Nature	R'000
Increase in non-exchange revenue	Correction of an error relates to understatement of amortised government grant.	681
Increase in revenue from exchange transactions	Interest income received in the prior year was omitted by error. This income was received in the first month of the new financial which relates to the prior year.	49
Increase operating expenses	Correction of an error relates to unrecognised operating expenses invoices for the prior year.	1,621
Increase operating administrative expenses	Correction of an error relates to unrecognised administrative expenses invoices for the prior year.	1,194
Decrease in administrative expenses	Correction of an error relates to misallocated finance lease obligation payment.	(22)
Increase in depreciation and amortisation	Estimated useful lives of assets were not assessed in the prior years which resulted to non-compliance with GRAP 17.	143
Increase in assets recognition loss	Assets realised/disposed were incorrectly classified as assets held for sale	26
Increase in expenses administrative and operating expenses	Correction of an error relates to non-derecognition of prepayments in the prior year.	569
Increase in finance costs	Correction of an error relates to unrecognised interest expenses levied in terms of Compensation for Occupational Injuries and Diseases Amendment Act in the prior year.	5

30. MEMBERS EMOLUMENTS - NON EXECUTIVE

2014

Names and Designations	Honoraria R'000	Travel R'000	Total R'000
Mr M. Zwane (Chairperson)	64	10	74
* Mr Z. Fihlani	87	5	92
*^ Mr L. Mbekeni	12	1	13
*^ Mr S. Mda	12	1	13
* Ms N. Siwahla- Madiba	45	31	76
Mr R. Ledwaba	77	44	121
Mr Z. Mkiva	51	13	64
Mr F. Makhanya	8	1	9
#Mr. J Sithole	35	2	37
Mr V. Bila	32	9	41
Ms S. Nhlumayo	27	2	29
Mr T. Gwabeni	27	31	58
^Prof G. M Nkondo	10	1	11
Prof F.M Mathebula	4	-	4
^Prof S. Fikeni	6	-	6
Ambassador D Moopeloa	19	2	21
Dr H. Boshoff	8	-	8
^Prof A W Oliphant	7	2	9
*Mr Z. Nomafu	33	3	36
Adv A. Botha	13	-	13
Dr V. Khumalo	25	3	28
Prof S. Mokgoatšana	40	21	61
	642	**182**	**824**

**External Audit Committee member*
 # Resigned
^ Term Expired

30. MEMBERS EMOLUMENTS - NON EXECUTIVE (Continued)

2013

Names and Designations	Honoraria R'000	Travel R'000	Total R'000
Mr M. Zwane (Chairperson)	40	16	56
*Mr Z. Fihlani	38	8	46
*Mr L. Mbekeni	27	6	33
*Mr S. Mda	23	2	25
Mr R. Ledwaba	33	38	71
Mr Z. Mkiva	8	6	14
Mr. J. Sithole	7	13	20
Mr V. Bila	7	9	16
Ms S. Nhlumayo	2	-	2
Prof G. M Nkondo	3	-	3
Prof S. Fikeni	6	-	6
Dr H. Boshoff	2	-	2
Adv B. Madumise	3	2	5
Prof A. W. Oliphant	5	2	7
Ms N. Majokweni	4	-	4
Adv A. Botha	4	-	4
Dr V. Khumalo	-	-	-
Prof S. Mokgoatšana	7	17	24
	219	**119**	**338**

**External Audit Committee member*

31. MEMBERS EMOLUMENTS (EXECUTIVE)

2014

Names	Designation	Effective date	Basic salary R'000	Travel allowance R'000	Medical R'000	Performance Bonuses R'000	Provident fund R'000	Total R'000
S Mancotywa	Chief Executive Officer	1-April-2013	1,125	150	38	292	225	1,831
T Ramagoma	General Manager: Heritage	1-April-2013	814	151	-	119	171	1,254
**M Sigaba	Chief Financial Officer	1-April-2013	829	125	-	-	168	1,122
S Cassim	Acting Chief Financial Officer	24-March-2014	28	-	-	-	-	28
K Mpumlwana	World Heritage Specialist	1-April-2013	812	-	-	81	143	1.036
Z Thomas	Company Secretary	1-May-2013	610	-	9	-	108	727
D Goulkan	Marketing Manager	1-April-2013	628	104	-	91	129	951
B Marolen	HR Manager	1-April-2013	732	-	-	83	129	944
S Ndhlazi	Funding Manager	1-April-2013	628	104	9	92	129	961
B Mdikane	Project Manager (NLHR)	1-April-2013	732	-	-	110	129	971
S Ntshanga	Heritage Manager	1-April-2013	732	-	-	106	129	966
L Mhlongo	Supply Chain Manager	1-June-2013	433	123	14	-	96	666
M Molo	Finance Manager	1-April-2013	634	-	6	-	112	753
T Yako	Executive Manager	1-April-2013	964	-	17	-	170	1,152
			9,701	**757**	**93**	**974**	**1,838**	**13,362**

**Resigned

31. MEMBERS EMOLUMENTS (EXECUTIVE) (CONTINUED)

2013

Names	Designation	Effective date	Basic salary R'000	Travel allowance R'000	Medical R'000	Performance Bonuses R'000	Provident fund R'000	Total R'000
S Mancotywa	Chief Executive Officer	1-Apr-12	855	150	38	265	178	1.486
T Ramagoma	General Manager: Heritage	1-Apr-12	762	151	-	113	161	1,187
**N Madilonga	Chief Financial Officer	1-Apr-12	597	-	19	138	93	847
M Sigaba	Chief Financial Officer	3-Jan-13	226	-	-	-	40	266
**M.S Cassim	Chief Financial Officer	6-Nov-12	266	-	-	-	-	266
K. Mpumlwana	World Heritage Specialist	6-Aug-12	502	-	-	-	91	593
N Matanzima	Company Secretary	1-Apr-12	693	-	17	88	122	920
D Goulkan	Marketing Manager	1-Apr-12	589	104	-	87	122	902
B Marolen	HR Manager	1-Apr-12	693	-	-	83	122	898
S Ndhlazi	Funding Manager	1-Apr-12	589	104	9	76	122	900
B Mdikane	Project Manager (NLHR)	1-Apr-12	693	-	-	104	122	919
S Ntshanga	Heritage Manager	1-Apr-12	693	-	-	76	122	891
**P. Taruvinga	World Heritage Specialist (NLHR)	1-Apr-12	143	-	-	115	22	280
T. Yako	Executive Manager	3-Jan-13	197	-	1	-	41	239
			7,497	**509**	**84**	**1,145**	**1,358**	**10,593**

**Resigned

32. COMPARISON OF RESULTS WITH THE APPROVED BUDGET

Reconciliation Of Results With The Approved Budget

	R`000
Net deficit as per the statement of financial performance	(17,943)
Adjustments for:	
Depreciation and amortisation	963
Profit on sale of assets	(8)
Bad debt written off	28
Increase in provisions	536
Net deficit per approved budget	**(16,424)**

The budget was approved by the Council and submitted to the Executive Authority in terms of section 53 (1) of the PFMA

	2014	2013
	R`000	R`000
33. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
33.1 DETAILS OF IRREGULAR EXPENDITURE		
Opening Balance	12,805	10,819
Add: Irregular Expenditure current year	2,569	1,986
	15,374	**12,805**
Analysis of irregular expenditure condoned by the Accounting Authority per age classification:		
Current Year	-	-
Prior years	10,819	10,819
	10,819	**10,819**
Analysis of irregular expenditure per age classification awaiting condonation per classification:		
Current Year	2,569	1,986
Prior years	1,986	-
	4,555	**1,986**
Details of irregular expenditure – current year:		
Incident		
Non-Compliance with PFMA and Treasury Regulations - Three quotations not obtained **Disciplinary steps taken/Criminal proceedings:** Mutually separated with the CFO	-	471
Non-Compliance with PFMA and Treasury Regulations – Operating contracts which are on a month to month basis **Disciplinary steps taken/Criminal proceedings:** Mutually separated with the CFO	2,315	1,515
Non-Compliance with PFMA and Treasury Regulations – Non-submission of mandatory documents	99	-
Non-Compliance with PFMA and Treasury Regulations - Original amount of contract increased by more than 15 percent **Disciplinary steps taken/Criminal proceedings:** Mutually separated with the CFO	155	-
	2,569	**1,986**

33. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (Continued)

	2014	2013
	R`000	R`000
33.2 Details of Fruitless and Wasteful Expenditure		
Opening Balance	2,085	2,084
Add: Fruitless and wasteful expenditure current year	230	1
	2,315	**2,085**
Analysis of expenditure		
Current Year	230	1
Prior years	2,085	2,084
	2,315	**2,085**
Analysis of fruitless and wasteful expenditure condoned by the Accounting Authority per age classification:		
Current Year	45	-
Prior years	2,084	2,084
	2,129	**2,084**
Analysis of fruitless and wasteful expenditure per age classification awaiting condonation per classification:		
Current Year	185	1
Prior years	1	-
	186	**1**

33.2 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE (continued)

		2014	2013
		R`000	R`000
Incident	**Disciplinary steps taken/ Criminal proceedings**		
Booking cancellation was not done in time – service fee charged	Mutually separated with the CFO	3	-
Interest on late payment to suppliers	Mutually separated with the CFO	1	1
Penalty on late submission of payroll input data	Mutually separated with the CFO	10	-
Fee charged to run a special payroll for the bonus payment	Mutually separated with the CFO	2	-
Interest on incorrect payment for pension contributions	Mutually separated with the CFO	8	-
Interest and penalty on late SARS payment.	Mutually separated with the CFO	154	-
Advertising costs for Internal Audit Bid - Bid withdrawn	Mutually separated with the CFO	7	-
Legal Costs - Legal opinion obtained by the Accounting Officer for negotiating a settlement amount for mutually separate with the previous Chief Financial Officer with Council`s approval	None	45	-
		230	**1**

34. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Nothing has come to the attention of the Accounting Officer and Accounting Authority to indicate that the organisation would not remain a going concern for the foreseeable future, based on forecasts and its liquidity.

The liquidity and solvency of the National Heritage Council is in a precarious position. The going concern assumption is valid in the light of the funding from the Department of Arts and Culture and initiatives underway for fundraising and increased shareholder funding.

35. COMMITMENTS

	2014 R'000	2013 R'000
Funding Disbursements (Heritage Funded Projects)	4,696	1,450
Quotations and contracts	9,548	401
TOTAL	**14,244**	**1,851**

	2014	RESTATED 2013
	R'000	R'000
REVENUE	**55,746**	**52,450**
Government grant/transfer	52,714	50,063
Amortised conditional grants/transfers - Other	3	372
Amortised conditional grants/transfers - National Lottery	2,856	1,508
Other income	15	28
Interest received	158	479
EXPENSES	**(73,689)**	**(54,678)**
Operating expenses	(22,540)	(14,608)
Administrative expenses	(25,968)	(19,467)
Employment related costs	(22,500)	(18,241)
Operating lease expenses	(1,404)	(1,404)
Debt written off	(28)	-
Finance costs	(286)	(109)
Depreciation	(840)	(776)
Amortisation	(123)	(73)
DEFICIT FOR THE PERIOD	**(17,943)**	**(2,228)**

	2014	2013
	R'000	R'000
OPERATING EXPENSES		
Legal Fees	**872**	**61**
Entertainment Expenses	**183**	**219**
Heritage Projects and Programmes	**20,977**	**13,945**
Funding disbursements (Heritage Funded Projects)	12,020	5,274
Transformation Charter	8	-
Heritage Month Programme	7	-
Heritage Awards	43	
Young Indigenous Artists	-	40
Heritage Resource Centre	18	125
Heritage projects expenses	-	661
Ubuntu in Nation building	1,007	1,412
Heritage Strategic Programmes	14	686
Heritage Engagement with Sector	23	34
SATMA Awards - Department of Arts & Culture	1,500	1,000
Early African Intellectuals	300	-
Support of Youth Heritage	299	-
IARi / iKSSA	-	778
Heritage Awards	430	868
Policy Publications	-	75
Heritage and Education Outreach Programme Project	629	709
Research Work by Panel Members	1,378	-
Publish Volumes of Heritage Books	16	-
Implement NHC IRP	32	-
Contribute to Policy related initiatives	54	-
Definition of Heritage	301	-
Position Papers – Policies	-	1
Heritage Liberation Route - Lottery Funded	2,856	1,508
Heritage sites	42	774
Staff Training and Development	**419**	**321**
Staff Training	292	236
Subscriptions	127	85
Maintenance, Repairs and Running Costs	**89**	**62**
Repairs and Maintenance	89	62
	22,540	**14,608**

	2014	2013
	R'000	R'000
ADMINISTRATIVE EXPENSES		
GENERAL AND ADMINISTRATIVE EXPENSES	**16,194**	**13,680**
Catering Meetings	34	43
Audit Fees (Internal)	801	230
Audit Fees (External)	1,348	1,117
Advertising of Posts	251	262
Marketing & Communication	1,196	1,001
Advertising - Tenders & Policies	807	1,080
Bank Charges	16	13
Consulting Fees	4,108	2,554
Courier & Postage	84	61
Electricity, Water & Refuse	292	260
Honoraria	716	336
Insurance	106	68
Staff Welfare	661	373
Leasing & hire costs	2	5
Rentals - Office Equipment	5	70
Motor Vehicle Expenses	80	40
Printing & Stationery	700	342
Rates & Taxes	103	83
Publications	739	802
Recruitment Cost	104	70
Stakeholder Relations	261	599
Workshops	1,522	2,651
Sundry Expense	31	32
Telephone & Faxes	490	320
Cell phone Accounts	797	510
Loss on de recognition	-	26
Temp Staff	366	450
Bad debts	-	-
IT Support	572	282
TRAVEL AND SUBSISTENCE	**9,774**	**5,786**
	25,968	**19,445**

	2014	2013
	R'000	R'000
EMPLOYMENT RELATED COSTS		
EMPLOYMENT RELATED COSTS		
Salaries	20,304	16,918
Leave Pay	215	(273)
Performance Bonus Pay	1,981	1,596
	22,500	**18,241**

NOTES

NOTES

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ISBN: 978-0-621-42918-3

Designed by Ideahub Communications