

HERITAGE MVELELE BOSWA INKCUBEKO BOHWA AMAFA SETŠO MFUWO BOTJHABA KULTUUR AMASIKO
MOLO MOLWENI HALLO AA DUMELANG AVUXENI SAWUBONA MOLO MORE NDAA DUMELA
Setso Isiko Vhufa Amagugu Ndzhaka *Lisiko Erfenis Imvelaphi* HALLO AVUXENI
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nhc

National Heritage Council
SOUTH AFRICA

an agency of the
Department of Sport, Arts and Culture

The Year Of
Indigenous
Languages

Annual
Report 2019/20

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PART A: **GENERAL INFORMATION**



PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA

PHYSICAL ADDRESS: 353 Festival Street
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Pretoria
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TELEPHONE NUMBER/S: +27 12 748 3949

EMAIL ADDRESS: nhc@nhc.org.za

WEBSITE ADDRESS: www.nhc.org.za

EXTERNAL AUDITORS: Auditor General of South Africa

INTERNAL AUDITORS: Rakoma and Associates

BANKERS: First National Bank

ACTING COMPANY SECRETARY: Mr. Tembile Yako

2. LIST OF ABBREVIATIONS/ACRONYMS

ACH	Arts, Culture and Heritage
AGSA	Auditor General of South Africa
AFS	Annual Financial Statements
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BBBEE	Black Broad Based Economic Empowerment
CEO	Chief Executive Officer
DAC	Department of Arts and Culture
DSAC	Department of Sport, Arts and Culture
DMV	Department of Military Veterans
MEC	Member of Executive Council
MHSC	Mining Health and Safety Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAC	National Arts Council
NFVF	National Film and Video Foundation
NHC	National Heritage Council
NLDTF	National Lotteries Distribution Trust Fund
PanSALB	Pan South African Language Board
PFMA	Public Finance Management Act
RLHR	Resistance and Liberation Heritage Route
SAHRA	South African Heritage Resources Agency
SAMSA	South African Maritime Safety Authority
SATMA	South African Traditional Music Achievement
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
UNESCO	United Nations Education, Scientific and Cultural Organisation

PART A: GENERAL INFORMATION

3. STRATEGIC OVERVIEW

3.1. Vision

A nation proud of its African heritage.

3.2. Mission

Through development, promotion and preservation of heritage for sustainable development and transformation, we will know that we are achieving this when South Africans experience the following:

- They are knowledgeable about heritage;
- Have access to their heritage;
- Benefit from heritage;
- Utilise heritage in their lives; and
- Behave in a way that demonstrates their pride in heritage.

3.3. Values

Within Ubuntu philosophy, 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:

- Batho Pele;
- Integrity;
- Professionalism;
- Equity; and
- Creativity

4. LEGISLATIVE MANDATE

The mandate of the NHC is contained in Section 4 of the National Heritage Council Act, 1999 (No. 11 of 1999). The objects of the act are:

- a) To 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 strategic initiatives and their related objectives. The core functions of the Council are to:

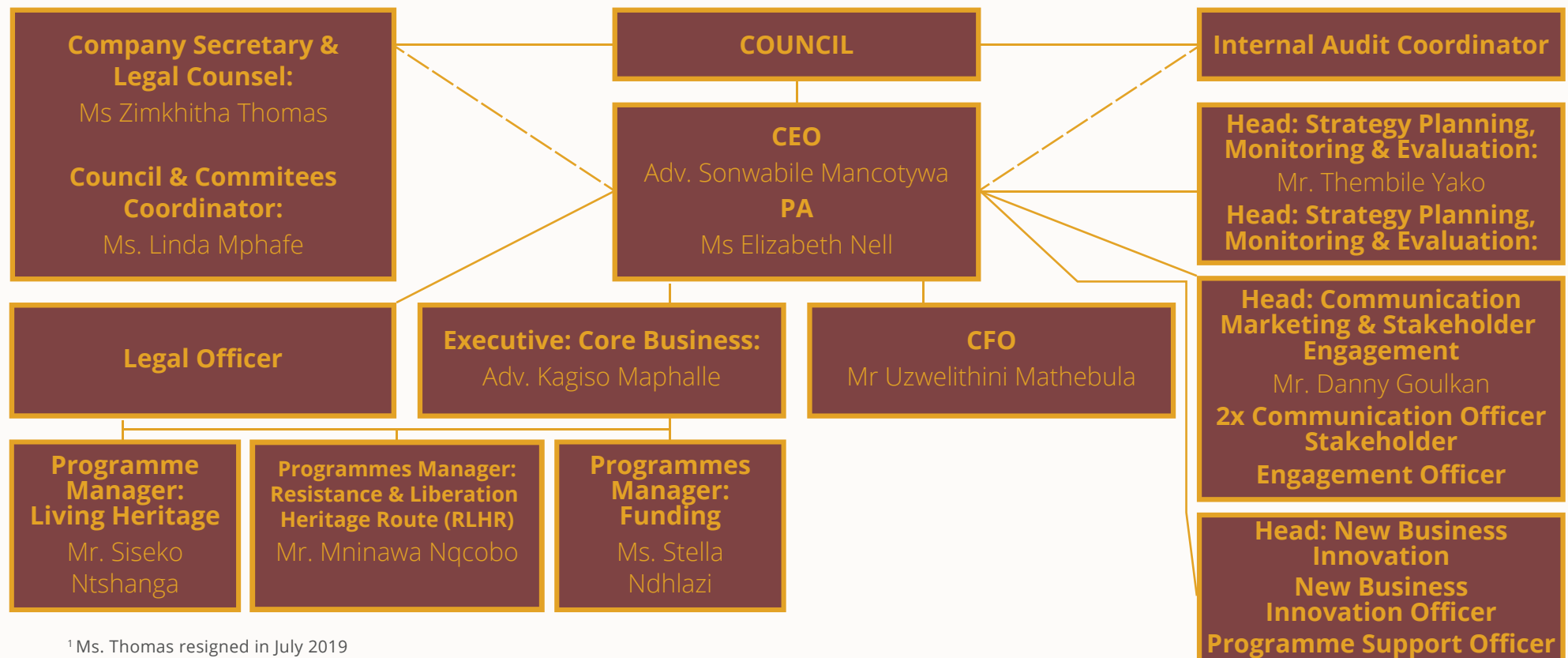
- a) Advise the Minister on:
 - (i) National policies on heritage matters, including indigenous knowledge systems, treasures, restitution and other relevant matters; and
 - (ii) Any other matter concerning heritage which the Minister may from time to time determine;
- b) Advise the Minister on the allocation 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;

PART A: GENERAL INFORMATION

4. LEGISLATIVE MANDATE

- h) Consult and liaise with relevant stakeholders on heritage matters;
 - i) Generally support, nurture and develop access to institutions and programmes that promote and bring equity to heritage management;
 - j) Promote an awareness of the history of all our peoples, including the history of enslavement in South Africa;
 - k) Lobby in order to secure funding for heritage management and to create a greater public awareness of the importance of our nation's heritage;
 - l) Perform such duties in respect of its objects as the Minister may assign to it; and
- The Council may on its own initiative advise the Minister on any matter concerning heritage.

5. ORGANISATIONAL STRUCTURE¹

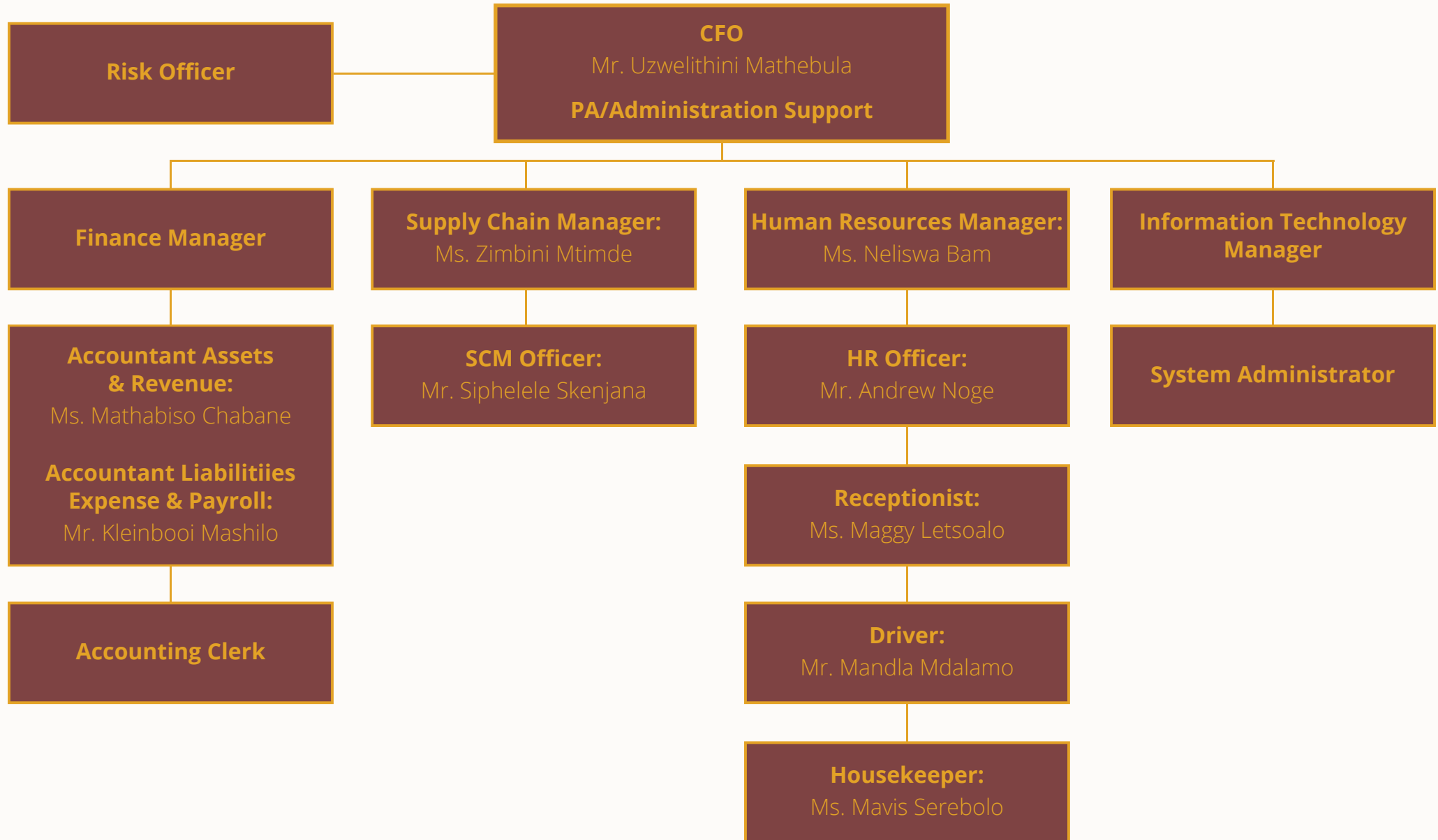


¹ Ms. Thomas resigned in July 2019

PART A: GENERAL INFORMATION



PART A: GENERAL INFORMATION



PART A: GENERAL INFORMATION

6. FOREWORD BY THE ACTING CEO



It is my pleasure to present the 2019/20 Annual Report of the National Heritage Council (NHC). The 2019/20 Financial year ended on a very difficult note with the country going into lockdown after the government has declared a State of National Disaster owing to the threat posed by the COVID-19 Pandemic.

This Annual Report is presented to Parliament during a transitional phase in the NHC following governance challenges experienced by the entity which led to the dissolution of the Council by the Minister of Sport, Arts and Culture and the resignation of the former CEO on the 24th August 2020.

I was appointed as the Administrator, together with two Assistant Administrators, by the Minister with effect from 27 August 2020.

The Administration Team assumed office five months after end of the financial year. The Team engaged robustly with the management of the NHC in order to understand the governance challenges facing the entity. The audit process that commenced in June was seriously lagging behind. This required the Team to intervene in ensuring that the audit gets finalised.

I present this annual report as a reflection of the financial and non-financial performance information as audited by the Auditor General of South Africa (AGSA).

The central focus of the NHC is to transform and celebrate diversity of South Africa's heritage. The NHC immersed itself in uplifting and showcasing the diversity of the previously marginalised heritage and culture therefore all the NHC's work is directed towards this goal.

During the financial year under review, the NHC supported work done by heritage practitioners and other stakeholders on commemorative events, knowledge production and cultural expressions. This included the flagship Heritage Education Schools Outreach Programme (HESOP) and the Golden Shield Heritage Awards (GOSHA).

The NHC reached its fifteen years since establishment in 2019.

PART A: GENERAL INFORMATION

This milestone presents an opportunity for the NHC to consolidate its institutional knowledge and strengthen governance.

The challenges in the organisation were further highlighted in the outcomes of the Audit Report. The Office of the AGSA issued the NHC with a qualified opinion for the financial year 2019/2020. Among the matters raised by the AGSA, were valuation of property, plant and equipment, misstatements of the Annual Performance Information, Internal Control Deficiencies, inadequacy of Contract Management and Consequence Management. The unsatisfactory compliance with legislation in relation to financial management was also raised as a matter of emphasis.

I wish to express my appreciation to the former CEO who served the entity in this capacity for fifteen years.

Furthermore, I wish to extend a word of gratitude to the previous Council Members for the time that they served the NHC. I would also like to pay respects to Adv. Moopeli, the Free State Representative who passed away on 02 November 2019. Similarly, I wish to acknowledge the former Chairperson, Dr. Thulani John Mbuli, who passed away on 11 July 2020.

The Administration Team will direct the stabilisation of the NHC through the implementation of good governance and sound administration.

Ms. Moruakgomo Louisa Mabe
Acting CEO



A young Sepedi poet duo led by Matalane who is also an author of indigenous folklores, entertained the guests at the 2019 GOSHA with their electrifying indigenous poetry. The awards were held in September, Heritage Month, in Limpopo, Polokwane in partnership with the Provincial Department of Sport, Arts and Culture. Winners in twelve categories were awarded and handed their prizes. Heritage activists in the Limpopo Province were specifically given an opportunity to participate and be recognized for their efforts on promoting and preserving heritage. Drs Caiphus Semanya and Letta Mbulu were presented with the Lifetime Achievement Award.



PART B: **PERFORMANCE INFORMATION**



PART B: PERFORMANCE INFORMATION

1.

STATEMENT OF RESPONSIBILITY REGARDING PERFORMANCE INFORMATION

Statement of Responsibility Regarding Performance Information for the Year ended 31 March 2020

The Chief Executive Officer is responsible for 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 of the National Heritage Council for the financial year ended 31 March 2020.



Ms. Moruakgomo Louisa Mabe
Acting CEO
30 October 2020

2.

AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General has conducted some audit procedures on the performance information for usefulness and reliability, compliance with laws and regulations and internal control, but an opinion is not expressed on the performance information.

Refer to page 53 of the Report of the Auditor General's Report, included in Part E: Financial Information.

3.

OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE

3.1. Strategic Outcome Oriented Goals

The NHC has the following strategic outcome-oriented goals:

Strategic Outcome Oriented Goal 1	An internationally recognised heritage organisation on the African continent
Indicators	Increase the level of awareness and participation of the NHC as a heritage organisation in Africa through the following: • Number of activities to promote awareness about the NHC • Number of multilateral and bilateral heritage agreements initiated with African countries • Number of presentations of research data on African Liberation Heritage Programme • Number of heritage exchange programmes participated in

PART B: PERFORMANCE INFORMATION

3.

OVERVIEW OF THE NATIONAL HERITAGE
COUNCIL'S PERFORMANCE (continued)

Strategic Outcome Oriented Goal 2	Mainstreaming of liberation heritage
Indicators	- Level of progress with domestic management of liberation heritage - Level of progress towards world heritage listing of the LHR - Number of submissions on the African Liberation Heritage Programme - Number of research reports and publications - Number of presentations made on the liberation heritage - Number of knowledge partnerships signed - Number of inter-governmental arrangements formalised - Number of identified sites submitted for formal protection

Strategic Outcome Oriented Goal 4	The leading institution on intangible heritage in South Africa
Indicators	- Approved framework for the establishment of a heritage institute by 2017 - Number of Intangible Cultural heritage (ICH) research initiatives funded - Number of intangible heritage programmes implemented and tangible heritage programmes supported

Strategic Outcome Oriented Goal 3	Increased knowledge and awareness about South Africa's heritage by South Africa's citizens
Indicators	- Increased number of participants in heritage activities - Number of research outputs produced - Number of manuscripts from funded heritage projects published - Number of presentations made on heritage - Number of knowledge partnerships signed - Proportion of performance milestones achieved on the implementation of the NHC Language Policy - Level of implementation of the research agenda

Strategic Outcome Oriented Goal 5	Social Cohesion and nation building
Indicators	- Number of annual stakeholder engagement sessions - Number of advocacy programmes / campaigns conducted annually - Number of nation building initiatives implemented and funded annually

PART B: PERFORMANCE INFORMATION

3.

OVERVIEW OF THE NATIONAL HERITAGE
COUNCIL'S PERFORMANCE (continued)

Strategic Outcome Oriented Goal 6	An effective, efficient and sustainable institution
Indicators	Effectiveness • Unqualified audit • Level of collaboration with experts in the field Efficiency • Level of functionality of operational systems • Establishment of Project Management Office Sustainability • Level of skills retention • Alignment with adapted King III • Level of viability and credibility of the knowledge management strategy • Retention of institutional memory • Diversity of funding streams

3.2. Service Delivery Environment

The year under review ended on a precarious note, with the last quarter filled with uncertainty and anxiety since the Covid-19 pandemic had broken out in China in December 2019.

In the year under review, there was an increase in the demand for support of the NHC and partnerships from community based heritage organisations and practitioners; as well as invitations for the CEO and other NHC personnel to attend and address heritage and cultural events.

While it was desirable to support as many of projects and events as possible, it was not always possible to respond positively to all requests, due to human and financial resource limitations.

3.3. Overview of the Organisational Environment

The NHC strived to sustain its presence and interaction with stakeholders across the three tiers of government as well as internationally. Engagement with stakeholders had to be balanced and weighed against the austerity measures implemented to contain expenditure. The economic slowdown had a negative impact on the sector, which struggled to augment the limited government funding.

In the 2019/20 financial year, the NHC continued to enjoy goodwill among stakeholders and acknowledgement as the first point of call on heritage matters. It continued to sustain its responsiveness and support to stakeholders, particularly rural communities and organisations; as well as reaching critical milestones through collaboration and partnerships with a range of stakeholders in the sector, locally and abroad.

The NHC collaborated on the 2019 National Freedom Day Celebrations with the Department of Sport, Arts and Culture in Makana, with a Memorial Lecture on the 200th Anniversary of the Battle of Egazini.

As part of engagements with different stakeholders to strengthen social cohesion, the NHC supported the South African Interfaith Council to host an Interfaith Dialogue on social cohesion and nation building in April 2019; and participated in the programme of the Department of Women on gender based violence. Public hearings commenced on 26 April 2019 focusing on the boy child.

On the Resistance and Liberation Heritage Route (RLHR) the NHC partnered with the National Youth Development Agency (NYDA) and the South African Heritage Resources Agency (SAHRA) on the 40th Commemoration of the hanging of Solomon "Kalushi" Mahlangu and the grading of his home as a Grade 1 heritage site and the beginning of public consultations for the declaration of the home as a national heritage site.

PART B: PERFORMANCE INFORMATION

3.

OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE (continued)



During March 2020, the National Heritage Council of South Africa (NHC) and the Congress of Traditional Leaders of South Africa (CONTRALESA) collaborated in curbing the widespread of the global pandemic, Covid19 to South Africa's rural communities. Both institutions hosted a media launch in Pretoria, where the media was addressed on the strategic goal for the collaboration and efforts that were going to be undertaken .i.e. engage the relevant stakeholders in the pandemic; Department of Health, Education and Communication to expedite the communication and educational drive of COVID19 to the lower end of communities in their languages and through platforms that are easily accessible to them.

PART B: PERFORMANCE INFORMATION

3.

OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE (continued)

The NHC also supported the inauguration of the Cradock Four Garden of Remembrance in Cradock where the National Department of Tourism (NDT) handed over infrastructure underscoring the nexus between heritage and tourism in order for the Cradock community to leverage economic development on their liberation heritage.



**Cradock Four
Garden of
Remembrance**

In pursuit of the Policy Advice mandate of the NHC, two Policy Position Papers were produced and workshopped in the financial year under review. These are on:

- *Liberation Icons: Toward a Policy Framework* which looks at the role of the state and the families in the burial and memorialisation of icons; and
- *Private versus Public Management of Heritage* which looks at the common practices and different applications by the two sub-sectors.

On knowledge production, two journal articles on the *State of archives* in general and another one on *Liberation Struggle Archives* were produced by the Panel of Experts appointed to augment the internal capacity of the NHC on research and policy development.

Cooperative interventions working with Traditional Leaders

One of the important stakeholders in the heritage community is traditional leaders. They are at the forefront of protecting and preserving our cultural heritage. The Congress of Traditional Leaders of South Africa (CONTRALESA) often collaborates with the NHC on significant matters that affect society. This was evidenced again just before the end of the financial year when the COVID19 scare and focus brought the attention to the vulnerability of the rural communities who are under the leadership of traditional leaders.

The two organisations briefed the media on 14 March 2020 in Pretoria about the need to reach out to rural communities to create the relevant awareness and educate them about prevention methods. This placed the need for rural communities' relief interventions which government gradually provided as the situation became dire. It is such partnerships that become essential and valuable even if it is not a direct heritage intervention. The involvement of the NHC have probably saved some of the community elders who are knowledge reservoirs to live to tell their tale to the younger generation as part of our country's living heritage.

PART B: PERFORMANCE INFORMATION

3.

OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE (continued)

the situation became dire. It is such partnerships that become essential and valuable even if it is not a direct heritage intervention. The involvement of the NHC have probably saved some of the community elders who are knowledge reservoirs to live to tell their tale to the younger generation as part of our country's living heritage.

International cooperation

The NHC was admitted as a member of the Global Public Diplomacy Network (GPDNet) in January 2020 at their 4th General Assembly that was held in Qatar. The GPDNet was founded in 2014 in Seoul as a platform that contributes to international community through cultural and civil society initiatives by sharing knowledge and encouraging cooperation. The GPDNet is comprised of non-profit national level institutions promoting cultural and public diplomacy.

The organisation occupies itself with organising conferences, seminars, workshops and other educational events related to the exchange of knowledge and experience in the field of public diplomacy.

The NHC wish to benefit from the members of the GPDNet whose experience and programmes will be enriching. These opportunities and more are yet to be explored once the global interaction becomes easier post-COVID19.

Other international engagements included working visits to Vietnam and Syria to explore bilateral cooperation in heritage conservation.

The DAC invited the NHC to participate in the Reference Group on the Resistance and Liberation Heritage Museum, and as part of this work joined the multidisciplinary team led by the DSAC to do benchmarking in countries like Senegal, Russia, Germany, Brazil, and Argentina on memorialisation.

The NHC continued to successfully implement and support flagship programmes like the SATMA Awards, as well as the Golden Shield Heritage Awards (GOSHA).



The annual South African Traditional Music Awards is a highlight of the heritage month calendar. Traditional musicians, poets and comedians whose work is purely indigenous have SATMA as the only platform of its kind in the entertainment industry that recognizes their work in South Africa. The Awards Ceremony of 2019 was held in the Mpumalanga Province after to completed it three-year season in the North-West Province. Winners and finalists of the SATMA have proceeded to have score lucrative recording contracts or at the least receive the exposure on the key media partner South African Broadcasting Corporation (SABC) radio and television.

PART B: PERFORMANCE INFORMATION

3. OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE (continued)

The 2019 GOSHA were held in Polokwane, Limpopo for the first time and were a resounding success.

The organisation enjoys a sound and stable labour relations environment, with employees regularly engaged and consulted on developments affecting their conditions of service. Consequently, there has been no unrest or recorded disharmony between management and staff in the year under review.

3.4. Key Policy Developments and Legislative Changes

The DAC continued with the consultations on the review of the White Paper on Arts, Culture and Heritage; however, there were no legislative changes.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. Programme 1: Administration

The aim of this programme is to provide strategic leadership and enable NHC performance through the delivery of support services.

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

- Office of the CEO;
- Communications;
- Company Secretariat; and
- Corporate Services.

Key performance measures, targets and actual results

Strategic objectives:

- 1.1. Provide strategic management services
- 1.2. Promote the NHC and its programmes
- 1.3. Development of highly capable organisational personnel
- 1.4. Financial and procurement support provided
- 1.5. Provide ICT support

SUMMARY

- A total of 11 targets had been planned for Programme 1 in 2019/20.
- 11 targets (100%) were achieved.



The 2019 Heritage Education School Outreach Programme (HESOP) week long camp was held during Heritage month in Limpopo. This gruelling yet fun and educational programme is fully supported by the Department of Basic Education and sponsored by other government entities; National Film and Video Foundation (NFVF), Brand South Africa, SANPARKS, National Youth Development Agency NYDA), South Africa Heritage Resources Agency (SAHRA) and the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA). The following top four schools walked away with educational prizes; 1. Sitintile Secondary School from Mpumalanga took first place; 2. Vuyani Mawethu High School from North West second place;

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME (PROGRAMME 1 continued)

Performance Indicator			Actual Achievement in 2018/19	Planned Target for 2019/20	Actual Achievement in 2019/20	Deviation from planned target to Actual Achievement in 2019/20	Comment on deviations
1.1	a.	Dates by which compliance documents (APP, Quarterly Reports, AFS and Annual Report) are submitted to the Executive Authority.	Organisation wide adherence to compliance dates achieved.	Organisation wide adherence to compliance dates achieved.	Organisation wide adherence to compliance dates achieved.	The target was achieved as planned with no deviation.	N/A.
1.2	a.	Number of heritage publications produced.	Heritage Magazine produced (2x issues of 5000 copies each).	1 heritage publication produced.	1 heritage publication produced.	The target was achieved as planned with no deviation.	N/A.
	b.	Number of planned media engagements conducted.	12 x planned Media engagements conducted (media coordination for projects e.g. briefings).	12 x planned Media engagements conducted (media coordination for projects e.g. briefings).	16 x planned Media engagements conducted (media coordination for projects e.g. briefings).	The target was exceeded by 4 media engagements.	The target was exceeded due to escalation of engagements to profile work of the NHC and a positive relationship with the media.
	c.	Number of multimedia campaigns conducted about key NHC projects.	10 multimedia awareness campaigns conducted about key NHC projects.	10 multimedia awareness campaigns conducted about key NHC projects.	17 multimedia awareness campaigns conducted about key NHC projects.	The target was exceeded by 7 multimedia campaigns.	There was an increase of multimedia campaigns to improve the multimedia profile of the NHC and its work on various heritage issues.
1.3	a.	Level of implementation of the Approved Annual Training Plan in critical skills.	80% implementation of the approved Annual Training Plan on critical skills.	80% implementation of the approved Annual Training Plan on critical skills.	82% Implementation of the approved Annual Training Plan on critical skills.	The target was exceeded by 2%.	Staff members undertook additional training within the budget.
	b.	Number of staff retained in funded positions.	85% staff retention in funded positions.	90% staff retention in funded positions.	92% staff retention in the funded posts.	The target was exceeded by 2%.	There were only two resignations in the 2019/20 financial year.
	c.	Number of programmes to promote employee wellness.	3 initiatives to promote employee wellness implemented.	4 programmes to promote employee wellness implemented.	4 programmes to promote employee wellness implemented.	The target was achieved as planned, with no deviation.	N/A

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME (PROGRAMME 1 continued)

Performance Indicator			Actual Achievement in 2018/19	Planned Target for 2019/20	Actual Achievement in 2019/20	Deviation from planned target to Actual Achievement in 2019/20	Comment on deviations
1.4	a.	Audit opinion (Unqualified)/(-Clean).	Unqualified audit opinion achieved.	Unqualified audit opinion achieved.	Unqualified audit opinion achieved.	The target was achieved as planned, with no deviation.	N/A
1.5	a.	Level of IT Client Satisfaction Survey rating achieved (%).	76% client satisfaction rating achieved.	IT client satisfaction survey rating achieved (80%).	IT client satisfaction survey 81% rating achieved.	The target was exceeded by 1%.	Client satisfaction target exceeded due to the improvements in the service provided to staff by the ICT service provider.
	b.	Level of Local Area Network availability (%)	95% Local Area Network availability.	Local Area Network availability (95%)	99,6% network availability achieved	The target was exceeded by 4,6%.	The target was exceeded due to increased frequency in the monitoring of the network and regular preventative maintenance performed to reduce downtimes.
	c.	Disaster Recovery & Business Continuity Plan approved and tested	Disaster recovery & business continuity plan reviewed and tested.	Disaster Recovery & Business Continuity Plan approved and tested	Disaster Recovery & Business Continuity Plan tested	The target was achieved as planned, with no deviation.	N/A

Strategy to overcome areas of under-performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets.

PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME

4.2. Programme 2: Heritage Promotion

The purpose of the programme is to meet NHC customer expectations through the delivery of NHC products and services.

Programme 2 consists of the following sub programmes:

- Heritage Management
- Funding
- Resistance and Liberation Heritage Route

Key Performance measures, targets and actual results

Strategic objectives:

- 2.1. To intensify the promotion of living heritage through collaborations and stakeholder engagements nationally and internationally
- 2.2. To develop a national planning, policy development and research capability that will create an enabling environment for the advancement and promotion of National Heritage content
- 2.3. To build a network of strategic partnerships to strengthen and integrate heritage development by extending the influence of the NHC and leveraging the resources through partnerships
- 2.4. To coordinate the management of the Liberation Heritage Route, the African Liberation Heritage Programme and national input in the world heritage agenda by promoting the influence of the South African heritage globally.

SUMMARY

- A total of 15 targets had been planned for Programme 2 in 2019/20.
- 14 targets (93.3%) were achieved as planned.



PART B: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME (PROGRAMME 2 continued)

Performance Indicator			Actual Achievement in 2018/19	Planned Target for 2019/20	Actual Achievement in 2019/20	Deviation from planned target to Actual Achievement in 2019/20	Comment on deviations
2.1	a.	Number of exchange programmes implemented per annum	1 exchange programme participated in per annum.	1 exchange programme implemented per annum.	The exchange programme was not implemented by the NHC. The NHC participated in the SOMAFCO Youth Exchange Programme.	The target was not achieved as planned. The NHC participated instead of the implementation.	The NHC participated in the SOMAFCO Youth Exchange Programme to Tanzania in 2019.
	b.	Number of international multilateral engagements per annum	1 international multilateral engagement annually.	1 international multilateral engagement implemented per annum	1 international multilateral engagement implemented.	The target was achieved as planned with no deviation.	N/A.
	c.	Number of community based cultural expressions implemented or supported.	3 cultural expressions supported.	3 cultural expressions supported.	3 cultural expressions supported.	The target was achieved as planned with no deviation.	N/A.
	d.	Number of nation building initiatives implemented and funded.	3 nation building initiatives implemented and funded	3 nation building initiatives implemented and funded	4 nation building initiatives implemented and funded	The target was exceeded with 1 nation building initiative implemented and funded.	An opportunity became available to fund an additional initiative within the allocated budget.
2.2	a.	Number of research products produced per annum	1 publication produced.	1 publication produced per annum.	4 publications produced.	The target was exceeded with 3 publications.	The publications were produced by funded projects and completed in the 2019/20 financial year.
	b.	Number of policy position papers produced per year	2 Position Papers produced per year	2 Position Papers produced per annum	2 Position Papers produced per annum	The target was achieved as planned with no deviation.	N/A
	c.	Number of heritage journal articles contributed per annum	2 journal articles contributed	2 journal articles contributed per annum	2 journal articles contributed	The target was achieved as planned with no deviation.	N/A
	d.	Number of heritage education initiatives implemented.	1 heritage education initiative supported	1 heritage education initiative implemented.	1 heritage education initiative implemented.	The target was achieved as planned with no deviation.	N/A

PART B: PERFORMANCE INFORMATION

Performance Indicator			Actual Achievement in 2018/19	Planned Target for 2019/20	Actual Achievement in 2019/20	Deviation from planned target to Actual Achievement in 2019/20	Comment on deviations
2.3	a.	Number of community heritage projects supported and funded.	23 community heritage projects supported and funded.	25 community heritage projects supported and funded.	28 community heritage projects supported and funded.	The target was exceeded with 3 community projects supported and funded.	Additional resources were sourced to support additional worthy projects that had applied for funding.
	b.	Level of funds raised outside the DAC Grant (%)	1 international multilateral engagement annually.	1 international multilateral engagement implemented per annum	1 international multilateral engagement implemented.	The target was achieved as planned with no deviation.	N/A.
	c.	Number of community based cultural expressions implemented or supported.	3.64% additional funds raised outside the DAC grant.	2% additional funds raised outside the DAC grant	2.38% additional funds raised outside the DAC grant	The target was exceeded by 0.38%.	Fundraising efforts and partnerships yielded better results than planned and anticipated.
2.4	a.	Number of commemorative events supported	2 Commemorative events supported.	3 Commemorative events implemented/supported	8 Commemorative events supported	The target was exceeded with 5 commemorative events supported.	The commemorative events were held in partnership with other stakeholders.
	b.	Number of repatriations supported	3 repatriations supported.	3 repatriations supported	3 repatriations supported	The target was achieved as planned with no deviation.	N/A
	c.	Number of presentations on LHR made to different stakeholders	5 presentations on LHR made to different stakeholders.	5 presentations on RLHR made to different stakeholders.	9 presentations on RLHR made to different stakeholders.	The target was exceeded with 4 presentations on RLHR made to different stakeholders.	The additional presentations were made following invites and requests of stakeholders.
	d.	Number of submissions on the African Liberation Heritage Programme.	2 submissions on the African Liberation Heritage Programme.	2 submissions on the African Liberation Heritage Programme	3 submissions on the African Liberation Heritage Programme (Nigeria, Botswana and Angola)	The target was exceeded with one submission.	An additional opportunity became available for the NHC to make a submission.
	e.	Number of milestones achieved in the World Heritage Listing Programme.	1 milestone achieved (Submission of final amplified Nomination Dossier to DAC).	1 milestone achieved (Submission of final amplified Nomination Dossier to DAC)	2 milestones achieved. Submission of Version 3 of the Amplified Nomination Dossier to DAC and the Department of Environmental Affairs (DEA) achieved.	The target was exceeded by 1 milestone through the submission to the Department of Environmental Affairs, (DEA).	The target was exceeded by 1 milestone through the submission to the Department of Environmental Affairs, (DEA).

Strategy to overcome areas of under performance

Under performance was recorded in the target on the exchange programme, whereby the NHC participated in the SOMAFCO Youth Exchange Programme and did not implement its own exchange programme.

Changes to planned targets

There were no changes to planned targets.



PART C: **GOVERNANCE**



PART C: GOVERNANCE

1. INTRODUCTION

Corporate governance refers to the processes and systems by which the NHC is overseen, directed, controlled and held to account. In addition to legislative requirements based on the NHC'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), which is run in tandem with the Protocol on Corporate Governance (which encapsulates the principles contained in the King IV Report on Corporate Governance). Parliament, the Executive Authority and the Council of the NHC provide oversight on corporate governance.

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

2. EXECUTIVE AUTHORITY

The Minister of Sport, Arts and Culture and the NHC signed a Shareholder's Compact in December 2019. This a requirement for Public Entities listed in Schedule 2, 3B or 3D of the PFMA; However, notwithstanding that the NHC is a Schedule 3A entity, and therefore not bound by this requirement, for purposes of cooperative governance, it was deemed necessary to do so. The Shareholder's Compact captures the key performance measures and indicators agreed upon between the Council, as the Accounting Authority of the NHC, and the Minister of Arts and Culture, as the Executive Authority.

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

- 1st Quarterly Report submitted on 31 July 2019;

- 2nd Quarterly Report submitted on 31 October 2019;
- 3rd Quarterly Report submitted on 31 January 2020;
- 4th Quarterly Report submitted on 30 May 2020.

3. THE COUNCIL

The NHC is a juristic entity established in terms of the National Heritage Council Act of 1999 (Act 11 of 1999). The Minister of Sport, Arts and Culture appoints members of the public of the Republic of South Africa as members of the NHC to manage the affairs of the NHC in terms of the Act and its regulations in line with corporate governance principles. Nine members are appointed by Provincial Arts and Culture Members of the Executive Councils (MECs) and the rest are members by virtue of their being the Chairpersons of certain declared cultural institutions. The Council plays an advisory role to the Minister on certain heritage issues, including national policies on heritage, 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 NHC. Its role includes the establishment, review and monitoring of strategic objectives. It also gives strategic direction and ensures compliance with corporate governance and legislative imperatives. The Council oversees the NHC's systems of governance, internal control, and risk management.

The Council meets at least once a quarter and special meetings are held when there is a need. The purpose of the meetings is to review the strategic and operational performance of the NHC. Amongst other matters, it looks into business plans, policies, the approval of major contracts and other strategic issues. The management team of the NHC is responsible for implementation of the decisions and strategies of the Council.

STRUCTURE AND COMPOSITION OF THE COUNCIL

PART C: GOVERNANCE

3. THE COUNCIL (continued)

As mentioned, the Council is constituted by members appointed by the Minister of Sport, Arts and Culture and by Provincial Arts and Culture MECs; the Chairpersons of certain declared cultural institutions (Iziko Museums of Cape Town, Ditsong Museums, NLSA, National Heraldry Council and SAHRA), the National Heraldry Council, and the National Archives Council. They are people from diverse backgrounds and have extensive skills in the heritage sector. In making appointments, the Minister takes into consideration of diversity and skills. In the period under review there were nineteen (19) Council Members with the CEO being an ex officio member.

Composition of the Council

During the year ended 31 March 2020 six (6) Ordinary Meetings and two (2) Strategy Review Workshops were convened. Below is the profile of Council members and attendance at Council meetings:

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Dr Thulani John Mbuli	Chairperson – Appointed by Minister	01/12/2017 – 30/11/2020	N/A	i) PhD - University of Zululand ii) Master of Arts: University of Zululand iii) Bachelor of Arts: University of Zululand iv) B Paed Degree: Environmental Science: University of Zululand v) Diploma in Logistics – International Trade: UJ and UNISA	Heritage, Languages, Labour Law, Finance and Governance	i) Council Member of the University of Zululand ii) Council Member of Amafa AkwaZulu Natal	None	8/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Prof Thenjiwe Meyiwa	Deputy Chairperson – Chairperson of Heraldry	01/12/2017	N/A	i) Mcom: Organizational Management: UKZN ii) PHD: UKZN iii) MA, BA (Hons) :UKZN iv) Diploma (Secondary Teachers): Indumiso College	Gender Studies, IKS, Organisational Management	N/A	i) Heritage Programmes, Projects and Research Committee ii) Social and Ethics Committee	7/8
Ms Salome Velma Mabilane	Member appointed by Minister	01/12/2017	N/A	i) B Tech Degree: Cost and Management Accounting: Tshwane University of Technology ii) National Diploma: Cost and Management Accounting: Tshwane University of Technology iii) Advanced Certificate in Municipal Governance: University of Johannesburg iv) Accountant: SAIPA	Financial and Management Accounting, Auditing, Financial Statements, Corporate Governance and performance Information	i) Managing Director: SUM Consulting and advising Services	i) Corporate Services and Finance Committee. ii) Repositioning and International Relations Committee iii) Social and Ethics Committee	8/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Chief Livhuwani Matsila	Member appointed by Minister	01/12/2017	N/A	i) BSc Honours (Botany) Venda University ii) BSC (Botany and Zoology): Venda University iii) Masters of Science (Zoology): Wits University	Community and Rural Development, Conservation of Natural Resources, Preservation of Cultural Heritage, Research, Project Management, Financial Management, Human Resources Management, Skills Development	i) Project Management, Fund raising, Report Writing. Human resources and Financial Management of Matsila Community Development Trust ii) Project Management, Fund raising, Report Writing. Human resources and financial management of Matsila Community Business Trust iii) Human resources and financial management of Livhuwani Matsila Family Trust	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee	5/8
HRH Zolani Mkiva	Member appointed by Minister	01/12/2017	Resigned 10/01/2020	i) BA Social Sciences: UWC ii) BA Honours: Development Studies: UWC iii) Finance for Managers: UWCSchool of Business	Institution of Traditional Leadership	i) Chairperson of NDCSA ii) Council Member of National Arts Council iii) Board Member of Bloemfontein Water	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee iii) Social and Ethics Committee	3/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Mrs. Reyhana Gani CA(SA)	Member appointed by Minister	01/12/2017	N/A	i) BCom Honours: University of Pretoria ii) IRBA: Board 2 iii) SAICA: Chartered Accountant SA	PFMA and MFMA Compliance, Risk Management, Internal Audit, Fraud Risk Management, Performance Information, IT External Audit, Corporate Governance, Oversight, Compliance with Laws and Regulations, Disciplinary Committees	i) Trustee for Big Tree Trust ii) Chairperson of Performance and Audit Committee for Cape Winelands District Municipality ii) Committee Member of Performance and Audit for Bergriver Municipality iii) Chairperson of Performance and Audit Committee for Theewaterskloof Municipality iv) Member of ARC for Marine Living Resource Agency v) Member of Audit Committee for BonMed vi) Chairperson of Risk Committee for West Coast District Municipality	i) Audit and Risk Committee	7/8
Adv Mathealira Moopeli	Member appointed by MEC – Free State Province Representative	01/12/2017	Passed Away on 11 Nov 2019	i) LLB: UNISA	Governance	i) Council Member of North West Rural Development ii) Council Member of Free State Rural Development	i) Corporate Services and Finance Committee	3/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Mr Kagiso Johannes Seleke	Member appointed by MEC – North West Province Representative	01/12/2017	N/A	i) National Diploma in Public Administration: UNISA (current) ii) National Certificate in IT: Extensive IT Academy iii) Fundamental of Project Management: Centurion Academy iv) Section 13 Trade Fitting: Engineering Skills Centre	Research, Project Management Coordinating, Administration on Governance, Mining Projects	i) Director for Monnakato Sports Arts and Culture Council	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee iii) Corporate Services and Finance Committee	8/8
Ms Laura Robinson	Member appointed by MEC – Western Cape Province Representative	01/12/2017	N/A	i) B Architecture: UCT	Architecture, Cultural Landscape, Intangible Heritage, Built Environment	i) Director for Cape Town Heritage Foundation ii) Director for Central City Improvement District	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee	7/8
Mr Tsheko Tsehlana	Member appointed by MEC – Gauteng Province Representative	01/12/2017	N/A	i) Certificate in Development Management: School: School of Public & Development Management ii) Certificate in Arts and Culture Management: University of Witwatersrand	Management, Project Management, Organisational Design	i) Board Member of SOWETO Heritage Foundation	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee	5/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Mr Moses Makhweyane	Member appointed by MEC – Mpumalanga Provincial Representative	20/02/2018	N/A	i) B Juris: Limpopo University	Legal, Corporate Governance	i) Deputy Chairperson of Mpumalanga Heritage Resources Authority ii) Member of QSS Professional Consulting	ii) Corporate Services and Finance Committee	8/8
Ms Keneilwe Mable Modise	Member appointed by MEC – Northern Cape Provincial Representative	01/04/2018	N/A	i) Higher Diploma (REQV 13): UNISA ii) Certificate in Adult Education: Western Cape University iii) Certificate in Occupational Based Practices	Research, Facilitation, Community Development, Educator	None	i) Corporate Services and Finance Committee ii) Heritage Programmes, Projects and Research Committee	8/8
Mr Mbasa Metuse	Member appointed by MEC – Eastern Cape Provincial Representative	12/02/2019	N/A	i) Bachelor of Social Science (Honours-incomplete): Fort Hare University ii) Bachelor of Social Science: Fort Hare University iii) Project Management: Stellenbosch University Business School	Governance, Programme Management, Research, Policy Development and Strategic Planning.	i) Executive Director of Itsamaya Holdings ii) Mayibuye Transport Corporation (Eastern Cape Dep of Transport) - Chairperson of HR and Remuneration Committee - Board Committee Member of Finance and Investment - Board Committee Member of Governance	i) Heritage Programmes, Projects and Research Committee ii) Repositioning and International Relations Committee iii) Corporate Services and Finance Committee	8/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Mr Puleng Herman Tsebe	Member appointed by MEC – Limpopo Provincial Representative	22/02/2019	N/A	i) Diploma in Municipal Finance Management University of Pretoria ii) English Teaching Overseas: Leeds University iii) Special Art Teachers Course: Ndeleni Art School iv) Teachers Course: Mokopane College of Education	RSA Constitution, Labour Relations Law, Municipal Finance Management, Municipal Systems and Structures	i) Member of NEDLAC ii) Member of Presidential BBBEE Advisory Council iii) Commissioner for Employment Equity Dep of Labour iv) Director of PM Trading Enterprise	i) Corporate Services and Finance Committee ii) Heritage Programmes, Projects and Research Committee iii) Repositioning and International Relations Committee	8/8
Ms Nana Ngobese	Member appointed by MEC – Kwa Zulu Natal Provincial Representative	07/11/2018	Resigned 05/07/2019	i) BSc Honours (COMPSCI) ii) MBA (Marketing and Strategy) iii) Diploma Project Management	Project Management	i) Chairperson of Inanda Girls Alumni Association (KZN)	None	0/8
Mr Themba Dlamini	Member appointed by Minister – Chairperson of National Library of South Africa	01/12/2017 – 30/11/2020 Re-app 01/10/2018 – 30/09/2021	N/A	i) Master of Arts in Development Economics: William College, Massachusetts, USA ii) Bachelor of Arts in Economics (Honours-Cum Laude) : Howard University, Washington DC, USA	Research Analyst, Project Management, Financial Management, Strategist, Budget and Planning	i) Chairperson of National Libraries ii) Commissioner: National Planning Commission	i) Corporate Services and Finance Committee ii) Heritage Programmes, Projects and Research Committee iii) Audit and Risk Committee	6/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
				ii) Diploma in Business Administration (Accounting): Northern Virginia Community College, Virginia, USA				
Prof Susan Bouillon	Member appointed by Minister – Chairperson of SAHRA	01/08/2016 – 31/07/2019	Term ended 31/07/2019	i) LLD: NW University ii) LLM: HW University iii) LLB: NW University iv) B Juris: NW University	Planning Law, Town Planning, Heritage Law	i) Chairperson of SAHRA ii) Chairperson of Provincial Heritage Resources Authority Gauteng iii) Trustee of Key Health Medical Scheme	i) Heritage Programmes, Projects and Research Committee ii) Social and Ethics Committee	3/8
Ms Karabo Tebogo Rapoo	Member Appointed by Minister – Chairperson of Ditsong Museums	01/08/2016 – 31/07/2019 Reappointed	N/A	i) Executive Development Programme: GIBS	Internal Audit and Risk Management, Corporate Governance, External Audit	i) Chairperson of Ditsong Museums ii) Trustee Board Member of Medipos Medical Aid Scheme iii) Audit Committee Member of BestMed Medical Aid Scheme iv) Audit Committee Member of Medipos Medical Aid Scheme v) Chairperson of Risk Management Committee of DAC	None	8/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
						vi) Ex Officio member of the following Board Committees in SAPO - Audit and Risk Management Committee - IT Governance Committee - Social and Ethics Committee		
Ambassador Dikgang Milo Moopeloa	Member appointed by Minister – Chairperson of IZIKO Museums	01/12/2017 – 31/07/2019	Term ended 31/07/2019	i) Post Graduate Diploma: Security Management ii) Six Sigma Green Belt Programme: Motorola University, Dubai iii) Operational Management Course I & II: SAPS iv) Management Centre Basic Police Training- National Protection Services: SAPS Training College v) Advanced Certificate: Personnel Management: Technikon Witwatersrand	Diplomacy, Security and Operations	i) Chairperson of IZIKO Museums	i) Repositioning and International Relations Committee	2/8

PART C: GOVERNANCE

Name	Designation	Date appointed	Date resigned/Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of (6) Meetings and (2) Workshops attended
Adv. Roderick Solomons	Member appointed by Minister – Chairperson of IZIKO Museums	01/08/2019	N/A	i) Admitted Advocate of the SA High Court ii) B.Soc iii) LLB iv) Certificate in Sports Law	Legal and Corporate Governance, Risk Management and Compliance, Event and Project Management, IT and Infrastructure Property	i) Chairperson of IZIKO Museums ii) Chairperson of Western Cape Chapter & Member of the National Executive Committee for UCT Black Alumni Association	i) Repositioning and International Relations Committee	5/8

Council Committees

In its operations the Council is assisted by five committees. The committees are as follows:

a) Audit and Risk Committee - assists the Council in fulfilling its responsibilities and provides 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.

In the period under review the term of the ARC came to an end and a new ARC was appointed by Council for the period Dec 2019 to Dec 2022. Mr Yassir Haffejee was initially appointed as the Chairperson, however due to other commitments he resigned from this position but remained a member. Council appointed Ms Nontlaza Sizani as the Chairperson.

b) Heritage Programmes, Projects and Research Committee - oversees the management of heritage in relation to the mandate of the NHC in the implementation of the coordination, promotion, funding, conservation, transformation and development of heritage in the Republic of South Africa.

c) Repositioning and International Relations Committee - oversees the NHC's engagement with international bodies, organisations, experts, programmes and projects on heritage management and ensures the sustainability of the NHC and provides advice and guidance on marketing and communications.

d) Corporate Services and Finance Committee - responsible for the determination and recommendation for approval by Council of a sound human resources and remuneration philosophy, strategy and policies; reviews and monitors the integrity of NHC's monthly, quarterly and annual financial statements and any other formal announcements relating to the NHC's financial performance.

e) Social and Ethics Committee - is responsible for ensuring that the NHC conducts its business responsibly with regard to ethical standards and social responsibility.

All the committees operate according to approved Terms of Reference, which set out their respective mandates.

PART C: GOVERNANCE

4. INTERNAL CONTROLS

There was a regression in the implementation of internal controls in the year under review which resulted in a Qualified Audit Report from the Auditor General. Weaknesses have been identified and detailed in the Management Report. The root causes of such weaknesses will be corrected by management and monitored on an on-going basis by the Internal Auditors, the ARC and the Council.

5. INTERNAL AUDIT

The internal audit function is outsourced to Rakoma and Associates. The internal auditors report to the ARC and provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively. They operate on a risk based plan approved by the ARC, and are governed by an Internal Audit Charter that adheres to the Standards and Code of Ethics set out by the Institute of Internal Auditors.

Composition of Council Committees

Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Heritage Programmes Projects and Research Committee	3	0	1	0	9	1. Chief L Matsila (Chairperson) 2. Mr K Seleke 3. Ms L Robinson 4. Prof T Meyiwa 5. Mr T Tsehlana 6. Mr T Dlamini 7. Ms K Modise 8. Mr M Metuse 9. Mr P Tsebe
Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Repositioning and International Relations Committee.	1	0	0	0	8	1. Chief L Matsila – Interim Chairperson 2. Mr M Metuse 3. Ms L Robinson 4. Mr K Seleke 5. Ms S Mabilane 6. Mr P Tsebe 7. Mr T Tsehlana 8. Adv R Solomons

PART C: GOVERNANCE

Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Corporate Services and Finance Committee.	4	3	0	0	7	1. Mr M Makhweyane - Chairperson 2. Ms K Modise 3. Ms S Mabilane 4. Mr T Dlamini 5. Mr K Seleke 6. Mr M Metuse 7. Mr P Tsebe
Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Repositioning and International Relations Committee.	1	0	0	0	6	1. Chief L Matsila – Interim Chairperson 2. Mr M Metuse 3. Ms L Robinson 4. Mr K Seleke 5. Ms S Mabilane 6. Mr P Tsebe 7. Mr T Tsehlana 8. Adv R Solomons
Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Social and Ethics Committee	1	0	0	0	7	1. Prof T Meyiwa 2. Ms S Mabilane 3. Mrs R Gani

PART C: GOVERNANCE

Committee	No. of ordinary meetings held	No. of special/teleconferencing meetings held	No. of workshops held	No. of round robin sessions held	No. of members	Names of members
Audit and Risk Committee.	5	5	1	0	6	2017 - 2019 Independent Members i) Ms N Madiba – Chairperson ii) Mr Z Nomafu iii) Mr Y Haffeejee Independent Members 2019 – 2022 i) Mr Y Haffeejee – Chairperson ii) Ms N Sizani iii) Ms P Mushwana Council Members iv) Mr T Dlamini v) Mrs R Gani vi) Ms N Madiba

Profile of the Audit and Risk Committee

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's (e.g. Audit Committee)	No. of Meetings attended out of 2 sittings
Ms Nontlaza Sizani	External/Independent Member.	01/01/2020 – 31/12/2022	N/A	i) CA (SA): SAICA ii) ABSIP iii) Chartered Directorship (IoDSA) iii) B.Compt (Honours): Transkei University iv) B.Comm Accounting: Transkei University	i) Financial and Risk Management ii) Internal and External Audit iii) Budgeting iv) Cash Management and Policy Development v) Project and Structured Finance vi) Credit Ratings Advisory	i) Executive Director of Nakupenda Investments ii) Non-Executive Director and Chairperson for Finance Committee of Dezzo Holdings Pty Ltd	i) NHC Audit and Risk Management Committee Member	2/2

PART C: GOVERNANCE

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's (e.g. Audit Committee)	No. of Meetings attended out of 2 sittings
				v) Post Graduate Diploma in Management (PGDM): Natal University vi) Certificate of Competency (Intro to Property Investment and Practice): WITS University		iii) Executive Director and Chairperson of Finance Committee for Trestle Jacks iv) Trustee of Nedupenda Trust		
Ms Portia Mushwana	External/Independent Member.	01/01/2020 – 31/12/2022	N/A	i) CISA: ISACA ii) BSC Comp Science: Pretoria University iii) BCom Hons: Pretoria University iv) Hons Comp Auditing: Wits University	i) IT Audit ii) IT Risk Management iii) IT Compliance iv) IT Governance	i) Director of Ntsetselelo Accounting	NHC Audit and Risk Management Committee Member	2/2
Mr Yaasir Haffjee	External/Independent Member.	01/01/2020 – 31/12/2022	N/A	i) BCom Hons (Accounting): Natal University ii) CA(SA): SAICA iii) CIA: IIA iv) CRMA: IIA v) CFE: ACFE vi) MCom (Taxation): NMMU	Accounting, External and Internal Auditing, Performance Information and Reporting	None	NHC Audit and Risk Management Committee Member	1/2
Ms Nandipha Madiba	External/Independent Member	01/10/2016 – 30/09/2019	Term ended	i) Chartered Directorship (IoDSA)- CDSA ii) Master of Business Administration (MBA) iii) MSc Financial Management-Part 1	Financial and Risk Management, Governance.	Have been serving on boards of directors since 1995/6 and chairing/serving on various board committees. i) CEO and Executive Chairman	Current Audit and Risk Chairmanship : i) NHC ii) MHSC iii) SIU iv) CHIETA v) GPL	6/6

PART C: GOVERNANCE

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's (e.g. Audit Committee)	No. of Meetings attended out of 2 sittings
				(Post Graduate Diploma) iv) Hons BCompt v) B.Com Acc vi) Postgraduate Certificate : Advanced Taxation vii) Diploma: Human Resources Management viii) Certificate - Programme in Municipal Finance & Development (encompassing Strategy & Risk Management)		of About Survival Consulting Agency (ASCA) ii) Chairperson: Eastern Cape Development Corporation (ECDC) iii) Member of Overberg Water Board iv) Member of Legislature Services Board (Gauteng) and chairing Audit and Risk Committee v) Member of Sci-Bono Discovery Centre- Board vi) Member of South African Weather Service board (term ended July 2018) vii) Non-Exec Director Isibane NPC	vi) MP-DSD Previously served on HPCSA, Eastern Cape Provincial Treasury, StatsSA. Eastern Cape Department of Social Development, SASSA, Chairs Risk Management Committees of Department of Energy, and Mpumalanga Department of Agriculture, Rural development, land and Environmental Affairs.	
Mr Z Nomafu.	External/Independent Member.	01/10/2016 – 30/09/2019	Term ended	i) B Compt: Transkei University ii) B Compt (Honours): Transkei University ii) M Com: Wits University iv) Chartered Accountant	Accounting and Finance, Enterprise Development	i) CEO of Mtiya Dynamics Consulting ii) Director of ICT Globe iii) CEO/Director of Sisonke Fund	i) NHC Audit and Risk Committee Member ii) Risk Management Committee Chairperson	6/6

PART C: GOVERNANCE

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's (e.g. Audit Committee)	No. of Meetings attended out of 2 sittings
Mr Yaasir Haffjee	External/Independent Member	01/11/2016 – 30/09/2019	Term ended	i) BCom Hons (Accounting): Natal University ii) CA(SA): SAICA iii) CIA: IIA iv) CRMA: IIA v) CFE: ACFE vi) MCom (Taxation): NMMU	Accounting, External and Internal Auditing, Performance Information and Reporting	None	NHC Audit and Risk Committee Member	6/6

6. MANAGEMENT COMMITTEES

In the 2019/20 Financial Year the following committees were supporting management in the execution of their duties:

a) Risk Management Committee – Responsible for assisting the CEO and management in discharging their accountability for risk management by reviewing the effectiveness of the NHC's risk management systems, practices and procedures, and providing recommendations for improvement. The Committee also compliments the work done by the Internal Audit function of the NHC and reports to the ARC. The Committee is chaired by an Independent Chairperson who is a member of the Audit and Risk Committee.

b) Funding and Fundraising Committee – Responsible for adjudication of proposals received from the annual public call for applications for funding of community heritage projects. The Committee also compliments resource mobilisation efforts of management and the Council.

c) Heritage Panel of Experts – Responsible for provision of expert advice and technical expertise on heritage programmes and projects, towards contributing to their development and implementation. It also provides assistance in conducting research and development of publications, including draft policy frameworks. Furthermore, the Panel reviews and conducts quality assurance of work produced, including research work and publications.

PART C: GOVERNANCE

7. COMPLIANCE WITH LAWS AND REGULATIONS

The National Heritage Council strives to comply with relevant legislation and regulatory imperatives applicable to it including but not limited to The National Heritage Council Act 11 of 1999, Public Finance Management Act (PFMA), National Treasury Regulations and Practice Notes, Companies Act 71 of 2008, King I-IV Report, relevant Labour laws, Health and Safety Laws, Procurement Prescripts, Broad Based Black Economic Empowerment (BBBEE) etc.

8. FRAUD AND CORRUPTION

To mitigate the risk of fraud and corruption the following instruments are in place:

- i) Fraud Prevention Policy, Strategy and Implementation Plan that are aimed at mitigating the risk of fraud and corruption;
- ii) Anti-Fraud and Corruption Policy;
- iii) Code of Ethics and Business Conduct; and
- iv) Risk Management Plan.

The report on fraud and corruption is a standing item on the agenda of the quarterly Audit and Risk Committee meetings. Furthermore, the DAC has made its hotline for whistleblowing available to all its entities, including the NHC. During the period under review no cases were reported to the hotline.

9. MINIMISING CONFLICT OF INTEREST

All NHC employees and Council members sign Declaration of Interest Forms in accordance with the National Heritage Council Act No.11 of 1999.

- Bid Evaluation Committee: at every meeting before bids are evaluated, members are given forms to sign declaring that they have no interest in the outcome of the bid;

- Bid Adjudication Committee: Once the Bid Evaluation Committee has finalised its work, the process goes to the Bid Adjudication Committee and members are also required to sign declaratory forms indicating that they have no interest in the outcome of the tender;
- On an annual basis, all Council and NHC staff members declare their interest; and.
- A gift register for staff members is in place.

10. CODE OF CONDUCT

The Council has an approved Code of Conduct and Ethics Policy in place. However, these policies need to be reviewed.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NHC has designated a member of staff to be responsible for facilities management to ensure that health, safety and environmental issues are addressed.

12. COUNCIL SECRETARIAT

The Council Secretariat (previously Company Secretariat) function is in-house reporting functionally to the Council and administratively to the CEO, is responsible for ensuring that the Council complies with all applicable legal and statutory requirements and policy imperatives.

The Council Secretary keeps Council members informed of their legal responsibilities, ensures the smooth running of Council activities, advises on Council procedures and adherence to legislative requirements, and ensures that

PART C: GOVERNANCE

Council and Committee resolutions are communicated to the relevant stakeholders and implemented timeously.

In the period under review the Council Secretary resigned in July 2019 and Mr. Tembile Yako was appointed as Acting Council Secretary while a new Council Secretary was being appointed, two service providers were appointed in the period under review to assist in taking minutes in Council and Committee meetings. The appointment is expected to be finalised in the 2020/21 Financial Year.

In addition to the duties mentioned above, the Council Secretary previously managed the Legal Services Unit of the NHC. This entailed drafting and vetting of contracts, drafting legal opinions, litigation management etc. This function was removed to the Legal Officer.

The Council Secretary endeavours to uphold the highest level of integrity as enshrined in the King I-IV Reports on Corporate Governance.

13. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) consisted of six (6) members, three (3) independent non-Council members and three (3) members representing Council.

In terms of the Public Finance Management Act (PFMA), an audit committee must meet at least twice a year. In addition, Treasury Regulation 27 provides that an audit committee must meet at least annually with the Auditor General. The ARC metten (10) times during the year under review in compliance with the PFMA and also met with the Auditor General.

Audit and Risk Committee Responsibility

As at the end of the 2019/20 financial year the ARC reported that it has com-

plied with its responsibilities arising from section 51 (1) (a) (ii) of the PFMA and Treasury Regulation 3.1.13. The ARC also had appropriate formal Terms of Reference as its Charter and has regulated its affairs in compliance with this Charter and has discharged all its responsibilities contained therein.

Risk Management

The ARC was satisfied that at year end the entity had an on-ongoing risk management process focused on identifying, assessing, managing and monitoring all known forms of significant risk across all operations which it considered to be effective.

Effectiveness of Internal Control

The ARC strived to ensure that there is reasonably effective monitoring over the system of internal controls 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 Management;
- Supply Chain Management;
- Performance Information;
- Projects and Programmes (Core Business);
- Financial Controls; and
- Information Technology General Controls.

In-Year Management and Monthly/Quarterly Reports

The NHC submitted Quarterly Reports approved by the Accounting Authority (Council) to the Executive Authority as required by the PFMA. The ARC had engaged management to provide clarity on completeness and quality of the Quarterly Reports during quarterly meetings.

PART C: GOVERNANCE

Evaluation of Annual Financial Statements

The ARC reviewed and recommended the Unaudited Annual Financial Statements to the Council for approval and submission to the AGSA for the annual audit and were satisfied that they were in line with the quarterly reports submitted throughout the year under review.

The ARC reviewed the accounting policies applied in the compilation of the Annual Financial Statements and it satisfied itself that the policies are consistent with those of prior years, and have been constantly applied in accordance with the National Treasury Guidelines.

Internal Audit

At year-end the ARC was satisfied with the effectiveness of the internal audit function during the year under review and that the internal audit activity has, to a large extent, addressed the risks pertinent to the entity.

Auditor's Report

Upon dissolution of the Council by the Minister of Sport, Arts and Culture on 21 August 2020 all Council Committees were dissolved, including the ARC. The Administrator assumed the duties of the Accounting Authority and its Committees and met with the AGSA during the audit and received the Audit Report from the AGSA.

The Administrator as the Accounting Authority accepts the conclusions of the AGSA regarding the Annual Financial Statements and the Annual Performance Report and is of the opinion that the Audited Annual Financial Statements and Annual Performance Report be accepted and read together with the report of the AGSA.



Ms. Moruakgomo Louisa Mabe
Acting CEO
30 October 2020



PART C: GOVERNANCE

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Application of Relevant Codes of Good Practice (B-BBEE Certificate Level 1-8) with regard to the following:		
Criteria	Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The NHC is the process of developing Terms of Reference (ToRs) in respect of appointment of a service provider to assist the organisation in developing the criteria.
Developing and implementing a preferential procurement policy?	Yes	The NHC is the process of developing Terms of Reference (ToRs) in respect of appointment of a service provider to assist the organisation in developing the criteria.
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	The NHC is the process of developing Terms of Reference (ToRs) in respect of appointment of a service provider to assist the organisation in developing the criteria.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The NHC is the process of developing Terms of Reference (ToRs) in respect of appointment of a service provider to assist the organisation in developing the criteria



PART D: **HUMAN RESOURCE MANAGEMENT**



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The primary objective of the Human Resources Unit is to ensure that the NHC has the right people in the right roles to ensure that the NHC is able to effectively deliver on its mandate and strategic objectives.

Following the job evaluation undertaken to migrate staff to the new organisational structure there were some employees who were not satisfied and appealed to the Review Committee set up by the CEO. A service provider was appointed and made recommendations on how best to attend to the appeals, however the process was not concluded by year-end.

In the year under review several staff engagement sessions led by the then CEO took place as part of change management focusing on:

- Employee awareness on the organisational changes underway;
- Ensuring employee readiness
- Employee participation in designing the future state

The staff sessions were complemented with one-on-one feedback sessions.

The staff complement of the NHC was 26 at the end of the financial year. Two members of staff resigned and two were appointed in the year under review.

In terms of training and development, seven staff members attended various training and development courses.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average cost per employee (R'000)
CEO's Office	7,640	5,887	8%	4	1,472
Heritage.	21,015	4,559	7%	4	1,140
Corporate Services.	22,606	8,320	12%	9	924
Marketing.	2,258	1,680	2%	2	840
Funding.	5,648	2,618	4%	3	873
LHR.	4,100	3,202	5%	3	1,067
Company Secretariat.	6,901	1,579	2%	1	1,579
Total	70,168	27,845	40%	26	1,071

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average cost per employee (R'000)
Top Management.	2,344	8%	1	2,344
Senior Management.	16,585	60%	12	1,382
Professional qualified.	1,936	7%	2	968
Skilled.	6,146	22%	8	768
Semi-skilled.	239	1%	1	239
Unskilled.	595	2%	2	297
Total	27,845	100%	26	1,071

PART D: HUMAN RESOURCE MANAGEMENT**Performance Rewards**

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management.	513	2,344	2%
Senior Management.	1,632	16,585	6%
Professional qualified.	230	1,936	1%
Skilled.	565	6,146	2%
Semi-skilled.	19	239	-
Unskilled.	27	595	-
Total	2,986	27,845	11%

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
CEO's Office	5,887	-	-	-	-
Heritage.	4,559	10	-	1	10
Corporate Services.	8,320	13	-	1	13
Marketing.	1,680	46	-	1	46
Funding.	2,618	14	-	3	5
LHR.	3,202	39	-	1	39
Company Secretariat.	1,579	-	-	-	-
Total	27,845	122	-	7	17

Employment and vacancies

Programme	2019/2020 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Top Management.	1	1	1	-	-
Senior Management.	12	16	12	4	25%
Professional Qualified.	2	16	2	14	88%
Skilled.	8	19	8	11	58%
Semi-Skilled.	1	1	1	-	-
Unskilled.	2	2	2	-	-
Total	26	55	26	29	53%

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management.	1	-	-	1
Senior Management.	13	-	-1	12
Professional qualified.	2	-	-	2
Skilled.	7	2	-1	8
Semi-skilled.	1	-	-	1
Unskilled.	2	-	-	2
Total	26	2	-2	26

PART D: HUMAN RESOURCE MANAGEMENT**Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death.	-	-
Resignation.	2	100%
Dismissal.	-	-
Retirement.	-	-
Ill health.	-	-
Expiry of contract.	-	-
Other.	-	-
Total	2	100%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning.	-
Written Warning.	-
Final Written warning.	-
Dismissal.	-

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management.	1	1	-	-	-	-	-	-
Senior Management.	12	13	-	1	-	1	-	1
Professional qualified.	2	13	-	1	-	1	-	1
Skilled.	7	17	-	-	-	1	1	1
Semi-skilled.	1	1	-	-	-	-	-	-
Unskilled.	2	2	-	-	-	-	-	-
Total	25	47	-	2	-	3	1	3

PART D: HUMAN RESOURCE MANAGEMENT***Equity Target and Employment Equity Status***

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management.	-	-	-	-	-	-	-	-
Senior Management.	5	6	-	1	-	1	-	1
Professional qualified.	-	2	-	1	-	1	-	1
Skilled.	4	5	-	1	-	1	1	1
Semi-skilled.	1	1	-	-	-	-	-	-
Unskilled.	1	1	-	-	-	-	-	-
Total	11	15	-	3	-	3	1	3

Levels	DISABLED STAFF			
	African		Coloured	Indian White
	Current	Target	Current	Current
Top Management.	-	-	-	-
Senior Management.	-	2	-	2
Professional qualified.	-	2	-	2
Skilled.	-	3	-	3
Semi-skilled.	-	-	-	-
Unskilled.	-	-	-	-
Total	-	7	-	7



PART E: **FINANCIAL INFORMATION**



PART E: FINANCIAL INFORMATION

1.

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

Report on the audit of the financial statements

Qualified opinion

I have audited the financial statements of the National Heritage Council of South Africa set out on pages 58 to 10, which comprise the statement of financial position as 31 March 2020, statement of financial performance, statement of changes in net assets and the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the separate financial statements present fairly, in all material respects, the separate financial position of the National Heritage Council as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Property, plant and equipment

The public entity did not review the residual values and useful lives of property, plant and equipment at each reporting date in accordance with GRAP 17, Property, plant and equipment. I was unable to obtain sufficient appropriate audit evidence for the amount of depreciation expense recognised at R1 125 000 in note 22 to the financial statements. I was unable to confirm depreciation expense by alternative means. Consequently, I was unable to determine whether any further adjustment were necessary to property, plant and equipment stated at R4 221 000 in note 2 to the financial statements. Additionally, there was an impact on the surplus for the period.

Context for the opinions

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the separate financial statements section of this auditor's report.

I am independent of the public entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Events after reporting date

I draw attention to note 32 to the financial statements, which deals with subsequent events relating to the transfer of R20 398 000 by Department of Sport, Arts and Culture (DSAC). The commitment was made by DSAC before the year end however the payment was made after year end.

Other significant transactions and events

I draw attention to note 36 to the financial statements, which highlights the off-balance sheet resources that were pledged by partners.

PART E: FINANCIAL INFORMATION

Other matter

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

Supplementary information

The supplementary information set out to be on pages 47 to 50 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

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

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Responsibilities of the accounting authority for the financial statements

The council, which constitutes the accounting authority is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of separate financial statements that are free

from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report

PART E: FINANCIAL INFORMATION

of the public entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Heritage Promotion	21-23

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the usefulness of the selected programme are as follows:

Programme 2 – Heritage Promotions

Indicator: Number of exchange programmes implemented in per annum

The reported indicator of the number of exchange programmes participated in per annum did not agree with the planned indicator of the number of exchange programmes implemented per annum as per the approved annual performance plan.

Other matter

I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages 18 to 24 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a significant number of targets. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraph 21 of this report.

Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the Heritage Promotions programme. As management subsequently corrected only some of the misstatements, I raised a material finding on the usefulness of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) and (b) of the PFMA.

Material misstatements on related party disclosure, expenditure, statement of comparison of budget and actual amounts identified by the auditors in the

PART E: FINANCIAL INFORMATION

submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

Contracts were awarded to bidders based on evaluation criteria that differed from those stipulated in the original invitation for bidding as required by treasury regulations 16A6.3 (a) and (b).

Contracts were extended without the approval of a properly delegated official as required by section 56 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence management

I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against the officials who had incurred and permitted irregular expenditure in prior years, as required by section 51(1)(e)(iii) of the PFMA.

Other information

The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the administrator's and chief executive officer's reports. The other information does not include the separate financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements and the selected

programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

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

Adequate review processes are lacking; this resulted in material misstatements on the annual financial statements and the annual performance report as well instances of material non-compliance.

Management did not implement proper record keeping mechanisms to ensure that financial statements are supported by complete and accurate information; as a result, there were material differences identified between the underlying records and the financial statements.

Pretoria
30 October 2020



PART E: FINANCIAL INFORMATION

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority

Conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the NHC to continue as a going concern.

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

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

PART E: FINANCIAL INFORMATION

2. ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY for the year ended 31 March 2020

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 annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual 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 annual financial statements.

The Annual Financial Statements are based on Generally Accepted Accounting Practice and 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 controls 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 National Heritage 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 controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial controls 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 2021 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 Sport, 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 Sport, Arts and Culture has neither the intention nor the need to liquidate or scale down the functions of the National Heritage Council materially.

The financial statements, which have been prepared on the going concern basis, were approved by the Accounting Authority on 30 October 2020.



Ms. Moruakgomo Louisa Mabe
Acting CEO and Interim Accounting Authority
National Heritage Council

PART E: FINANCIAL INFORMATION

2. ANNUAL FINANCIAL STATEMENTS (continued)

STATEMENT OF FINANCIAL POSITION as at 31 March 2020

	NOTES	2020 R '000	2019 R '000
ASSETS			
Non-current assets		4,369	2,946
Property, plant and equipment	2	4,221	2,812
Intangible assets	3	148	134
Current assets		49,115	30,124
Receivables from exchange transactions	4	248	193
Receivables from non- exchange transactions	5	21,209	2,975
Prepayments and advances	6	17,088	3,741
Cash and cash equivalents	7	10,570	23,215
Total Assets		53,484	33,070
LIABILITIES			
Non-current liabilities		720	146
Deferred income/unspent conditional grants/transfers and receipts	9	720	-
Finance lease obligation	10	-	146
Current assets		49,779	32,368
Payables from exchange transactions	8	7,227	7,360
Deferred income/unspent conditional grants/transfers and receipts	9	38,308	21,057
Finance lease obligation	10	146	160
Leave Accrual	11	916	774
Cash and cash equivalents	12	3,182	3,017
Total Assets		50,499	32,514
TOTAL NET ASSETS		2,985	556
Accumulated Surplus		2,985	556
NET ASSETS		2,985	556

STATEMENT OF FINANCIAL PERFORMANCE as at 31 March 2020

	NOTES	2020	2019
		R '000	R '000
TOTAL REVENUE		72,597	70,429
Non-exchange revenue		72,245	70,101
Government grant/Transfer – Department of Sport, Arts and Culture	13	71,353	68,493
Amortised Government/Transfers/Partnerships - Other	14	892	1,608
Exchange revenue		352	328
Other income	15	1	102
Interest received	16	351	226
TOTAL EXPENSES		(70,168)	(74,228)
Operating expenses	17	(19,140)	(23,640)
Administrative expenses	18	(15,807)	(18,125)
Employee related costs	19	(31,299)	(28,451)
Operating lease expenses	20	(2,688)	(2,573)
Provision for Doubtful Debts		-	(480)
Debt written off		-	(42)
Finance costs	21	(26)	(41)
Depreciation	22	(1,125)	(776)
Amortisation	23	(83)	(100)
(DEFICIT) / SURPLUS FOR THE YEAR		2,429	(3,799)
(DEFICIT) / SURPLUS FOR THE YEAR <i>Attributable to:</i>			
Owners of the controlling entity		2,429	(3,799)
		2,429	(3,799)

PART E: FINANCIAL INFORMATION**STATEMENT OF CHANGES IN NET ASSETS for the year ended
31 March 2020**

	Accumulated Surplus/(Deficit)	Total net Assets
	R '000	R '000
Balance at 1 April 2018	4,355	4,355
Deficit for the period	(3,799)	(3,799)
Balance at 31 March 2019	556	556
Surplus for the period	2,429	2,429
Balance at 31 March 2020	2,985	2,985

CASH FLOW STATEMENT for the year ended 31 March 2020

	NOTES	2020 R '000	2019 R '000
CASH FLOW FROM OPERATING ACTIVITIES			
CASH RECEIPTS		73,292	71,406
Government Grant/Transfer – Department of Sport, Arts and Culture	13	71,353	68,493
Other Receipts		90	134
Conditional Grants/Transfers/ Partnerships		628	1,500
Interest Received		1,221	1,279
CASH PAID TO SUPPLIERS AND EMPLOYEES		(83,094)	(70,747)
Employee Related Costs		(30,970)	(28,166)
Suppliers		(52,098)	(42,540)
Interest Paid		(26)	(41)
NET CASH FLOW FROM OPERATING ACTIVITIES	25	(9,802)	659
CASH FLOW FROM INVESTING ACTIVITIES		(2,685)	(1,550)
Acquisition of Property, plant and equipment	2	(2,588)	(1,483)
Acquisition of Intangible assets	3	(97)	(67)
Proceeds or Loss on disposal of Property, plant and equipment		-	-
CASH FLOW FROM FINANCING ACTIVITIES		(158)	(141)
Payment for finance lease		(158)	(141)
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS		(12,645)	(1,032)
Cash and Cash Equivalents at the beginning of the year		23,215	24,247
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	10,570	23,215

PART E: FINANCIAL INFORMATION**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS for the year ended 31 March 2020**

	Approved Budget	Adjustments	Final Budget	Actual	Variance
	R '000	R '000	R '000	R '000	R '000
REVENUE					
TOTAL REVENUE	76,033	-	76,033	72,597	(3,436)
Non-exchange revenue	76,033	-	76,033	72,245	(3,436)
Government grant/Transfer - Department of Sport, Arts and Culture	71,353	-	71,353	71,353	-
Amortised Government/Transfers/ Partnerships – Other	4,680	-	4,680	892	(3,788)
Exchange revenue	-	-	-	352	352
Other income	-	-	-	-	-
Sundry Income	-	-	-	1	1
Interest received	-	-	-	351	351
EXPENSES TOTAL EXPENSES (Excluding CAPEX)	(75,967)	-	(75,967)	(70,168)	5,799
Operating expenses	(24,009)	-	(24,009)	(19,140)	4,871
Administrative expenses	(18,733)	-	(18,733)	(15,807)	2,926
Employee related costs	(30,699)	-	(30,699)	(31,299)	600
Operating lease expenses	(2,526)	-	(2,526)	(2,688)	(162)
Finance costs	-	-	-	(26)	(26)
Depreciation	-	-	-	(1,125)	(1,125)
Amortisation	-	-	-	(83)	(83)
SURPLUS FOR THE YEAR	66	-	66	2,429	2,363
Capital Expenditure	66	-	66	(2,429)	(2,363)

See Note 33 for significant budget variance explanations:

Transfers and Partnerships 33 (a) (b) & (c),
 Operating Expenses 33 (d),
 Administrative expenses 33 (e),
 Employee related costs 33 (f), and
 Capital expenditure 33 (g).

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Annual 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 annual 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 annual 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 annual financial statements, the following standards were issued but not yet effective. These approved standard 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:

Standards

GRAP 34: Separate Financial Statements
GRAP 35: Consolidated Financial Statements
GRAP 36: Investment in Associates and Joint Arrangements
GRAP 37: Joint Arrangements
GRAP 38: Disclosure of Interests in Other Entities
GRAP 104: Financial Instruments
GRAP 110: Living and Non-living Resources

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

1.1 Basis of Preparation

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

Property, plant and equipment that qualifies as for recognition as an asset shall be measured at its cost.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. The depreciable amounts of property, plant and equipment are allocated on systematic basis over their useful lives. The estimated useful lives are currently as follows:

<u>Item</u>	<u>Average Useful life</u>
Computer equipment	2 – 10 years
Office equipment	2 – 12 years
Motor vehicles	5 – 16 years
Furniture and Fittings	2 – 13 years
Leasehold Improvements	Remainder of lease period
Leased Assets	3 years (33%)/ Lease term

Leasehold improvements and leased assets are depreciated over the period of the building lease agreement and lease term respectively. For all other categories, depreciation is provided on a straight-line basis over their useful life. 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.

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

1.3 Intangible Assets

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.

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 lives.

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. The estimated useful lives of intangible assets is currently as follows:

<u>Item</u>	<u>Average useful life</u>
Computer software	2 years

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

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

(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.

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 Taxation

Tax Expenses

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

The National Heritage Council is exempt from the payment of Value Added Tax (VAT) on the transfers and subsidies received. As a result, any VAT paid by the National Heritage Council is also not refundable by South African Revenue Service.

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

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ACCOUNTING POLICIES

1.7 Impairment of assets (continued)

recoverable amount of the asset.

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

- Tests intangible assets with an indefinite useful lives 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.

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

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 would 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.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end would 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 have been 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 have been recorded appropriately in the irregular

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

1.14 Irregular expenditure (continued)

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 have thereafter been taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority would write off the amount as bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register would also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto would 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 Judgments made by Management

In preparing the financial statements, management is required to make judgments, 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 judgment 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.

Impairment testing

The entity makes judgment 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

PART E: FINANCIAL INFORMATION

ACCOUNTING POLICIES

1.17 Services received in kind (continued)

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 sphere 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, Executive Core Business, Company Secretary and Head: Strategy Planning, Monitoring & Evaluation 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.

Related party transactions do not require disclosure if the transactions occurred in a normal supplier/client relationship with more or less favourable conditions and which occurred with normal operating parameters established by that reporting entity's legal mandate.

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 Budget Information

The National Heritage Council is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by National Heritage Council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****2. PROPERTY, PLANT AND EQUIPMENT**

2020	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Leased Assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<u>Opening Balances</u>							
Cost	571	1,967	337	650	2,460	476	6,461
Accumulated depreciation	(535)	(1,336)	(22)	(442)	(1,129)	(185)	(3,649)
Carrying amount	36	631	315	208	1,331	291	2,812
<u>Movements during the year</u>	2,238	(56)	(67)	(12)	(535)	(159)	1,409
Additions	2,495	-	-	22	71	-	2,588
Derecognition/Disposal	-	-	-	(1)	(53)	-	(54)
Depreciation	(257)	(56)	(67)	(33)	(553)	(159)	(1,125)
<u>Closing balances</u>							
Cost	2,495	1,967	337	664	2,454	476	8,393
Accumulated depreciation	(221)	(1,392)	(89)	(486)	(1,658)	(344)	(4,172)
Carrying amount	2,274	575	248	196	796	132	4,221

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****2. PROPERTY, PLANT AND EQUIPMENT**

2019	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Leased Assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<u>Opening Balances</u>							
Cost	483	1,589	244	625	1,831	476	5,248
Accumulated depreciation	(423)	(1,261)	(240)	(350)	(828)	(26)	(3,128)
Carrying amount	60	328	4	275	1,003	450	2,120
<u>Movements during the year</u>	(24)	303	311	(67)	328	(159)	692
Additions	88	378	337	51	629	-	1,483
Derecognition/Disposal	-	-	(2)	(13)	-	-	(15)
Depreciation	(112)	(75)	(24)	(105)	(301)	(159)	(776)
<u>Closing balances</u>							
Cost	571	1,967	337	650	2,460	476	6,461
Accumulated depreciation	(535)	(1,336)	(22)	(442)	(1,129)	(185)	(3,649)
Carrying amount	36	631	315	208	1,331	291	2,812

A register containing the information required by section 55 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

Pledge as security

None of the Property, Plant and Equipment has been pledged as security for any liabilities.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****3. INTANGIBLE ASSETS****INTANGIBLE ASSETS- 2020**

	R '000	R '000
	Computer Software	Total
Opening Balance (Cost)	608	608
Opening balance (Accumulated Amortisation)	(474)	(474)
Carrying Amount (Opening Balances)	134	134
Additions	97	97
Disposals	-	-
Amortisation (During the year)	(83)	(83)
Carry Amount (Closing Balances)	148	148
Cost	705	705
Accumulated Amortisation	(557)	(557)

INTANGIBLE ASSETS- 2019

	R '000	R '000
	Computer Software	Total
Opening Balance (Cost)	541	541
Opening balance (Accumulated Amortisation)	(374)	(374)
Carrying Amount (Opening Balances)	167	167
Additions	67	67
Disposals	-	-
Amortisation (During the year)	(100)	(100)
Carry Amount (Closing Balances)	134	134
Cost	608	608
Accumulated Amortisation	(474)	(474)

A register containing the information required by section 55 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 3.

Pledge as security

None of the Intangible assets have been pledged as security for any liabilities.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
4. RECEIVABLES FROM EXCHANGE TRANSACTIONS	R '000	R '000
Sundry Debtors	145	13
Staff Debtors	60	76
Interest receivable	43	104
<i>Additions</i>	248	193

Pledge as security

None of the receivables from exchange transactions have been pledged as security for any liabilities.

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Deposit for rent	21,689	3,455
Less: Provision for Doubtful Debts – National Lotteries Commission		
Receivable	(480)	(480)
<i>Financial assets</i>	21,209	2,975

Pledge as security

None of the receivables from non-exchange transactions have been pledged as security for any liabilities.

6. PREPAYMENTS AND ADVANCES		
Conditional Grant/Transfer Receivable	378	244
<i>Prepayments and advances</i>	16,710	3,497
<i>Financial assets</i>	21,209	2,975

Included under prepayment and advances is R 11,465 million of disbursed funds to provincial government departments on ring-fenced conditional funds relating to Department of Sport, Arts and Culture for the implementation of Resistance and Liberation Heritage Route (Project Management Office).

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
	R '000	R '000
7. CASH AND CASH EQUIVALENTS		
Cash on hand	5	5
Cash at bank	10,560	23,204
Funds held on call deposit	5	6
<i>Financial assets</i>	10,570	23,215
8. PAYABLES FROM EXCHANGE TRANSACTIONS		
<i>Carrying Amount (Opening Balances)</i>	6,893	7,321
Opening Balance (Cost)	5,964	6,420
Opening balance (Accumulated Amortisation)	929	901
<i>Carrying Amount (Opening Balances)</i>	334	39
Additions	334	39
<i>Disposals</i>	7,227	7,360

The operating lease is straight lined.

Included under trade payables is R 2,959 million of accumulated interest earned on ring-fenced conditional funds relating to Department of Sport, Arts and Culture.

See Note 27 on Financial Instruments on how risk is managed in relation to the financial assets listed above

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
9. DEFERRED INCOME/UNSPENT CONDITIONAL GRANTS/TRANSFERS	R '000	R '000
Balance at the beginning of the year	21,057	21,165
Conditional Grant/Transfers – Department of Sport, Arts and Culture (PMO)	21,042	21,150
Conditional Grants/Transfers - National Lotteries Commission	15	15
Movement during the year – Receipts	20,398	-
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO) – Receivable	20,398	-
Movement during the year – Amortized	(2,427)	(108)
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO) – Revenue	(892)	(108)
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO) – Receivable	(1,535)	-
Balance at year end	39,028	21,057
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO)	39,013	21,042
Conditional Grants/Transfers - National Lotteries Commission	15	15
Current portion	38,308	21,057
Non-current portion	720	-
	39,028	21,057

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
10. FINANCE LEASE OBLIGATION	R '000	R '000
Minimum Lease payments due		
- Within one year	153	183
- In second to fifth year inclusive	-	153
	153	336
Less: Future finance charges	(7)	(30)
	146	306
Present value of future minimum lease payments		
Present value of minimum lease payments due		
- Within one year	146	160
- In second to fifth year inclusive	-	146
	146	306
Current portion of finance lease obligation	146	160
Non-current portion of finance lease obligation	-	146
	146	306

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

Entered into a rental operational agreement with Kopano Solutions t/a Nashua Kopano for five (5) photocopy machines effective from 1 February 2018. The contract is for a period of 3 years (36 months) at R 183,625 per annum. 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. Additional finance costs are charged by the lessor which based on the prime rate, thus attracting additional finance costs which are not included in the above reconciliation.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
	R '000	R '000
11. LEAVE ACCRUAL		
Opening balances	774	833
Leave accrual	774	833
Additions	916	774
Leave accrual	916	774
Utilised	(63)	-
Leave accrual	(63)	-
Reversed	(711)	(833)
Leave accrual	(711)	(833)
Closing balances	916	774
Leave accrual	916	774
	916	774
12. PERFORMANCE BONUSES		
Opening balances	3,017	2,792
Leave accrual	3,017	2,792
Additions	3,182	3,017
Leave accrual	3,182	3,017
Utilised	3,017	(2,792)
Leave accrual	3,017	(2,792)
Reversed	-	-
Leave accrual	-	-
Closing balances	3,182	3,017
Leave accrual	3,182	3,017
	3,182	3,017

Performance bonus are payable on or around September, the payment is subject to the 2019/20 audit outcome and also on how employees will perform against their performance targets. As at 31 March 2020, there was no certainty on the two prerequisites therefore a provision based on 15% of annual cash component was raised with an overall rating of 3.9 plus cost-of-living adjustment.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

2020

2019

13. GOVERNMENT GRANT/TRANSFER

R '000

R '000

Grant/Transfer received – Department of Sport, Arts and Culture

71,353

68,493

71,353**68,493****14. AMORTISED GOVERNMENT/TRANSFERS/PARTNERSHIPS – OTHER****AMORTISED GRANT/TRANSFER/PARTNERSHIPS - OTHER**

Sol Plaatje Municipality

-

1,000

Northern Cape Dept. of Sport, Arts & Culture

-

500

Department of Sport, Arts and Culture - Resistance & Liberation Heritage Route (Project Management Office/PMO)

892

108

892**1,608****15. OTHER INCOME**

Sundry Income

1

35

Gain on Disposal of assets

-

67

1**102****16. INTEREST RECEIVED**

Interest received

1**102**

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

Heritage projects and programmes

18,569

22,793

Staff training and development

319

706

Maintenance, repairs and running costs

252

141

19,140**23,640**

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
18. ADMINISTRATIVE EXPENSES	R '000	R '000
General and Administrative expenses	13,081	14,603
Loss on disposal of assets	23	-
Travel and Accommodation	2,702	3,522
	15,806	18,125
19. EMPLOYEE RELATED COSTS		
Basic salaries	22,629	20,480
Acting Allowance	768	639
Overtime	41	45
Employees contributions - Provident Fund	1,849	1,752
Employees contributions - UIF	137	55
Leave and bonus	3,455	2,889
Employer contributions - Provident Fund	1,849	1,752
Employer contributions - UIF	137	55
Employer contributions - SDL	110	258
Employer contributions - Medical Aid	324	526
	31,299	28,451
20. OPERATING LEASE EXPENSES		
Office space	2,311	2,303
Parking	377	270
	2,688	2,573
Refer to Operating Leases. (See note 24)		
21. FINANCE COSTS		
Interest paid on leased assets	26	41
	26	41

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
22. DEPRECIATION	R '000	R '000
Motor vehicles	67	24
IT equipment	553	301
Office equipment	33	75
Furniture and fittings	56	14,603
Leasehold improvement	257	112
Leased assets - office equipment	159	159
	1,125	776

23. AMORTISATION		
Computer software	83	100

24. OPERATING LEASES

The National Heritage Council entered into a new rental agreement with the Gremgrow Properties Limited, effective from 1 July 2019. The office lease contract is for 60 months at a cost of R 2,264,580 per annum, escalating at 9% per annum.

The previous contract with Delta Property Fund ended on 30 June 2019.

Lease commitments (operating leases)

Up to one year	2,417	658
Later than one year and not later than 5 years	8,638	-
	11,055	658

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

	2020	2019
25. CASH GENERATED FROM OR (USED IN) OPERATIONS	R '000	R '000
(Deficit) / Surplus for the year	2,429	(3,799)
Adjustments for:	19,872	1,428
Depreciation – Property, Plant and Equipment	1,125	776
Amortisation - Intangible Assets	83	100
Movement in Leave and Bonuses Pay	307	166
(Gain) or loss of Derecognition of Property, Plant and Equipment	53	(67)
Other Non-Cash – Operating Lease Accrual	334	39
Other Non-Cash – Movement	17,970	(108)
Provision for Doubtful Debt	-	480
Debt Written-Off	-	42
Changes in working capital:	(32,103)	3,030
Trade and Other Receivables	(18,289)	(550)
Prepayments and Advances	(13,346)	59
Trade and Other Payables	(468)	3,521
	(9,802)	659

26. RELATED PARTIES**Changes in working capital:**

Grant/Transfer – Recurring expenditure – Department of Sport, Arts and Culture	71,353	68,493
Grant/Transfer – Other – Department of Sport, Arts and Culture	-	99
Receivable from non-exchange – Department of Sport, Arts and Culture (Project Management Office)	20,398	-
	91,751	68,592

Related party transactions (Payments)

None

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****2020****2019****26. RELATED PARTIES (continued)****R '000****R '000****Nature:**

1. The National Heritage Council is a schedule 3A public entity under the National Department of Sport, Arts and Culture. The Department of Sport, Arts and Culture acts on behalf of the Minister of Sports, 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 or transfer listed in the Estimates of National Expenditure. The National Heritage Council received R 71,353,000 (2020) and R 68,493,000 (2019) as operational grant. The National Heritage Council further received a reimbursement for a foreign trip (Russia) with an amount of R 99,000 (2019).

In addition, an allocation of R 20,398,000 was set aside by the Department of Sport, Arts and Culture for the continued implementation of Resistance and Liberation Heritage Route (Project Management Office).

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 Sport, Arts and Culture is the related party of the National Heritage Council.

2. 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, Executive Core Business, Company Secretary and Head: Strategy Planning, Monitoring & Evaluation are the positions regarded as being at key management level at the National Heritage Council.

Refer to key management disclosure. (See note 28 and 29)

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.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****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.

2020**Current & call account interest rate.**

Current Balance			
	R'000	R'000	R'000
Current bank and call account Balance	10,570	11,151	9,989
% change		5.5%	-5.5%

Finance lease agreement interest

Current Balance			
Finance Lease Agreement	146	161	131
% change		10.5%	-10.5%

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****2019****Current & call account interest rate.****Current Balance**

	R'000	R'000	R'000
Current bank and call account Balance	23,215	24,492	21,938
% change		5.5%	-5.5%

Finance lease agreement interest**Current Balance**

Finance Lease Agreement	160	177	143
% change		10.5%	-10.5%

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

Debtors type	Total	Current	30-120	120+
2020				
	R'000	R'000	R'000	R'000
Staff Debtors	60	60	-	-
Sundry Debtors	145	129	16	-
Interest Receivable	43	43	-	-
Eastern Cape (Office of the Premier)	733	-	-	733
Department of Sports, Arts and Culture	20,398	20,398	-	-
Mining, Health & Safety Council	78	-	-	78
Total	21,457	20,630	16	811

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****2) An analysis of the ageing of Debtors that are more than 30 days**

Debtors type	Total	Current	30-120	120+
2019				
	R'000	R'000	R'000	R'000
Staff Debtors	76	76	-	-
Sundry Debtors	13	13	-	-
Interest Receivable	104	104	-	-
Eastern Cape (Office of the Premier)	733	-	-	733
National Lotteries Commission	480	-	-	480
National Lotteries Commission – <i>Provision for Doubtful Debt</i>	(480)	-	-	(480)
Department of Sports, Arts and Culture	1,536	-	-	1,536
Mining, Health & Safety Council	706	520	-	186
Total	3,168	713	-	2,455

3) Financial Assets Subject to credit risk

Debtors type	Total	Fully Performing	Over 30 days but not Impaired	Impaired
2020				
	R'000	R'000	R'000	R'000
Staff Debtors	60	60	-	-
Sundry Debtors	148	129	16	-
Interest Receivable	43	43	-	-
Eastern Cape (Office of the Premier)	733	-	733	-
Department of Sports, Arts and Culture	20,398	20,398	-	-
Mining, Health & Safety Council	78	-	78	-
Total	21,457	20,630	827	-

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****3) Financial Assets Subject to credit risk**

Debtors type	Total	Current	30-120	120+
2019				
	R'000	R'000	R'000	R'000
Staff Debtors	76	76	-	-
Sundry Debtors	13	13	-	-
Interest Receivable	104	104	-	-
Eastern Cape (Office of the Premier)	733	-	733	-
National Lotteries Commission	480	-	-	480
National Lotteries Commission – <i>Provision for Doubtful Debt</i>	(480)	-	-	(480)
Department of Sports, Arts and Culture	1,536	-	1,536	-
Mining, Health & Safety Council	706	520	186	-
Total	3,168	713	2,455	-

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****4) Maturity Profile of Financial Instruments**

31-Mar-20	1 year or less	1-5 years	Total
Assets			
	R'000	R'000	R'000
Trade and other Receivables	21,457	-	21,457
Call Account	5	-	5
Current Account – National Lotteries Commission Funds	23	-	23
Current Account – Department of Sport, Arts and Culture –	551	-	551
Current Account – Department of Sport, Arts and Culture – Ring fenced	9,986	-	9,986
Current Account – Eastern Cape (Office of the Premier)	-	-	-
Partnerships – Current Account	1	-	1
Cash on hand	5	-	5
Total Financial assets	32,025	-	32,025
Finance lease	(146)	-	(146)
Trade and other Payables	(7,227)	-	(7,227)
Total Finance Liability	(7,373)	-	(7,373)
Net Financial Asset/ liability	24,652	-	24,652

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****5) Maturity Profile of Financial Instruments**

31-Mar-19	1 year or less	1-5 years	Total
Assets			
	R'000	R'000	R'000
Trade and other Receivables	3,168	-	3,168
Call Account	6	-	6
Current Account – National Lotteries Commission Funds	72	-	72
Current Account – Department of Sport, Arts and Culture –	35	-	35
Current Account – Department of Sport, Arts and Culture – Ring fenced	23,095	-	23,095
Current Account – Eastern Cape (Office of the Premier)	1	-	1
Partnerships – Current Account	1	-	1
Cash on hand	5	-	5
Total Financial assets	26,383	-	26,383
Liabilities			
Finance lease	(160)	(146)	(306)
Trade and other Payables	(7,360)	-	(7,360)
Total Finance Liability	(7,520)	(146)	(7,666)
Net Financial Asset/ liability	18,863	(146)	18,717

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****27. FINANCIAL INSTRUMENTS (continued)****5) Line items presented in the statement of financial position summarised per category of Financial Instrument**

2020			
	Carrying Amount	Adjustment	Fair value
Financial Assets			
	R'000	R'000	R'000
Cash and Cash equivalents	10,570	-	10,570
Trade and other receivables	21,457	-	21,457
Financial Liability			
Finance lease Agreement	146	-	146
Trade and other Payables	7,227	-	7,227

Line items presented in the statement of financial position summarised per category of Financial Instrument

2019			
	Carrying Amount	Adjustment	Fair value
Financial Assets			
	R'000	R'000	R'000
Cash and Cash equivalents	23,215	-	23,215
Trade and other receivables	3,168	-	3,168
Financial Liability			
Finance lease Agreement	306	-	306
Trade and other Payables	7,360	-	7,360

Pledge as security

None of the Financial Assets have been pledged as security for any liabilities.

PART E: FINANCIAL INFORMATION

28. MEMBERS EMOLUMENTS - NON-EXECUTIVE

2020					
Names and Designations	Honoraria	Travel	Honoraria Other	Travel Other	Total
	R'000	R'000	R'000	R'000	R'000
Dr T Mbuli (Chairperson)	155	63	281	119	618
Prof T Meyiwa (Deputy Chairperson)	78	2	8	-	88
Ms K. Modise	100	7	13	-	120
Mr T.Tsehlana	63	-	-	-	63
Chief L. Matsila	73	57	3	2	135
Ambassador D Moopela ##	16	2	-	-	18
Mr M.T Makhweyane	79	7	-	-	89
Prof S. Bouillon ##	52	2	-	-	54
Ms S.Mabilane	100	32	3	2	137
Mrs L Robinson	58	-	-	-	58
Ms K Rapoo	37	1	-	-	38
Adv M Mopeli ###	26	1	-	5	32
Mr K Seleke	144	14	37	11	206
Mr Z Mkiva #	39	12	-	-	51
Mr T Dlamini	147	6	-	-	153
Ms R Gani	88	-	-	1	89
Adv R Solomons #*	21	-	-	-	21
Mr M Metuse	94	2	118	19	233
Mr P Tsebe	94	7	29	8	138
Audit and Risk Committee					
Ms N Madiba (Chairperson) – Independent ##	171	12	11	-	194
Mr Y Haffejee (Chairperson) – Independent	67	4	-	-	71
Mr Z Nomafo (Chairperson of Risk Management Committee) – Independent ##	112	7	-	-	119
Ms P Mushwana – Independent #*	16	-	-	-	16
Ms N Sizani (Chairperson of Risk Management Committee) – Independent #*	24	1	-	-	25
	1,854	239	506	167	2,766

Appointment Terminated/Resigned | ## Lapsed | ### Deceased | #* Appointed in 2019/2020

PART E: FINANCIAL INFORMATION

28. MEMBERS EMOLUMENTS - NON-EXECUTIVE

2020					
Council					
Dr T Mbuli (Chairperson of Council)	105	20	176	33	334
Prof T Meyiwa (Deputy Chairperson)	66	3	4	-	73
Ms K. Modise	69	11	10	1	91
Mr T.Tsehlana	64	3	2	-	69
Chief L. Matsila	41	37	-	-	78
Dr M. Tyatyeka ##	54	12	2	2	70
Ambassador D Moopela	39	4	2	-	45
Mr M.T Makhweyane	71	2	7	-	80
Prof S. Bouillon	64	3	5	-	72
Ms S.Mabilane	81	49	5	3	138
Mrs L Robinson	48	-	3	-	51
Ms K Rapoo	48	-	-	-	48
Adv M Mopeli	41	4	-	-	45
Mr K Seleke	77	9	13	4	103
Mr Z Mkiva	74	18	10	4	106
Mr T Dlamini	46	3	-	-	49
Ms R Gani	64	-	2	-	66
Mr S Leshilo #	87	5	5	1	98
Mr M Metuse #*	-	-	-	-	-
Ms N Ngobese #*	-	-	-	-	-
Mr P Tsebe #*	-	-	3	-	3
Audit and Risk Committee					
Ms N. Madiba (Chairperson Audit and Risk Committee) – Independent	167	12	25	1	205
Mr Z. Nomafu – (Audit and Risk Committee Member and Chairperson of Risk Management Committee) – Independent	80	6	-	-	86
Mr Y Haffejee – (Audit and Risk Committee Member) – Independent	40	2	-	-	42

Appointment Terminated/Resigned | ## Lapsed | ### Deceased | #* Appointed in 2019/2020

1,426

203

274

49

1,952

PART E: FINANCIAL INFORMATION**29. MEMBERS EMOLUMENTS (EXECUTIVE)**

2020									
Designation	Effective Date	Basic Salary	Acting Allowance	Travel Allowance	Medical	Performance Bonuses	Provident Fund	Long Service Award	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Chief Executive Officer	1-April-19	1,783	-	150	26	507	342	-	2,808
Executive Core Business	1-April-19	1,060	-	-	13	38	187	-	1,298
Chief Financial Officer	1-April-19	1,306	-	-	25	187	230	5	1,753
Head: Strategy Planning, Monitoring & Evaluation	1-April-19	1,169	-	151	39	189	233	-	1,781
Company Secretary*	1-April-19	328	-	-	10	189	55	-	582
Acting Company Secretary#	1-July-19	-	297	-	-	-	-	-	297
		5,646	297	301	113	1,110	1,047	5	8,519

Vacant – Received Acting Allowance

* Resigned

2019									
Designation	Effective Date	Basic Salary	Acting Allowance	Travel Allowance	Medical	Performance Bonuses	Provident Fund	Long Service Award	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Chief Executive Officer	1-April-18	1,534	-	150	33	473	298	-	2,488
Executive Core Business	1-Nov-18	504	-	-	6	-	89	-	599
Acting Executive Core Business #	1-April-18 – 31 Oct 18	-	190	-	-	-	-	-	190
Chief Financial Officer	1-April-18	1,241	-	-	25	174	219	-	1,659
Head: Strategy Planning, Monitoring & Evaluation	1-April-18	1,104	-	151	39	177	221	-	1,692
Company Secretary	1-April-18	1,255	-	-	40	177	221	5	1,698
		5,638	190	301	143	1,001	1,048	5	8,326

Vacant – Received Acting Allowance

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020**

30. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE	2020	2019
30.1 General and Administrative expenses		
Opening Balance	134	-
Add: Irregular Expenditure current year	3,817	134
Less: Irregular Expenditure condoned/ recovered	-	-
	3,951	134
Analysis of irregular expenditure condoned per age classification:		
Current Year	-	-
Prior Years	-	-
	3,951	134
Analysis of irregular expenditure per age classification awaiting condonation per classification:		
Current Year	3,817	134
Prior Years	134	-
	3,951	134
Details of irregular expenditure – current year:		
Incident		
Operating contract extended and approved by non-delegated official – Under Investigation	-	134
Expenditure incurred on expired contract	86	-
Expenditure incurred without following a procurement process	2,033	-
Non-compliance with the PFMA and the Preference Procurement Regulations	1,698	-
	3,817	134
30.2 Details of Fruitless and Wasteful Expenditure		
Opening Balance	-	-
Add: Fruitless and Wasteful Expenditure current year	71	-
Less Fruitless and Wasteful Expenditure condoned/ recovered	-	-
	71	-

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****30. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (continued)**

2020

2019

Analysis of fruitless and wasteful expenditure condoned per age classification:

Current Year	71	-
Prior Years	-	-
	<u>71</u>	<u>-</u>

Analysis of fruitless and wasteful expenditure per age classification awaiting condonation per classification:

Current Year	71	-
Prior Years	-	-
	<u>71</u>	<u>-</u>

Details of fruitless and wasteful expenditure – current year:

Expenditure incurred for cancelled flight tickets - Receivable from Airlines	52	
Over payment to suppliers	19	
	<u>71</u>	

31. 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 Management and Accounting Authority to indicate that the organisation would not remain a going concern for the foreseeable future, based on forecasts and its liquidity.

32. EVENTS AFTER REPORTING DATE

The council is not aware of any matter of circumstance arising since the end of the reporting period.

R 20,398,000 was set aside in 2019/2020 financial year and transferred after 31 March 2020 by the Department of Sport, Arts and Culture for the continued implementation of Resistance and Liberation Heritage Route (Project Management Office)

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****33. BUDGET VARIANCES**

2020

2019

The Council approved the budget and submitted it to the Executive Authority in terms of section 53 (1) of the PFMA.
Explanations for significant variances:

- (a) The Golden Shield Heritage Awards partner (Limpopo Provincial Department of Sport, Arts and Culture) exercised a strategic option not to transfer funds to the NHC, procured and paid provincial service providers directly from their allocation.
- (b) The roll-out of the Project Management Office (Resistance and Liberation Heritage Route) on other planned activities was delayed due to ongoing discussions on the implementation of the programme and/or project.
- (c) Additional funds were made available:
 - Executive Authority (Department of Sport Arts and Culture) – for the defrayment of expenditure incurred on their behalf on the implementation of the National Summit (Resistance and Liberation Heritage Route), and
 - Mine Health and Safety Council transferred funds to the National Heritage Council for the Coalbrook Mining Disaster Project.
- (d) Operating expenses include prepayments and advances to heritage funded projects as required by the applicable accounting standard i.e. deferred expenditure. The accounting treatment does not represent a cash deficit.
- (e) The impact of cost containment on procurement, and new office accommodation lease contract in respect of utilities.
- (f) Two (2) staff members resigned during the financial year.
- (g) The NHC contributed to the leasehold improvements of the new office accommodation in line with the agreement entered into with a service provider procured through an open bid process.

PART E: FINANCIAL INFORMATION**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020****34. CHANGES IN ACCOUNTING ESTIMATES**

The NHC conducted a review of useful lives of property plant and equipment and intangible assets. This review resulted in the extensions of useful lives of assets under the following classes

Class	Depreciation/Amortisation R'000	Accumulated Depreciation R'000	Effect: Statement of Financial Position	Effect: Statement of Financial Performance
Office Equipment	18	18	Increase to carrying Amount	Increase to surplus
Furniture and Fittings	62	62	Increase to carrying amount	Increase to surplus
Intangible Assets	(3)	(3)	Decrease to carrying amount	Decrease to surplus
Total	77	77		

35. COMMITMENTS

	Amount 2020 R'000	Amount 2019 R'000
Up to one year		
Funding Disbursements (Heritage Funded Projects)	4,288	2,909
Heritage Projects	360	122
Quotations and contracts (Excluding Finance and Operating Leases)	1,499	3,168
Later than one year and not later than 5 years		
Quotations and contracts (Excluding Finance and Operating Leases)	434	-
TOTAL	6,581	6,199

Included under the current balance of commitments is R 295 thousand (Heritage Funded Projects) funded from the ring-fenced funds from DSAC in respect of project Management Office (RLHR).

PART E: FINANCIAL INFORMATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

36. OTHER SIGNIFICANT TRANSACTIONS AND EVENTS

The National Heritage Council received the following off-balance sheet resources which were pledged by partners:

In support of the Golden Shield Heritage Awards (GOSHA):

Limpopo Department of Sport, Arts & Culture	1,500
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In support of the Heritage Education Schools Outreach Programme (HESOP):

Brand South Africa	200
	1,700

PART E: FINANCIAL INFORMATION**DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2020**

	2020	2019
	R '000	R '000
TOTAL REVENUE	72,597	70,429
<i>Revenue from Non-exchange</i>	72,245	70,101
Government grant/transfer	71,353	68,493
Amortised conditional grants/transfers/partnerships - Other	892	1,608
<i>Revenue from exchange transactions</i>	352	328
Other income	1	102
Interest received	351	226
TOTAL EXPENSES	(70,168)	(74,228)
Operating expenses	(19,140)	(23,640)
Administrative expenses	(15,807)	(18,125)
Employment related costs	(31,299)	(28,451)
Operating lease expenses	(2,688)	(2,573)
Provision for Doubtful Debts	-	(480)
Debt written off	-	(42)
Finance costs	(26)	(41)
Depreciation	(1,125)	(776)
Amortisation	(83)	(100)
	2,429	(3,799)

PART E: FINANCIAL INFORMATION**DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2020 (continued)**

	2020	2019
OPERATING EXPENSES	R '000	R '000
Heritage Projects and Programmes	18,569	22,793
Funding disbursements (Heritage Funded Projects)	2,462	2,804
Heritage Resource Centre	32	33
Ubuntu in Nation building	58	55
Heritage Strategic Programmes	3,610	5,361
Heritage Engagement with Sector	4,427	4,926
SATMA Awards	400	1,226
Heritage Awards	2,157	4,266
Support of Youth Heritage	342	-
Heritage and Education Outreach Programme Project	939	575
Heritage Journal	18	-
National Heritage Liberation Route	893	-
Position Papers	567	-
Research Plan	39	-
Impact Studies	-	422
Heritage Experts	-	343
Publish of Heritage Volumes	14	2
Contribution to Policy	1	1,183
LHR Struggle Icon	-	304
Home of Legends	86	65
Heritage Project Expense	1,057	434
National Liberation Route	874	-
Heritage sites	593	794
Staff Training and Development	319	706
Staff Training	122	432
Subscriptions	197	274
Maintenance, Repairs and Running Costs	252	141
Repairs and Maintenance	252	141
	19,140	23,640

PART E: FINANCIAL INFORMATION**DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2020 (continued)**

	2020	2019
ADMINISTRATIVE EXPENSES	R '000	R '000
General and Administrative Expenses	13,104	14,603
Catering Meetings	150	168
Audit Fees (Internal)	406	561
Audit Fees (External)	1,025	980
Advertising of Posts	177	84
Fruitless & Irregular Expenditure	-	134
Marketing & Communication	235	810
Advertising - Tenders & Policies	64	184
Bank Charges	37	37
Consulting Fees	2,657	2,234
Courier & Postage	50	30
Electricity, Water & Refuse	534	485
COIDA	54	-
Honoraria	2,395	1,818
Insurance	31	132
Staff Welfare	301	184
Loss on disposal of assets -	23	-
Rentals - Office Equipment	41	135
Motor Vehicle Expenses	96	88
Printing & Stationery	145	158
Rates & Taxes	96	232
Publications	144	629
Recruitment Cost	243	271
Workshops	770	1,131
Sundry Expense (Stakeholder Relations)	-	6
Telephone & Faxes	909	760
Cell phone Accounts	536	522
Temp Staff	773	1,649
IT Support	288	360
Service Charges	924	822
Travel and Subsistence	2,702	3,522
	15,806	18,125

PART E: FINANCIAL INFORMATION

DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2020 (continued)

	2020	2019
EMPLOYEE RELATED COSTS	R '000	R '000
Salaries	27,845	25,562
Leave Pay	272	(128)
Performance Bonus Pay	3,182	3,017
	31,299	28,451

Annexure A *Statement of responsibility and confirmation of accuracy***Statement of responsibility and confirmation of accuracy for the annual report**

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the accounting standards applicable to the public entity.

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

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

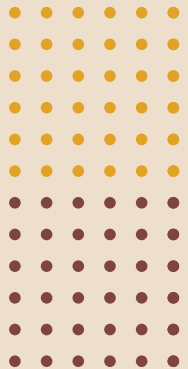
The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2020.

Yours faithfully



Ms. Moruakgomo Louisa Mabe
Acting CEO and Interim Accounting Authority
National Heritage Council
30 October 2020



RP: 355/2020
ISBN: 978-0-621-48856-2