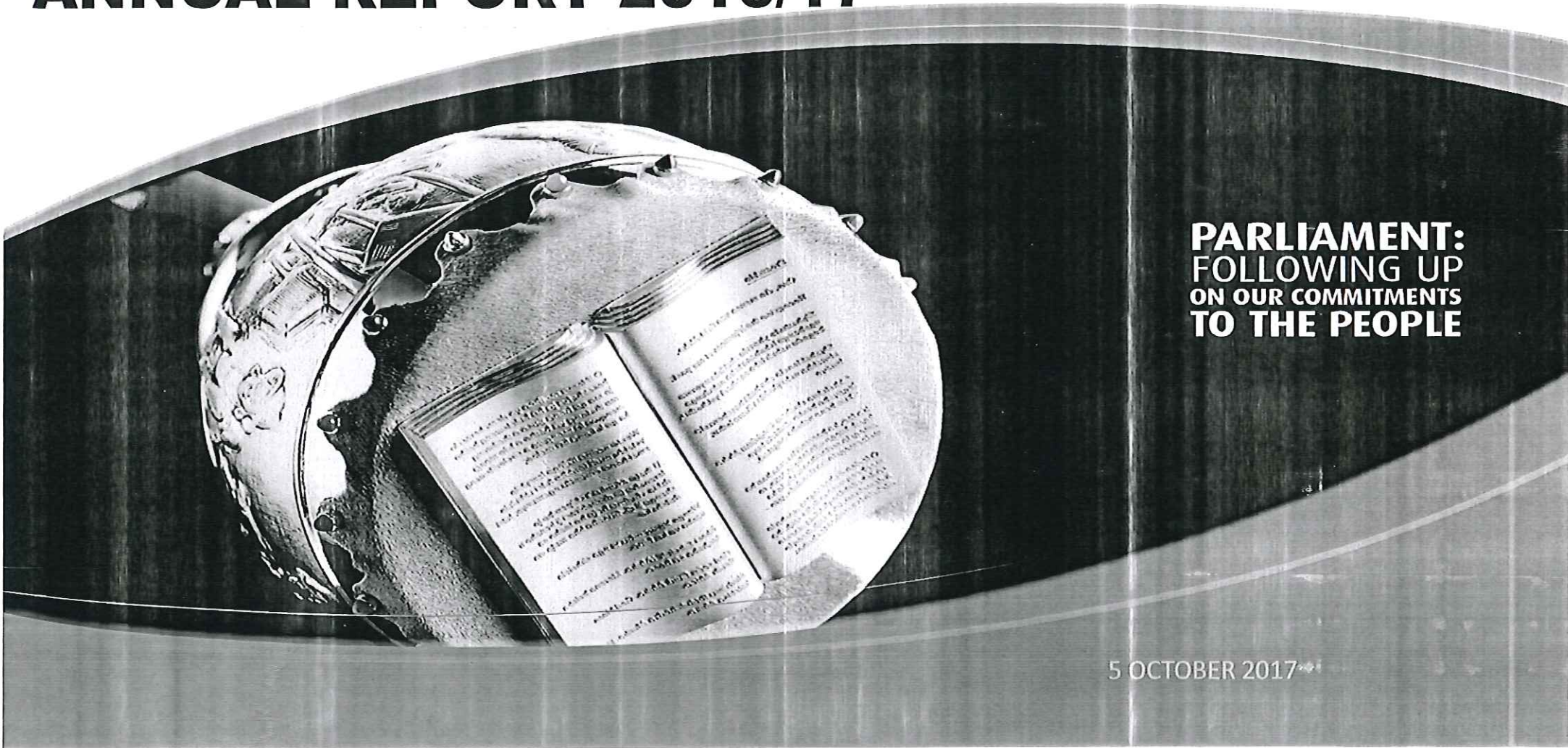


CASTLE CONTROL BOARD ANNUAL REPORT 2016/17



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



**PARLIAMENT:
FOLLOWING UP
ON OUR COMMITMENTS
TO THE PEOPLE**

5 OCTOBER 2017

Strategic Overview (p.2)



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Highlights

- Second consecutive clean audit.
- Potential tourists - media coverage – p/a target 55 million
Exceeded by 599 million.
- Performance vs predetermined objectives: only 1 of 17 key performance indicators missed. 7 met and 9 were exceeded.
- Main highlight for year Castle's 350 Commemoration. Includes:
Krotoa Memorial; Centre for Memory, Healing and Learning; statues of warrior kings Nommoä/Doman, Cetshwayo, Langalibalele and Sekhukhune; Restitution Memorial Garden, and the National Schools Mural Campaign.
- Savings on renovations programme for repairs and maintenance.

Strategic Overview (p.3)



Challenges

- Synchronise Commemoration with daily Castle operations.
- Revenue @ R3 994 784 is 48.6% under R8.214 289.
- Sales income supplemented by surplus funds.
- Accumulated surplus decreased R10 120 340 (2016) to R4 175 966 in 2017.
- Revenue Deficit increased to R5 944 374 (R2 532 984).
- CCB does not control the entire precinct -complicates management
- Ill-discipline SANDF soldiers as guards.

Strategic Overview (p.3)



Challenges

- Income generation capacity undermined by other organisations operating on site.
- To execute full mandate, own generated income (R5.5 m p/a to be augmented by subsidy DODMV
- Additional resources required: calculated at R4.5 m p.a.
- To be ring-fenced and based on a tightly managed MOU.
- The inability of the new Restaurant manager to settle an amount of rent due.

Strategic Overview: Financial Performance p.4



Programme	2014/15 R'000 (R thousand)		2015/16 R'000 (R thousand)		2016/17 R'000 (R thousand)		(Over)/Under Expenditure
	Budget	Actual expenditure	Budget	Actual Expenditure	Budget	Actual Expenditure	
Administration	4.182	5.172	5 091	5 658	6 637	8 010	(1 373)
Conservation	1.254	656	1 950	282	369	260	109
Tourism Promotion	75	60	130	10	41	30	11
Public Access	260	350	330	1 476	1 167	1 640	(473)
Total	5 771	6 238	7 501	7 426	8 214	9 940	(1 726)

Strategic Overview: Revenue p.4



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<i>Source of revenue</i>	2014/15		2015/16		2016/17		
	Estimate	Amount collected	Estimate	Amount collected	Estimate	Amount collected	(Over)/under collection
R'000							
Sales	3 000	3 278	3 730	2 942	4 000	2 295	1 705
Rental income	2 171	743	3 156	1 277	3 410	1 139	2 271
Other Income	164	292	15	41	204	163	41
Interest income	600	677	600	646	600	397	203
TOTAL	5 771	4 697	7 501	4 905	8 214	3 994	4 220

Irregular expenditure

- An amount of R1.724 869 for FY2016/17 (was condoned/written off by the Board)

Unauthorised Expenditure and Fruitless and Wasteful Expenditure

- No “*Unauthorised Expenditure*” for the FY 2016/17.
- No “*Fruitless and Wasteful Expenditure*” for the FY2016/17



- **Clean audit opinion** from the Auditor-General for FY2016/17
- *Emphasis of matter* namely the *Restatement of corresponding figures*, which does alter his audit opinion.
- Refers to “*Comparative figures for expenditure items were reclassified during the year under review*” but states that “*these reclassifications have no influence on both Surplus for the prior year and Accumulated Surplus as at 31 March 2015.*”

Programme 1: Administration through good corporate governance

- *All four APP targets were met, against overspending of R1 373 000 on this programme.*

Programme 2: Preservation, interpretation and showcasing of the Castle

- *All 4 of these APP targets in this area were met, against underspending of R109 000 on this programme.*

Programme 3: Maximising the tourism potential of the Castle

- *Five of the six APP targets were met – a success rate of 83.33 %, vs underspending of R11 000*

Programme 4: Increased public profile and positive perception of the Castle

- *All four APP targets were met, against overspending of R473 000 on this programme.*

Governance

P.7



Risk Management

- Risk Register was developed as a basis for regular risk assessments

Fraud and corruption

- The Annual Report states that the CCB does not have an anti-criminality plan but has a fully-fledged Fraught (sic) Prevention Policy.

Audit Committee

- Fully functional supported & CCB to achieve a clean audit opinion, assisted with interaction with A-G to ensure no unresolved issues.

Human resources

p.7



- No dedicated Human Resources Unit
- Staff complement of 36 members (3 paid by DOD)
- Total expenditure for 36 employees = R5 393 000 of total expenditure of R9 939 000,
- Represents a 54.3% of personnel expenditure as a percentage of total expenditure.

Performance rewards

- Provision is made R368 935 (R313 371 in FY2015/16).
- For 3 employee categories composed of R161 000 (Top management), R179 000 (Senior Management) and R21 000 (professional qualified), although these are indicated as provisional amounts.

Employee related costs

- Cost for FY 2016/17 was R5 393 000 (R3 361 566 in FY2015/16)
- R3 092 162 in FY 2014/15 and R1 775 000 in FY 2013/14.



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Thank you

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