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PART A: GENERAL INFORMATION2

1.	DIE AFRIKAANSE TAALMUSEUM EN - MONUMENT GENERAL INFORMATION	2
2.	LIST OF ABBREVIATIONS AND ACRONYMS	2
3.	FOREWORD BY THE CHAIRPERSON	2
4.	DIRECTOR'S OVERVIEW	6
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT	9
6.	STRATEGIC OVERVIEW	9
6.1	Vision	9
6.2	Mission	9
6.3	Values	10
7.	LEGISLATIVE MANDATES	10
8.	ORGANISATIONAL STRUCTURE	11

PART B: PERFORMANCE INFORMATION12

1.	REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT	12
2.	SITUATIONAL ANALYSIS	12
2.1	Service Delivery Environment	12
2.2	Overview of the Organisational Environment	12
2.3	Key Policy Developments & Legislative Changes	12
2.4	Strategic Outcome-oriented Goals	13
3.	PERFORMANCE INFORMATION BY PROGRAMME	14
3.1	Programme: Administration	14
3.2	Programme: Business Ventures	16
3.3	Programme: Public Engagement	19
4.	REVENUE COLLECTION	21
4.1	Revenue Collection	21
4.2	Capital Investment	22

PART C: GOVERNANCE 23

1.	PORTFOLIO COMMITTEE	23
2.	EXECUTIVE AUTHORITY	23
3.	THE COUNCIL	23
4.	RISK MANAGEMENT	27
5.	INTERNAL CONTROL	27
6.	INTERNAL AUDIT AND AUDIT COMMITTEES	28
7.	COMPLIANCE WITH LAWS AND REGULATIONS	29
8.	FRAUD AND CORRUPTION	29
9.	MINIMISING CONFLICTS OF INTEREST	29
10.	CODE OF CONDUCT	29
11.	HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES ..	29
12.	SOCIAL RESPONSIBILITY	29
13.	AUDIT COMMITTEE REPORT	29

PART D: HUMAN RESOURCE MANAGEMENT 31

1.	INTRODUCTION	31
2.	HUMAN RESOURCES OVERSIGHT STATISTICS	31

PART E: FINANCIAL INFORMATION 34

1.	COUNCIL'S RESPONSIBILITIES AND APPROVAL	34
2.	REPORT OF COUNCIL	35
3.	REPORT OF DIRECTOR	36
4.	REPORT OF EXTERNAL AUDITOR	37
5.	ANNUAL FINANCIAL STATEMENTS	43

PART F: APPENDICES 76

* THESE DOCUMENTS ARE ONLY AVAILABLE IN THE ENGLISH VERSION
OF THE ANNUAL REPORT.

PART A: GENERAL INFORMATION

1. DIE AFRIKAANSE TAALMUSEUM EN -MONUMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS AND ACRONYMS

AAB	Approved Annual Budget
AFS	Annual Financial Statements
AG	Auditor-General
APP	Annual Performance Plan
ASP	Approved Strategic Plan
ATM	Die Afrikaanse Taalmuseum en -Monument
BGR	BGR Chartered Accountants
DAC	Department of Arts and Culture
DPW	Department of Public Works
GRAP	Generally Recognised Accounting Practice
GAAP	Generally Accepted Accounting Practice
HED	Higher Education Diploma
MBL	Master of Business Leadership
MTEF	Medium-term Expenditure Framework
PAA	Public Audit Act of South Africa
PE	Public Entity
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMP	Senior Management Programme
TR	Treasury Regulations

3. FOREWORD BY THE CHAIRPERSON

3.1 Introduction

The Council of the ATM has, in the year under review, provided strategic direction in terms of the vision and mission of the entity. Council has revisited the vision and mission statements of the institution by repositioning the ATM as an inclusive and dynamic entity that promotes the linguistic diversity of Afrikaans within the context of a multicultural society. To this effect, various programmes and projects were (re)aligned to articulate the principles of inclusiveness, innovativeness, linguistic diversity, multilingualism (where possible) and social cohesion. The ATM has over the past few years introduced a platform for robust discussions on topical issues pertaining to Afrikaans. These 'Ommietafel' discussions bring together participants from various segments of the Afrikaans community to voice their perspectives on, amongst others, the history of Afrikaans, its linguistic diversity as well as the repositioning of Afrikaans as a decolonial language in a multicultural society. To give effect to the principle of multilingualism, Council approved the introduction of audio guides, which makes it possible for visitors to the monument to experience the rich history of this heritage site in any one of six languages. A concerted effort has also been made during this past year to do necessary preparatory work in order to commence (in the near future) with the digitisation of (a part of) the archival collection, and in so doing enhance access to less-readily available information on the history of Afrikaans.

The Council of the ATM made good strides in putting interventions in place to enhance compliance to relevant regulations and legislation. The report by the Auditor-General has identified and highlighted specific challenges with regard to the supply chain management processes. To this end, Council has formulated a detailed audit improvement plan, based on the audit findings, which was strictly monitored and implemented by the audit and risk committees to prevent repeat findings regarding compliance with legislation in terms of the entity's supply chain management processes. Council also introduced several interventions to put the entity in a better position to achieve its key objective of a clean audit. Some of these included the following: Shortage of staff, in particularly the finance division, has been addressed to some extent, given the limited financial resources of the entity. The contract appointment in this division was tasked in particular to manage the supply chain processes. This has made it possible to have a clearer separation of the various functions in the finance

division, to some extent, in order to improve compliance. In order to optimise operational efficiency, Council also conducted a comprehensive work-study of the staff's job descriptions and their salary scales. The implementation of the recommendations of this work-study report has led to a revised and more efficient organogram for the entity, with various line functions and job descriptions more clearly demarcated. The fact that the entity achieved 100% of its targets as set out in the APP, is a testimony to the effectiveness of these interventions and the efficient management of the entity.

Council is confident that the strategic direction it has provided in terms of the operations and initiatives of the entity, despite the ongoing challenges in terms of limited financial resources, will improve compliance with the PFMA and GRAP regulations as well as challenges pertaining to the supply chain processes identified and highlighted in the past Auditor-General's Report on the ATM. Council remains satisfied that resources are used effectively for the institution to continue contributing to national healing and social cohesion.

3.2 Overview of Strategy and Performance

The ATM Council's objectives are based upon a commitment to reinforce the role of Afrikaans as an inclusive language from which other national languages can derive lessons, especially, but not limited to, language development and promotion. To this end, Council strives, as part of its mission, to reach out to other language communities and entities through educational programmes and cultural activities in order to establish mutual respect between Afrikaans and other languages by acknowledging the role and influence played by other languages in the development of Afrikaans. Additionally, the ATM focuses in particular on highlighting those displaced or previously marginalised histories of Afrikaans as part of a larger decolonisation process, and in so doing, creates spaces of engagement in which different role-players of Afrikaans can interact in order to facilitate a stronger shared cultural identity. The overall objective is to manage the institution on sound governance principles that will establish it as a leading and recognised role-player in the heritage landscape.

The following key strategic objectives are constantly reinforced: A targeted exponential increase in visitor numbers, including the broadening of areas from which learners from surrounding areas in the district are drawn, through the presentation of innovative and creative public programmes; strengthening the ATM's financial sustainability through targeted programmes and visits to augment the institution's finances; marketing and education that have become central to the business of the institution; and persistent commitment to meet the ATM's varied needs through enhancing sustainable delivery of service in the form of exhibitions. These approaches have become useful and catalysts for research articles, lectures and educational outreach programmes with a reach to other provinces than the Western Cape.

3.3 Strategic Relations



Seminar: Afrikaans's Economic Value in collaboration with the Afrikaanse Taalraad.

The ATM continues with its affiliation to Die Afrikaanse Taalraad (the Afrikaans Language Council), a body that consists of more than 40 associations. This strategic affiliation ensures that work done in the ATM remains validated, relevant and resonates with current developments within the Afrikaans language and cultural industries. The ATM also hosts a number of collaborative projects/programmes during the year with its strategic partners to fulfil its social mandate. A number of entities in the Afrikaans business community have also provided financial support that has been very helpful in assisting the ATM meet some of the objectives that it would otherwise not have been able to meet. Council is convinced that such relationships be

maintained and strengthened. Research inputs on issues pertaining to Afrikaans as well as the Museum and Monument are regularly sent to overseas magazines and contact persons who often then publish these.

3.4 Challenges Facing the Council

Council acknowledges and recognises the subsidy allocation and additional grants received from the Department of Arts and Culture during the 2017/2018 financial year. However, challenges in terms of outstanding audit fees since 2014, after National Treasury indicated that they would no longer pay the shortfall in terms of audit fees, still remain a real concern for the financial sustainability of the ATM. Council would like to request for a revisiting of the audit formula, especially for smaller entities. In the case of the ATM, audit costs amount to nearly 8% of the total expenses of the ATM, which impedes on the operational needs of the institution.

Limited financial resources remain a constant at the ATM that impede on the entity's ability to adequately fill positions in strategic divisions, such as the finance and communication section, in order to optimise operational efficiency.

The infrastructure of the Museum, Monument and Amphitheatre is more than 40 years old, and the ongoing maintenance remains a constant challenge for the Council. Council acknowledges the allocations made available by DAC for maintenance to the infrastructure during the period under review, which has been put to good use to start the ongoing process of upgrading the facilities. Council also identified a need to expand some of the facilities to enhance greater public participation in ATM events and activities.

The repositioning of the ATM as a brand name that is visible and recognised beyond provincial boundaries, poses an interesting challenge to the Council, but simultaneously creates an opportunity to explore new strategic relations beyond the current provincial borders.

3.5 Medium to Long-term Goals

The digitisation of a part of the archival collection remains a priority for the Council. The funds made available by DAC in this regard will help in making access to our archival collection more readily available.

The expansion of the mobile exhibition ("reisende uitstalling") to reach a larger number of schools in different provinces remains central to the vision of the ATM in making the ATM more visible to school learners (and communities) in different provinces.

The extension of our current collection and exhibitions with the displaced or "untold" histories of Afrikaans, collected from the speakers of Afrikaans, remains an ongoing key objective. The ATM is committed to display the history of Afrikaans as representative as possible of all its speakers but cognisant of the discourses on decoloniality and Africanisation.

Better accessibility to visitors living with disabilities remains central to the ATM. Accordingly, the installation of Braille signage and the construction of more wheelchair-friendly paths remain priorities. In doing this, the ATM attempts to use Afrikaans as a medium through which the process of transformation and reconciliation can be encouraged.

3.6 Recognition and Appreciation



The new ATM council FLTR is Mr Jurie Saal, Dr William Langeveldt, Mr Logan Munamy, Prof Janis Grobbelaar, Prof Elvis Saal (chair), Adv Penny Magona (deputy chair), Mr Cecil le Fleur and Prof Steward van Wyk

I want to express my gratitude and appreciation to the members of the previous Council, whose terms have come to an end at the end of 2017, for their commitment, valuable contributions and strategic oversight provided to the ATM.

I also want to express my appreciation to the new council members who have availed themselves to serve on the council of the ATM for the term 2018-2020. I am confident that new council, with its variety of skills sets and knowledge, will serve the ATM with distinction and that I can count on the commitment and valuable inputs of the Council members to position the ATM as a leading role-player in the cultural landscape.

I want to express my gratitude to the management and staff of the ATM for their commitment and dedication to the institution. I want to acknowledge the outstanding achievement of management and staff who achieved a 100% rate in terms of their targets as set out in the APP for the period under review.

I want to express a special word of thanks and appreciation to the Honourable Minister of Arts and Culture, Mr NE Mthethwa (MP), for the continued annual financial allocation the Department makes in support of the ATM's work. His continued personal interest in, and insistence on, clean audits during the entire term of the current Council is testimony of his keen interest in the good fortunes of the ATM.

3.7 Concluding Remark

Afrikaans remains an integral part of South Africa's linguistic and cultural tapestry and can play a significant role in nation building and social cohesion. It is the ATM Council's fervent desire that the institution grows from strength to strength to the benefit and service of the South African community at large. It remains a possible beacon of hope from which even previously marginalised South African languages are likely to draw valuable lessons in terms of language development, management and promotion.

A handwritten signature in blue ink, appearing to read 'EO Saal', is positioned above the printed name.

Prof EO Saal
CHAIRPERSON
31 May 2018

4.1 General Overview of Finances

During the period under review the Afrikaans Language Museum and Monument (ATM) had an array of achievements that were made possible by a dedicated, committed staff and target-driven management strategies. Another key focus in our planning and execution approach was to link the planned outcomes of activities to the strategic goals of the Department of Arts and Culture (DAC) for the 2018/2019 financial year. Surplus income was generated through increased visitor numbers to the Museum, renewed interest in the institutions as a major, popular tourist brand, and the hosting of highly successful picnic concerts as well as stargazing and full moon picnics. I would like to extend my sincere gratitude to the staff for their efforts and contributions that enabled the institution not only to achieve a 100%-rate, but exceed the targets as set out in the Annual Performance Plan (APP) for the 2017/2018 financial year. A magnificent correlation could also be drawn between the non-financials (achievement of targets in the APP) and the financial expenditure for the financial year.

In the 2017/2018 financial year the institution's popularity as the fifth most visited tourist attraction in the Western Cape was reconfirmed, given the visitor numbers, involvement of the general populace in public programmes, and greater visibility in the print, electronic and social media. Our social media presence grew immensely with the number of Facebook followers reaching 15 500 and Instagram-followers reaching the 1 000-mark. Our visibility was further increased by a SABC3 TV-interview with the director during a lunchbreak insert when the Proteas played cricket against Bangladesh on 17 October 2017. Visitors to the Monument can now also enjoy audio-guided tours in six languages, including isiXhosa and French.



Full Moon Picnic with Father Christmas



Annual Night Run in aid of the Boland School for Autism.

The ATM celebrated a number of theme-related events, public and special days that received widespread media coverage such as International Museum Day 2017 when management focused on the broader Afrikaans community's shared food heritage, entitled 'Saying the Unsayable in Museums'. Youth Day 2017 was celebrated with a workshop by the rapper Jitsvinger as guest performer and facilitator. It focused on rap as an artform and medium through which the youth can articulate their freedom, struggles and everyday challenges. In celebrating heritage month, the ATM hosted the opening of the 'The One World Festival of Healing' on 22 September 2017. As part of the event an exhibition of twelve poems by the Dean of the St George's Cathedral, reverend Michael Weeder, opened in the Green Gallery at the Monument. This festival, supported by 16 international governments, focuses on memories as a medium to deal with historical trauma. As part of the marketing for the event the director conducted a radio interview on Heart FM. Our slave Emancipation Day and Reconciliation Day celebrations for 2017 focused on the slaves' contribution to the development of Afrikaans.

Regarding the maintenance of our sites and our infrastructural needs, management has attended the DAC and Department of Public Works Forum meetings to discuss matters pertaining to the maintenance and development of the infrastructure at the ATM. Matters raised included the lack of offices and no dedicated indoor space to host educational and other public programmes. The removal of alien vegetation, general maintenance,

security, outdated electrical infrastructure and non-compliance with health and safety regulations due to a lack of funding pose high risks. During the period under review the enlargement of the coffee shop at the Monument was completed and the opening of the newly improved coffee shop took place on 28 November 2017. This forms part of a strategy to enhance and extend our visitor experiences.

The remunerations committee adopted and implemented the recommendations of a work study report. The report contains an analysis of the institution, work processes, suggested organogram and staff establishment, and an explanation of how the existing salary packages compare to five similar institutions. It was furthermore decided that the recommendations of the work-study report will be implemented by following a phased approach. Those staff qualifying for salary package increases have been adjusted to the 25 percentiles as stipulated in the adopted report.



Commemoration of Slave Release, 1 December 1834, staff with speaker dr Helena Liebenberg

The considerable improvement in the institution's overall performance can be greatly attributed to the introduction of a new staff performance evaluation and management system, whereby the different key performance areas for each staff member and their respective norms/standards are linked to a specific portion of the allocated budget and targets in the APP.

The latest additions to our staff establishment are as follows: Mr Deon Syster, groundman, Mr Jeffrey Pietersen, assistant: communication and events, Ms Amira Brown, coordinator: visitor services and events, and Mr Sybrandus Adema, communication officer. Mr Freddie Andrews retired after 25 years unbroken service.

4.2 Spending Trends

The ATM is aware of its responsibility to the broader society and therefore subscribes to the principles of sound financial management and practice. In applying these principles, budget expenditure is closely monitored. Where there is nonetheless a deviation from specific budget items, the Council is satisfied that the deviation is justified and in the best interest of the ATM.

4.3 Challenges and Constraints

During the 2017/2018 financial year, the ATM Council and Management largely focused on addressing matters and findings raised by the management report presented by the Auditor-General's office for the 2016/2017 financial year. Compliance to financial regulations and other relevant legislation is very challenging, considering the size of the institution and the fact that the procurement of goods and services is performed by only two staff members.

Medium Term Expenditure Funding (MTEF) Guidelines issued by NT restricts PE's to a 5.7% increase in budget expenditure. Because of their very nature, as mentioned above, no limitation in expenditure growth (e.g. a consumer price index) should be placed on planning assumptions when considering price increases over the MTEF period. Restrictive measures (such as using inflation projections) curb public enterprise and initiatives that are particular to a PE, particularly in instances where own income is generated to fund earmarked projects. To entertain public enterprise and initiatives, the public entities are very dependent on public funds.

These self-generated funds form an integral part of their budget and cannot be ignored when budgeting for the next year. Self-generated funds should thus also be taken into consideration when reviewing the budget programme structures and activity descriptions. When restrictions are placed on our budget planning for expenditure, it causes a bottleneck effect on our income as well. Moreover, expenditure is often determined annually by the externally-generated funds and the utilised conditions applicable to such funds.



Workshop regarding the changes in the latest Afrikaanse Woordelys en Spelreëls.



Book Repair Course.

In conclusion, the way forward should be that new legislation be considered to make provision for the particular character of PE's.

4.4 Rollover of Funds

The ATM must make annual financial provision for the above-mentioned activities, as well as for staff leave, maternity leave, upgrading the hiking trail at the Monument, and additions to the exhibition. Another obligation for which the rollover of funds is requested, is the provision for auditing costs.

4.5 Supply Chain Management

The ATM made five procurements of above R100 000, namely to appoint a service provider to enlarge the kitchen area of the coffee shop at the Monument, for security services, auditing of our heritage collection, acquiring a new vehicle, and to paint the Museum. Smaller procurements are carefully monitored to ensure that at least three quotations are obtained. Specifications that allow for the most important elements of goods and services to be procured are used. Some problems were experienced with regard to SCM (see Note 27 of AFS).

4.6 Audit Report and Feedback


Findings and matters raised by the Auditor-General were partly dealt with. Strategies were implemented to ensure greater compliance. Great care will be taken to ensure that committees that form part of the supply chain have different members.

4.7 Economic Viability

Strict financial guidelines and internal control measures are followed to maintain economic viability. Meticulous administration, assurance and proven financial practices are followed. Cooperation with the Auditor-General and internal auditors to ensure sound administration is one of the ATM's main targets.

4.8 Acknowledgements and Appreciation

Once again, we would like to acknowledge a very competent Council who, in the many areas of their expertise, were helpful in making the ATM a proud institution. To Minister Nathi Mthethwa and his deputy, Ms Makhotso Sotyu, our thanks for their excellent leadership. We wish them well for the future.



Mr MJ Jonas
DIRECTOR
31 May 2018

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

- ❖ All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General.
- ❖ The Annual Report is complete, accurate and free of omissions.
- ❖ The Annual Report has been prepared in accordance with the guidelines for annual reports as issued by the National Treasury.
- ❖ The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the ATM.

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

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

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

In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the ATM for the financial year ended 31 March 2018.

Yours faithfully



Mr MJ Jonas
DIRECTOR
31 July 2018



Prof EO Saal
CHAIRPERSON
31 July 2018

6. STRATEGIC OVERVIEW

6.1 Vision

The ATM's vision is to expand it into a dynamic and inclusive institution that promotes the linguistic diversity of Afrikaans within the context of a multicultural society.

6.2 Mission

The mission of the ATM is to:

1. promote the diversity of Afrikaans through inclusive programmes and activities
2. digitise information to better conserve and increase access to it
3. create an environment in which different Afrikaans role-players and agents interact with each other to achieve social cohesion
4. reach out to other indigenous language communities and entities through educational programmes and cultural activities
5. research 'ignored' or displaced histories of Afrikaans, and sharpen its focus on African epistemologies and knowledge-learning systems as part of a larger decolonisation process
6. promote mutual respect and tolerance between members of the Afrikaans language community in order to facilitate a stronger shared cultural identity
7. manage the institution on sound and transparent financial and management principles that will establish it as a leading and recognised role-player in the heritage sector

8. protect, conserve and promote Afrikaans's diverse language heritage, cultural-historical buildings and heritage sites
9. empower various cultural groups through workshops and programmes
10. Empower the staff and greater community

6.3 Values

The ATM strives for the wellbeing of Afrikaans in the South African society. In this spirit we wish to encourage and support Afrikaans, especially among the youth and non-mother-tongue speakers. We constantly endeavour to establish mutual respect between Afrikaans and other indigenous languages by, among others, acknowledging the mutual influences of the languages on each other.

The ATM's values include:

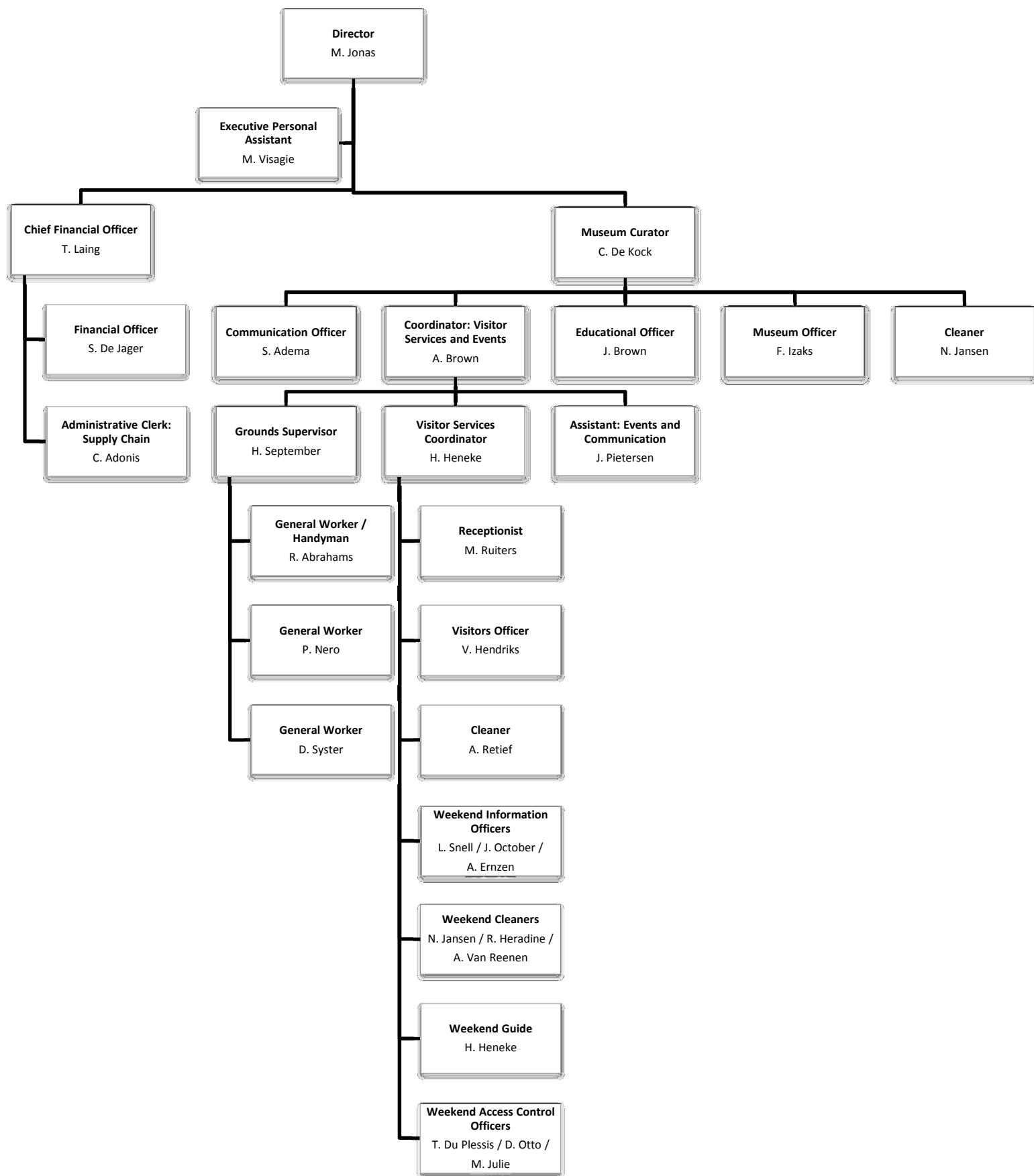
- striving for high levels of integrity, reliability, transparency and professionalism in what we do
- being tolerant and respectful in dealing with cultural groupings and other languages
- striving for excellence in our work environment, as well as in what we offer to the public
- contributing to the empowerment of the South African society
- being creative and innovative in terms of the programmes and activities we offer

7. LEGISLATIVE MANDATES

The ATM is a schedule 3A public entity in terms of the PFMA.

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA); Treasury Regulations, 2005; Cultural Institutions Act, 1998 (Act Number. 119 of 1998), and other applicable acts and regulations.

8. ORGANISATIONAL STRUCTURE



1. REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

The Auditor-General currently performs the necessary auditing procedures on the performance information in order to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to the ATM's management, with no material findings being reported under the heading 'Report on the audit of the annual performance report' of the auditor's report.

Refer to page 37 of the Report of the Auditor-General, included in Part E: Financial Information.

2. SITUATIONAL ANALYSIS

Our fiscal resources will be allocated to exhibition reviews, research, collection management, and educational and public programmes. The number of outreach programmes to be undertaken varies continuously. Public programming efforts will focus on the educational and information needs of the respective audiences. The Garden Theatre at the Monument plays host to our picnic concerts in the summer. New research is being done to ensure the representativeness, scope and quality of our collections as well as of the research done on subjects relevant to the Afrikaans language.

2.1 Service Delivery Environment

The ATM consists of three entities: The Afrikaans Language Museum, the Afrikaans Language Monument and the Amphitheatre. The Museum is situated in the heart of Paarl, while the Monument and Amphitheatre lie on the outskirts of the town against the slopes of Paarl Mountain.

The Museum houses an exhibition that portrays the wide-ranging establishment and development of the Afrikaans language.

At the Monument, facilities have been built and installed not only to attract visitors but also to support tourist activities. The approximately 100 hectares of fynbos with walking trails, mountain biking tracks, a children's play park, picnic facilities, outdoor games, a stage and two amphitheatres for events, a coffee shop and ample parking make the Monument an ideal venue for tourism initiatives.

The large Amphitheatre forms a very special part of our entertainment division. It can host a crowd of up to 4 250 people and is used for concerts with popular artists and musicians.

2.2 Overview of the Organisational Environment

The ATM is governed by a Council, appointed for a three-year term by the Minister of Arts and Culture. The duties of the Council, as described in the Cultural Institutions Act, 1998 (Act Number. 119 of 1998), are to:

- ❖ formulate policy;
- ❖ hold, preserve and safeguard all movable and immovable property of whatever kind, placed in the care of, or loaned, or belonging to the declared institution concerned;
- ❖ receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1) [of the Act];
- ❖ raise funds for the institution;
- ❖ manage and control the moneys received by the declared institution, and to utilise those moneys for defraying expenses in connection with the performance of its functions;
- ❖ keep proper record of the property of the declared institution;
- ❖ submit to the Director-General any returns required by him or her in regard thereto, and to cause proper books of account to be kept;
- ❖ determine, subject to this Act and with the approval of the Minister, the objects of the declared institution; and
- ❖ generally, carry out the objectives of the declared institution.

In addition, the Council appoints, in consultation with the Minister, the Chief Executive Officer (CEO), and may determine the hours during which, and the conditions and restrictions subject to which, the public may visit the declared institution concerned, or portion thereof, as well as the admission charges to be paid.

The present structure of the ATM comprises an exhibition panel, educational and heritage services, a curatorial division, financial division, and a communication and marketing division.

2.3 Key Policy Developments and Legislative Changes

The Council revised and approved the policies for travel and subsistence, human resources, asset management and supply chain management.

2.4 Strategic Outcome-oriented Goals

The ATM has a staff complement of 35 as at 31 March 2018. In 2016/2017 the ATM's Director, Curator, Site Supervisor and Gardener retired. A handover period of one month for the position of Director was approved by the Council to ensure a smooth transition. The Council also approved a handover period for the Site Supervisor for two months due to extra projects that was in the pipeline (the upgrading of the existing gardens and the kitchen area). The post of Curator was filled full-time while the previous Curator only worked part-time. Two staff members were also employed on contract until 31 March 2017 to assist permanent staff in the Museum and educational division. These changes had a significant impact on the actual staff expenditure for 2016/2017.

Although the ATM had staff changes in the last three years, the institution used these changes to its advantage by utilising contract workers, and in doing so, enabled the Council to do a comprehensive work study in 2017. After the work study was conducted, the Council approved a new organogram which enabled the Director to make some changes to the staff composition, centralising some services and shifting some of the tasks between staff. The ATM also implemented a performance agreement system with all permanent staff, which is integrated with the evaluation system already in place.

All available funds not allocated towards the compensation of our employees is spent to ensure we have a skilled workforce, comply with necessary regulations, ensure functioning core functions, and achieve strategic goals and key outcomes. With the innovative means to attract more visitors and, in doing so, to receive more revenue, the full-moon picnics, stargazing picnics and picnic concerts were born. This meant that the expenses also increased, especially as the picnic concerts have artists performing. All the profits (if there are any) are utilised to further the ATM's projects. One of these is the 'Let's Read' literacy project that the ATM started a few years ago. The aim of the project is to promote a culture of reading and awaken a love of books, and to create an environment where children will feel at home with books. This is mainly aimed at rural schools without reading facilities or libraries.

With the growing interest in events that are held at the Monument, like the full-moon picnics, stargazing picnics and picnic concerts, provision needed to be made for additional security and first-aid services at these events. Due to weather and venue restrictions, the number of events planned needed to be curbed.

Management and the Audit Committee identified a risk regarding security at the Monument. They expressed their concern that the Monument should be safe place to work at, but more importantly, to visit. The Museum, Monument and Amphitheatre are currently in need of smoke detectors and security cameras, and the Monument needs fenced parking and a safe walkway from the parking area to the Monument itself.

The general infrastructure of the Museum, Monument and Amphitheatre also remains a concern for management as it is more than 40 years old. The DAC made funds available during the 2017/2018-financial year which was used to paint the Museum on the outside, to paint as well as waterproof the Amphitheatre and to start with a phased approach to the upgrading of the electricity infrastructure at the Monument and Amphitheatre. The DPW mended a water leak in one of the reservoirs of the Monument, as well as several leaks in the water pipes. They are also monitoring the water usage and have repaired several leaks in this way.

As required by the Public Audit Act, Act 25 of 2004, section 23(6), the ATM annually qualifies for financial aid to pay the Auditor-General's audit fee. Although all fees were paid until 2014, National Treasury indicated to the Auditor-General that they will not be helping museums with regard to the payment of outstanding audit fees. This leaves the ATM in a predicament with huge audit fees to be paid from its own budget. The Auditor-General indicated that they will rework their current three-year budget with a significantly lowered budget for the audit from the 2015/2016-financial year. In June 2016, the ATM received a letter from the DAC, written by National Treasury, that states that entities are to pay only the 1% and that the Auditor-General will do the rest *pro bono*. A portion of the 2016 and 2017 audit costs is still outstanding.

On top of the activities and programmes already held at the Monument, the visitors' centre at the Monument hosts an exhibition that is an extension of the current exhibitions at the Museum. The centre also controls visitor flow, enquiries and visitor administrative logistics. Furthermore, its lecture hall serves as a place where groups are informed about the different activities and aspects concerning the heritage of Afrikaans, and its contribution to nation-building and social cohesion. A temporary exhibition which features poems by lesser-known poets is currently hosted in Green Gallery of the Monument.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme: Administration

3.1.1 Strategic objective 1: Entrance to the Museum and Monument

Purpose of programme	Sub-programmes	Strategic objective
Increasing revenue at the Museum and Monument	Entrance to the Museum and Monument	To increase the number of visitors by 10% over the next five years

3.1.1.1 Key performance measures and their targets, and actual results

Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of visitors per year	89 912	63 500	78 247	14 747	-11 665	Significantly more visitors to the Monument in terms of original target, but due to the drought in the Western Cape and economic factors the ATM experienced a decline in visitors from the previous financial year
Number of picnic events per year	18	15	19	4	1	Target reached. After the finalisation of our events calendar, and with the cancellation of the Bobby van Jaarsveld-show, we saw the opportunity to present a few extra concerts during the summer season

3.1.1.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Presenting events	468	666	-198	237	673	-436
Total	468	666	-198	237	673	-436

3.1.2 Strategic objective 2: Human Resources Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring staff are trained well and evaluated regularly to achieve a higher level of service delivery	Human Resources Management	To maintain a 100% evaluation rate and ensuring a well-trained staff

3.1.2.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Percentage / Number of staff performance evaluations done per year	100%	2	2	0	0	Bi-annual performance evaluations done – target reached
Coordinate and manage training for staff members per year	100% 13 training interventions	6 training interventions	11 training interventions	5	-2	Target reached

3.1.2.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Training costs	53	39	14	46	32	14
Total	53	39	14	46	32	14

3.1.2.3 Strategy for overcoming areas of underperformance

- ❖ Targets adjusted to reflect measurable targets because percentages were not as clearly defined.

3.1.3 Strategic objective 3: Property Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring presentable buildings, well-kept gardens and conserving the fynbos	Property Management	To adhere to the annual property maintenance work programme

3.1.3.1 Key performance measures and their targets, and actual results

Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Annual repairs and maintenance completed -Museum -Monument	Completed: 75% 100%	Paintwork completed – 30 Jun Repairs to buildings completed – 30 Nov	Paintwork completed – 30 Jun Repairs to buildings completed – 30 Nov	0	0	Target reached
Annual eco-management completed -Water ditches cleaned -Invasive alien trees cleared -Firebreaks cleared	Completed: 100% 100% 100%	Completed: 30 Jun 31 Oct 30 Sept	Completed: 30 Sept 31 Oct 30 Sept	0 0 0	0 0 0	Target reached – work programme amended due to weather and work load

3.1.3.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property management	2 635	604	2 031	288	362	-74
Total	2 635	604	2 031	288	362	-74

3.1.3.3 Strategy for overcoming areas of underperformance

- ❖ Targets adjusted to reflect measurable targets because percentages were not as clearly defined.

3.1.4 Strategic objective 4: Applicable Legislation

Purpose of programme	Sub-programmes	Strategic objective
Complying with applicable legislation	Applicable Legislation	To fully comply with applicable legislation

3.1.4.1 Key performance measures and their targets, and actual results

Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Annual performance plan	Accurate and on time	1 plan	1 plan	0	0	Target reached
Quarterly reports	Accurate and on time	4 reports	4 reports	0	0	Target reached
Performance information and financial statements	Accurate and on time	1	1	0	0	Target reached
Annual report and audited financial statements	Accurate and on time	1 report	1 report	0	0	Target reached
Strategic plan	Accurate and on time	0	0	0	0	N/A
Financial management systems and procedures	100% compliant	1 updated	1 updated	0	0	Target reached
Number of policies reviewed	100% implemented	1 reviewed	4 reviewed	3	0	Target reached
Enterprise risk management plan reviewed	Plan approved and implemented	1 plan	1 plan	0	0	Target reached

3.1.4.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Applicable legislation	30	16	14	41	26	15
Total	30	16	14	41	26	15

3.1.4.3 Strategy for overcoming areas of underperformance

- ❖ Targets adjusted to reflect measurable targets because percentages were not as clearly defined.

3.2 Programme: Business Ventures

3.2.1 Strategic objective 4: Fundraising and Marketing

Purpose of programme	Sub-programmes	Strategic objective
Presenting fundraising events and skills development courses	Fundraising and Marketing	To offer a number of courses and host fundraising events per year

3.2.1.1 Key performance measures and their targets, and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of fundraising events per year	3	1	1	0	-2	Target reached
Number of skills development courses per year	9	4	5	1	-4	Target reached

3.2.1.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Fundraising and marketing	62	29	33	59	50	9
Total	62	29	33	59	50	9

3.2.1.3 Strategy for overcoming areas of underperformance

- ❖ No longer offering fundraising events with other partners except our Night Race partners.
- ❖ Minimising the number of courses offered as we want to focus on subjects relevant to our mandate, and interest in heritage subjects is limited.

3.2.2 Strategic objective 5: Public Programmes and Communication

Purpose of programme	Sub-programmes	Strategic objective
Promoting the institution at all levels of society by offering public programmes	Public Programmes and Communication	To host a number of special days per year

3.2.2.1 Key performance measures and their targets, and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of special days per year	7	9	10	1	1	Target reached
Sponsor-A-Bus project: Number of less-privileged groups transported to Museum and Monument	1	1	1	0	0	Target reached

3.2.2.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public programmes and communication	113	84	29	28	76	-48
Total	113	84	29	28	76	-48

3.2.2.3 Strategy for overcoming areas of underperformance

- ❖ Public programmes will be referred to as special days.
- ❖ Outreach projects will form part of special days (formerly part of educational programmes) from 2017/2018.

3.2.3 Strategic objective 6: Collection Management

Purpose of programme	Sub-programmes	Strategic objective
Collecting of valuable and relevant documentation, artefacts and books, for purposes of reference, research and display. Documenting them in a digital register. Conserving them for the future by means of restoration, repair, cleaning and care under proper climatic conditions and accepted museological standards, according to the ATM's conservation policy.	Collection Management	Acquire 2 books per year
		Restoring or repairing 2 damaged artefacts per year
		Inspect the textile collection 4 times per year
		Inspect archives 4 times per year
		Monitor climatic conditions in the archives 50 times per year
		Exhibitions will be inspected 12 times per year

3.2.3.1 Key performance measures and their targets, and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of artefacts acquired per year	3	2	2	0	-1	Target reached
Number of artefacts restored or repaired by professionals per year	3	2	8	6	5	Target reached – books repaired
Maintaining the register for inspection of the archives per year	5	4	4	0	-1	Target reached
Maintaining the register for the textile collection per year	5	4	4	0	-1	Target reached
Maintaining the register for climatic conditions in archives per year	50	50	50	0	0	Target reached
Maintaining the register for inspection of the total exhibition per year	9	12	12	0	3	Target reached

3.2.3.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Collection management	2	0	2	6	5	1
Total	2	0	2	6	5	1

3.2.4 Strategic objective 7: Research

Purpose of programme	Sub-programmes	Strategic objective
Widening horizons for the benefit of the community as a whole and making results of research known as widely as possible	Research	Writing 12, monthly short articles for the ATM's website/Facebook page per year
		Writing 2 articles for the ATM's newsletter per year
		Delivering 4 lectures or articles per year

3.2.4.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of articles written or lectures presented per year	3	4	5	1	2	Target reached
Number of history snippets written for website / Facebook per year	6	12	24	12	18	Target reached

3.2.4.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	1 018	209	809	23	10	13
Total	1 018	209	809	23	10	13

3.3 Programme: Public Engagement

3.3.1 Strategic objective 8: Exhibitions

Purpose of programme	Sub-programmes	Strategic objective
Informing the public of our core message in a modern, informative and enjoyable manner	Exhibitions	Installing one new exhibition per year or updating one exhibition per year

3.3.1.1 Key Performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of exhibitions held or updated per year	1	1	1	0	0	Target reached

3.3.1.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Exhibitions	168	39	129	55	1	54
Total	168	39	129	55	1	54

3.3.2 Strategic objective 8: Education

Purpose of programme	Sub-programmes	Strategic objectives
Presenting educational programmes of a high standard to visiting school groups, based on the current school curriculum	Education	Reaching school groups Presenting a number of educational programmes per year
Transporting less-privileged learners to the Museum and Monument		Sponsoring a number of trips for less-privileged schools per year
Cultivating a culture of reading, stimulating a love of books and creating an environment where learners feel at home among books		Presenting a number of language projects per year
Designing and presenting special programmes focusing on writing and public speaking		Organising a number of competitions per year
Reaching out to communities and presenting specific programmes for self-enhancement		Embarking on a number of outreach projects per year

3.3.2.1 Key performance measures and their targets, and actual results

Strategic Objectives						
Performance indicator	Actual achievement t 2016/2017	Planned target 2017/2018	Actual achievement 2017/2018	Deviation from planned target for 2017/2018	Variance from 2016/2017 to 2017/2018	Comment on variances
Number of school tours conducted per year	114	70	111	41	-3	Target reached
Sponsor-A-Bus project: Number of less-privileged school groups transported to Museum and Monument per year	18	15	15	0	-3	Target reached
Number of language projects per year – to design and present special programmes focusing on reading and writing	3	2	5	3	2	Target reached
Number of competitions held for schools/learners per year	2	2	2	0	0	Target reached
Number of outreach projects per year – present specific programmes for self-enhancement	2	0	0	0	-2	Target reached
Number of educational programmes (International Day of Monuments and Sites, Mother Language Day, Museum Day, World Environment Day, Arbor Day, Heritage Day, Slaves' Emancipation Day, Language Day, Water Week) per year	9	9	9	0	0	Target reached

3.3.2.2 Summary of payments by sub-programme

Sub-programme name	2017/2018			2016/2017		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Education	57	79	-22	67	114	-47
Total	57	79	-22	67	114	-47

3.2.2.3 Strategy for overcoming areas of underperformance

- ❖ Outreach projects will form part of special days (formerly part of educational programmes) from 2017/2018.

4. REVENUE COLLECTION

4.1 Revenue Collection

Sources of revenue	2017/2018			2016/2017		
	Estimate amount R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimate amount R'000	Actual amount collected R'000	(Over)/under collection R'000
Transfer received: DAC	11 083	8 911	2 172	5 894	7 958	-2 064
Entrance fees	1 357	1 936	-579	998	1 683	-685
Rent income received	260	375	-115	224	461	-237
Interest received	212	305	-93	69	151	-28
Funding and marketing	418	407	11	90	473	-383
Other income	92	112	-20	35	133	-98
Total	13 422	12 046	1 376	7 310	10 859	-3 549

4.1.1 Comments on revenue collection

4.1.1.1 Transfer received – DAC

Every financial year the ATM receives a monthly transfer from the DAC. From this monthly transfer we pay our staff and cover some of the operating expenses at the Museum and Monument. Self-generated funds are used to cover the rest of the operating expenses and to generate additional funds. In March 2015 the ATM received funding regarding capital works to be done at the Museum and Monument. This was disclosed as a deferred income in the 2014/2015 and 2015/2016 financial statements. In 2015/2016 and 2016/2017 some of these funds were used for capital works projects, as well as in the 2017/2018-financial year. The rest is still disclosed as deferred income or unspent government grants. Also see Note 14 in the financial statements that includes funds paid on behalf of the ATM for rental of office space as well as municipal costs.

4.1.1.2 Entrance fees

The ATM charges entrance fees at the Museum and the Monument. Apart from the transfer we receive from the DAC, this is our main income. The income we receive from entrance fees is used to cover most of the operating expenses and expenditure in terms of the ATM's core functions. Our entrance revenue increased in the last five financial years owing to a series of picnic concerts (launched in 2011). This builds on the success of full-moon picnics and stargazing picnics in the previous two years (2009 and 2010). Our education department also reached out to the Western Cape Department of Education and schools to ensure that the programmes and tours presented to school groups fall within the national curriculum. In total, visitors to the Museum and Monument decreased by 3,4% from the previous year (2016/2017: 81 017; 2017/2018: 78 247). Other events held – such as the authors' evenings, the evening race and others - attracted another 2 608 visitors, which brings us to a total of 80 855 visitors for the financial year.

4.1.1.3 Rental income received

The ATM also generates income by means of monthly rent from the coffee shop on the premises of the Monument and ad hoc events held at the Amphitheatre. The Monument terrain is used for film and advertising productions by national and international companies, and for wedding ceremonies and photography. Revenue collected from rental income was more than anticipated for 2017/2018. This can mostly be attributed to more film and advertising productions at the Monument.

4.1.1.4 Interest received

We receive interest on low-risk investments (fixed-deposit and money market accounts). In March 2015 and 2017 the ATM received funds for capital works projects, which were transferred to a savings account after approval was obtained from National Treasury. The funds generated interest during the financial year and resulted in the ATM having an increase in the interest received.

4.1.1.5 Funding and marketing

Each year we apply to various possible private funding institutions for donations and sponsorships for specific projects. We received donations and sponsorships from private funders in 2016/2017 and 2017/2018.

4.1.1.6 Other income

Other income consists mostly of income generated from sales of merchandise and in part from the sale of assets that have been written off, as well as from insurance claims. In 2016/2017 we had an insurance claim of R5 299, which formed part of the over-collection of other income. In 2017/2018 we had an insurance claim of R25 175, which formed part of the over-collection of other income.

4.2 Capital Investment

- 4.2.1 The ATM only has movable and heritage assets. Movable assets are only replaced when they are beyond repair or stolen. New movable assets are budgeted for and bought as needed. The ATM does not have capital assets.
- 4.2.2 The Department of Public Works normally handles infrastructure projects for the ATM. We are planning a new building at the Monument for ablution facilities.
- 4.2.3 Planned infrastructure projects are: Upgrading of the kitchen area of the restaurant at the Monument (R1 200 000). This project was basically completed and at handover stage by the 31st of March 2018.
- 4.2.4 No plans exist to downgrade or close down any current facilities.
- 4.2.5 Maintenance is done at the Museum and Monument on a quarterly basis, according to a work schedule.
- 4.2.6 Maintenance of the Visitor Centre is now the responsibility of the ATM, although there is still a warranty of approximately seven years on the building. Because of the warranty, this responsibility will not have an immediate effect on expenditure, but it will certainly have an effect in coming years. Funds were received from the DAC for larger maintenance projects, of which funds were used to paint the Museum, to paint and waterproof the Amphitheatre, while the rest was used to start upgrading the electrical infrastructure at the Monument and Amphitheatre.
- 4.2.7 We have acquired assets to the amount of R1 709 264 (cost before depreciation) and written-off assets to the amount of R3 423 (cost before depreciation). Of the assets that were written off, R922 was due to theft and R2 501 related to items that were scrapped.
- 4.2.8 The ATM uses the software program Pastel Evolution Fixed Assets to manage the database. The database is updated on a monthly basis and depreciation is calculated after the update. The assets are also counted on a quarterly basis by means of the sample method, and a full count is done annually.
- 4.2.9 Condition of the buildings:
 - Visitor Centre, Monument – fair (some cracks suggest that the foundation of the building may have shifted)
 - Coffee shop, Monument – good
 - Ticket office, Monument – good
 - Museum – fair (in need of electrical work, floors need extra stabilisation)
 - Amphitheatre – fair (some maintenance like painting etc. needed)

1. PORTFOLIO COMMITTEE

1.1 Date of Meeting

No meeting was scheduled for 2017/2018.

1.2 Areas of Risk and Implementation Plans and Actions

No areas of risk and the implementation of plans and actions were discussed during 2017/2018.

2. EXECUTIVE AUTHORITY

Reports submitted to the Executive Authority as required by the PFMA and Treasury Regulations:

Quarterly reports	1 st quarterly report	31 July 2017
	2 nd quarterly report	30 October 2017
	3 rd quarterly report	30 January 2018
	4 th quarterly report	26 April 2018

Feedback on the quarterly report was received from the DAC on a bi-annual basis in the form of site visits. From 2014 a quarterly report was also submitted to National Treasury. The report was submitted on the same dates mentioned above.

Annual Performance Plan	1 st draft	31 August 2017
	2 nd draft	27 November 2017
	Final	30 January 2018

Feedback on the Annual Performance Plan was received from the DAC. The printed Annual Performance Plan was presented to Parliament on 8 March 2018.

The Strategic Plan 2015-2020 that was presented on 11 March 2015 is still applicable and no changes were made during 2017/2018.

Annual Report	Draft	31 July 2017
	Final	31 August 2017

The Annual Report was presented to Parliament on 20 September 2017.

Audit report and management report	31 July 2017
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Audit outcomes improvement plans	1 st feedback	30 October 2017
	2 nd feedback	30 January 2018
	3 rd feedback	26 April 2018

Estimated national expenditure	ENE database	8 November 2017
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3. THE COUNCIL

3.1 Introduction

The members of the Council are very efficient and professional in their approach to matters. Most of them are connected to universities as professors or senior lecturers, and make valuable contributions.

3.2 The role of the Council is as follows

The role of the Council, in an overall capacity, is to monitor the activities of the ATM, to determine policy, appoint senior staff and to comply with auditing and statutory regulations.

- ❖ It holds absolute responsibility for the performance of the ATM.
- ❖ It retains full and effective control over the ATM.
- ❖ It has to ensure that the ATM complies with applicable laws, regulations and government policy.
- ❖ It has unrestricted access to the information of the ATM.
- ❖ It formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans.
- ❖ It ensures that performance objectives are achieved.
- ❖ It manages potential conflicts of interest.
- ❖ It develops a clear definition of levels of materiality.
- ❖ It ensures that financial statements are prepared.
- ❖ It must maintain integrity, responsibility and accountability.

3.3 Council Charter

The Council's Charter was approved and signed on 30 November 2015.

3.4 Composition of the Council

The ATM has a Council consisting of eight members. These members were appointed by the Minister of Arts and Culture from 1 December 2017 until 30 November 2020. Their term for 2017/2018 was 1 December 2017 until 31 March 2018. In 2017/2018 Council met 6 times; 4 times for their quarterly meetings and twice for a special meeting to discuss procedures and for induction purposes. The previous council was appointed from 1 December 2014 until 30 November 2017. Its term for 2017/2018 was from 1 April 2017 until 30 November 2017.

Council members from 1 December 2014 – 30 November 2017

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List the entities)	Other committees	Number of Council meetings attended
Prof MC Mashige	Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in English	Literary Studies, Identity and Culture	N/A	N/A	1
Prof WAM Carstens	Vice Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt in Afrikaans Grammar, BA, BA Hons, MA, and HED	Afrikaans grammar	Chairperson of the SA Academy for Science and Arts, chairperson of the National Language Body for Afrikaans (NTLA), member of the Afrikaans Language Board, board member of the Dictionary of the Afrikaans Language (WAT), councillor of Stellenbosch University, designated councillor PanSALB	N/A	1
Prof N Maake	Member	1 Dec 2014 – 30 Nov 2017	BA, BA Hons, MLitt, DLitt et Phil	Language studies, drama, theatre and comparative literature	Member of the Distribution Agency for Arts, Culture, Environment and National Heritage of the National Lotteries Commission	N/A	0
Prof S van Wyk	Member	1 Dec 2014 – 30 Nov 2017	MA, DLitt in Afrikaans Literature	Afrikaans Literature	Member of the National Language Body for Afrikaans (NTLA)	Member of the Audit Committee	5
Dr DC Lawrence	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in Afrikaans, MA (Afrikaans) Cum Laude, Hons (Afrikaans), HOD, BA	Computer Assisted Language Learning, E- learning for Afrikaans, Sociolinguistic, Lexicography	N/A	Member of the Remuneration Committee	2
Prof EO Saal	Member	1 Dec 2014 – 30 Nov 2017	BA (Afrikaans, History, Linguistics), HOD, Hons MA (Afrikaans), PhD (Industrial communication)	Afrikaans language studies (specifically sociolinguistics and document design)	N/A	Member of the Remuneration Committee	6

Prof J Grobbelaar	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil (sociology), MA, B Soc Sc	South African studies: African nationalism, race, class, ethnicity, the SA democratic transition, human rights, social justice and the SA Truth and Reconciliation Commission	Councillor: Tshwane University of Technology and University of Edinburgh. Liz Stanley. ESRC Professorial Research Fellow – “Whites Writing Whiteness” project (South Africa 1770 – 1970).	Member of the Audit Committee	4
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Council members from 1 December 2017 – 30 November 2020

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List the entities)	Other committees	Number of Council meetings attended
Prof EO Saal	Chairperson	1 Dec 2017 – 30 Nov 2020	BA (Afrikaans, History, Linguistics), HOD, Hons MA (Afrikaans), PhD (Industrial communication)	Afrikaans language studies (specifically sociolinguistics and document design)	N/A	N/A	6
Adv P Magona	Vice Chairperson	1 Dec 2017 – 30 Nov 2020	BLuris, LLB, LLM (Labour Law)	Legal	N/A	N/A	2
Mr JJ Saal	Member	1 Dec 2017 – 30 Nov 2020	BA-Hons (Linguistics National Diploma: Technical Financial Accounting	Human Resources Labour Relations Audit	N/A	Member of the Audit Committee	2
Prof S van Wyk	Member	1 Dec 2017 – 30 Nov 2020	MA, DLitt in Afrikaans Literature	Afrikaans Literature	Member of the Stigting vir Bemagtiging deur Afrikaans	Member of the Audit Committee	5
Prof J Grobbelaar	Member	1 Dec 2017 – 30 Nov 2020	DLitt et Phil (sociology), MA, B Soc Sc	South African studies: African nationalism, race, class, ethnicity, the SA democratic transition, human rights, social justice and the SA Truth and Reconciliation Commission	Councillor: Tshwane University of Technology and University of Edinburgh. Liz Stanley. ESRC Professorial Research Fellow – “Whites Writing Whiteness” project (South Africa 1770 – 1970).	Member of the Audit Committee	4
Mr L Munsamy	Member	1 Dec 2017 – 30 Nov 2020	MPA, Advanced Diploma in Disaster Risk Management, Education Diploma, Education Diploma (Specialised Education), Ph.D. - dissertation submitted for assessment)	Public Administration and Management, Disaster Risk Management, History, Education	Member of Audit Committee of Maluti Phofung local municipality - Member of Board of Universitas/Peleno mi Academic Hospitals	Member of the Remuneration Committee	2

Dr W Langeveldt	Member	1 Dec 2017 – 30 Nov 2020	Doctor of Philosophy – Instructional Design and Technology, MA – Councillor Education and Student Development, Interaction Leadership Programme for Africans, Certificate of Achievement in Diplomacy, Psychometrist, Teacher: Higher Bilingual Certificate, Bachelor of Education, Bachelor of Arts, Primary Teacher's Certificate	Research (history of Southern Africa)	N/A	Member of the Remuneration Committee	2
Mr C le Fleur	Member	1 Dec 2017 – 30 Nov 2020	Diploma in Education, Diploma in Agricultural Science	Protection and Development of Culture and Heritage Inclusion of Khoi-San Cultural Identity	Council of Chiefs – Griqua National Conference Board of Directors – Sandveld Investment Company Board of Directors/Trust – Indigenous Peoples of Africa Committee	Member of the Remuneration Committee	2

3.5 Committees

Committee	Number of meetings held	Number of members	Names of members
Audit	4	8	Chairperson: Prof J Rossouw Deputy Chairperson: Prof S van Wyk (until 30 November 2017) Deputy Chairperson: Mr JJ Saal (from 9 February 2018) Member: Prof S van Wyk (from 9 February 2018) Member: Prof J Grobbelaar Director: Mr MJ Jonas Chief Financial Officer: Ms T Laing Secretary: Ms S de Jager External Auditors: Ms L Klue-Knipe (AG) Internal Auditors: Mr N de Villiers (BGR)
Remuneration	4	4	Chairperson: Dr D Lawrence (until 30 November 2017) Chairperson: Dr W Langeveldt (from 9 February 2018) Deputy Chairperson: Mr L Munsamy (from 9 February 2018) Member: Prof EO Saal (until 30 November 2017) Member: Mr C le Fleur (from 9 February 2018) Director: Mr MJ Jonas Secretary: Ms M Visagie

3.6 Remuneration of Council Members

We receive a circular each year from the National Treasury to inform us of the remuneration of council members. The remuneration is paid per day. All members were remunerated.

Council members from 1 April 2017 – 30 November 2017

Name	Remuneration (R'000)	Other allowance (R'000)	Other re-imbursements (R'000)	Total (R'000)
Prof MC Mashige	1	0	4	5
Prof WAM Carstens	0	0	0	0
Prof N Maake	0	0	0	0
Prof S van Wyk	8	0	3	11
Dr DC Lawrence	1	0	2	3
Prof EO Saal	7	0	26	33
Prof J Grobbelaar	11	0	4	15

Council members from 1 December 2017 – 31 March 2018

Name	Remuneration (R'000)	Other allowance (R'000)	Other re-imbursements (R'000)	Total (R'000)
Prof EO Saal	0	0	0	0
Adv P Magona	3	0	1	4
Mr JJ Saal	4	0	1	5
Prof S van Wyk	0	0	0	0
Prof J Grobbelaar	0	0	0	0
Mr L Munsamy	3	0	10	13
Dr W Langeveldt	3	0	1	4
Mr C le Fleur	3	0	2	5

4. RISK MANAGEMENT

The ATM has developed a risk management strategy in conjunction with the internal auditors. Risks are identified throughout the year by staff members, Management, Audit Committee and Council. All risks are assessed and reported to the Audit Committee and the Council. A risk assessment is also done by the internal auditors on a yearly basis. Risks identified and assessed are then managed according to the risk management strategy. The Audit Committee advises the management and Council on risk management and monitors the effectiveness of the risk management system. Risks identified are adequately addressed within the ATM's means.

The ATM identified the Museum building as a high risk as the floor is partly unstable, there is no early warning system for fire or a fire alarm, and the deteriorating electrical wiring is becoming a potential fire hazard. Procedures were put in place to mitigate the risks, but ultimately the building needs urgent repair to properly address the risks. Unfortunately, the ATM lacks the necessary funds and for that reason contact has already been made with the DAC and DPW. The DAC did make funds available with which the ATM painted the exterior wall of the Museum and repaired the roof.

Another risk identified, is the cost of the audit of the external auditor as National Treasury has not been so forthcoming with their share of the payment, despite the ATM qualifying for the 1%-concession on audit fees as stipulated by the Public Audit Act, No 25 of 2004. The external auditors have lowered their fee substantially for the next audit, but it still remains approximately 4% of the ATM's total budget. An amount is still owed to the AG for the audit they conducted in 2016 and 2017.

Security at the Monument (because of its location on Paarl Mountain) remains a concern for Management, Audit Committee and Council. A lack of security staff during the day may pose a threat to staff, especially at the entrance to the Monument. Security cameras are needed to monitor certain high-risk areas. The ATM has contracted more security staff during the evenings at both the Monument and Amphitheatre.

The ATM is receiving funds from the DAC to pay the local municipality, but are unable to make payments due to the account not being registered in the name of the ATM. The DPW is also making payments towards the local municipality, but these payments are not regular. For this reason, the ATM has included this as a high-risk item as the risk remains that the electrical and water services may be disconnected. As a popular tourist attraction, the ATM cannot afford for the Monument to be without these basic services. The funds already received from the DAC and which are unspent, have been included in the financial statements as unspent government grants (or as reported in previous financial years, a deferred income).

5. INTERNAL CONTROL

Internal controls are tested by the internal auditors and any weaknesses are reported to the ATM's management, the Audit Committee and the Council. Reports must then be made on a quarterly basis to ensure that the weaknesses are addressed.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

6.1 Internal Audit

The purpose of the internal audit function is to investigate and evaluate the adequacy and effectiveness of the system of internal control, and the quality of the performance of assigned responsibilities. The role of the internal audit function is to provide certain consulting services to the ATM's management, Audit Committee and Council, and to provide the necessary assurance to the Council as to the management of the ATM's internal control and risk management process.

6.2 Audit Committee

The Audit Committee is responsible for overseeing internal controls, financial reporting and compliance with legal requirements. The Audit Committee is responsible for the following:

- ❖ The effectiveness of the system of internal control and risk management
- ❖ Financial reporting
- ❖ Financial statements
- ❖ The internal audit functions
- ❖ The Auditor-General's report
- ❖ The Council's compliance with laws and regulations
- ❖ Compliance with the Council's code of conduct and ethics
- ❖ Management of performance

Attendance of Audit Committee meetings by Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the ATM	Date appointed	Date resigned	Number of meetings attended
Prof J Rossouw (Chairperson)	PhD, BCom Hons, MBA, MCom (Econ)	-	-	20 Mar 2015	-	4
Prof S van Wyk (Vice chairperson until 30 Nov 2017 and member from 9 Feb 2018)	DLitt in Afrikaans Literature	-	Council member until 30 Nov 2020	20 Mar 2015	-	3
Mr JJ Saal (Vice chairperson from 9 Feb 2018)	BA-Hons (Linguistics National Diploma: Technical Financial Accounting	-	Council member until 30 Nov 2020	1 Dec 2017	-	1
Prof J Grobbelaar	DLitt et Phil (sociology), MA, B Soc Sc	-	Council member until 30 Nov 2020	20 Mar 2015	-	4
Mr MJ Jonas	-	Internal	Director/Chief Executive Officer	1 June 2016	-	4
Ms T Laing	-	Internal	Chief Financial Officer	1 Sept 2001	-	4
Ms S de Jager	-	Internal	Financial Officer	1 Feb 2015	-	3
External auditors	-	External	-	-	-	3
Internal auditors	-	External	-	-	-	2

The Council appointed the Audit Committee at their first meeting on the 20th of March 2015. Due to his expertise and for the sake of continuity, Prof Rossouw was reappointed as an independent member of the Audit Committee. The term of the Audit Committee is the same as that of the Council.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The ATM strives to comply with all the set laws and regulations by submitting its financial statements, performance information, Strategic Plan, Annual Performance Plan and other relevant plans and reports.

8. FRAUD AND CORRUPTION

The ATM has a fraud prevention plan that has already been implemented. In addition to this, the staff are constantly reminded that they can report any suspected fraud or corruption through the Department of Arts and Culture hotline at 0800 701 701.

We receive a monthly update on every allegation of fraud and corruption against officials of the ATM. No complaints were lodged against any officials of the ATM for the period under review.

9. MINIMISING CONFLICT OF INTEREST

The Council and staff of the ATM have to certify that they have no conflicts of interest when participating in meetings and the procurement of goods and/or services. No conflicts of interest were identified for the year under review.

10. CODE OF CONDUCT

Members of the Council must attend meetings. They must declare all conflicting interests and may not accept gifts or rewards, interfere with administration or make confidential information known to unauthorised persons. In the case of a violation of this code, an enquiry will be launched by a specially appointed committee. The member may receive a formal warning and the Minister has the power to fine, suspend or remove the member from his/her post.

For staff members, the code of conduct serves as a guideline to indicate what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others (internally and externally). If a staff member does not comply with the code's requirements, that member will be guilty of misconduct and consequent action will be taken as outlined in the ATM's rules and disciplinary code.

11. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

For the ATM, as for any other establishment, it is important that staff's health be optimised. The ATM has designated safety representatives and there is a health and safety committee that meets quarterly and consists of two staff representatives per building.

12. SOCIAL RESPONSIBILITY

The ATM is involved in several social responsibility initiatives, including a women's empowerment project in collaboration with two women's groups in Paarl and Wellington. Our annual Evening Race is held in aid of the Boland School for Autism, and the ATM sponsors a yearly knit-athon for Mandela Day as well as a rap workshop for youngsters on Youth Day. We encourage visitors to bring books in aid of our 'Let's Read' literacy project, and in October we donated books to women empowerment groups as well as schools. In December we presented two free puppet shows celebrating the emancipation of slaves in South Africa at local schools. In addition, staff members each year participate in a Mandela Day outreach programme, delivering food and other parcels.

13. AUDIT COMMITTEE REPORT

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

13.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

13.2 The Effectiveness of Internal Control

The system of controls is designed to provide cost-effective assurances that assets are safeguarded, and that liabilities and working capital are efficiently managed. In line with the PFMA and the King III Report on corporate governance requirements, the internal audit function provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested improvements to the controls and processes. From the various reports of

the internal auditors, the audit report on the annual financial statements, and the management report of the Auditor-General, the following compliance issues are noted: predetermined objectives such as collection management, financial statements, internal audit, and management of procurement, contract and expenditure. The necessary steps will be taken to comply with the relevant requirements. Otherwise, we can report that the systems of internal control for the period under review were effective and efficient.

13.3 In-year Management and Quarterly Reports

The ATM has submitted quarterly reports to the Executive Authority as required by the PFMA.

13.4 Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the ATM.

13.5 Auditors' Report

We have reviewed the ATM's implementation plan for audit issues raised in the previous year and we are satisfied that the relevant matters have been adequately resolved.

The audit committee concurs and accepts the external auditor's conclusions on the annual financial statements, and is of the opinion that the audited financial statements be accepted and read together with the report of the external auditor.



Prof J Rossouw

CHAIRPERSON OF THE AUDIT COMMITTEE

31 July 2018

1. INTRODUCTION

The aim is to utilise staff members effectively by channelling their gifts and talents to benefit of not only the ATM, but also themselves. Supervisors monitor work performance and interview their staff to determine their strengths and weaknesses. Adjustments are made, where necessary, and job descriptions are updated.

Targets are defined by staff members. Work evaluations take place quarterly to determine whether targets are reached. Staff members are therefore continually monitored to remain focused in the pursuit of their targets.

To enable members of staff to strive for more effective work performance, they are encouraged to attend at least one training course per year. Efforts are made to develop their skills and creativity.

The ATM entered into an agreement with the local tertiary institution, Boland College, for the period under review to provide an opportunity for two college students to do their internships at the ATM at no cost to the institution until 31 August 2017. These two interns are not mentioned in the human resources oversight statistics below.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

2.1 Personnel Cost

Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as percentage of total expenditure	Number of employees	Average personnel cost per employee (R'000)
10 227	5 033	49%	35	144

2.2 Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	929	18%	1	929
Senior management	1 454	29%	4	364
Professional qualified	997	20%	7	142
Skilled	752	15%	6	125
Semi-skilled	901	18%	17	53
Unskilled	0	0%	0	0
TOTAL	5 033	100%	35	1 613

2.3 Performance Awards

Level	Performance rewards (R'000)	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top management	0	929	0%
Senior management	0	1 454	0%
Professional qualified	0	997	0%
Skilled	0	752	0%
Semi-skilled	0	901	0%
Unskilled	0	0	0%
TOTAL	0	5 033	0%

2.4 Training Cost

Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as percentage of personnel cost	Number of employees trained	Average training cost per employee (R'000)
5 033	39	0%	35	0.77

2.5 Employment and Vacancies

Level	2016/2017 number of employees	2017/2018 approved posts	2017/2018 number of employees	2017/2018 vacancies	Percentage of vacancies
Top management	2	1	2	0	0%
Senior management	4	4	4	0	0%
Professional qualified	6	7	7	0	0%
Skilled	7	6	6	0	0%
Semi-skilled	17	17	17	0	0%
Unskilled	0	0	0	0	0%
TOTAL	36	35	35	0	0%

2.6 Employment Changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	1	0	-0	1
Senior management	3	1	-1	3
Professional qualified	6	2	-1	7
Skilled	7	0	-1	6
Semi-skilled	17	1	-1	17
Unskilled	0	0	0	0
TOTAL	34	4	-4	34

One salary staff member retired and two resigned. Most of the contract staff members' contracts were renewed and one staff member's contract ended.

2.7 Reasons for Staff Leaving

Reason	Number	Percentage of total number of staff leaving
Death	0	0%
Resignation	2	0%
Dismissal	0	0%
Retirement	1	11%
Ill health	0	0%
Expired contract	1	8%
Other	0	0%
TOTAL	4	0%

2.8 Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	0
Final written warning	3
Dismissal	0

2.9 Equity Target and Employment Equity Status

Level	Male							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	1	1	0	0	0	0
Senior management	0	0	0	0	0	0	0	0
Professional qualified	0	0	1	0	0	0	1	1
Skilled	0	0	2	2	0	0	0	0
Semi-skilled	0	0	9	9	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	14	14	0	0	1	1

Level	Female							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	0	0	1	1	0	0	3	3
Professional qualified	0	0	5	5	0	0	0	0
Skilled	0	0	4	4	0	0	0	0
Semi-skilled	0	0	9	9	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	17	17	0	0	3	3

Level	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

2.10 Internships

There were no internship programmes for the financial year 2017/2018.

1. COUNCIL'S RESPONSIBILITIES AND APPROVAL FOR THE YEAR ENDED MARCH 2018

The council are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the museum as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The council acknowledge that they are ultimately responsible for the system of internal financial control established by the museum and place considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the museum and all employees are required to maintain the highest ethical standards in ensuring the museum's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the museum is on identifying, assessing, managing and monitoring all known forms of risk across the museum. While operating risk cannot be fully eliminated, the museum endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The council have reviewed the museum's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, They are satisfied that the museum has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the museum's annual financial statements. The annual financial statements have been examined by the museum's external auditors and their report is presented on page 37.

The annual financial statements set out on pages 43 to 75, which have been prepared on the going concern basis, were approved by the Council on 31 May 2018 and were signed on its behalf by:

Approval of annual financial statements



Prof EO Saal

2. COUNCIL'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

The council has pleasure in submitting their report on the annual financial statements of Die Afrikaanse Taalmuseum en -Monument for the year ended 31 March 2018.

2.1 The museum

Die Afrikaanse Taalmuseum en -Monument is a Schedule 3A public entity established under the Cultural Institution Act, 119 of 1998 and the National Heritage Resource Act, 25 of 1999.

2.2 Review of financial results and activities

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the museum are set out in these annual financial statements.

2.3 Council

The council in office at the date of this report are as follows:

Council			Changes
Prof MC Mashige			Term ended 30 November 2017
Prof WAM Carstens			Term ended 30 November 2017
Prof N Maake			Term ended 30 November 2017
Prof S van Wyk			Term ended 30 November 2017
Dr DC Lawrence			Term ended 30 November 2017
Prof EO Saal			Term ended 30 November 2017
Prof J Grobbelaar			Term ended 30 November 2017
Prof EO Saal Chairperson		Non-executive	Appointed Friday, 01 December 2017
Adv P Magona	Vice Chairperson	Non-executive	Appointed Friday, 01 December 2017
Mr L Munsamy		Non-executive	Appointed Friday, 01 December 2017
Dr W Langeveldt		Non-executive	Appointed Friday, 01 December 2017
Mr C Le Fleur		Non-executive	Appointed Friday, 01 December 2017
Mr JJ Saal		Non-executive	Appointed Friday, 01 December 2017
Dr J Grobbelaar		Non-executive	Appointed Friday, 01 December 2017
Prof S van Wyk		Non-executive	Appointed Friday, 01 December 2017

2.4 Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the museum or in the policy regarding their use.

At 31 March 2018 the museum's investment in property, plant and equipment amounted to R3,040,971 (2017: R1,674,905), of which R1,709,263 (2017: R91,692) was added in the current year through additions.

2.5 Events after the reporting period

The council are not aware of any material event which occurred after the reporting date and up to the date of this report.

2.6 Going concern

The council believes that the museum has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The council has satisfied themselves that the museum is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The council are not aware of any new material changes that may adversely impact the museum. The council are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the museum.

3. DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

The director presents the annual report, which forms part of the audited financial statements of the entity for the year ended 31 March 2018.

3.1 Legal form and country of incorporation

The ATM is an institution established under the Cultural Institutions Act, 119 of 1998 and the National Heritage Resources Act, 25 of 1999 and is incorporated in the Republic of South Africa.

3.2 Principal activities of the entity

The principal activities of the entity during the year were the maintenance of and presentation to the general public of the ATM as well as the advancement of the history of the Afrikaans language. The vision of the ATM is to conduct the affairs of the national Afrikaans Language Museum and Language Monument in such a way that all South Africans will respect and appreciate Afrikaans as an indigenous language.

3.3 Geographical location and segmentation

The ATM is situated at the following addresses:

Museum and administration – 11 Pastorie Avenue, Paarl

Language Monument – Gabbema Street, Paarl Mountain

3.4 Statement of responsibility

The director is responsible for the maintenance of adequate accounting records, and for the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards board.

The director is also responsible for the entity's system of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the director to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared in accordance with the prescribed effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, including Generally Accepted Accounting Practices (GAAP), which includes any interpretations of such statements issued by the Accounting Practices Board.

3.5 Operating results

The entity's business and operations are clearly reflected in the attached financial statements.

3.6 Property, plant and equipment

There were no major changes in property, plant and equipment during the year.

3.7 Director and chief financial officer

The name of the entity's director and chief financial officer appear on the index page of the financial statements.

3.8 Events subsequent to balance sheet date

The director is not aware of any event or circumstance that have occurred since the end of the financial year that may have a material effect on the operations of the entity or the results of any such operation, and which are not dealt with in the annual financial statements.



Mr MJ Jonas
DIRECTOR
31 July 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Afrikaans Language Museum and Monument set out on pages 43 to 73, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Afrikaans Language Museum and Monument as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of errors discovered during the 2017-18 financial year in the financial statements of the entity at, and for the year ended, 31 March 2018.

Other matter

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

Unaudited supplementary schedules

9. The detailed income statement set out on pages 74 and 75 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA 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 financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the Afrikaans Language Museum and Monument's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – business ventures	16 to 19
Programme 3 – public engagement	19 to 20

17. 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.

18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- ❖ Programme 2 – business ventures
- ❖ Programme 3 – public engagement

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 16 to 20 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2: business ventures and programme 3: public engagement. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislations are as follows:

Expenditure management

24. Expenditure amounting to R1 291 058 was incurred in excess of the approved budget, in contravention of section 53(4) of the PFMA.

Procurement and contract management

25. The competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with supply chain management policies complying with treasury regulations 16A6.2 (a), (b) and (c).
26. Some of the contracts were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.
27. The bid documentation for procurement of commodities designated for local content and production, did not meet the stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
28. A construction contract was extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

OTHER INFORMATION

29. The entity's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
30. 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.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
33. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

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

Leadership

35. Leadership of the entity was ineffective in their oversight of the financial reporting processes to ensure that the annual performance report, submitted for auditing, were free from material misstatement.
36. The lack of updated policies and procedures to guide the entity's supply chain management operations resulted in material non-compliance. The monitoring of the entity's action plan to address internal control deficiencies and external audit findings highlighted in previous years was not effective to avoid repeat findings.

Financial and performance management

37. The annual performance report submitted for audit contained material misstatements. This was due to staff not fully understanding the performance reporting requirements.
38. The preferential procurement policy framework and Treasury Regulations had not been adhered to, resulting in material non-compliance relating to the evaluation of quotations and competitive bids.
39. Effective steps were not taken by the management to prevent irregular expenditure, which also resulted in material non-compliance. The bid evaluation and adjudication committees were not constituted as prescribed by Treasury Regulations. The construction contract was extended without relevant treasury approval and the local content for distressed sectors was not specified and monitored. The non-compliance that caused the irregular expenditure could have easily been prevented if adequate controls and processes were implemented to prevent the occurrence.

Governance

40. Although the entity conducted risk management activities, their impact was inadequate as evidenced by the correction of material misstatements and material non-compliance in the financial statements and annual performance report. Due to repeat findings on compliance with laws and regulation in the entity's expenditure management and supply chain management processes, the audit committee did not provide sufficient guidance on monitoring the implementation of internal and external audit recommendations.

Auditor-General

Cape Town
31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 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 the auditor’s report, I also:
 - ❖ identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ❖ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 related to events or conditions that may cast significant doubt on the Afrikaans Language Museum and Monument’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements in my auditor’s report. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause an entity to cease operating as a going concern.
 - ❖ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting 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, where applicable, related safeguards.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL POSITION

as at 31 March

2018

2017

	<u>Notes</u>	<u>R</u>	<u>R</u>
ASSETS			
Non-current assets		4 649 175	3 290 741
Property, plant and equipment	2	3 040 971	1 674 905
Heritage assets	3	1 601 474	1 601 474
Intangible assets	4	6 730	14 362
Current assets		6 569 388	4 559 716
Inventories	5	71 884	32 354
Receivables from exchange transactions	6	47 212	93 982
Investments	7	4 984 112	2 905 511
Cash and cash equivalents	8	1 466 180	1 527 869
Total assets		11 218 563	7 850 457
NET ASSETS AND LIABILITIES			
Net assets		7 137 263	5 339 776
Accumulated surplus		5 536 273	3 738 786
Revaluation reserve	9	1 600 990	1 600 990
Non-current liabilities		109 684	102 914
Retirement benefit obligation	10	109 684	102 914
Current liabilities		3 971 616	2 407 767
Trade and other payables	11	374 908	605 545
Unspent government grants and subsidies	12	3 048 992	1 265 983
Provisions	13	547 716	536 239
Total net assets and liabilities		11 218 563	7 850 457

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March

2018

2017

	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue from non-exchange transactions	14	9 254 020	8 339 407
Revenue from exchange transactions	15	2 486 849	2 368 143
Operating expenses	16	<u>(10 237 870)</u>	<u>(10 545 105)</u>
Operating surplus	17	1 502 999	162 445
Investment revenue	22	305 456	150 536
Finance costs	23	<u>(10 968)</u>	<u>(10 000)</u>
Surplus for the year		<u>1 797 487</u>	<u>302 981</u>

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2018

	<u>Revaluation reserve</u> <u>R</u>	<u>Accumulated surpluses</u> <u>R</u>	<u>Total</u> <u>R</u>
Opening balance as previously reported	1 600 990	3 265 053	4 866 043
Prior period adjustments	-	170 752	170 752
Balance at 1 April 2016 as restated	1 600 990	3 435 805	5 036 795
Surplus / (deficit) for the year - restated	-	302 981	302 981
Balance at 1 April 2017 restated	1 600 990	3 738 786	5 339 776
Surplus / (deficit) for the period	-	1 797 487	1 797 487
Balance at 31 March 2018	1 600 990	5 536 273	7 137 263
	9	25	

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF CASH FLOWS

for the year ended 31 March

2018

2017

Notes

R

R

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	24	3 423 187	1 242 155
Interest income		305 456	105 536
Finance costs		(10 968)	(10 000)
		<u>3 717 675</u>	<u>1 382 691</u>

Net cash flows from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	2	(1 709 263)	(91 692)
Sale of property, plant and equipment	2	8 500	507
Purchase of other intangible assets	4	-	(12 377)
Purchase of investments		(2 851 645)	(539 556)
Proceeds from sale of investments		773 044	77 356
Net cash from investing activities		<u>(3 779 364)</u>	<u>(565 762)</u>

Total cash movement for the year		(61 689)	816 929
Cash at the beginning of the year		<u>1 527 869</u>	<u>710 940</u>
Total cash at end of the year	8	<u>1 466 180</u>	<u>1 527 869</u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2018

	<u>Approved Budget</u>	<u>Adjustments</u>	<u>Final budget</u>	<u>Actual amounts on compara-ble basis</u>	<u>Difference between final budget and actual</u>
Receipts					
Own income	1 569 500	770 367	2 339 867	3 958 442	1 618 575
Service in kind	1 522 000	1 015 400	2 537 400	983 129	(1 554 271)
Grant revenue	7 189 000	1 356 935	8 545 935	9 711 000	1 165 065
	10 280 500	3 142 702	13 423 202	14 652 571	1 229 369
Payments					
Administration costs	5 025 163	3 769 446	8 821 609	9 688 222	(866 613)
Employee benefit costs	5 255 337	(653 744)	4 601 593	5 026 038	(424 445)
	10 280 500	3 142 702	13 423 202	14 714 260	(1 291 058)
Net Receipts/ (payments)	-	-	-	(61 689)	(61 689)

Note 31

Reconciliation of actual amounts on a comparable basis and actual amounts in the statement of financial performance

Net receipts / (payments) (61 689)

Basis differences

Cash flows from operating activities

Working capital changes - inventories	63 642
Working capital changes - receivables	(46 770)
Working capital changes - trade payable	230 538
Working capital changes - unspent grants	(1 783 008)
Non-cash flow item - writing off of inventories	(24 112)
Non-cash flow item - leave pay provision	(11 477)
Non-cash flow item - retirement benefit obligation	(6 670)
Revenue - services in kind	983 129
Expenses - services in kind	(983 129)
Proceeds on disposal of assets	(8 500)
Profit on sale of assets	4 917
Depreciation, amortisation and impairments	(347 248)

Cash flows from investing activities

Purchases of assets	1 709 264
Purchase of investments	2 851 645
Proceeds from sale of investments	(773 044)
	1 797 487

ACCOUNTING POLICIES

1 Basis of preparation and summary of significant accounting policies

The annual financial statement has been prepared on a going concern basis in accordance with Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (No. 1 of 1999 as amended by Act 29 of 1999). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 25 prior period adjustment.

1.1 Significant acknowledgement and sources of estimation uncertainty

Critical acknowledgement in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements are outlined as follows:

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The Museum reviews the estimated useful lives of property, plant and equipment when circumstances indicate that they may have changed since the most recent reporting date. During the current year, the council determined that the useful lives of certain items of furniture, fittings and vehicles should be revised.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated selling price less cost to complete and sell. Where an impairment is necessary, inventory items are written down to selling price less cost to complete and sell. The written off articles are included in cost of sales note.

Impairment testing

The ATM reviews and tests the carrying value of property, plant, equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in-use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Post-employment benefits

Determining the post-employment benefit liability requires an estimation of the expected future life expectancy of the retired employees on whose behalf the contributions are being made as well as an estimation of the expected annual contributions during that period. The carrying amount of the employment benefit liability at the reporting date was R109 684 (2017 - R102 914) and was calculated using the official life expectancy of the retired employees and discounting the current annual contributions over that period at the official interest rates.

Heritage assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding the estimated useful lives. The valuation of heritage assets is dependent on the type of

asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cashflow generating ability in estimating the fair value.

**AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2018

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the ATM holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as asset when it is probable that future economic benefits associated with the item will flow to the ATM, and the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of part of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the ATM and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the ATM.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Straight line	10 to 50 years
Furniture and fittings	Straight line	3 to 25 years
Motor vehicles	Straight line	5 to 15 years

When indicators are present that the useful lives and residual value of items of property, plant and equipment have changed since the recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment - determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item - is included in surplus or deficit when the item is derecognised.

1.3 Heritage assets

Initial recognition and measurement

Items of heritage assets are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost of the fair value can be reliably measured.

Heritage assets that qualify for recognition as an asset shall be measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Subsequent measurement

After recognition of an asset, a class of assets, whose fair value can be reliably measured, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Impairment

A heritage asset shall not be depreciated but an entity shall assess at reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

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

Item	Useful life
Software licenses	3 to 10 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.5 Financial instruments

The ATM has various types of financial instruments and these can be broadly categorised as either Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement. The ATM only recognise a financial instrument when it becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and liabilities are recognised in the ATM's Statement of Financial Position when the ATM becomes party to the contractual provisions of the instrument.

The ATM does not offset a financial asset and liability unless a legally enforceable right to set off the recognised amounts exists; the ATM also intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value methods and assumptions

The fair value of financial instruments is determined as follows:

- The fair values of quoted investments are based on current bid prices.

If the market for a financial asset is not active (and for unlisted securities), the ATM established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash-flow analysis, and option-pricing-models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the assets and financial liability.

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or conductibility.

Financial Assets - Classification

A financial asset is any asset that represents cash or contractual right to receive cash or another financial asset from another entity.

In accordance with GRAP 104 the Financial Assets of the ATM are classified as follows into the three categories allowed by this standard: Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Financial assets at amortised cost are initially recognised at fair value plus transaction costs that is directly attributable to the acquisition or issue of the financial asset. After initial recognition, Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment. Financial assets measured at fair value are financial assets that meet either of the following conditions:

- (a) derivatives
- (b) combined instruments that are designated at fair value
- (c) instruments held for trading
- (d) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- (e) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost. Financial assets measured at cost are investments in residual interest that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The ATM has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Asset	Classification in terms of GRAP 104
Investments	Financial assets at amortised cost
Trade receivables from exchange transactions	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks, net of bank overdraft. The ATM categorises cash and cash equivalents as financial assets: Financial assets at amortised cost.

Financial liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Financial liabilities measured at fair value;
- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at cost.

The ATM has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other payables	Financial liability at amortised cost

Financial Liabilities that are measured at Fair Value are Financial Liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments, or are part of a portfolio of Financial Instruments where there is recent actual evidence of short-term profiteering, or are derivatives).

Initial and Subsequent Measurement

Financial Assets:

Financial Assets measured at Amortised Cost

Financial assets at Amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest method less any impairment, with interest recognised on an effective yield basis.

Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

Financial Liabilities:

Financial liabilities are initially measured at fair value. Subsequently financial liabilities are measured at amortised cost.

1.6 Tax

The ATM is exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases - lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- ❖ Another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payment is not that basis, or
- ❖ The payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- ❖ Another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payment is not that basis, or
- ❖ The payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

Initial recognition and measurement

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost refers to the purchase price plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the first-in, first-out (FIFO) method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying number of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.9 Impairment of assets

The ATM assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

Post-retirement benefit

The ATM provides post-employment benefits for its employees. These benefits are provided as either defined contribution plans or benefit plans. The ATM identifies as contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of its employees. Any other plans are considered benefit plans.

Actuarial gains or losses are recognised in surplus or deficit.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in surplus or deficit when the ATM is demonstrably committed to curtailment or settlement.

1.11 Provisions and contingencies

Provisions are recognised when the ATM has an obligation at the reporting date as a result of a past event, it is probable that the ATM will be required to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Provisions are not recognised for future operating losses.

1.12 Revenue from non-exchange transactions

Revenue from non-exchange transactions arises when the ATM either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Government grants and subsidies that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Government grants and subsidies that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Government grants and subsidies received before the revenue recognition criteria are satisfied are recognised as a liability.

Government grants and subsidies are measured at the fair value of the asset received or receivable.

1.13 Revenue from exchange transactions

Revenue is recognised to the extent that the ATM has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement, provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the ATM. Revenue is measured at the fair value of the consideration receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including the Public Finance Management Act no. 1999 (as amended by Act no. 29 of 1999), or any regulations made in terms of this Act.

Fruitless expenditure means expenditures that was made in vain and would have been avoided had reasonable care been exercised.

All expenditures relating to fruitless and wasteful expenditures is recognised as an expense in the statement of comprehensive income 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 a revenue in the statement of comprehensive income.

1.15 Related parties

The ATM has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common or joint control. Related party relationships where control exists are disclosed, regardless of whether transactions took place between the parties during the reporting period.

Included are transactions that occurred between the ATM and any one or more related parties, and those transactions were not within:

- (a) Normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances, and
- (b) Terms and conditions within the normal operating parameters established by the reporting entity's legal mandate

Further details about those transactions are disclosed in note 23 to the financial statement.

1.16 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases, the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impractical to determine the period-specific effects or the cumulative effect of the error. In such cases, the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

for the year ended 31 March 2018

1.17 New standards and interpretations

The following GRAP standards have been issued, but are not yet effective and have not been adopted earlier by the ATM:

GRAP 20	Related Party Disclosure
GRAP 32	Service Concession Arrangements: Grantor
GRAP 38	Disclosure of Interests in Other Entities
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and non-living resources
IGRAP 18	Recognition and derecognition of land
IGRAP 19	Liabilities to pay levies

No significant impact is expected on the adoption of the above-mentioned standards.

The ASB Directive 5 paragraph 29 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standards of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of the International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, the ATM may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Management has considered all of the above-mentioned GRAP standards issued, but not yet effective, and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the ATM.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

2. Property, Plant and Equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	2 363 243	(249 434)	2 113 809	1 193 310	(205 581)	987 729
Furniture and fixtures	1 785 947	(1 306 116)	479 831	1 594 285	(1 096 215)	498 070
Motor vehicles	705 210	(257 879)	447 331	412 766	(223 660)	189 106
Total	4 854 400	(1 813 429)	3 040 971	3 200 361	(1 525 456)	1 674 905

Reconciliation of property, plant and equipment - 2018								
	Opening balance	Additions	Disposals	Transfers	Disposals – accumulated depreciation	Depreciation	Impairment loss	Total
Buildings	987 729	1 169 932	-	-	-	(43 852)	-	2 113 809
Furniture and fixtures	498 070	215 611	(3 423)	-	-	(230 427)	-	479 831
Motor vehicles	189 106	323 720	-	-	-	(65 495)	-	447 331
Total	1 674 905	1 709 263	(3 423)	-	-	(339 774)	-	3 040 971

Reconciliation of property, plant and equipment - 2017								
	Opening balance	Additions	Disposals	Transfers	Disposals – accumulated depreciation	Depreciation	Impairment loss	Total
Buildings	1 021 179	9 484	(5)	-	-	(42 929)	-	987 729
Furniture and fixtures	650 957	82 208	(2 424)	(400)	-	(203 795)	(28 476)	498 070
Motor vehicles	223 205	-	-	-	-	(34 099)	-	189 106
Total	1 895 341	91 692	(2 429)	(400)	-	(280 823)	(28 476)	1 674 905

Repairs and maintenance

Expenditure incurred on repairs and maintenance to property, plant and equipment

521 567

320 675

Detail of properties

The buildings consist only of improvements erected on erf 11827. This property, of which the Afrikaanse Taalmuseum has the unrestricted use of, is owned by the Department of Public Works.

for the year ended 31 March 2018

3. Heritage Assets

	2018			2017		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Artefacts	1 374 189	-	1 374 189	1 374 189	-	1 374 189
Collection of rare books and manuscripts	165 525	-	165 525	165 525	-	165 525
Collections of textiles	61 760	-	61 760	61 760	-	61 760
Total	1 601 474	-	1 601 474	1 601 474	-	1 601 474

Reconciliation of heritage assets - 2018		
	Opening balance	Total
Artefacts	1 374 189	1 374 189
Collection of rare books and manuscripts	165 525	165 525
Collections of textiles	61 760	61 760
Total	1 601 474	1 601 474

Reconciliation of heritage assets - 2017		
	Opening balance	Total
Artefacts	1 374 189	1 374 189
Collection of rare books and manuscripts	165 525	165 525
Collections of textiles	61 760	61 760
Total	1 601 474	1 601 474

The additions included as the heritage assets were revaluated in 2015 and in 2016. The effective date being immediately after being valued. The items that were valued in 2016 was done at year end. These items were identified during the financial year as heritage assets and reclassified from property, plant and equipment. Some of the items did not have a value and was valued at R16 950 when included in the heritage assets register. For this reason, it did not have an effect on the property, plant and equipment. The rest of the items values were known at R480 which is still market-related and was reclassified from property, plant and equipment to heritage assets.

The ATM used an independent valuator who has more than twelve years' experience in this field. The items that were valued were compared was according to similar and identical to the valuator's inventory list of the past 12 years. The prices are not only in terms of estimated market value, but also measured in terms of the factual sales value on request.

Repairs and maintenance

Expenditure incurred on repairs and maintenance to heritage assets

15 657

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AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

4. Intangible Assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Software licenses	65 424	(58 694)	6 730	66 819	(52 457)	14 362

Reconciliation of intangible assets - 2018					
	Opening balance	Additions	Disposals	Amortisation	Total
Software licenses	14 362	-	(158)	(7 474)	6 730

Reconciliation of intangible assets - 2017					
	Opening balance	Additions	Transfers	Amortisation	Total
Software licenses	8 766	12 377	400	(7 181)	14 362

5. Inventories

Finished goods	95 996	32 491
	95 996	32 491
Inventories (write-downs)	(24 112)	(137)
	<u>71 884</u>	<u>32 354</u>

6. Receivable from exchange transactions

Trade receivables	5 050	44 316
Repayments	42 162	49 666
	<u>47 212</u>	<u>93 982</u>
Ageing of trade receivables		
Current (0 to 30 days)	1 650	44 316
30 days	2 400	-
120 days	1 000	-
	<u>5 050</u>	<u>44 316</u>

7. Investments

Short term investments

Fixed Deposit - ABSA Bank Limited	3 139 354	1 652 854
Money Market Funds - Sanlam Limited	416 119	386 674
Liquidity Plus - ABSA Bank Limited	1 428 639	865 983
	<u>4 984 112</u>	<u>2 905 511</u>

for the year ended 31 March 2018

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	34 842	14 725
Bank balances	<u>1 431 338</u>	<u>1 513 144</u>
	<u>1 466 180</u>	<u>1 527 869</u>

9. Revaluation reserve

Revaluation of heritage assets	<u>1 600 990</u>	<u>1 600 990</u>
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Heritage assets were revalued by an independent valuator and was valued using calculations of similar and identical prices, according to the valuator's stock list of the past 12 years. The prices are not only in terms of estimated market value, but also measured in terms of factual sales value on request.

10. Retirement benefits

Reconciliation of opening and closing balances of post-employment benefit liability

Opening balance	102 914	95 241
Net expense recognised in surplus	<u>6 770</u>	<u>7 673</u>
	<u>109 684</u>	<u>102 914</u>

Net expense recognised in surplus

Interest cost	10 968	10 000
Fair value adjustment	31 290	29 870
Benefits paid	<u>(35 488)</u>	<u>(32 197)</u>
	<u>6 770</u>	<u>7 673</u>

Key assumptions used

Expected future life expectancy	3.64 years	3.77 years
Expected annual contribution	37 416	34 524
Official interest rate	10%	10.5%

11. Trade and other payables

Trade payables	374 908	581 916
Amount received in advance	<u>-</u>	<u>23 629</u>
	<u>374 908</u>	<u>605 545</u>

for the year ended 31 March 2018

12. Unspent government grants and subsidies

2018	Capital works fund	GRAP 103 grant	Municipal expenses grant	Total
Balance at the beginning of the year	1 265 983	-	-	1 265 983
Grants received during the year: Department of Arts and Culture	1 000 000	1 000 000	1 522 000	3 522 000
Interest received	92 535	-	-	92 535
Expenditure incurred during the year	(1 257 884)	(191 657)	(381 985)	(1 831 526)
	1 100 634	808 343	1 140 015	3 048 992

2017

	Capital works fund
Balance at the beginning of the year	943 339
Grants received during the year: Department of Arts and Culture	400 000
Interest received	56 413
Expenditure incurred during the year	(133 769)
	1 265 983

Unspent government grants and subsidies were referred to as deferred income in the prior year's annual financial statement.

Capital works fund

The ATM received capital works funds from the Department of Arts and Culture for the refurbishment of the Museum's veranda, stabilisation of the Museum building's floor and the upgrading of the kitchen area of the Coffee shop at the Monument.

GRAP 103 grant

The ATM received funds from the Department of Arts and Culture for the implementation of GRAP 103.

Municipal expenses grant

The ATM received funds from the Department of Arts and Culture for the payment of the ATM's municipal expenses.

13. Provisions

Reconciliation of provisions - 2018

	Opening balance	Increase in Provision	Total
Provision for audit fees	472 601	-	472 601
Provision for leave pay	63 638	11 477	75 115
	536 239	11 477	547 716

Reconciliation of provisions - 2017

	Opening balance	Decrease in provision	Increase in Provision	Total
Provision for audit fees	-	-	472 601	472 601
Provision for leave pay	110 105	(46 467)	-	63 638
	110 105	(46 467)	472 601	536 239

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March

2018

2017

R

R

14. Revenue from non-exchange transactions

Government grants and subsidies	7 927 991	6 046 738
Services in kind	983 129	1 911 726
Donations	342 900	380 943
	9 254 020	8 339 407

Government grants and subsidies

Department of Arts and Culture: Subsidy - unconditional	6 189 000	5 969 382
Department of Arts and Culture: Capital works grant - conditional	1 165 350	77 356
Department of Arts and Culture: GRAP 103 grant - conditional	191 657	-
Department of Arts and Culture: Municipal expenses grant - conditional	381 984	-
	7 927 991	6 046 738

The ATM received the following services in kind from the Department of Arts and Culture. These services in kind were recognised in the statement of financial performance. Municipal expenses have been estimated due to the fact that an accurate amount could not be obtained from the Department of Public Works:

Medical expenses	676 811	1 517 021
Rent paid	306 318	394 705
	983 129	1 911 726

The Department of Arts and Culture paid the ATM's municipal bills to the Department of Public Works on behalf of the ATM. Municipal expenses are made up of water, electricity and sewerage costs. Due to the fact that the entity has a different reporting framework to that of Department of Arts and Culture (accrual vs. modified cash); the Department of Arts and Culture would have paid municipal charges in the current financial year, but a part of the expenditure would have been incurred in previous periods. The ATM did not receive confirmation that any payment was made towards municipal costs on behalf of the ATM other than what was already reported on and due to the ATM, therefore an estimate for the 2017/2018-financial year has been made.

There are also uncertainties regarding expenditure incurred for municipal charges for months not paid as yet by Department of Arts and Culture. The Department of Arts and Culture had as yet not paid municipal bills for June 2017 and February to March 2018, as per records received. The ATM cannot account for these municipal bills as no records thereof are provided by the Department of Public Works or the Department of Arts and Culture to the ATM.

Further uncertainty was noted regarding the reasonability of the municipal expenses for the ATM in the above figures. No confirmation could be received from the Department of Public Works regarding the unusually high amounts.

The basis of GRAP 23 (revenue from non-exchange transactions) is that an underlying asset should be recognised or a liability extinguished. The asset definition would not thus be fully met due to the measurability limitations stated above.

The amount disclosed above is thus the best estimate of services in kind provided by the Department of Arts and Culture for 2016/2017, and 2017/2018 municipal charges are based on an estimate made by the ATM.

The ATM occupies buildings owned by the Department of Public Works and the Historium Trust. Rental thereof is paid by the Department of Arts and Culture on the entity's behalf.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March

2018

2017

R

R

15. Revenue from exchange transactions

Business venture	375 438	461 118
Courses	55 750	-
Entrance fees	1 935 581	1 682 843
Funding and marketing	8 546	91 609
Insurance claims	25 175	5 299
Profit and loss on sale of assets and liabilities	5 077	-
Sale of goods	78 547	127 274
Sundry income	2 735	-
	2 486 849	2 368 143

16. Operating expenses

Administration	4 753 538	4 598 859
Audit fees	103 867	583 214
Depreciation, amortisation and impairments	347 248	316 480
Employee benefits cost	5 033 217	4 961 134
Other expenses	-	85 418
	10 237 870	10 545 105

17. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises		
❖ Contractual amounts	306 318	394 705
Equipment		
❖ Contractual amounts	37 460	59 671
	343 778	454 376
Profit / (loss) on sale of property, plant and equipment	5 077	(1 922)
Loss on disposal of intangible assets	(158)	-
Impairment on property, plant and equipment	-	28 476
Amortisation of intangible assets	7 474	7 181
Depreciation on property, plant and equipment	339 774	280 823
Employee costs	5 033 217	4 961 134
Purchases of inventories	(15 594)	58 728
Writing off of inventories	24 112	137

for the year ended 31 March

2018

2017

R

R

18. Employee Cost

Direct employee costs

Basic	3 814 790	3 671 891
Bonus	251 623	260 440
Medical aid - company contributions	169 600	192 250
Unemployment Insurance Fund	27 119	26 784
Workman's Compensation	11 607	-
Leave pay provision charge	11 477	(46 468)
Housing subsidy	127 201	144 191
Leave gratuity	13 639	78 552
Pension fund contributions	574 869	604 033
Post-employment benefits	31 292	29 461
	<u>5 033 217</u>	<u>4 961 134</u>

19. Depreciation, amortisation and impairment

The following items are included within depreciation, amortisation and impairments:

Depreciation

Property, plant and equipment	<u>339 774</u>	<u>280 823</u>
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Amortisation

Intangible assets	<u>7 474</u>	<u>7 181</u>
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Impairments

Property, plant and equipment	<u>-</u>	<u>28 476</u>
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Depreciation	339 774	280 823
Amortisation	7 474	7 181
Impairments	<u>-</u>	<u>28 476</u>
	<u>347 248</u>	<u>316 480</u>

20. Operating lease

Within one year	16 800	42 324
Second to fifth year inclusive	<u>-</u>	<u>-</u>

At the reporting date, the ATM has outstanding commitments under non-cancel operating leases. Operating lease payments represent rentals of office equipment. The leases are negotiated for a term of five years and are fixed for the duration of the lease agreement.

21. Auditor's remuneration

Fees	<u>103 867</u>	<u>583 214</u>
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AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March

2018

2017

R

R

22. Investment revenue

Bank and investments	305 456	150 536
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23. Finance costs

Interest cost on post-retirement benefit obligation	10 968	10 000
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24. Cash generated from operation

Surplus before taxation	1 797 487	302 981
Adjustments for:		
Depreciation and amortisation	347 248	288 004
Profit on sale of property, plant and equipment	(4 919)	1 922
Interest received	(305 456)	(150 536)
Finance costs	10 968	10 000
Impairment deficit	-	28 476
Movement in retirement benefit liabilities	(24 520)	(22 197)
Movements in provisions	11 477	426 134
Bad debts	-	13 521
Fair value adjustment – post-retirement fund obligation	31 290	29 870
Loss on write-off inventories	24 112	137
Revenue: services in kind	(983 129)	(1 911 726)
Expenses: services in kind	983 129	1 911 726
Change in working capital:		
Inventories	(63 642)	2 372
Receivables from exchange transactions	46 770	(62 996)
Trade and other payables	(230 637)	51 823
Unspent government grants and subsidies	1 783 009	322 644
	3 423 187	1 242 155

25. Prior period adjustments

25.1 Property, plant and equipment – motor vehicles

During the year the useful lives of motor vehicles were re-evaluated. Their useful lives were changed from 5 to 10 years retrospectively. Depreciation in the prior year decreased by R28 084 and the opening accumulated depreciation at 1 April 2016 decreased by R118 715.

25.2 Property, plant and equipment – furniture and fittings

During the year the useful lives of furniture and fittings were re-evaluated. Their useful lives were changed from 3 to 6 years to 6 to 15 years retrospectively. Depreciation in the prior year increased by R913 and the opening accumulated depreciation at 1 April 2016 decreased by R52 038.

25.3 Services in kind – municipal costs

The municipal costs paid by the Department of Arts and Culture to Drakenstein municipality on behalf of the ATM was understated by R51 569 in 2016/2017 and understated by R174 378 in 2015/2016.

for the year ended 31 March 2018

25. Prior period adjustments (continued)

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position

	As previously reported: 31 March 2017	Adjustments - 2017	Restated: 31 March 2017
Property, plant and equipment	1 476 982	197 923	1 674 905
Accumulated surplus	(3 265 053)	(170 752)	(3 435 805)
	<u>(1 788 071)</u>	<u>27 171</u>	<u>(1 760 900)</u>

Statement of Financial Performance

	As previously reported: 2017	Adjustments - 2017	Restated: 2017
Depreciation, amortisation and impairments	343 651	(27 171)	316 480
Administration expenses	4 547 290	51 569	4 598 859
Revenue from non-exchange transactions	<u>(8 287 838)</u>	<u>(51 569)</u>	<u>(8 339 407)</u>
	<u>(3 396 897)</u>	<u>(27 171)</u>	<u>(3 424 068)</u>

	2017
Surplus previously reported at 31 March 2017	275 810
Depreciation overstated - motor vehicles	28 084
Depreciation understated - furniture and fittings	(913)
Services in kind: Municipal expenses – estimated amounts understated	(51 569)
Services in kind: Municipal expenses – estimated amounts understated	51 569
Surplus restated at 31 March 2017	<u>302 981</u>

	2017
Accumulated surplus as previously reported at 31 March 2016	3 265 053
Accumulated depreciation overstated due to change in useful lives - motor vehicles	118 714
Accumulated depreciation overstated due to change in useful lives - furniture and fittings	52 038
Services in kind: Municipal expenses – estimated amounts understated	(174 378)
Services in kind: Municipal expenses – estimated amounts understated	174 378
Accumulated surplus restated at 31 March 2017	<u>3 435 805</u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March

2018

2017

R

R

26. Related parties

Relationships	
Affiliated entity	Department of Arts and Culture
Affiliated entity	Department of Public Works
Affiliated entity	Historium Trust
Affiliated entity	Afrikaans Language Committee
Accounting authority	Refer to Note 32
Member of key management	Michael Jonas, Museum Director and Trustee of the Historium Trust
Member of key management	Tania Laing, Chief Financial Officer

Compensation paid to key management

Director's remuneration (chief executive officer)

Basic salary	735 808	631 789
Bonuses - 13 th cheque	61 565	50 138
Bonuses - 14 th cheque	48 828	-
Housing subsidy	9 000	9 000
Medical aid contribution	12 000	12 000
Pension fund contribution	119 568	103 852
	986 769	806 779

Chief financial officer's remuneration

Basic salary	488 151	462 708
Bonuses - 13 th cheque	40 872	38 559
Bonuses - 14 th cheque	38 559	-
Housing subsidy	9 000	9 000
Medical aid contribution	12 000	12 000
Pension fund contribution	79 324	95 832
	667 906	618 099

Transactions with associate undertakings

The Historium Building (erf 1747, Paarl) was bought by the Council of the Museum (Afrikaans Language Committee) as a private transaction in 1990. Since the Afrikaans Language Committee is not a legal entity, the property was registered under the ATM's name – both were controlled by the same council.

The Auditor-General raised the issue of the relationship between the ATM and the private account of the Afrikaans Language Committee. This is therefore considered as a matter of emphasis in the audit report. The intention of the council was to consolidate the Historium Building and the Afrikaans Language Committee's privately functioning trust, known as the Afrikaans Trust, into a new private trust called the Historium Trust in order to discontinue any relationship between the ATM and the Historium.

The ATM submitted a request with a draft deed of donation to the Minister of Arts and Culture after obtaining an opinion from the State Attorney in order to transfer the building to the Historium Trust in terms of Section 4(3)(a) of the Cultural Institutions Act, 119 of 1998, and the Public Finance Management Act, 1 of 1999, more specifically Section 76(1)(k) and (i) and Treasury Regulations 21.3.

for the year ended 31 March

2018

2017

R

R

26. Related parties (continued)

The following rent, relating to the Historium, was paid by the Department of Arts and Culture to the Historium Trust, as well as the estimated municipal costs:

Rent paid – Department of Arts and Culture	306 318	394 705
Municipal costs – Department of Arts and Culture	676 811	1 517 021
	<u>983 129</u>	<u>1 911 726</u>

27. Irregular expenditure

Opening balance	6 159 760	2 587 832
Expenditure related to current year	1 462 050	350 621
Budget-related expenditure related to the current year	1 291 058	3 221 307
	<u>8 912 868</u>	<u>6 159 760</u>

Irregular expenditure was incurred during the financial year due to the following reasons:

Non-compliance with TR16A6.2(a), PPR 9(1) and (5) and Treasury Instruction 3 of 2016/2017. The bid was adjudicated by an adjudication committee that included members that also served on the evaluation committee for Design Housing and Technical (DHT) as well as Drakenstein Security. Furthermore, the extension that was granted on the total budget for DHT for issues that only become evident after construction started, which exceeded the lesser limit of R20 million or 20% of the original contract amount. The bid specifications/request for quotation did not specify the minimum threshold for local production and content, which should not be less than the threshold prescribed in the relevant NT Instruction Notes (100% for textile, clothing, leather and foot wear) for the expenses towards Boland Promotions and Imagemakers.

28. Fruitless and wasteful expenditure

Opening balance	<u>17 954</u>	<u>17 954</u>
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29. Risk Management

Market risk

The ATM's activities expose it to a variety of financial risk: market risk (fair value interest risk, cashflow interest rate risk), credit risk and liquidity risk. The ATM is not exposed to market risk as it is required to settle creditors within 30 days of receiving an invoice in accordance with treasury regulations and the PFMA.

Liquidity risk

Liquidity risk is the risk that the ATM will not be able to meet its obligations as they fall due. In terms of the borrowing requirements, the ATM ensures that adequate funds are available to meet its expected and unexpected financial commitments. All outstanding accounts payable balances are due within 30 days of reporting date.

Sensitivity analysis

On 31 March 2018, if the interest rate on variable rate financial instruments had been 1% higher/lower with all other variables held constant, no significant impact would have been had on the surplus for the year.

Financial assets

Trade and other receivables are at a fixed rate of interest. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and, where possible, using fixed rate loans. Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.

for the year ended 31 March 2018

29. Risk Management (continued)

Credit risk

Credit risk refers to the risk that the counter party will default on its contractual obligations resulting in financial loss to the ATM. The ATM has adopted a policy of only dealing with creditworthy parties.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The ATM only deposits cash with major banks with high quality credit standing and limits exposure to any one's counter-parties.

No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counter-parties.

Maximum exposure to credit risk

The ATM's exposure to credit risk with regards to loans and receivables is limited to amounts in the statement of financial position.

30. Categories of financial instruments

	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non- financial assets and liabilities	Total
Categories of financial instruments - 2018						
Assets						
Non-Current Assets						
Property, plant and equipment	2	-	-	-	3 040 971	3 040 971
Heritage assets	3	-	-	-	1 601 474	1 601 474
Intangible assets	4	-	-	-	6 730	6 730
		-	-	-	4 649 175	4 649 175
Current Assets						
Inventories	5	-	-	-	71 884	71 884
Investments	7	4 984 112	-	-	-	4 984 112
Trade and other receivables	6	47 212	-	-	-	47 212
Cash and cash equivalents	8	1 466 180	-	-	-	1 466 180
		6 497 504	-	-	71 884	6 569 388
Total Assets		6 497 504	-	-	4 721 059	11 218 563
Net Assets and Liabilities						
Net assets						
Revaluation reserve		-	-	-	1 600 990	1 600 990
Accumulated surplus		-	-	-	5 536 273	5 536 273
		-	-	-	7 137 263	7 137 263
Total Net Assets		-	-	-	7 137 263	7 137 263

for the year ended 31 March 2018

30. Categories of financial instruments (continued)

Liabilities

	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non- financial assets and liabilities	Total
Non-Current Liabilities						
Retirement benefit obligation	10	-	-	-	109 684	109 684
Current Liabilities						
Trade and other payables	11	-	374 901	-	-	374 901
Unspent government grants and subsidies		-	-	-	3 048 992	3 048 992
Provisions	13	-	-	-	547 716	547 716
		-	374 901	-	3 596 708	3 971 609
Total Liabilities		-	374 901	-	3 706 392	4 081 293
Total Net Assets and Liabilities		-	374 901	-	10 843 656	11 218 556

Categories of financial instruments – 2017

Assets

Property, plant and equipment	2	-	-	-	1 674 905	1 674 905
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Non-Current Assets

Heritage assets	3	-	-	-	1 601 474	1 601 474
Intangible assets	4	-	-	-	14 362	14 362
		-	-	-	3 290 741	3 290 741

Current Assets

Inventories	5	-	-	-	32 354	32 354
Investments	7	2 905 511	-	-	-	2 905 511
Trade and other receivables	6	93 982	-	-	-	93 982
Cash and cash equivalents	8	1 527 869	-	-	-	1 527 869
		4 527 362	-	-	32 354	4 559 716
Total Assets		4 527 362	-	-	3 323 095	7 850 457

for the year ended 31 March 2018

30. Categories of financial instruments (continued)

	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non- financial assets and liabilities	Total
Net Assets and Liabilities						
Net Assets						
Revaluation reserve		-	-	-	1 600 990	1 600 990
Accumulated surplus		-	-	-	3 738 786	3 738 786
		-	-	-	5 339 776	5 339 776
Total Net Assets		-	-	-	5 339 776	5 339 776
Liabilities						
Non-Current Liabilities						
Retirement benefit obligation	10	-	-	-	102 914	102 914
Current Liabilities						
Trade and other payables	11	-	605 545	-	-	605 545
Unspent government grants		-	-	-	1 265 983	1 265 983
Provisions	13	-	-	-	536 239	536 239
		-	605 545	-	1 802 222	2 407 767
Total Liabilities		-	605 545	-	1 905 136	2 510 681
Total Net Assets and Liabilities		-	605 545	-	7 244 912	7 850 457

31. Statement of Comparison of Budget and Actual Amounts

Basis for Preparation

Die Afrikaanse Taalmuseum en -Monument (ATM) is registered as a Schedule 3A public entity according to the Public Finance Management Act (PFMA). According to the PFMA, No. 1 of 1999, Section 53(3) the ATM may not budget for a loss. The ATM uses the cash-based method to prepare its budget with no profit or deficit. The annual financial statement of the ATM is prepared on an accrual basis. The approved budget covers the period from 1 April 2017 until 31 March 2018. During the financial year under review, the ATM adjusted the budget twice.

Receipts

The ATM hosted 80 855 visitors for the 2017/2018 financial year. Although the visitors declined by 9 057 visitors, the entrance fee per adult increased by R5 and resulted in higher ticket sales during the financial year. The ATM has also seen an increase in income from our summer picnic series, our full moon and stargazing picnics, as well as successful educational and public programmes compared to the previous financial year.

Although the ATM does not budget for donations/sponsorships (the ATM must still function and be able to fulfil its mandate, even if it meant that it will be with less funds), the ATM yearly still applies to various organisations for specific projects and programmes that forms part of our mandate and mission. For the year under review, we received R342 900 in donations/sponsorships that is used for educational programmes, heritage and research projects.

31. Statement of Comparison of Budget and Actual Amounts (continued)

The ATM received a conditional grant from the Department of Arts and Culture at the end of the 2014/2015 financial year that is to be used for capital works. The funds were placed under deferred income in 2014/2015. In 2016/2017 the Department of Arts and Culture paid an extra R400 000 towards the enlargement/upgrade of the kitchen area of the coffee shop at the Monument, which was a shortfall on construction costs as per estimates. An additional amount of R1 000 000 was received during the year for Capital works. During the year under review, the ATM appointed a contractor to enlarge/upgrade the kitchen area of the coffee shop at the Monument and handover of the construction site to be done early in the 2018/2019 financial year. The Department of Arts and Culture also paid rent on behalf of the ATM to the Department of Public Works (also see notes 12 and 14).

Payments

For the 2017/2018 financial year the ATM not only hosted 19 events which included concerts with local and well-known artists, full moon picnics and stargazing picnics, but also rented the Amphitheatre on an ad hoc-basis which gave the Museum the opportunity to co-host the ATKV Rieldans Competition. With the increase in the income received from these events the expenses also increased, especially with regards to the artists' fees, increased security, extra staff members to assist the visitors, emergency services, marketing, maintenance etc. at the picnic concerts. These events are used to expose visitors (that would normally not visit the Monument) to the grounds, the language Afrikaans and the Monument itself.

The ATM also needed to include the Auditor-General's audit fees in its financial statement as part of the administrative expenses. The ATM made a 1% payment towards the audit fees as per Public Audit Act, No. 25 of 2004.

During the year under review, the ATM's Council appointed Emergence Human Capital to conduct a work study of the staff's job descriptions as well as their salary scales. The completed study was presented to the ATM's Council at their meeting in June 2017 and approved for implementation. Significant changes with regards to the implementation of the study included changes in the structure of the organogram, as well as changes to some of the employees' job descriptions and salary scales. The ATM also experienced some staff changes during the financial year. Three staff members were appointed and two resigned during the year under review.

A reconciliation between the actual amount on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cashflow statement for the period ended 31 March 2018 is presented in the Statement of Comparison of Budget and Actual Amounts. The Financial statement and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statement on the accrual basis.

for the year ended 31 March 2018

32. Counsellors' fees

2018	Fees	Expenses	Total
Prof MC Mashige	2 832	10 630	13 462
Prof WAM Carstens	1 280	2 546	3 826
Prof S van Wyk	7 952	2 262	10 214
Dr DC Lawrence	2 560	6 843	9 403
Prof J Grobbelaar	9 088	3 706	12 794
Prof J Rossouw (Independent member)	5 090	16 052	21 142
Prof N Maake	1 136	3 923	5 059
Prof EO Saal	5 112	20 530	25 642
	35 050	66 492	101 542

2017	Fees	Total
Prof MC Mashige	5 664	5 664
Prof S van Wyk	11 360	11 360
Dr DC Lawrence	4 976	4 976
Prof J Grobbelaar	7 952	7 952
Prof J Rossouw (Independent member)	5 090	5 090
Prof N Maake	1 136	1 136
Prof EO Saal	4 544	4 544
Prof WAM Carstens	0	0
	40 722	40 722

Prof J Rossouw is the independent Audit Committee Chairperson appointed by the Council for the same term as the Council members.

**AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
DETAILED INCOME STATEMENT**

for the year ended 31 March

2018

2017

	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue from non-exchange transactions			
Government grants		7 927 991	6 046 738
Service in kind		983 129	1 911 726
Donations		342 900	380 943
	14	9 254 020	8 339 407
Revenue from exchange transactions			
Business ventures		375 438	461 118
Courses		55 750	-
Entrance fees		1 935 581	1 682 843
Funding and marketing		8 546	91 609
Insurance claims		25 175	5 299
Interest received	22	305 456	150 536
Profit on sale of property, plant and equipment		5 077	-
Sale of goods		78 547	127 274
Sundry income		2 735	-
		2 792 305	2 518 679
Expenses (Refer to page 68)		(10 237 870)	(10 545 105)
Operating surplus	17	1 808 456	312 981
Finance costs	23	(10 968)	(10 000)
Surplus for the year		1 797 487	302 981

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
DETAILED INCOME STATEMENT

for the year ended 31 March

		2018	2017
	<u>Notes</u>	<u>R</u>	<u>R</u>
Operational expenses			
Advertising and marketing		20 770	161 562
Architect fees		-	117 236
Auditor's remuneration	21	103 867	583 214
Bad debts		-	13 521
Bank charges		67 029	58 845
Cleaning		68 246	33 085
Communications		20 584	-
Computer expenses		57 167	5 099
Consulting and professional fees		136 668	92 793
Courses		29 180	-
Depreciation, amortisation and impairments		347 248	316 480
Director's expenses - conferences and meetings		54 521	-
Donations		-	1 102
Educational Officer		68 322	114 338
Employee costs		5 033 219	4 961 134
Entertainment		35 580	27 193
Exhibitions		38 709	5 793
Honorariums		51 189	-
Insurance		74 182	62 996
Lease rentals on operating lease		343 778	454 376
Loss on disposal of intangible assets		158	1 922
Loss on writing off of inventories		24 112	137
Meetings and functions		758 425	856 188
Motor vehicle expenses		1 458	-
Municipal costs - interest paid		-	6 229
Municipal expenses		1 058 798	1 517 021
Other expenses		292 689	-
Projects		16 097	-
Postage		10 318	-
Printing and stationary		67 894	91 849
Protective clothing		81 648	-
Purchase of inventory		(15 594)	58 728
Repairs and maintenance		578 885	395 841
Security		513 659	210 337
Subscriptions		16 131	-
Sundry expenses		-	84 316
Telephone and fax		77 199	90 558
Training		39 008	32 439
Transport claims		166 726	190 773
		10 237 870	10 545 105

1. MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE PERIOD ENDING 31 MARCH 2017

1.1 Background

In terms of Treasury Regulations (TR) 28.3: “For purposes of material [section 55 (2) of the PFMA] and significant [section 54 (2) of the PFMA], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.”

Public Entities are required to include the Materiality and Significance Framework in the Strategic Plan to be submitted to its Executive Authority [TR 30.1.3(e)]. In terms of Treasury Regulations 8.2.1 any material losses through criminal conduct and any irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statement of the public entity.

SAAS 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.” Further guidance is drawn from SAAS 320.17 from a public sector perspective: “In an audit of financial statements in the public sector, the auditor’s assessment of materiality may be influenced by the public accountability of the audited entity, and the sensitivity of the entity’s accounts, activities and functions regarding matters of public interest.” The reference to “economic” decisions (SAAS 320.03 above) is therefore assessed as not being conclusive or wholly appropriate to a public entity such as the Afrikaanse Taalmuseum en -Monument (ATM).

The Collins English Dictionary defines significance as the importance of something, usually because it will have an effect on a situation or shows something about a situation.

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely accepted in the accounting profession as a basis for calculating materiality.

General basis used in accounting profession	Acceptable percentage range	ATM applicability
Total Revenue	0.25% - 1%	Applicable; they are grants received, entrance fees received, donations and project funds, rent received and interest received
Surplus	1% - 2%	Applicable; they are excess of grants over operating and capital expenditure
Equity	2% - 5%	Not applicable
Total Assets	0.5% - 2%	Applicable; they are opening carrying value, revaluation surplus, additions and depreciation of assets

1.2 Broad framework for the ATM

The ATM will be dealing with this framework under two main categories, namely quantitative and qualitative aspects.

2.1 Materiality level

The Entity assessed the level of a material deviation as being 1% of the total revenue.

Motivation

It is recognised that different levels of materiality can be set for different classes of transactions. The ATM has, however, taken the approach of setting a materiality level that will be used for all classes of transactions.

Factors considered

In determining the said materiality value as 1% of the total expenditure, the ATM took into account factors that include:

Nature of the ATM's business

Revenue: Funding for the ATM primarily comprise grants received from the Department of Arts and Culture, self-generated income from tourist activities (entrance fees), memorabilia shops, rent received and interest earned on investments in deposit accounts, as well as donations for projects.

Expenditure: Given the nature of the ATM as an entity mandated to collect, conserve, exhibit, educate and research, preference is given to gross expenditure as a basis of defining the level of materiality.

Statutory requirements applicable to the ATM

- ❖ The ATM is an institution established under the Cultural Institutions Act, 119 of 1998.
- ❖ The ATM is listed as a PFMA Schedule 3A public entity.
- ❖ The Council of the ATM is required to execute the mandate in terms of the Cultural Institutions Act, 119 of 1998.

The control and inherent risks associated with the ATM

In assessing the control risk, the ATM concluded that a materiality level of 0.5% of expenditure is appropriate and prudent. This assessment is based on the fact that a sound control environment is being maintained. In this regard cognisance was taken of amongst others:

- ❖ Proper and appropriate governance structures have been established that include a Council, Audit Committee, Director, CFO and Internal Audit Function.
- ❖ The Director and CFO's positions have been created with specific risk management responsibilities.
- ❖ An Audit Committee that closely monitors the control environment of the ATM was established.
- ❖ The function of internal audit is sourced with a firm of professional internal auditors.
- ❖ A three-year Internal Audit plan, based on annual risk assessments, being performed. This is annually reviewed and agreed on by the Audit Committee.

1.3 ATM's general approach to qualitative aspects

Materiality is not confined to the size of the Entity and the elements of its financial statements. The Entity recognises that misstatements that are large, either individually or in the aggregate, "may affect a reasonable user's" judgement. Further, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- ❖ New ventures that the ATM may enter into.
- ❖ Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof, owing to knowledge thereof affecting the decision-making of the user of the financial statements.
- ❖ Any fraudulent or dishonest behaviour of an ATM officer or staff member.
- ❖ Any infringement of the ATM's agreed performance levels.
- ❖ Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations).
- ❖ Unauthorised, irregular, fruitless and wasteful expenditure.
- ❖ Items of a non-financial nature, which would impact on the continued operation and deliverables of the Entity.

1.4 Framework

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
54 (2)	Before a public entity concludes any of the following transactions, the accounting authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction: (a) establishment of participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	 (a) Each and every instance. (b) Each and every instance.

	(c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement	(c) Each and every instance. (d) Above R500 000. (e) Each and every instance. (f) Each and every instance.
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Section of PFMA	Description of materiality and significance	Levels of materiality and significance
55 (2)	<p>The annual report and financial statements must include particulars of:</p> <p>(a) any material losses through criminal conduct and any irregular expenditure, and fruitless and wasteful expenditure that occurred during the financial year; (b) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (c) any losses recovered or written off; and (d) any financial assistance received from the state and commitments made by the state on the accounting authority's behalf.</p>	<p>(a) All instances will be included in the accounting authority's annual report – amount greater than 1% of the total value of the expenditure per AFS. (b) All instances will be included in the accounting authority's annual report (c) All instances will be included in the accounting authority's annual report – amount greater than 1% of the total value of the expenditure per AFS. (d) All instances will be included in the accounting authority's annual report.</p>