



ANNUAL REPORT

2021 - 2022



Die Afrikaanse
**Taalmuseum
& -monument**

an agency of the
Department of Sport, Arts and Culture

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Cover Photo: A semi-permanent sculptural work on a boulder next to the Afrikaans language monument, created by artist Kevin McArdle

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Part A: General Information

1. Public Entity's General Information

Registered name:	Afrikaanse Taalmuseum en -monument [Afrikaans Language Museum and Language Monument]
Registration number (if applicable):	N/A
Physical address:	11 Pastorie Avenue Paarl 7646
Postal address:	PO Box 498 Paarl 7620
Telephone numbers:	+27 21 872 3441
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Email address:	admin@taalmuseum.co.za
Website address:	www.taalmuseum.co.za
Internal auditors:	Nexia SAB&T
External auditors:	Auditor General of South Africa
Bankers:	Absa Bank
Council secretary:	Tania Laing

2. List of Abbreviations & Acronyms

AAB	Approved Annual Budget
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ASP	Approved Strategic Plan
ATM	Afrikaanse Taalmuseum en -monument
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GAAP	Generally Accepted Accounting Practice
GIAMA	Government Immovable Asset Management Act
GRAP	Generally Recognised Accounting Practice
HED	Higher Education Diploma
MBL	Master of Business Leadership
MEC	Member of Executive Council
MTEF	Medium-term Expenditure Framework
PAA	Public Audit Act of South Africa
PE	Public Entity
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
SMP	Senior Management Programme
TR	Treasury Regulations

3. Foreword by the Chairperson



Adv Jean Johannes Meiring
Chairperson of the Afrikaanse Taalmuseum en -monument

Introduction and overview

While, in the year under review, 2021–22, the Covid-19 pandemic was in one way or another still with us, things were on a significantly more even keel than had been the case in the previous year. Indeed, by the latter part of 2021 and in the first months of 2022, some of what had previously been taken for granted as “normal” had returned, yet with an easily discernible twist.

The current Council took office at the beginning of 2021, at the start of the last quarter of the previous year under review, which is covered in the previous annual report. For the lion’s share of the remainder of 2021 (the latter three terms of which are covered in this report), Council members could not meet

in person. Indeed, the first opportunity that we had of meeting one another in person was at a two-day strategic meeting held in November 2021 in Durbanville (which, one must add, was hybrid in format) and at the first ordinary Council meeting, on 18 March 2022. It is indeed a strange new world that we inhabit where one has an online screen persona and a somewhat different in-person one. I am convinced that most of Council were relieved to be able to get to know one another better, in person. Equally, there seems to be consensus that the quality of debate and decision-making is higher when one sits side by side around a table; when one can get to know one another over a cup of coffee or a meal.



Launch of Builders exhibition

For the members of the Management of the Afrikaanse Taalmuseum en -monument (ATM), who have worked so valiantly to keep the institution alive and, importantly, as open to the public as possible during the various lockdowns that came with the pandemic, it was also a relief that the physical events that had become synonymous with the ATM, like music events and picnics, could once again be programmed in earnest.

Yet, while much of what the ATM offers to the public is, by design, effortlessly fun and accessible – music, poetry and the like – there is a very serious undercurrent to what it has done in the past and to which it committed itself afresh during the year under review: namely to meet the demands of its mandate with inventiveness and originality; to further buttress the ATM as a modern, inclusive, transforming and transformative institution, through caring for and exhibiting its collections and presenting a range of cultural events focussing largely on the hitherto marginalised or displaced narratives of Afrikaans – all of which are devised as a means to strengthen social cohesion and nation-building.

The Council and Management are proud of their offering to the public in the year under review. The days are, happily, long gone where Afrikaans is conceived of as a white language or indeed one that hails from beyond these shores. The truth – borne out by a growing body of scholarly work – is that Afrikaans, while naturally drawing on the linguistic structures of Dutch, was formed in the petri-dish, metaphorically speaking, of Southern Africa from as early as 1500, long before the previously accepted historical account might have wanted to have it. Its speakers, too, span a gamut – to translate the mercurial poet Eugène Marais – as wide as the Lord’s mercy. It is indeed this open-armed approach that informs what we strive to achieve.

To this end, over the past several years already, the exhibitions and public events of the ATM have celebrated – and continue to celebrate – this diversity as well as that of our country as a whole. Especially over the past year, which has seen the Covid-19 pandemic recede but continue to have far-reaching effects on all of South Africa, the ATM has remained sharply aware of the fundamental importance of its mandate; it is its earnest duty – to echo JH Hofmeyr, not wholly out of context – to fulfil that mandate as scrupulously as possible.

With the relief of the pandemic thus receding, the Council of the ATM has redoubled its efforts to create as open and diverse an institution as possible; to maintain the ATM as a truly living and ever-developing heritage space.

While in the financial year under review, for the reasons mentioned above, both the Monument and the Museum drew fewer visitors than in the years before the pandemic, the ATM recovered markedly as compared to the previous year. Yet, lessons were learnt during the pandemic. While the in-person mode is the ATM’s primary and indeed default mode, it has through necessity acquired and honed the skills of using social media and the internet more generally to bring its message to the public. As I write this, the lively Facebook page of the ATM currently has just shy of 24 000 followers!

While performance targets had to be adjusted down quite markedly due to the limited movement of our target audiences and loss of much-needed revenue because of the pandemic, the ATM nevertheless reached 89% of its performance targets for the year under review. We received a remarkable 38 525 visitors; this is a very heartening recovery after having received only 17 030 visitors in the previous year.

Like the rest of the entities that make up the Department of Sport, Arts and Culture (DSAC), the ATM faces the implications of the publication, two financial years ago, of the report on the feasibility of the amalgamation of those entities. Indeed, the strategic session that the Council held in November 2021, to which reference is made above, was devoted to Management reporting to the Council on the likely



Photography Workshop

implications; the members had an opportunity to interrogate and engage in debate on that topic. While the ATM remains concerned about the risks to it attendant upon the amalgamation, the Council is intent upon protecting the future of the institution. What is more, the Council remains thankful to the DSAC for its open-door policy concerning discussions on this topic. The Council of the ATM will continue to engage with the DSAC and, in due course, the public on this development.

High-level overview of the strategy and the performance of the ATM in its respective sector



The objectives of the Council of the ATM embrace a firm commitment to strengthening its role as a transforming, inclusive, diverse and creative institution that uses the traditionally ignored diversity of Afrikaans (in the context of the multicultural society that is South Africa) to educate, entertain and, ultimately, empower all South Africans.



Accordingly, central to the programme of the ATM has been and remains a programme of events and activities that uncovers displaced or undervalued narratives in and about the language Afrikaans and its many cultures. Since Afrikaans, located as it is in the South African reality, is a meeting place for many other languages, the ATM does not focus only on diversity within Afrikaans, but it also looks to other languages and linguistic communities to achieve and advance mutual understanding, engagement and respect.

At all times, the Council has borne in mind the ATM's key strategic objectives.

The first pillar among them that I mention is to raise visitor numbers, crucial to the life and income stream of the ATM. Visitors come in many different shapes and sizes, so to speak; each one is valuable to the ATM. Indeed, people from different backgrounds and of different ages would usually decide to visit a museum for different reasons. In the year under review, the ATM has again tried to cater for them all. Naturally, though, while by no means the only focus group, the ATM has an especial love for and commitment to learners. The goal is to continue expanding the geographical circle from within which visiting schools come and assisting

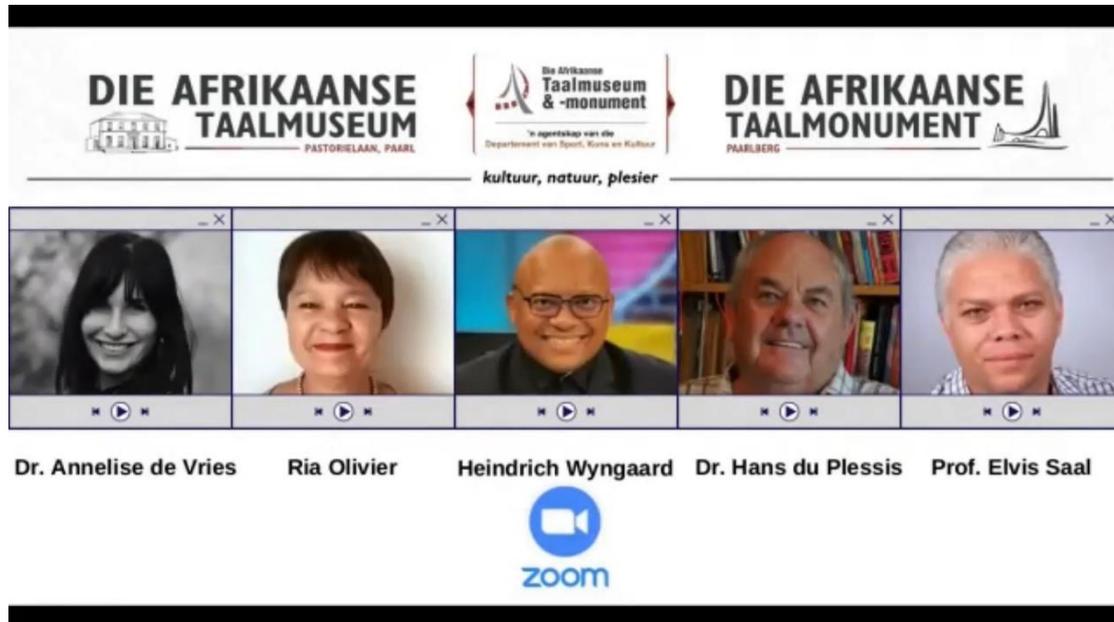
Green Gallery

schools that would otherwise be unable to attend. While, in the previous year under review, in-person visits were to a large degree excluded, the current year saw a very different picture emerge at the ATM. Yet, while there was recovery, we have not yet attained pre-Covid levels.

The second pillar to which I advert, which is interwoven with the first, remains the strengthening of the ATM's financial sustainability through programmes and visits targeted at specific audiences, in an effort to maximise the institution's income. The attainment of this objective has also improved *vis-à-vis* the previous year.

Also interlinked with those two objectives is a third pillar, namely both marketing and education, generally speaking, the latter of which, naturally, is central to the *raison d'être* of the institution.

In these newly challenging times, the ATM's commitment to enhancing sustainable service delivery through exhibitions and events, virtual where appropriate, took centre stage: whereas, in the previous year, most of what the ATM did had to move online, the current year has seen a return to the previous regime. In the post-pandemic era, the ATM is intent upon striking the right balance between in-person and virtual events; hybridity remains a potentially empowering mode of engagement, at times allowing for costs savings and the inclusion of those that might not be able to travel to Paarl.



Language Day Celebration webinar via Zoom

Accordingly, yet another of the ATM's key objectives, in the wake of the pandemic's having peaked, is establishing and, by now more, maintaining its virtual footprint – which was, at any rate, a priority before the pandemic already. The project to digitise the ATM's collections is being done in-house; in the nature of things, it is a painstaking exercise. It requires expertise and expertise costs money. The endgame is making the ATM's archival collection accessible to all that can go onto the internet. What is more, the virtual tours of the Museum and Monument, and the audio tours available in six languages, which were available even before the onset of the pandemic, forms the cornerstone of the ever-growing online offering of the ATM. Out of necessity, the significant progress that the Council and Management had made in this regard, in the 2019/2020 financial year, serendipitously became the foundation for the online and social media presence in the immediate financial year.

Despite the recovery experienced in the year under review, the ATM continues to experience considerable financial pressure. This is a culmination of still reduced visitor numbers, infrastructural challenges and the need for more expertise within the institution. If it is to maintain its strong trajectory, the ATM will have to find a long-term solution to this difficulty.

While the audit travails mentioned below might create, for those not in the know, an impression to the contrary, the Council has taken very seriously the strategic leadership it had to give to the entity as far as emphasising an adherence to sound and prudent fiscal and financial policies go, and the promotion of good practices and initiatives to optimise the ATM's operational efficiency. As before, capacity-building, both of employees and infrastructure, remains important.

Naturally, the Council remains committed to its strategic objective that the ATM be run on principles of sound governance. In the year under review, the audit process concerning the 2020–21 financial year ran its course, yet, the management report and the process as a whole was finalised belatedly – in large part because of the auditors' finding concerning the inadequate valuation of heritage assets; that

finding was also the reason for the qualified audit opinion that the ATM received for the second year in a row. In respect of the delay, the ATM had no choice but to seek a postponement from the DSAC and National Treasury.

Strategic relationships

The ATM is a local, regional, national and, ultimately, an international cultural asset. This wide and embracing orientation is, moreover, underpinned by its philosophy of accessibility and inclusivity.

Yet, naturally, as is the case with the proverbial charity, involvement with a museum entity like the ATM perforce begins at home. That is: the town of Paarl and the Drakenstein Municipality, with which the ATM has good and close relations. The ATM also has an agreement of some duration with a radio station in the town; it gives weekly slots to the ATM during which it can promote its activities and events.



Regionally, the ATM has an important presence, not least because of the ties it has with schools; visits by school groups are an important part of the ATM's programme and indeed its identity. Education is, after all, part of its core mission. This makes all the more pressing the need for a larger space for lectures and talks.



World Environment Day

Nationally, the ATM's central strategic affiliation is with an entity known as the Afrikaanse Taalraad (Afrikaans Language Council), which is made up of a variety of 40+ entities, all in one way or another engaged in work surrounding the Afrikaans language. That association, which the ATM values greatly, is as strong as ever before. The ATM maintains similarly close and collegial relations with several other organisations that are devoted to Afrikaans culture and that embody a commitment to the same principles that underpin the ATM, namely valuing linguistic and cultural diversity, and fostering diversity. Indeed, the ATM is not an island. It cannot fully realise its mandate without meaningful and mutually respectful engagement with other players on the Afrikaans language and cultural stage.

In this regard, the year under review was no different to the previous ones: the ATM fielded several projects and events in conjunction with those strategic partners.

It is especially the new online world that means that the ATM can also develop its international footprint at no further cost to it.

Over and above the local radio station mentioned above, the ATM has good relations with many media outlets; this is crucial so that the ATM might maintain a strong presence in the public eye. The ATM's projects and events cannot do without the lifeblood of publicity. In the year under review, the ATM has again derived much benefit from wide and sustained coverage in the media.

Entities in the Afrikaans business community continue to provide financial support. This assists the ATM in meeting some of the objectives that might otherwise not have been possible.

The Council of the ATM values all these ties and intends to expand and strengthen them all, with an especial focus upon strengthening its presence on the national stage, as a symbol of and for Afrikaans, and a vehicle for building diversity, achieving inclusivity – also for those whose knowledge of Afrikaans is limited – and, thereby, fostering social cohesion and nation-building.

Challenges faced by Council

The ATM's Council acknowledges with thanks the subsidy allocation and additional grants that it received from the DSAC in the year under review. Yet, the entity has not fully recovered from the financial fall-out caused by the Covid-19 lockdowns imposed under the regulations of the Disaster Management Act, 2002.

Accordingly, the medium- and long-term financial viability of the institution is by no means secure. As was the case in the previous year under review, the ATM remains more financially constrained than it had been before the pandemic. This is not least, since it relies in considerable part on the takings from admission to its various exhibitions and the takings from events.

In the year under review, the ATM had to devise new ways to raise funds; it will have to continue doing so. Welcome relief came from donations amounting to R383 185 from the Marie Luttigfonds, the Hiemstra Trust, the Afrikaanse Onderwys Netwerk (AON), Nasionale Pers, the Kruger Trust, Cape Winelands District Municipality and Het Jan Marais Nasionale Fonds. Rental of the Monument, parking areas and cycling routes was also another welcome source of income. The site is becoming increasingly popular with local and international film crews, cycling competitions, music promoters and the general public for photo shoots and the like.



Oratory competition

Indeed, the ATM is also very pleased at having raised R2 039 070 through entrance fees, offering courses, rentals etcetera.

Yet, the surplus of R2 123 458 that was accumulated is in main part due to the savings for facility maintenance. The Director-General will be asked that those savings be transferred to the funding of much-needed capital works projects.

A concern remains the costs associated with auditing. Accordingly, the Council repeats its request that the audit formula applicable to a smaller entity like the ATM be revisited.

The various financial constraints limit the entity's ability adequately to fill positions in strategic divisions, like finance, so that it might build capacity and optimise operational efficiency. The Council remains committed to creating an enabling environment for the capacity building of staff members, to equip them with the necessary skills to better achieve the ATM's strategic goals.

The ATM's infrastructure – a museum, monument (including an amphitheatre) and 101 hectares of indigenous vegetation and gardens – dates back to its inauguration in 1975 (the historic building in which the museum is housed, of course, much further back). The maintenance of the sites has become a huge challenge. The existing infrastructure no longer meets the needs of the institution. The situation is such that the Council is treating it as a considerable risk.

The efforts to document the displaced and marginalised narratives in and of Afrikaans – which go to the heart of the ATM’s objective to transform and to represent the full range and diversity of Afrikaans – remain a central challenge for the institution. Financial resources and personnel are limited.

All these difficulties are all the more acute owing to the unsettled nature of the post-pandemic space in which the ATM finds itself.

The strategic focus over the medium- to long-term period

Happily, in the course of the year under review, the extreme upheaval of the previous one passed. While no-one could seriously think that the danger is entirely something of the past, at least the country reached a point where – although the entire year under review was spent under a national state of disaster – the lockdowns were much fewer and further apart.

For the lion’s share of the year under review, the ATM could open its physical doors to the public. By the end of the year under review, something a bit more like pre-Covid-19 normality was reached. In practice, the changes demanded of the ATM and other cultural institutions have in large part entailed the use of the internet to present events that would previously have been presented in person only. While the minimising of in-person events has obviously had a deleterious effect, it has also had unintended positive effects. The national and international reach of an online event is far greater than an event presented at the premises of the ATM in Paarl. This opens up a wealth of opportunities.

However, the aftermath of the pandemic has generated profound and sustained economic uncertainty. This makes planning for the future, much more than before, very difficult indeed.



Tour Du Cap 4-Day Road Cycling Race

Nevertheless, as far as the 2021-22 financial year is concerned, Council commits itself anew to the following projects:

- Continue the digitisation project of its archival collection, with the sustained support from the DSAC, and grow the institution’s virtual footprint and presence;
- Create an enabling and empowering environment, focussed upon sustaining the capacity building of staff members in strategic positions;
- Continuously review the institution’s public programmes in order to remain relevant, current and responsive, not least in the newly hybrid context;
- Extend the existing collections and exhibitions through the inclusion of the “displaced”, “untold” or indeed “unheard” narratives in and of Afrikaans, wherever practicable collected from the speakers of Afrikaans themselves;
- On an ongoing basis maintain the facilities of the institution, and also improve and expand the facilities in order that larger numbers might be accommodated at any given time;
- Focus afresh on building a national (and wider) profile; and
- Seek ways of generating funds to provide for the long-term sustainability of the ATM.

Acknowledgements and appreciation

Thanks are due to several people. The members of this Council have proven, without exception, to be very serious about their role and about fulfilling it for the betterment of this institution and, by extension, for the benefit of all the people of South Africa. I thank them for their insight, their varied opinions and the energy and vigour with which they have debated and sought to devise solutions to the challenges that the ATM faces.

Thanks are, of course, also due to the members of the two central sub-committees of the Council, the Audit and Risk Committee and the Remuneration and Human Resources Committee for their dedication and valuable contributions to keeping the ATM ship afloat. Both committees have had difficult questions to face; the former worked very hard to find a solution to the fact that the institution has, dominantly because of the difficulty of valuing heritage assets, been struggling to obtain a clean audit; the latter's task was made no easier by the question as to how one deals best and most fairly with the reality that some persons have objections to being vaccinated.

As had been the case during the previous year under review, in this one the ATM's Management and its full staff complement mustered the courage and the ingenuity not only to continue being adaptable and agile in fulfilling their roles, but indeed to make a virtue of some of the new necessities. As before, the achievement of Management's and the staff's targets, as set out in the APP for the period under review, are to be commended.

The ATM's strategic partners, from the Drakenstein Municipality to the other cultural institutions countrywide that are devoted to using Afrikaans as a tool of inclusivity, are pillars of strength. The several institutions mentioned above that donated money during the year under review, were indispensable.

The Council values the support and guidance offered by the officials of the Department of Sports, Arts and Culture within whose remit this entity falls, including – ultimately – the Director-General and the Honourable Minister, Mr Nathikosi Emmanuel Mthethwa. Naturally, the ATM takes very seriously the role entrusted to it, which, of course, it could not fulfil without the financial allocation that the DSAC annually makes to it to sustain the entity's work. While, in the year under review, the ATM experienced



– as it had in the previous one – a specific difficulty in obtaining a clean audit owing to the challenge of valuing heritage assets for which there often is no market value, it does not make light of this failing. The continued emphasis by the Honourable Minister and the DSAC on the necessity for the ATM to achieve and maintain a clean audit is of considerable significance to this entity.

The Council looks forward to a new year in which the ATM will, we believe, go from strength to newly found strength.

Conclusion

The Council of the ATM remains committed to strengthening the position of the ATM as a transforming, vibrant and indigenous space that places a singular premium on diversity and inclusiveness. Its programme and its very way of going about its varied tasks are devised to advance social cohesion and to build the South African nation. It remains a privilege to give to the public an ATM that presents a rich, diverse and challenging range of events that take pride in the inherent complexity of Afrikaans and its many different people – also those that speak only a little of the language.

We believe that, by being firmly committed to exploring Afrikaans as something that has diversity woven into the strands of its DNA, the institution will continue to dispel stereotypes and truly embrace all South Africans.



Adv JJ Meiring
CHAIRPERSON
Die Afrikaanse Taalmuseum en -monument
31 July 2022



*ATM council (above) FLTR are Adv Jean Johannes Meiring (chair),
Ms Sibongile Tsoleli (deputy chair), Prof Anne-Marie Beukes, Ms Heidi Erdmann
Mr Jurie Saal, (below) Mr Lionel Adendorf, Dr Logan Munsamy, Mr Suren Maharaj and Dr William Langeveld*

Chief Executive Officer's Overview



Mr Michael Jesaja Jonas
Director of the Afrikaanse Taalmuseum en -monument

Finance and administration

During the reporting period, the audit process for the 2020/2021 financial year was completed. Due to the late submission and completion of the management report and audit process, we had to request a postponement from the Department of Sport, Arts and Culture (DSAC) and National Treasury. The late submission can largely be attributed to the finding surrounding the incomplete valuation of heritage assets, which in turn led to a qualifying audit opinion for the second consecutive financial year. This is obviously extremely disappointing as so much work has gone into enforcing all regulations, given the limited resources at our disposal as well as the challenging economic times. To address the situation, the Office of the Auditor-General recommended that an alternative valuer be appointed to perform the valuation according to the Generally Recognised Accounting Practice (GRAP).

However, due to the limited time, tight deadlines for the reports' submission, and the prospect that the qualification could still be valid, Management decided to use the funds to launch a comprehensive tender process to find a valuer. To address the situation, a service provider was appointed to provide the institution with a valuation report, signed valuation certificate, electronic register of heritage assets with a link to the valuation references, proof of valuers' experience and qualifications, etcetera. Submissions have already been made to the Audit and Risk Committee, Management and Board.

Meetings were held with the internal auditors regarding the cash received and its handling process at the Museum reception and Monument gate, as well as the trading stock in the visitor centre. The report was finalised, and the findings discussed at the Audit and Risk Committee meeting of 29 October 2021. In the third quarter of the 2020/2021 financial year, the Internal Auditors' report regarding the ATM's performance objectives and reporting for the second quarter was received. The Internal Auditors have made suggestions that will assist the institution in making our reporting more effective; these proposals will certainly eliminate future uncertainties and confusion. Furthermore, it has also been suggested that certain elements in our feedback of the targets be made as clear as possible, so as to facilitate the External Auditors' task of verifying performance targets. The ATM has already started implementing the proposals.

Performance targets had to be drastically adjusted due to the limited movement of our target audiences and loss of much-needed revenue due to the impact of the Covid-19 pandemic. Despite the impact of the



pandemic, the institution reached 89% of its performance targets for the 2021/2022 financial year. 38 525 (including outreach) visitors were received - a significant increase compared to the previous financial year's 17 030 (including outreach) visitors. The institution had to find innovative ways to raise funds. Due to reduced or no income from entrance fees, rentals and music concerts, the institution was forced to look at other sources of income. Welcome relief came from the donations to the value of R383 185 made by the Marie Luttigfonds, Hiemstra Trust, Afrikaanse Onderwys Netwerk (AON), Nasionale Pers, Kruger Trust, Cape Winelands District Municipality and Het Jan Marais Nasionale Fonds. Rental of the Monument, parking areas and cycling routes was also another welcome source of income. The site is especially popular with local and international film crews, cycling competitions, music promoters and the public for wedding photos and other events. We generated R2 039 070 through entrance fees, offering courses, rentals etcetera.



Youth Day Celebration

The surplus of R2 123 458 is largely due to the savings for facility maintenance. A letter will be addressed to the Director-General of the DSAC in which permission will be requested for the transfer of the savings to the funding of much-needed capital works projects.

Management approach

The ATM's Management and Board held a strategic planning session on 25 November 2021 during which the vision, mission and objectives, performance targets, as well as the existing and future challenges that the institution may face, were discussed. Management presented their approach and proposed projects for the next five years. The discussion point that provoked the most robust discussion, were the merger of public entities as proposed by the White Paper for Arts, Culture and Heritage (2016).

Flowing from the discussion and focus points, it was suggested that the Council send a delegation to the Minister of Sport, Arts and Culture during which a presentation will be made to show what the ATM has already achieved, as well as to offer the DSAC assistance to establish museums for other official languages of South Africa. The presentations must also highlight the burning issues and concerns regarding the proposed merger of entities.

Infrastructure

The infrastructure of the ATM dates back to its inauguration in 1975. The institution consists of a museum, monument and 101 hectares of indigenous vegetation and gardens. Over the past few decades, the maintenance of the sites has become an enormous challenge. Furthermore, the existing infrastructure does not meet the current and future usage needs of the institution. The situation is such that the Management and Board must treat it as a high risk.

Management of invasive plants, firebreaks and hiking trails

The ATM manages 101 hectares of indigenous vegetation on the slopes of Paarl Mountain bordering the Paarl Mountain Nature Reserve, farms and a residential area. As users and caretakers of the site, the ATM (in collaboration with the owners, the Department of Public Works, is legally responsible and obliged to have an invasive species management plan according to the National Environmental Management Biodiversity Act, 2004 (Act 10 of 2004) (NEMBA) and the Invasive Alien Species (IAS) Regulations and IAS Lists (October 2014). The invasive plant management plan must contain the time frames for implementation (given the size of the property, level of infestation and species present) as well as a strategy to for prevention and cleaning/removal of invasive species. The control plan must also cover prevention methods, a cleaning/removal schedule, control methods and Safety, Health & Environment etcetera. The main goal is the removal of invasive plants, and the rehabilitation and relocation of indigenous fynbos.

Through a public tender process, an independent service provider was appointed in September 2021 to formulate the control plan. A preliminary plan was received, which will be discussed with the stakeholders, local authorities, conservation organisations and the public during a public meeting. Continued meetings and consultation with the Drakenstein Municipality, Cape Winelands District Municipality, neighbouring farms and users of the site take place on an ongoing basis.

Capital works projects and maintenance

The User Asset Management Plan (UAMP) has been compiled for the financial year and quarterly feedback has been given to the DSAC on progress regarding maintenance works and planned capital works. In the 2021/2022 financial year the interactions and reporting took place virtually and in-person. One of the notable encounters was DSAC's virtual "Revised approved infrastructure Policy Review and Outcome of the Condition Assessment Workshop" for public entities falling under department.

During the reporting period, business plans were submitted to the DSAC for the installation of emergency generators, repair of the irrigation system at the Taalmonument, installation of stairs and walking areas at the Amphitheatre car park, as well as new security fencing, construction of stairs and walkways at the Taalmonument, the coffee shop upgrade, valuation of heritage assets, repair of electrical infrastructure



**Mercia Ziervogel owner of the
ATM Koffiehuis**



at the Amphitheatre, and the proposed telephone and CCTV system for the Museum, Amphitheatre and Monument. These projects have been successfully completed. The workers' cloakrooms are the only unfinished capital works project. This process is behind schedule largely due to the delay in approval by the respective heritage organisations. What delayed the process further, was local authority Drakenstein Municipality requests for more documentation.

Furthermore, an analysis and planning of infrastructure needs and capital works projects for the 2022/2023 financial year was done. A master plan drawn up for the ATM's capital works, infrastructure maintenance and development projects.



Public programmes

Following the State President's speech on 27 June 2021, the Covid-19 state of disaster was raised to level four. This meant that the Museum and Monument were closed for much of the month of July. Staff were at work and proceeded relentlessly with their daily tasks and delivery of services. As far as public programmes are concerned, Mandela Day, the Language Day conversation, Language Month celebrations (word search, crossword, sticker and language competitions) were held, and free copies of the local community newspaper, Paarl Post, were provided to learners in the valley as part of the ATM's efforts to encourage a culture of reading.



Patrick Petersen 70 and book launch

With the reopening and return to normal day-to-day activities Women's Day celebrations (August 2021), Heritage Month celebrations (September 2021), Stargazing Picnic (November 2021), Full Moon Picnic (November 2021), Slave Day commemorations (December 2021), the ATM's evening race and fun walk (8 December 2021), Patrick Petersen 70 and book launch (10 December 2021), Christmas with Father Christmas (8 December 2021), Rockets concert (January 2022) and Jazz concert (February 2022) were presented.



Mandela Day Celebration



Public relations and community involvement

As part of the extensive communication strategy, liaising with the community, community involvement



and gaining insights from the general public form important components. Three electronic ATM newsletters (with news about each quarter's activities and highlights) appeared in this financial year. The public and shareholders are furthermore kept informed by regular media releases, postings on various social media platforms, radio and TV interviews, and events offered in collaboration with strategic partners. Interviews range from the local Radio KC, RSG, Radio 786 and Barakat to the Dutch broadcaster RTL.



Furthermore, the image and visibility of the institution was enhanced by the attendance at events, signing of collaboration agreements, and involvement and liaison with various strategic partners. One of the biggest and proudest developments was surely the spontaneous formation of the ATM Museum Advisory Committee. The committee was established following one of the decisions taken during the International Museum Day 2021 discussion. The Advisory Committee is an independent, community-based structure that supports the vision, mission and objectives of the ATM. Their mandate includes assisting, supporting and advising the institution on matters relating to public programmes, community involvement, participation and the building of shareholder interests. They further assist in identifying the needs of the community - locally, nationally and internationally - and in the educational, intellectual and recreational

needs and interests of the community and audiences. Furthermore, the mandate also includes the building of partnerships and social capital, as well as the promotion of and liaison with shareholders and other role players.

Staff

In the 2021/2022 financial year the performance of all staff was reviewed, new agreements concluded and job descriptions adjusted. Management, in consultation with the heads of divisions and the approval of the Board, evaluated the posts of Assistant: Events and Communications, Coordinator: Events and Visitor Services, General Worker and Facilities Officer by an independent service provider. The staff's salaries have been adjusted accordingly and are now comparable to those of similar posts in the labour market.



International Museum Day Celebration

Rodene Williams has been permanently appointed as the Executive Personal Assistant to the Director, and the ATM staff attended a 2-day occupational health and safety training. The post for the services of an Educational Coordinator for a 12-month contract appointment has been advertised. The successful candidate will be responsible for, among other things, developing, presenting and upgrading curriculum-

oriented educational programmes, developing learning materials and activities for the ATM's e-classroom, coordinating the educational functions, programmes and events, and liaising with educational institutions. During the staff meetings, issues such as the ATM's Protected Disclosures policy, the Human Resources policy regarding leave, the institution's and staff's responsibilities, performance targets for the 2021/2022 financial year, Monument and Museum work rosters, and compulsory vaccinations against Covid-19 were discussed in detail.



During the staff meeting of 7 May 2021, Ms Anna Retief was honoured for 30 years long service at the ATM



Tania Laing 20-year long service



Personnel policy

The proposed ATM Policy for Protected Disclosures has been completed and accepted. Changes in Human Resources Policy have focused on; appointment procedures of new staff, conditions of service (six-month probationary period), staff lemmings and the Covid-19 leave arrangements.



Women's Day Celebration

Management facilitated a training session with staff on POPI Act. The submission focused on the ATM's steps to meet the expectations of the Act, identifying personal information that the institution receives, processes and stores, as well as everyone's responsibility regarding the handling of personal information. POPI law permission letters were given to each staff member of the ATM, where the institution undertakes to keep all personal information processed, owned and stored securely safe and will not provide it to any other party without the necessary approval of the staff member concerned. The letter was followed by an information session on the POPI Act at the Staff Meeting of 3 September 2021.



Staff were provided with an information letter regarding management's intention to conduct Covid-19 risk analysis / determination. One-on-one interviews were conducted with each staff member and questions as contained in the risk assessment questionnaire focused on the nature / core functions of the employees', work area, level contact with the general public and their vaccination status. Following the process, discussions will follow with the employees, trade unions, workers' associations and safety committees, which may lead to a collective agreement. 'n Meeting also with the representative of the South African Trade Employees Association, (SATEA) to advise the institution on issues of use / abuse of leave and compulsory vaccination against Covid-19. This discussion was necessary, due to the fact that Council's resolution of 25 November 2022, that all employees of the institution should be vaccinated after the formulation and adoption of 'n Covid-19 vaccination policy.



Discipline in the workplace

Arbor Day Celebration

Mr Ernst Loth, after his services were terminated due to poor work performance during his probationary period, lodged a case with the Commission for Conciliation, Mediation and Arbitration (CCMA) in December 2020; the case was heard by the Commissioner of the CCMA on 26 July 2021. Mr Loth was by no means prepared to make representations to get his job back or to prove his innocence. His approach was to personally attack the Director and demand R30 000 from the ATM, which forced the Commissioner to silence him on a regular basis and to call for order. The case could not progress due to Mr Loth's attitude. According to the Commissioner, the case could become a long and drawn-out matter, which would not benefit the ATM, and therefore it was suggested that the parties settle. After consulting with our employers' representative and the Chief Financial Officer, it was decided to settle for R15 000, which is slightly less than one month's salary. Mr Loth accepted the offer without further ado.

Elsabe Pearce, as receptionist also in charge of the administration of the ATM facilities' leases, on 11 August 2021 underwent a disciplinary hearing for the following allegations: that she ignored the rules and procedures with regard to the leasing of facilities, gave an unauthorised financial benefit (discount) to a customer, and gave advice to a customer without authorisation. These transgressions amounted to gross insubordination, and she was found guilty on all accounts. After hearing mitigating circumstances, the Chair proposed a sanction of a final written warning valid for 12 months. The sanction was upheld by the employer.

Acknowledgments

My sincere thanks to the Board and staff who with their expertise, dedication and selfless service play indispensable roles in developing and advancing the mandate and strategic objectives of the ATM. The staff continues non-stop to carry out the institution's activities under difficult circumstances and to position it as a leading institution in the cultural and heritage sector.



Mr MJ Jonas
DIRECTOR
Die Afrikaanse Taalmuseum en -monument
31 July 2022



Night Run

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the ATM.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully



Mr MJ Jonas
DIRECTOR
31 July 2022



Adv JJ Meiring
CHAIRPERSON
31 July 2022

3. 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:

- Promote the diversity of Afrikaans through inclusive programmes and activities.
- Digitalise information to better conserve and increase access to it.
- Create an environment in which different Afrikaans role-players interact with each other to achieve social cohesion.
- Reach out to other indigenous language communities and entities through educational programmes and cultural activities.
- Research 'ignored' or displaced histories of Afrikaans, and sharpen its focus on African knowledge-learning systems as part of a larger decolonisation process.
- Promote mutual respect and tolerance between members of the Afrikaans language community in order to facilitate a stronger shared cultural identity.
- 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.
- Protect, conserve and promote Afrikaans's diverse language heritage, cultural-historical buildings and heritage sites.
- Empower various cultural groups through workshops and programmes.
- Empower the staff and greater community.

6.3. Values

The ATM strives for the wellbeing of Afrikaans in 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 groups and other indigenous 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.

4. Legislative and Other 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.

In addition, the ATM's mandate is to:

- maintain the ATM's cultural-historical buildings and heritage sites and the heritage of Afrikaans in such a manner that nation-building and social cohesion will be achieved;
- collect and conserve, conduct research on, and portray, through exhibitions, the origin, development, benefit and expansion of Afrikaans, with a special focus on inclusiveness to address historical imbalances; and
- promote and stimulate Afrikaans nationwide at all levels of society, especially in disadvantaged communities, by means of lectures and publications, educational programmes, guided tours and cultural activities.

Constitutional mandates

The following sections of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) are relevant to the ATM:

Section of Constitution	Responsibility of the ATM
Section 31: Rights of persons belonging to a cultural, religious or linguistic community	The ATM must ensure that its programmes and projects respect the cultural diversity of South Africa.

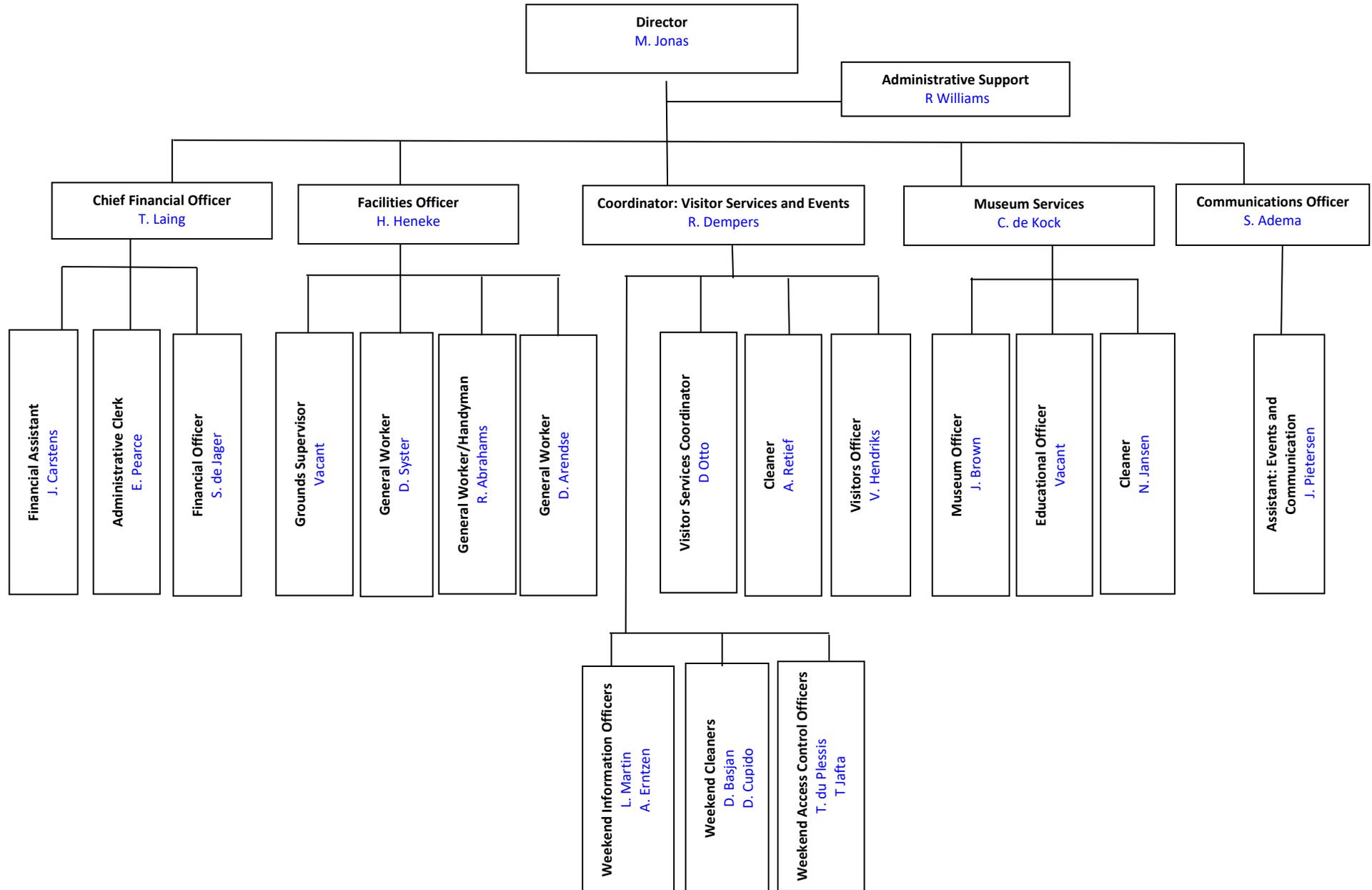
Legislative and policy mandates

National legislation	Responsibility of the ATM
Cultural Institutions Act (Act No. 119 of 1998)	The ATM is governed by a Council appointed by the Department of Sport, Arts and Culture with duties prescribed in this Act.

Institutional policies and strategies governing the five-year planning period

Policy	Responsibility of the ATM
Review internal policies	The ATM will review internal policies to determine if it is still relevant, and update it as necessary.

6. Organisational Structure



Part B: Performance Information

1. Auditor's Report: Predetermined Objectives

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 76 of the Report of the Auditors Report, published as Part E: Financial Information.

2. Overview of Performance

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 programmes 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 on 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 seated people and is used for concerts with popular artists and musicians.

2.2. 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 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, 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 can 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

Council has revised its heritage asset management policy and implemented a protected disclosure policy during the financial year. It is in the process of considering a policy for council meetings, as well as a POPI manual. Except for what was already stated, no other changes to policies and legislation had a significant impact on the ATM.

2.4. Progress towards achievement of institutional impacts and outcomes

Municipal charges

From 2017/2018, the ATM has received extra funds from the DSAC to pay the local municipality for utility services - the expenses for municipal charges are disclosed under administrative expenses. The ATM is budgeting to receive funds in the MTEF period and is paying this over to the Department of Public Works and Infrastructure (DPWI), who in turn is making payments to the local municipality on behalf of the ATM. During the financial year, some of the accounts held at the local municipality was transferred to the ATM, which enabled the ATM to make regular payments. The risk remains that DPWI will not make regular payments, which will put the ATM at risk of being without basic services.

Leasing of private property

The ATM has a shortage of office space for its staff and has been leasing office space in a building next to the Museum for which the DPWI has been making payments on behalf of the ATM. From 2018/2019, the ATM has received extra funds from the DSAC to pay the rent, and is paying this over to the DPWI. The grant received is reflected under the conditional grants for office space, and all expenses are disclosed under administrative expenses.

Personnel expenditure

The ATM has 20 approved positions of which 18 are filled with permanent staff members, 1 is a part-time staff member and 1 position has not been filled. In total the ATM has a staff complement of 18 permanent staff members, 6 casual workers and 1 contract staff member.

The total staff cost was about 48% of the total expenses for the 2021/2022 financial year. Before the global Covid-19 pandemic, the ATM was able to allocate monies towards a study fund for staff members who want to study but do not have the funds or are unable to get a loan from a financial institution. Unfortunately, the ATM was unable to include it in its budget for the 2021/2022 financial year. Even so, the ATM encourages its staff to do training and learn new skills.

The ATM was fortunate to have two employees reach long-service milestones - one being with the ATM for 20 years and the other for 30 years. These two staff members were awarded a long-service bonus as per the ATM's long-service policy.

Goods and services

This year the ATM spent approximately 52% of the total expenses on ensuring that we have a skilled workforce, comply with the necessary regulations, ensure effective core functions are fulfilled, and achieve strategic goals and key outcomes. The ATM has been working hard to attract more visitors and, in doing so, receive more revenue. This was done by hosting full moon picnics, stargazing evenings and picnic concerts. Up-and-coming as well as more established artists were invited to perform at the Monument, with the focus on inviting more up-and-coming artists for the picnic concerts. This also empowers these (often local) artists and offers them a larger platform. As the ATM's facilities are in the open air, the main challenge remains the weather. Restrictions that the ATM faced are the limited space in the Garden Theatre as well as regulations limiting the number of people who may attend an event. The ATM aims to keep these events affordable for South African families, but these restrictions had a direct impact on both the revenue and the expenditure.

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 initiated 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 feel at home with literature. This is mainly aimed at rural schools without reading facilities and libraries.

This year the ATM could not host a show at the Amphitheatre, which can accommodate over 4 200 seated spectators, as it proved to be just too expensive. Although the ATM was unable to host a show, it rented it to an interested party who held a private function. The Amphitheatre was also used for film shoots and as a gathering place for various sport events. In that way, the ATM was still able to utilise the space to generate revenue with minimal expenditure for the ATM.

It is also important for Management that the Monument should be a safe place to work at, but more importantly, to visit. During the financial year, the ATM experienced vandalism and theft to and at its facilities. It therefore had to employ extra security guards to minimise the damage, and therefore the expenses for repairs. For this reason, extra funds were allocated to security services and specifically for more security guards.

The general infrastructure of the Museum, Monument and Amphitheatre also remains a concern for Management as it is almost 50 years old. The Museum building is in dire need of urgent repairs (electricity, floors, gutters and the interior walls). The Amphitheatre's structure has a structural crack in the roof of the artists' quarters that has to be patched after every winter to remain usable. The Monument's water supply (pipes and reservoir) also needs to be refurbished or replaced. The electricity supply to the Monument and Amphitheatre remains a concern; therefore the ATM bought an emergency generator as a backup if the supply is cut off. Water is pumped to the Monument and Amphitheatre, but without electricity, our staff members and visitors will not have any water while at the Monument and Amphitheatre.

An electrical engineer was contracted in 2020 and determined that the ATM will be able to link an emergency generator to the current electrical grid of the Taalmonument and Amphitheatre, but not a backup generator. The electrical distribution board and wiring are more than 45 years old, and the distribution board (installed under the Taalmonument) has deteriorated due to the wet conditions from

cracks which formed in the Monument. These cracks will, in the long run, compromise the integrity of the structure. A structural engineer was contracted in 2018, and the report we received was sent to the DSAC.

Although the ATM faces challenges with regards to its aging buildings, it has also done a lot of maintenance and completed capital works during the financial year. Besides buying an emergency generator, the ATM also replaced its irrigation system at the Monument and Museum, and installed water tanks for rainwater. The wooden window frames of the coffee shop have been replaced with aluminium frames, and the paving area in front has been extended to form part of a look-out point at the Taalmonument. The walkways of the parking area at the Amphitheatre have been upgraded, and the fencing around the parking area was replaced.

The ATM is also busy with the compilation of an invasive species plan for the grounds of the Taalmonument, which will be finalised by September 2022. This will enable the ATM to tackle the invasive plants and trees, by commencing with the removal thereof as well as the rehabilitation of the area.

Exhibitions

The visitor centre at the Monument hosts exhibitions; they are an extension of the exhibitions at the Museum. The visitor centre also controls visitor flow, enquiries and visitor administration. Furthermore, its lecture hall serves as a place where groups can be informed about the different activities and aspects concerning the heritage of Afrikaans, and the language's contribution to nation-building and social cohesion. The ATM is proud to have opened an exhibition on the builders of the Taalmonument during 2021/2022, and therefore honour them for their contribution to constructing the Monument.

3. Institutional Programme Performance Information

3.1. Programme: Administration

This programme comprises of all operational costs and support structures of the ATM that are not already included in the other programmes.

Strategic objectives relating to this programme and which are reported on, is as follows:

- Entrance to the Museum and Monument
- Human resources management
- Property management
- Applicable legislation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Entrance to the Museum and Monument

Although in the 2020/2021 financial year it was challenging to attract visitors to the Taalmuseum and Taalmonument, as it was closed for the first six months of the financial year and had to weather the second wave of Covid-19 (with tourism one of the hardest hit sectors by the restriction in movement), the ATM managed to reach its target that was set for 2021/2022.

From 1 October 2020 until 30 November 2021, the ATM had a promotion for children under 18 years to visit the ATM for free. Furthermore, the ATM aggressively promoted its year permits - these enable individuals and families to visit the Taalmonument, Taalmuseum and coffee shop for a fraction of the price if they come regularly.

During 2021/2022 the ATM was able to host picnic events, public programmes and educational programmes which attracted more visitors to the ATM.

Human resources management

The ATM strives to have a well-trained staff complement and encourages them to attend training opportunities. This will equip them to be able to further excel in their daily tasks. Two training interventions which would have happened in the last quarter of the 2021/2022 financial year could only take place during the first half of April 2022. No available dates could be confirmed with an accredited trainer for these specific programmes before April 2022.

Property management

The staff focused on smaller maintenance and capital works projects during the financial year. The completion of the irrigation system replacement, which included water tanks, at both the Taalmuseum and the Taalmonument was one of the larger projects. Other capital works projects included the completion of the second phase of replacing the fence and upgrading the walkways at the parking area of the Amphitheatre, replacing the wooden window frames of the coffee shop at the Taalmonument, and enlarging the paved area at the coffee shop. The ATM is also compiling a plan for the removal of invasive plants and trees, as well as maintaining fire breaks on its property.

Strategic objective 1: Entrance to the Museum and Monument

This strategic objective reports on the number of the visitors we receive per year, as well as the number of picnic events and concerts. The aim is to increase the number of visitors by 2% per annum.

Key performance indicators, planned targets and actual achievements

Strategic objective: Entrance to the Museum and Monument								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To increase visitors and revenue at the Museum & Monument	Increase visitors by 2% per annum on average	Number of visitors, per annum	64899	16910	34000	36586	2586	Target exceeded During the last quarter of the financial year, the ATM held educational programmes for more school groups than was initially planned
	Number of events and concerts per annum	Number of picnic events and concerts, per annum	15	10	12	16	4	Target exceeded Less restrictions in movement enabled the ATM to host more picnics and other events than was initially planned

Strategy to overcome areas of underperformance

Although the ATM has virtual tours on its website, is communicating daily with the public via social media, and is looking at different ways of presenting some of its programmes and events in such a way that it conforms to the current and changing Covid-19 regulations, the institution understands that, going forward, it will be hard pressed to achieve all its targets. This is especially true of visitor number targets while restrictions in movement is still in place or new ones may be imposed due to a new wave of Covid-19. In the meantime, the ATM has been offering free entrance to all children up to the age of 18 and discounts on its already very affordable annual entry permits.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all staff members on occupational health and safety training, specifically regarding procedures in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

* Adjusted its target for visitor numbers due to restrictions in movement as a result of the Covid-19 pandemic in 2020/2021.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Events and concerts	308	415	-107	362	205	157
Total	308	415	-107	362	205	157

Strategic objective 2: Human resources management

This strategic objective reports on ensuring that staff are well trained and regularly evaluated to achieve a higher level of service delivery.

Key performance indicators, planned targets and actual achievements

Strategic objective: Human Resources Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To maintain a 100% evaluation rate and ensure well-trained staff	Evaluation schedule	Number of staff performance evaluations done, per annum	2	2	2	2	0	Target achieved
	HR plan for training	Coordinate and manage training, per annum	16 training interventions	17 training interventions	6 training interventions	4 training interventions	-2	Target not reached No available dates which resulted in the training only happening in the next financial year

The ATM strives to ensure that all staff members are evaluated twice a year and well trained. When training opportunities presents itself and the ATM and its staff will benefit from it, these opportunities will be seized upon.

Strategy to overcome areas of underperformance

None

Reporting on the institutional response to the Covid-19 pandemic

In order to ensure that staff were ready to receive visitors, the ATM sent all staff members on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors.

Changes to planned targets

None

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Coordinate and manage training, per annum	71	41	30	66	51	15
Total	71	41	30	66	51	15

Strategic objective 3: Property management

This strategic objective reports on ensuring presentable buildings, well-kept gardens and conserving the fynbos according to an annual property maintenance work programme.

Key performance indicators, planned targets and actual achievements

Strategic objective: Property management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To adhere to the annual property maintenance programme	Annual repairs and maintenance done as per the annual work programme	Annual repairs and maintenance completed* - Museum - Monument - Amphitheatre - Parking area - Hiking trails	Completed: Paintwork 30 Jun 23 Jan 17 Feb Maintenance 31 Jul 30 Sep	Completed: Repairs – 2 Maintenance – 9 Total: 11 instances	Completed: 5	Completed: Repairs – 4 Maintenance – 6 Total: 10 instances	5	Target exceeded Unplanned maintenance to ensure the longevity of the Coffee shop, Taalmonument, Amphitheatre and surrounding structures
	Annual eco-management plan managed according to work programme for eco-management	Annual eco-management plan completed* - Water ditches cleaned - Invasive alien trees cleared - Firebreaks cleared	Completed: 30 Jun 31 Oct 06 Sep	Completed: 30 Jun 30 Sep 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	0

The ATM strives to ensure that all its buildings are presentable, gardens are well-kept and the fynbos conserved according to an annual property maintenance work programme. Regular inspections by staff ensure that this is achieved.

Strategy to overcome areas of underperformance

None

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting

with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

None

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	6481	881	5600	3615	1179	2436
Total	6481	881	5600	3615	1179	2436

Strategic objective 4: Applicable legislation

This strategic objective reports on ensuring full compliance with applicable legislation.

Key performance indicators, planned targets and actual achievements

Strategic objective: Applicable legislation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To fully comply with applicable legislation	Annual performance plan	Annual performance plan	1 plan	1 plan	1 plan per annum	1 plan	0	Target reached
	Quarterly reports	Quarterly reports	4 reports	4 reports	4 reports per annum	4 reports	0	Target reached
	Performance information and financial statements audited	Performance information and financial statements audited	1	1	1 per annum	1	0	Target reached
	Annual report audited	Annual report audited	1	1	1 report per annum	1	0	Target reached
	Strategic plan	Strategic plan	1	0	0	0	0	-
	Financial management systems and procedures updated	Financial management systems and procedures updated	1 updated	1 updated	1 updated per annum	0 updated	-1	Target not reached Focused on review of policies
	Number of policies reviewed	Number of policies reviewed	1 reviewed	1 reviewed	1 reviewed per annum	2 reviewed	1	Target exceeded One policy updated and one new policy approved
	Enterprise risk management plan reviewed	Enterprise risk management plan reviewed	1 plan	1 plan	1 plan reviewed per annum	1 plan	0	Target reached

The ATM strives to ensure compliance with various applicable regulations. During the 2021/2022 financial year, the ATM reviewed its policy regarding heritage asset management and compiled a policy with regards to protected disclosures.

Strategy to overcome areas of underperformance

None

Reporting on the institutional response to the Covid-19 pandemic

The ATM appointed a senior staff member as the responsible person for the assessment and implementation of Covid-19 protocols, as determined by the amended Occupational Health and Safety Act. He compiled an implementation plan to assist staff in implementing the new protocols, and has been ensuring that the ATM follows the necessary procedures during normal operational hours and events.

Changes to planned targets

Targets in the strategic plan for 2020-2025 were adjusted to reflect measurable targets as the percentages were not clearly defined.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	21	10	11	18	9	9
Total	21	10	11	18	9	9

3.2. Programme 2: Business Ventures

This programme comprises various public and fundraising programmes, as well as information regarding the ATM's collections.

Strategic objectives relating to this programme and which are reported on, are as follow:

- Funding and marketing
- Public programmes and communication
- Collection management
- Research

Outcomes, outputs, output indicators, targets and actual achievement

Fundraising and marketing

The ATM was able to host all its skills development courses that it had planned for the financial year. This includes photography and bookbinding courses.

Public programmes and communication

The ATM offered various public programmes focused on adults and youths during the financial year.

Collection management

The ATM collects valuable and relevant documentation, artefacts and books for purposes of reference, research and display, and documenting them in a digital register. It also conserves them for the future by means of restoration, repair, cleaning and care under proper climatic conditions and accepted museology standards, according to the ATM's conservation policy. The ATM is digitising some of its collection, this project will be a long-term one with various phases and over succeeding financial years due to the complexity of digitising some of the rarer items.

Research

The ATM has a few ongoing research projects which spans over a few financial years.

Strategic objective 5: Fundraising and marketing

This strategic objective reports on the presentation of fundraising events and skills development courses.

Key performance indicators, planned targets and actual achievements

Strategic objective: Fundraising and Marketing								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Present skills development courses to generate additional funds	Number of courses per annum	Number of fundraising events per annum	1	0	0	0	0	-
		Number of skills development courses per annum	4	3	4	4	0	Target reached

Strategy to overcome areas of underperformance

The ATM was not able to host fundraising events during 2020/2021 and 2021/2022 due to the global Covid-19 pandemic, but is looking forward to hosting fundraising events from 2022/2023.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

- * 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.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	55	57	-2	59	8	51
Total	55	57	-2	59	8	51

Strategic objective 6: Public programmes and communication

This strategic objective reports on promoting the institution at all levels of society by offering public programmes through hosting a number of special days.

Key performance indicators, planned targets and actual achievements

Strategic objective: Public Programmes and Communication								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To develop public awareness of our institution and to encourage the public to visit us	Number of special days per annum	Number of special days per annum	10	5	6	6	0	Target reached
		Sponsor-A-Bus project: number of groups transported	2	0	1	1	0	Target reached

Strategy to overcome areas of underperformance

The ATM strives to host quality public programmes which will be enjoyed by all. When opportunities present itself, the ATM will seize them to present or host public programmes.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

* Public programmes will be referred to as special days.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	200	175	25	41	146	-105
Total	200	175	25	41	146	-105

Strategic objective 7: Collection management

This strategic objective reports on collecting valuable and relevant documentation, artefacts and books for purposes of reference, research and display, and documenting them in a digital register. Also, to conserve them for the future by means of restoration, repair, cleaning and care under proper climatic conditions and accepted museology standards, according to the ATM's conservation policy.

Key performance indicators, planned targets and actual achievements

Strategic objective: Collection Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Ensuring the preservation of artefacts, documents and books for the future	Electronic catalogue for artefacts, books and documents. Inspection registers for collection, archive and exhibition	Number of artefacts acquired per annum	18	7	0	0	0	-
		Number of conservation, preservation and maintenance activities for Museum collection	0	12	12	19	7	Target exceeded Various archival books were restored
		Number of items restored or repaired per annum	4	0	0	0	0	-
		Maintaining the register for the textile collection per annum	11	6	8	8	0	Target reached
		Maintaining the register for inspection of the archives per annum	11	7	8	8	0	Target reached
		Maintaining the register for climatic conditions in	57	61	50	50	0	Target reached

		archives per annum						
		Maintaining the register for inspection of the total exhibition per annum	14	11	12	12	0	Target reached

Strategy to overcome areas of underperformance

The ATM strives to ensure that its collection is well-preserved in accordance with international archival standards. Regular inspections by staff ensures that this achieved.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

- * Due to the ATM having a closed collection as well as limited space in its archive, all acquisitions of artefacts are limited to donations only.
- * The ATM did a complete audit of its archive in 2017/2018, which resulted in certain items being identified to be repaired. Due to limited funds available, the repair of the identified items will be done as funds become available.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	7	0	7	7	0	7
Total	7	0	7	7	0	7

Strategic objective 8: Research

This strategic objective reports on widening horizons for the benefit of the community as a whole, and making results of research known as widely as possible.

Key performance indicators, planned targets and actual achievements

Strategic objective: Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Dissemination of research results in various formats	Produce content for website/ Facebook	Number of articles written or lectures presented per annum	6	2	1	3	2	Target exceeded Article on Monument builders on Netwerk24 and article in ATM newsletter on "Kontakfase 1595 to 1652"
		Number of active research projects per annum	0	4	4	3	-1	Target not reached Some of the research activities are still ongoing and will only be complete later in 2022/2023
		Number of history snippet written for website/Facebook per annum	13	9	8	9	1	Target exceeded The opportunity presented itself to write another snippet from research already completed

Strategy to overcome areas of underperformance

The ATM communicates relevant information regarding Afrikaans and the ATM itself on a regular basis.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

No changes were necessary.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	229	226	3	25	89	-64
Total	229	226	3	25	89	-64

3.3. Programme: Public engagement

This programme comprises our public engagement through exhibitions and educational programmes.

Strategic objectives relating to this programme and which are reported on, is as follows:

- Exhibitions
- Education

Outcomes, outputs, output indicators, targets and actual achievement

Exhibitions

The ATM was able to host several temporary exhibitions in the Green Gallery as well as a new permanent exhibition of the builders of the Taalmonument.

Education

Various educational programmes could not be presented as the ATM has done in the past, but the staff went to various schools to present the programmes there. During the last quarter of the financial year, the ATM was able to host its educational programmes at the Taalmonument and Taalmuseum.

Strategic objective 9: Exhibitions

This strategic objective reports on conveying information to the public by means of exhibitions.

Key performance indicators, planned targets and actual achievements

Strategic objective: Exhibitions								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To convey information to the public by means of exhibitions	Exhibitions on display	Number of exhibitions held or updated per annum	6	3	1	5	4	Target exceeded 4 Groen Galery exhibitions for 2021/2022

Strategy to overcome areas of underperformance

The ATM hosted 4 'Groen Galery' exhibitions (temporary open-air exhibitions) during 2021/2022. Displaying exhibitions is one of the core functions of a museum, and the ATM decided to display the 'Groen Galery' exhibitions also virtually until the public was able to visit the institution again.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

None

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	181	17	164	131	17	114
Total	181	17	164	131	17	114

Strategic objective 10: Education

This strategic objective reports on liaising with relevant educational institutions, and to reach as many schools as possible by means of outreach programmes.

Key performance indicators, planned targets and actual achievements

Strategic objective: Education								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
To educate, and to liaison and undertake outreach programmes to reach as many schools as possible	Liaise and invite schools by means of via a database	Number of school tours conducted per annum	129	0	40	51	11	Target exceeded Due to 2 special educational programmes and extra external funding received from sources, more schools could be invited to attend the programmes
		Number of educational programmes developed per annum	0	2	2	3	1	Target exceeded Due to some educational programmes not take place during the financial year, the staff were able to focus on the development of more programmes
		Number of educational programmes upgraded per annum	0	2	2	3	1	Target exceeded Due to some educational programmes not take place during the financial year, the staff were able to focus on the updating of more programmes
	Schools apply for sponsorships	Sponsor-A-Bus project: number of school groups	22	0	16	22	6	Target exceeded Due to extra external funding received and

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Die Afrikaanse Taalmuseum en -monument*

		transported per annum						2 special educational programmes, more schools groups could be sponsored with transport
	Reading campaign through reading groups	Language projects: Established reading group per annum	2	0	2	0	-2	Target not reached Quotations were requested from various suppliers. A list of required books was sent to the suppliers. Unfortunately, not all suppliers have the same books (titles) or they are out of print or out of stock. Quotations from suppliers differ in terms of price per book (title) and stock (quantity)
	Writing and public speaking competition to stimulate learners' creativity, and teaching them techniques of public speaking	Number of competitions held for learners per annum	2	0	2	2	0	Target reached
	Provide access to the Museum's activities	Number of outreach projects per annum	0	1	2	3	1	Target exceeded Due to the Covid-19 pandemic the school year have been adjusted; it was anticipated that no school groups will be able to attend any tours outside of the school. Alternative ways were found to reach school groups

Strategy to overcome areas of underperformance

The programmes that the ATM presents to the groups are based on the curricula for the specific grades, which makes it an extension of the classroom.

Reporting on the institutional response to the Covid-19 pandemic

The ATM did not receive any funding which relates to the Covid-19 pandemic. Adjustments were made to the ATM's budget to accommodate the added expenses to comply to relevant legislation. In order to ensure that staff were ready to receive visitors, the ATM sent all members of staff on occupational health and safety training that focused specifically on Covid-19 procedures and protocols in interacting with other staff and visitors. Masks and sanitisers were supplied to all staff, and all staff and visitors to the buildings were scanned upon entry.

Changes to planned targets

- * Changes to three of the planned targets had to be made due to the Covid-19 pandemic. The targets for school tours at the Taalmuseum and Taalmonument, sponsoring of busses for schools and competitions for learners were targets that had to be adjusted due to the lockdown in 2020/2021. These targets were included in 2021/2022, but had to be adjusted downwards.

Linking performance with budgets

Sub-programme name	2021/2022			2020/2021		
	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	144	165	-21	64	34	30
Total	144	165	-21	64	34	30

4. Revenue collection

Sources of revenue	2021/2022			2020/2021		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer received: DSAC	17248	14107	3141	12898	10817	2081
Entrance fees	1074	884	190	1381	363	1018
Rent income received	266	324	-58	445	94	351
Interest received	319	405	-86	155	315	-160
Funding and marketing	92	471	-379	80	647	-567
Other income	61	337	-276	30	58	-28
Total	19060	16528	2532	14989	12294	2695

Comments on revenue collection

Transfer received from the DSAC

Every financial year the ATM receives a quarterly transfer from the Department of Sports, Arts and Culture (DSAC). From this quarterly transfer we pay our staff and cover a part of the operating expenses of the Museum and Monument. Self-generated funds are used to cover the rest of the operating expenses and to generate additional funds. In the past two financial years, the ATM did not only receive a subsidy, but also transfers for capital works, municipal expenses, operational costs, rental expenses and costs of compliance. Of these grants received, the funds for capital works, municipal expenses, rental expenses and cost of compliance are conditional grants, and therefore earmarked for these expenses.

Entrance fees

The ATM charges entrance fees at the Museum and the Monument. Apart from the subsidy we receive from the DSAC, this is normally 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 decreased significantly during 2020/2021 when compared to previous financial years. This is due to the fact that we were closed from 27 March to 30 September 2020 to the public with further restrictions on movement placed during December 2020, January 2021 and February 2021 as a result of the second wave of Covid-19 in South Africa. During 2021/2022 the visitors to the ATM increased compared to 2020/2021, but is still 42% less than 2019/2020 (2019/2020: 64 899; 2020/2021: 17 030; 2021/2022: 38 525). This is inclusive of other events held during the 2021/2022 financial year, which attracted 1 509 visitors/participants.

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 by national and international companies for film and advertising productions, and for wedding and other photo shoots. During 2021/2022 a lease agreement was signed with a new coffee shop tenant after the lease agreement with the previous one came to an end on 31 March 2020.

Interest received

We receive interest on low-risk investments (fixed deposit, savings accounts and money market accounts). Due to the ATM being unable to spend most of the capital works funding received, the funds generated interest during the financial year and resulted in the ATM having an increase in the interest received. The interest that was received from the capital works funding will be allocated to the capital works projects.

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 2020/2021 and in 2021/2022.

Other income

Other income mostly consists 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. For 2021/2022 the ATM was paid out an insurance claim for the interruption of business in 2020/2021, as well as for vandalism and theft at the Amphitheatre. The claims were used to repair the damage, and partially for security services while the repairs were underway.

4.1. Capital investment

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.

The ATM received an allocation of R580 000 in 2019/2020 for the installation of an emergency generator. The project was halted when an electrical engineer evaluated the electrical infrastructure and determined that the infrastructure will not be able to support the emergency generator. He also determined that the current electrical infrastructure may pose a fire hazard. During 2020/2021, the ATM received a further allocation of R1 687 000, as well as R2 000 000 in 2021/2022, towards the installation of a generator as well as maintenance. The ATM procured an emergency generator while this project is still underway.

The ATM also received an allocation of R3 000 000 in 2019/2020 and R1 500 000 in 2020/2021 for the construction of workers cloakrooms. Draft plans were also presented to the DSAC. By the end of 2021/2022, the ATM submitted the final plans and costing to the local authority and heritage organisations for approval. As soon as approval is obtained, the construction of the workers cloakrooms will go out on tender. A draft tender specification has also already been compiled to not incur further delays.

The ATM received an allocation of R3 736 090 for facilities management during 2021/2022. Besides buying an emergency generator, the ATM also replaced its irrigation system at the Taalmonument and Taalmuseum, and installed water tanks for rainwater. The wooden window frames of the coffee shop have been replaced with aluminium frames, and the paving area has been extended in front of the coffee shop to form part of a look-out point at the Taalmonument. The walkways of the parking area at the Amphitheatre have been upgraded, and the fencing around the parking area was replaced.

The ATM is also compiling an invasive species plan for the grounds of the Taalmonument, which will be finalised by September 2022. This will enable the ATM to tackle the invasive plants and trees by commencing with the removal thereof and the rehabilitation of the area.

The ATM has no plans to close or downgrade any of its facilities.

Maintenance is done at the Museum and Monument on a quarterly basis, according to a work schedule.

Maintenance of the visitor centre is now the responsibility of the ATM, although there is still a warranty of approximately five 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.

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.

Condition of the buildings:

Visitors 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 (in need of some maintenance like painting etcetera)

Infrastructure projects	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Workers cloakrooms	0	166	166	1 500	860	640
Emergency generator and maintenance	2000	390	1610	1 687	0	1 687
Maintenance	0	0	0	0	112	-112
Infrastructure	3736	2090	1646			
Total	5736	2646	3422	3 187	972	2 215

Part C: Governance

1. Introduction

Corporate governance embodies processes and systems by which the ATM is directed, controlled and held to account. In addition to legislative requirements based on the ATM's enabling legislation (the Cultural Institutions Act), corporate governance with regard to the ATM is applied through the precepts of the Public Finance Management Act (PFMA) and according to the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the ATM are responsible for corporate governance.

2. Portfolio Committees

Dates of meetings

No meeting was scheduled for 2021/2022.

Areas of risk, and implementation of plans and actions

No areas of risk and implementation of plans and actions were discussed during 2021/2022.

3. Executive Authority

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

Quarterly reports	1 st quarterly report	30 July 2021
	2 nd quarterly report	29 October 2021
	3 rd quarterly report	28 January 2022
	4 th quarterly report	29 April 2022

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

Annual Performance Plan	Final	25 January 2022
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Feedback on the Annual Performance Plan was received from the DSAC. No adjustments were made during 2021/2022 and submitted to Parliament

Strategic Plan 2020-2025

For the 2020/2021 financial year, the Strategic Plan 2020-2025 is applicable and no adjustments were made during 2021/2022 and submitted to Parliament.

Annual Report	Final	30 September 2021
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The Annual Report was presented to Parliament.

Audit report and management report		31 August 2021
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Audit outcomes improvement plans	1 st feedback	29 October 2021
	2 nd feedback	28 January 2022
	3 rd feedback	29 April 2022

Estimated national expenditure	ENE database	7 December 2021
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4. The Accounting Authority/Council

Introduction

Council should ensure that procedures are in place for monitoring and evaluating the implementation of its strategies, policies and business plans, as a measure of management and operational performance. Council also takes responsibility for the oversight of organisational performance management and reporting.

The role of Council is as follows:

The role of 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.

Council charter

Council's Charter was reviewed, approved and signed on 2 July 2021.

Composition of Council

The ATM had a Council consisting of nine members with a term of office from 9 December 2020 until 8 December 2023. Their term for 2021/2022 was 1 April 2021 until 31 March 2022. In 2021/2022 Council met four times.

ATM Council 9 December 2020 – 8 December 2023

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board directorships (list the entities)	Other committees or task teams (e.g. audit committee / ministerial task team)	No. of meetings attended
Adv JJ Meiring	Chairperson	9 Dec 2020 – 8 Dec 2023		BA, LLB, BA Hons (Latin), BCL	Law; books and literature; publishing	Council member of Stellenbosch University; Member of advisory boards of Saffli and LitNet Akademies	N/A	4
Ms SP Tsoleli	Vice Chairperson	9 Dec 2020 – 8 Dec 2023		Primary Teacher Diploma,	Governance and Management	South African War Museum;	N/A	3

				Advanced Certificate in Psychology of Education, Advance Certificate in Governance and Leadership, Post-graduate diploma in Governance		Masechaba Tsoleli Empowerment Foundation		
Prof SM Beukes	Member	9 Dec 2020 – 8 Dec 2023		DLitt et Phil (Applied Linguistics)	Language planning and policy, language politics, language sociology, sociology of translation, sociolinguistics	CEO, SA Academy for Science and the Arts	Member of the Remuneration and Human Resources Committee	3
Dr L Munsamy	Member	9 Dec 2020 – 8 Dec 2023		PhD, MPA, Disaster Risk Management	Public Sector Management, Disaster Risk Management, Strategic Management, Project Management	Council member of National Museum; Chairperson of Pension Fund; Chairperson of Governance and Legal Committee of National Museum	Chairperson of the Remuneration and Human Resources Committee	4
Dr W Langeveldt	Member	9 Dec 2020 – 8 Dec 2023		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, BA Education, BA Arts, Primary Teacher's Certificate	Research (history of Southern Africa)	N/A	Member of the Remuneration and Human Resources Committee	4
Mr JJ Saal	Member	9 Dec 2020 – 8 Dec 2023		BA Hons (Linguistics), National Diploma in Technical	Human resources; Labour relations; Audit	N/A	Member of Audit and Risk Committee	4

				Financial Accounting				
Mr L Adendorf	Member	9 Dec 2020 – 8 Dec 2023		BTech: Journalism National Diploma: Journalism	Compliance and Ethics Marketing	N/A	Member of Audit and Risk Committee	4
Mr S Maharaj	Member	9 Dec 2020 – 8 Dec 2023		BCom Hons BCompt, CA(SA)	Finance, Audit, Risk	Boxing South Africa	Chairperson of Audit and Risk Committee	4
Ms H Erdmann	Member	9 Dec 2020 – 8 Dec 2023		BA (Psychology, History, Geography), Art History under-graduate modules, Master's Degree, SU (in progress)	Art and photography curator	N/A	Member of the Remuneration and Human Resources Committee	4

- **Alternate members**
The ATM did not have any alternate members on its Council.
- **Outgoing Council members**
The ATM did not have any outgoing Council members in the 2021/2022 financial year.

Committees

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk	6	4	Chairperson: Mr S Maharaj Member: Mr JJ Saal Member: Mr L Adendorf External member: Prof J Rossouw (From 2 July 2021) Director: Mr MJ Jonas Secretary: Ms T Laing External Auditors: Mr Jacobus Swarts (AG) (until 31 Aug 2021) Internal Auditors: Ms Z Abrams (Nexia SAB&T)
Remuneration and Human Resources	4	4	Chairperson: Dr L Munsamy Member: Prof SM Beukes Member: Dr W Langeveldt Member: Ms H Erdmann Director/Secretary: Mr MJ Jonas

Remuneration of Council Members

Each year the ATM receive a circular from National Treasury to inform us of the remuneration of Council members. The remuneration is paid per day, while other expenses like travel and accommodation are reimbursed to the members. All members were remunerated.

ATM Council 9 December 2020 – 8 December 2023

Name	Remuneration	Other allowance	Other reimbursements	Total
Adv JJ Meiring	R18 981	R0	R0	R18 981
Ms SP Tsoleli	R9 410	R0	R0	R9 410
Prof SM Beukes	R17 420	R0	R0	R17 420
Dr L Munsamy	R21 604	R0	R9 738	R31 342
Dr W Langeveldt	R21 079	R0	R2 002	R23 081

Mr JJ Saal	R38 324	RO	R1 320	R39 644
Mr L Adendorf	R34 840	RO	R10 360	R45 200
Mr S Maharaj	R40 424	RO	R12 141	R52 565
Ms H Erdmann	R27 872	RO	R1 502	R29 374

5. 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, the Audit and Risk Committee as well as Council. All risks are assessed and reported to the Audit and Risk Committee, and Council. A risk assessment is also done by the internal auditors on a yearly basis. Risks identified and assessed are then managed in accordance with the risk-management strategy. The Audit and Risk 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 and the deteriorating electrical wiring is a potential fire hazard. Procedures were put in place to mitigate the risks, but ultimately the building needs urgent repairs to properly address the risks. Unfortunately, the ATM lacks the necessary funds, and therefore the DSAC and DPWI have been contacted. The DSAC made funds available with which the ATM painted the exterior wall of the Museum and repaired the roof. A structural engineer was appointed to assess the condition of both the Museum and the Monument. In the latter cracks have formed, which allows for damp to collect in areas under the Monument that is accessible to staff. Both buildings need urgent repairs to ensure no long-term damage. In June 2018 the cost estimate was approximately R6 million for repairs.

Security at the Monument (because of its location on Paarl Mountain) remains a concern for Management, the Audit and Risk Committee as well as Council. A lack of security staff during the day can 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, and also during the day when strict Covid-19 lockdown rules were in place.

The ATM receives funds from the DSAC for payment of the municipal expenses and is paying over these funds to the DPWI, who then makes payments to the local municipality. Although the payments are made, the DPWI's 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 the Monument to be without these basic services. This has partly been addressed with some of the municipal accounts being transferred from the DPWI to the ATM, which has enabled the ATM to ensure that the accounts under the administration of the ATM is paid timeously, but the risk remains as there are still accounts that reside with the DPWI.

The ATM also included the impact that the global Covid-19 pandemic will have in the risk register as the ATM saw a significant decrease in its income for the 2020/2021 financial year, as well as the risk that its staff members can be exposed to the virus. As the ATM is a small entity, each staff member plays a key role in the functioning of the ATM. Measures will be implemented in accordance with the amendments made to the Occupational Health and Safety Act to ensure that the ATM has a safe working environment. Due to the ATM still suffering from the effects of the pandemic and its repercussions during 2021/2022, the risk remains in the register.

6. Internal Control Unit

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

7. Internal Audit and Audit Committees

Internal audit

The purpose of the internal audit function is to investigate and evaluate the adequacy and effectiveness of the internal control system, 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.

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; and
- Management of performance.

Attendance of Audit Committee meetings by Audit Committee members:

Period: 1 April 2021 – 31 March 2022

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr S Maharaj (Chairperson)	BCom Hons BCompt, CA (SA)	-	Council member until 9 Dec 2023	9 Dec 2020	-	5
Mr JJ Saal	BA Hons (Linguistics) National Diploma in Technical Financial Accounting	-	Council member until 9 Dec 2023	1 Dec 2017	-	6
Mr L Adendorf	BTech in Journalism National Diploma in Journalism	-	Council member until 9 Dec 2023	9 Dec 2020	-	5
Prof J Rossouw (External member)	PhD, BCom Hons, MBA, MCom (Econ)	-	External member	2 Jul 2021	-	4
Mr MJ Jonas	-	Internal	Director/Chief Executive Officer	1 Jun 2016	-	6
Ms T Laing	-	Internal	Chief Financial Officer	1 Sep 2001	-	5
External auditors	-	External	-	-	-	4
Internal auditors	-	External	-	-	-	6

Council appointed the Audit and Risk Committee at their first meeting on 16 February 2021. After the position of an external member for this committee was advertised and the recruitment process was completed, Prof Rossouw was appointed as an independent member of the Audit and Risk Committee. The term of the Audit and Risk Committee is the same as that of Council.

8. Compliance with Laws and Regulations

The ATM strives to comply with all the laws and regulations applicable to the ATM by submitting its financial statements, performance information, strategic plan, annual performance plan and other relevant plans and reports.

9. Fraud and Corruption

The ATM has an implemented fraud prevention plan. In addition to this, staff are constantly reminded that they can report any suspected fraud or corruption through the Department of Sport, Arts and Culture hotline at 0800 701 701 or integrity@publicservicecorruptionhotline.org.za.

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.

10. Minimising Conflict of Interest

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.

11. Code of Conduct

Members of 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.

12. Health, Safety and Environmental Issues

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

Further plans were set in motion to flatten the curve of the Covid-19 pandemic when staff returned to work late in 2020. A risk-assessment of the ATM's readiness was done, a plan compiled, an information session held with all staff, and training scheduled to ensure compliance with the regulations of the Occupational Health and Safety Act. Extra temporary staff members were employed from October 2021

to March 2022 to ensure that the necessary protocols are followed when visitors enter the ATM's site. The ATM is formulating a policy that will address how the ATM will move forward with regards to Covid-19 and the workplace, keeping legislation in mind.

13. Council Secretary

The ATM does not have a designated post for council secretary and the role is currently fulfilled by the Chief Financial Officer. The role and responsibilities of the council secretary are defined in the charter of Council:

- The council secretary must co-ordinate the functioning of Council and its committees, and the role must carry the necessary authority.
- The council secretary must maintain an arms-length relationship with Council and therefore should not be a Council member.
- The council secretary reports to Council via the Chairperson on all statutory duties and functions performed in relation to Council, and to the Director on all other functions and administrative matters. Council evaluates the performance of the council secretary at least annually.
- The council secretary or deputy shall attend all Council and committee meetings, and must ensure that minutes of all council meetings and any committee meetings are properly recorded.

14. 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 school with food donations for Mandela Day as well as a free virtual concert for youngsters on Youth Day. We encourage visitors to bring books in aid of our 'Let's Read!' literacy project, and we donate books to women empowerment groups as well as schools. During the year we held two writing competitions; one was for Arabic-Afrikaans, after which we had a function to announce the winners in December and commemorate the emancipation of slaves in South Africa. In addition, staff members each year participate in a Mandela Day outreach programme, delivering food and other parcels, and adopting a local school to support them with excursions and educational aids. On Africa Day, the Taalmonument offers free entry to all visitors from other African countries.

15. Audit Committee Report

We are pleased to present our report for the financial year ending 31 March 2022.

Audit Committee responsibilities

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, except that we have not reviewed changes in accounting policies and practices.

Effectiveness of internal control

Our review of the findings of the Internal Audit work that was based on the risk assessments conducted within the ATM, revealed certain weaknesses, which were raised with the ATM.

The following internal audit work was completed during the year under review:

- Reviewed internal procedures for cash receipts
- Reviewed the process that was followed in the appointment of the external member of the Audit and Risk Committee
- Reviewed the Risk Management Strategy
- Reviewed the performance indicators of quarter 2 of 2021/2022
- Reviewed readiness of the 2021/2022 financial statements in May 2022

The following were areas of concern:

- Opening balance for Property, Plant and Equipment did not correspond with prior year's annual financial statements (the difference was immaterial)
- Difference between the debtors ageing at 31 March 2022 and the amount as per Trade receivables note in the draft AFS
- Differences were noted between the asset register balances as on 31 March 2022 and the amounts disclosed in the draft AFS
- Include extra procedures for cash receipts, review the procedure the ATM follows in appointing new staff members, and expand supporting documentation for performance indicators
- Consider adjusting its Risk Management Strategy

In-year management and monthly/quarterly reports

The ATM has reporting monthly and quarterly to National Treasury as required by the PFMA.

Evaluation of financial statements

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

Auditor's report

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

The Audit Committee concurs and accepts the conclusions of the Auditor-General 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 Auditor-General.



Mr S Maharaj CA(SA)
CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE
Afrikaanse Taalmuseum en -monument
31 July 2022

16. B-BBEE Compliance Performance Information

The following table has been completed in accordance with the compliance to the Broad-Based Black Economic Empowerment (B-BBEE) requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the ATM applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	Response Yes / No	Discussion <i>(Include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The ATM did not issue any licences, concessions or other authorisation and for this reason no qualification criteria were determined during the financial year.
Developing and implementing a preferential procurement policy?	Yes	The ATM has a supply chain management policy and procedure which incorporates preferential procurement.
Determining qualification criteria for the sale of state-owned enterprises?	No	The ATM did not have any transactions linked to the sale of state-owned enterprises and for this reason no qualification criteria were determined during the financial year.
Developing criteria for entering into partnerships with the private sector?	No	The ATM did not enter into partnerships with the private sector and for this reason no qualification criteria were determined during the financial year.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	The ATM did not have any transactions linked to the awarding of incentives, grants and investments schemes and for this reason no qualification criteria were determined during the financial year.

During the financial year the ATM contracted MSCT BEE Services (Pty) Ltd to conduct an audit for the purpose of calculating the ATM's B-BBEE scores. The ATM is a level 8 compliant contributor to B-BBEE.

Part D: Human Resources Management

1. Introduction

The aim is to utilise staff members effectively by channelling their gifts and talents to the 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.

2. Human Resources Oversight Statistics

Personnel cost

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	13008	5999	46%	24	250
Business Development	1104	1004	91%	2	502
Public Engagement	224	203	91%	1	203

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% Of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 246	18%	1	1 246
Senior Management	2 557	37%	5	511
Professionally qualified	2 397	35%	7	342
Skilled	531	7%	4	133
Semi-skilled	197	3%	10	56
Unskilled	0	0	0	20
TOTAL	6 928	100%	27	2 308

Performance rewards

Level	Performance rewards	Personnel Expenditure (R'000)	% Of performance rewards to total personnel cost (R'000)
Top management	1	35	0.50%
Senior management	1	9	0.13%
Professionally qualified	3	23	0.33%
Skilled	3	9	0.13%
Semi-skilled	1	5	0.01%
Unskilled	0	0	0
TOTAL	9	81	1.1%

Training costs

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg. training cost per employee
6928	41	0.60%	18	5

Employment and vacancies

Level	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% Of vacancies
Top management	1	1	1	-	-
Senior management	4	5	5	-	-
Professionally qualified	7	8	7	1	14%
Skilled	5	4	4	-	-
Semi-skilled	12	10	10	-	-
Unskilled	0	0	0	-	-
TOTAL	29	28	27	1	14%

The Education Officer position is vacant since 1 December 2020 and was filled in April 2022.

Employment changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	5	0	0	5
Professionally qualified	7	1	2	7
Skilled	5	1	0	4
Semi-skilled	12	0	2	10
Unskilled	0	0	0	0
Total	29	2	4	27

Reasons for staff leaving

Reason	Number	% Of total no. of staff leaving
Death	0	-
Resignation	1	4%
Dismissal	1	4%
Retirement	0	-
Ill health	0	-
Expiry of contract	0	-
Other	0	-
Total	2	8%

One employee resigned and one employee was dismissed of the professional qualified category, as on 31 March 2022.

Labour relations: misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	1
Dismissal	1

Equity target and employment equity status

With the hiring of professionally qualified and skilled employees Management strived to appoint African staff to realise equity within the workplace, but there were no African candidates that applied.

Levels	MALE							
	African		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	1	1	0	0	1	1
Professionally qualified	0	1	1	2	0	0	0	0
Skilled	0	1	4	4	0	0	1	1
Semi-skilled	0	0	4	4				
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	2	10	10	0	0	2	2

Levels	FEMALE							
	AFRICAN		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	2	2
Professional qualified	0	1	4	4	0	0	2	2
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	0	0	6	6	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	1	11	11	0	0	4	4

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professionally qualified	-	-	-	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	-	-	-	-

Part E: Financial Information

1. Report of the External Auditor

Report of the Auditor-General to Parliament on the Afrikaans Language Museum and Monument

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 86 to 125, which comprise the Statement of Financial Position as at 31 March 2022, the Statement of Financial Performance, Statement of Changes in Net Assets, Statement of Cash Flows and 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 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for the 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 my report.
4. I am independent of the entity, in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 unqualified 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 26 to the financial statements, the corresponding figures for 31 March 2021 have been restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2022.

Other matter(s)

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 126 to 127 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.

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 the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or in error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting unless the appropriate governance structure 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 in 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 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings, but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 2: business ventures	43 to 48

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 identify any material findings on the usefulness and reliability of the reported performance information for programme 2: business ventures.

Other matter(s)

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 43 to 48 or information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

23. The 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.
24. 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 on it.
25. 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.
26. I have nothing to report in this regard.

Internal control deficiencies

27. 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. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town
31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibilities for the audit

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

Financial statements

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 controls 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 controls.
- 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 ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of 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 determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

2. 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.
3. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2. Annual Financial Statements

Council's Responsibilities and Approval

Council is required to maintain adequate accounting records, and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the ATM 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 annual financial statements are prepared in accordance with 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.

Council acknowledges that they are ultimately responsible for the system of internal financial control established by the ATM, and place considerable importance on maintaining a strong control environment. To enable Council to meet these responsibilities, 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 institution and all employees are required to maintain the highest ethical standards in ensuring the ATM's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management at the ATM is on identifying, assessing, managing and monitoring all known forms of risk across the ATM. While operating risk cannot be fully eliminated, the ATM endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied, and managed within predetermined procedures and constraints.

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

Council has reviewed the ATM's cash-flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, it is satisfied that the ATM has access to adequate resources to continue its operational existence for the foreseeable future.

The annual financial statements set out on page 84 to 122, which have been prepared on the going-concern basis, were approved by Council on 31 July 2022 and were signed on its behalf by:

Approval of annual financial statements



Adv JJ Meiring
Chairperson of Council

Council's Report

Council has pleasure in submitting their report on the annual financial statements of the Afrikaanse Taalmuseum en -monument (ATM) for the year ending 31 March 2022.

2.1 Afrikaanse Taalmuseum en -monument

The ATM 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 Nature of business

The core business of the ATM is to reinforce the role of Afrikaans as an inclusive language from which other national languages can derive lessons, especially regarding, but not limited to, language development and promotion, and how it functions in South Africa.

There have been no material changes to the nature of the ATM's business from the prior year.

2.3 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 ATM are set out in these annual financial statements.

2.4 Council

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

Council	Office	Designation
Adv JJ Meiring	Chairperson	Non-executive
Ms S Tsoleli	Vice-chairperson	Non-executive
Dr A Beukes		Non-executive
Mr L Adendorf		Non-executive
Mr S Maharaj		Non-executive
Ms H Erdmann		Non-executive
Dr L Munsamy		Non-executive
Dr W Langeveldt		Non-executive
Mr JJ Saal		Non-executive

2.5 Property, plant and equipment

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

At 31 March 2022 the ATM's investment in property, plant and equipment amounted to R5 332 613 (2021: R3 560 618), of which R2 271 116 (2021: R293 073) was added in the current year through additions.

2.6 Events after the reporting period

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

2.7 Going concern

Council believes that the ATM 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. Council has satisfied itself that the ATM is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. Council is not aware of any new material changes that may adversely impact the ATM except for

the impact of Covid-19. Council is also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation that may affect the ATM.

2.8 Impact of Covid-19

Donations and procurement

Although the ATM is still a going concern, the impact of the restrictions in movement imposed to curb the spread of Covid-19 had a negative impact on the ATM's revenue, especially regarding entrance fees. This is due to lower numbers of visitors visiting the ATM compared to pre-Covid-19 numbers.

Although the ATM had seen a significant decrease in its entrance fees when compared to pre-Covid-19, the ATM also received an amount of R383 185 from various private donors during the financial year. These donations are for specific projects and programmes, i.e. public and educational programmes, as well as for research and archival projects. None of these donations were related to Covid-19 or Covid-related programmes.

The ATM had expenditure related to Covid-19 in form of procurement of hand sanitisers, masks, etc. as part of adhering to the amended Occupational Health and Safety Act. No contracts were awarded in relation to any expenditure regarding Covid-19.

Impact on daily operations

The ATM is still recovering from the strict restrictions in movement during 2020 and 2021. The ATM has seen an increase in visitor numbers over this financial year, compared to the previous financial year, and we were extremely thankful that we could again welcome school groups for educational and public programmes during February and March 2022.

Government grants and subsidies

The Department of Sport, Arts and Culture has communicated that the grants and subsidies for the 2021/2022 financial year have been adjusted as follow:

Type of grant	Original
Operational subsidy	11 512 000
Capital works grant	<u>5 736 090</u>
Total	<u>17 248 090</u>

The Department of Sport, Arts and Culture has communicated that the grants and subsidies for the 2022/2023 financial year has been adjusted as follow:

Type of grant	Original
Operational subsidy	11 939 000
Capital works grant	<u>5 949 473</u>
Total	<u>17 888 473</u>

Director's report

The director presents the annual report, which forms part of the audited financial statements of the entity for the year ended 31 March 2022.

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:

Language Museum and administration – 11 Pastorie Avenue, Paarl

Language Monument – Gabbema Doordrift 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 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 names 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 2022**

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>R</u>	<u>2021 (Restated)</u> <u>R</u>
ASSETS			
Non-current assets		7 727 862	6 079 628
Property, plant and equipment	2	5 332 613	3 560 618
Heritage assets	3	2 389 431	2 517 866
Intangible assets	4	5 818	1 144
Current assets		13 800 861	10 765 567
Inventories	5	62 166	53 086
Receivables from exchange transactions	6	74 126	119 846
Receivables from non-exchange transactions	7	-	500 000
Investments	8	13 124 268	9 585 328
Cash and cash equivalents	9	540 301	507 307
Total assets		21 528 723	16 845 195
NET ASSETS AND LIABILITIES			
Net assets		11 405 874	9 410 851
Accumulated surplus		9 018 127	6 894 669
Revaluation reserve	10	2 387 747	2 516 182
Liabilities			
Current liabilities		10 122 849	7 434 344
Trade and other payables	11	159 290	360 203
Employee benefit obligation	12	132 978	94 588
Unspent government grants and subsidies	14	9 830 581	6 979 553
Total liabilities		10 122 849	7 434 344
Total net assets and liabilities		21 528 723	16 845 195

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance for the year ended 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>R</u>	<u>2021 Restated</u> <u>R</u>
Revenue from non-exchange transactions	15	14 490 435	11 428 592
Revenue from exchange transactions	16	2 039 070	866 961
Operating expenses	17	<u>(14 406 047)</u>	<u>(12 450 845)</u>
Operating surplus / (deficit)	18	2 123 458	(155 292)
Fair value adjustments	22	-	(9 088)
Finance costs	24	<u>-</u>	<u>(2 045)</u>
Surplus / (Deficit) for the year		<u>2 123 458</u>	<u>(166 425)</u>

Statement of Changes in Net Assets

	<u>Revaluation</u> <u>reserve</u> <u>R</u>	<u>Accumulated</u> <u>surplus</u> <u>R</u>	<u>Total</u> <u>net assets</u> <u>R</u>
Opening balance as previously reported	2 361 725	7 061 094	9 422 819
Prior year adjustments	<u>154 457</u>	<u>-</u>	<u>154 457</u>
Balance at 01 April 2020 as restated	2 516 182	7 061 094	9 577 276
Deficit for the year	<u>-</u>	<u>(166 425)</u>	<u>(166 425)</u>
Balance at 1 April 2021 as restated	2 516 182	6 894 669	9 410 851
Surplus for the year	-	2 123 458	2 123 458
Revaluation of heritage assets	<u>(128 435)</u>	<u>-</u>	<u>(128 435)</u>
Balance at 31 March 2022	<u>2 387 747</u>	<u>9 018 127</u>	<u>11 405 874</u>
Notes	10	26	

Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

	<u>Notes</u>	<u>2022</u> R	<u>2021</u> R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from government grants and subsidies		17 248 090	12 898 000
Cash receipts from donations		383 185	611 818
Cash receipts from own income		1 633 958	551 224
Cash paid to suppliers		(6 931 269)	(5 257 893)
Cash paid to employees		(6 889 389)	(6 482 380)
Cash generated from operations	25	5 444 575	2 320 769
Interest income		405 499	315 247
Net cash flows from operating activities		5 850 074	2 636 016
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(2 271 116)	(293 073)
Purchase of other intangible assets	4	(7 474)	-
Sale of other intangible assets	4	450	40
Purchase of investments		(6 649 883)	(3 496 191)
Proceeds from sale of investments		3 110 943	706 585
Net cash from investing activities		(5 817 080)	(3 082 639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Total cash movement for the year		32 994	(446 623)
Cash at the beginning of the year		507 307	953 930
Total cash at end of the year	9	540 301	507 307

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actual Amounts

	<u>Approved Budget</u>	<u>Adjustments</u>	<u>Final budget</u>	<u>Actual amounts on comparable basis</u>	<u>Difference between final budget and actual</u>
Receipts					
Self-generated income	1 812 470	-	1 812 470	2 039 907	227 437
Donations	-	-	-	383 185	383 185
Grant revenue	17 248 090	-	17 248 090	17 248 090	-
	19 060 560	-	19 060 560	19 671 182	610 622
Payments					
Goods and services	11 945 950	-	11 945 950	9 209 859	2 736 091
Personnel expenditure	7 114 610	-	7 114 610	6 889 389	225 221
	19 060 560	-	19 060 560	16 099 248	2 961 312
Net Receipts					3 571 934
					Note 35
Net receipts per the Statement of Comparison of Budget and Actual Amounts					3 571 934
Basis differences					
Cash flows from operating activities					
Working capital changes – inventories					9 080
Working capital changes - receivables					(45 720)
Working capital changes - trade payables					200 913
Working capital changes - unspent grants					(2 851 028)
Working capital changes - employee benefit obligation					(38 390)
Movement in receivables from non-exchange transactions					(500 000)
Revenue - services in kind					210 188
Expenses - services in kind					(210 188)
Loss on sale of assets					(986)
Depreciation, amortisation and impairments					(500 485)
Cash flows from investing activities					
Purchases of property, plant and equipment					2 271 116
Proceeds on sale of intangible assets					(450)
Purchase of intangible assets					7 474
Surplus per the Statement of Financial Performance					2 123 458

Notes to the Annual Financial Statements for the year ended 31 March 2022

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.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management is 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 ATM 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, Council determined that the useful lives of certain items of buildings, furniture, fittings and vehicles should be revised.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to decrease the depreciation expense in the current financial year and for the next 3 years, by the following amounts:

	R
2022	19 316
2023	18 704
2024	13 005
2025	3 738
2026	3 738

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 off to selling price minus cost to complete and sell.

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 determines the recoverable amount by performing in-use value 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

Notes to the Annual Financial Statements for the year ended 31 March 2022

asset, Management assesses the recoverable amount for the cash-generating unit to which the asset belongs.

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 RNil (2021 - RNil), 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.

Cash-generating assets and non-cash-generating assets

Value in use of cash-generating asset

The ATM reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as inflation and interest.

Value in use of non-cash-generating asset

The ATM reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Services in kind: Fair value of 'free' rental of buildings

The ATM used property rental agents to determine the fair rental value of the Taalmonument and Amphitheatre and used quoted rental prices of other properties located in the same location as the Taalmuseum. Characteristics, circumstances and location of the buildings were used in determining the fair value. The Taalmuseum is ideally situated in an area where office space is in high demand and has easy access to other businesses and parking. The Taalmonument and Amphitheatre are located in a remote location with no other surrounding businesses, and access to the area is more challenging.

Covid-19

The extents of the impact of Covid-19 and key assumptions on carrying value of assets and liabilities within the financial year are uncertain and cannot be predicted.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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 an asset when it is probable that future economic benefits associated with the item will flow to the ATM, and the cost of 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 as well as 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 parts of property, plant and equipment are capitalised 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 in 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 follow:

Item	Depreciation method	Average useful life
Buildings	Straight line	10 to 50 years
Furniture and fittings	Straight line	3 to 35 years
Motor vehicles	Straight line	5 to 15 years

When there are indicators that the useful lives and residual values of items of property, plant and equipment have changed since the most 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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

Heritage asset items 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 if 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 on the date of acquisition.

Subsequent measurement

After recognition of an asset, a class of heritage assets (whose fair value can be measured reliably) 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 the ATM 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 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 recognises 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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 financial asset 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 uncollectability.

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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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 overdrafts. 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).

Notes to the Annual Financial Statements for the year ended 31 March 2022

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.

1.5 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.

1.6 Tax

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

The ATM is not registered for value added tax (VAT) in terms of section 24(1) of the Value Added Tax Act of 1991.

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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

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 off from cost to net realisable value with regard to their estimated economic or realisable values.

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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

1.9 Impairment of assets

The ATM assesses at each reporting date whether there is any indication that any 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 Impairment of cash-generating assets

Cash-generating assets are those assets held by the ATM with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. The ATM assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the ATM estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the ATM also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the in-use value of an asset, the ATM estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, and the ATM applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cashflow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Notes to the Annual Financial Statements for the year ended 31 March 2022

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the ATM determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the ATM uses Management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- ❖ the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- ❖ the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the ATM does not reduce the carrying amount of an asset below the highest of: its fair value less costs to sell (if determinable); its value in use (if determinable); and zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating-unit.

Reversal of impairment loss

The ATM assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the ATM estimates the recoverable amount of that asset.

Notes to the Annual Financial Statements for the year ended 31 March 2022

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- ❖ its recoverable amount (if determinable); and
- ❖ the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.11 Impairment of non-cash-generating assets

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The ATM assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the ATM estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the ATM also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets' remaining service potential. The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Notes to the Annual Financial Statements for the year ended 31 March 2022

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential.

This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the ATM would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Reversal of an impairment loss

The ATM assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the ATM estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

Post-retirement benefit

The ATM provides post-employment benefits for its employees. These benefits are provided as either defined contribution plans or defined benefit plans. The ATM identifies as defined 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 its employees. Any other plans are considered defined benefit plans.

Actuarial gains or losses are recognised in surplus of deficit.

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

1.13 Revenue from non-exchange transactions

Revenue from non-exchange transactions arises when the Museum either receives value from another entity without directly giving approximately equal value in exchange, or gives values 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.

Income from donations that do not impose specified future performance conditions are recognised in income when the donation proceeds are receivable.

Income from donations that impose specified future performance conditions are recognised in income only when the performance conditions are met.

1.14 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.

1.15 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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

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

Fruitless expenditure means expenditure means expenditure 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.

1.16 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.

Where transactions between the ATM and any one or more related parties took place, 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 26 to the financial statements.

1.17 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 to the date at 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

1.18 Budget Information

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

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The annual financial statements and the budget are not on the same basis of accounting and therefore a reconciliation between statement of financial performance and the budget have been included in the annual financial statements.

1.19 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date) and
- those that are indicative of conditions that arose at the reporting date (non-adjusting events after reporting date).

1.20 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence and decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total revenue recognised. This materiality is from Management's perspective and does not correlate with the auditor's materiality.

1.21 New standards and interpretations

Standards and interpretations issued, but not yet effective.

The ATM has not applied the following standards and interpretations, which have been published and are mandatory for the ATM's accounting periods beginning on or after 1 April 2022 or later periods:

<u>Standard/Interpretation</u>	<u>Effective date</u>	<u>Expected impact</u>
GRAP25 (as revised): Employee benefits	To be determined	Unlikely there will be a material impact
GRAP104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
iGRAP21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact

Notes to the Annual Financial Statements for the year ended 31 March 2022

2. Property, Plant and Equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	5 139 360	(723 727)	4 415 633	3 377 307	(561 269)	2 816 038
Furniture and fittings	2 702 229	(1 850 168)	852 061	2 216 904	(1 629 606)	587 298
Motor vehicles	705 210	(640 291)	64 919	705 210	(547 928)	157 282
Total	8 546 799	(3 214 186)	5 332 613	6 299 421	(2 738 803)	3 560 618

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	2 816 038	1 762 053	-	(162 458)	4 415 633
Furniture and fixtures	587 298	509 063	(1 430)	(242 870)	852 061
Motor vehicles	157 282	-	-	(92 363)	64 919
Total	3 560 618	2 271 116	(1 430)	(497 691)	5 332 613

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Buildings	2 634 729	-	-	293 761	(112 452)	2 816 038
Capital work in progress	109 020	184 741	-	(293 761)	-	-
Furniture and fixtures	697 849	108 332	(10 331)	-	(208 552)	587 298
Motor vehicles	249 645	-	-	-	(92 363)	157 282
Total	3 691 243	293 073	(10 331)	-	(413 367)	3 560 618

Property, plant and equipment encumbered as security

No items of property, plant and equipment have been pledged as security.

Changes in estimates

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed, in line with the accounting policy. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

Based on this analysis, the useful lives of buildings and furniture and fittings have been revised. The impact of the change is a reduction in the annual depreciation amount for the current financial year of R19 316. Useful lives of furniture and fittings were also revised in 2021, with a reduction in the annual depreciation amount for the prior financial year of R35 755.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022	2021
	R	R
Capital commitments		
Buildings	5 949 473	5 736 090
Repairs and maintenance		
Expenditure incurred on repairs and maintenance to property, plant and equipment	117 443	107 210

Detail of properties

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

3. Heritage Assets

	Cost / Valuation	Cost / Valuation
Artefacts	1 172 098	1 600 809
Audio visuals	21 642	21 642
Collection of rare books and manuscripts	1 070 483	750 686
Collection of textiles	47 494	67 015
Historical documents	77 714	77 714
Total	2 389 431	2 517 866

Reconciliation of heritage assets – 2022

	Opening balance	Additions	Revaluation	Total
Artefacts	1 600 809	-	(428 711)	1 172 098
Audio visuals	21 642	-	-	21 642
Collection of rare books and manuscripts	750 686	-	319 797	1 070 483
Collections of textiles	61 015	-	(19 521)	41 494
Historical documents	77 714	-		77 714
Total	2 517 866	-	(128 435)	2 389 431

Notes to the Annual Financial Statements for the year ended 31 March 2022

2022 2021
R R

Reconciliation of heritage assets – 2021

	Opening balance	Additions	Revaluation	Total
Artefacts	1 600 809	-	-	1 600 809
Audio visuals	21 642			21 642
Collection of rare books and manuscripts	750 686	-	-	750 686
Collections of textiles	61 015	-	-	61 015
Historical documents	77 714			77 714
Total	2 517 866	-	-	2 517 866

Repairs and maintenance

No expenditure was incurred for repairs and maintenance to heritage assets in the current and prior years.

Pledged as security

No heritage assets have been pledged as security.

Revaluation of heritage assets

As per the accounting policy for heritage assets, the ATM completed a 5-year revaluation of its heritage asset collection in 2021/2022, effective 01 April 2021, in accordance with GRAP 103. The revaluation was done by an independent valuer that deals with and has the necessary experience in the active antiquities market. The items were valued according to similar and identical pieces in line with the valuer's inventory list, as well as the condition of the item. The prices are not only in terms of estimated market value, but also measured in terms of the factual sales value on request. The ATM appointed a service provider to perform a revaluation of its heritage assets in accordance with the requirements of the GRAP 103 standard. An adjustment of R128 435 to heritage assets was made due to the revaluation of heritage assets for the 2021/2022 financial period.

Prior period error

During the verification and valuation of heritage assets performed for the 2021/2022 financial period, heritage assets to the value of R154 457 were found. These items, donated to the ATM in prior years, were previously not identified, accessioned and valued.

Assets not verified

During the physical verification and revaluation of heritage assets for the 2021/2022 financial period, 133 assets to the value of R18 320 could not be verified and are currently reported in the Loss Register for investigation.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>

4. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Software licences	67 684	(61 866)	5 818	71 303	(70 159)	1 144

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Software licences	1 144	7 474	(6)	(2 794)	5 818

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Software licences	3 838	-	(1)	(2 693)	1 144

Pledged as security

No intangible assets have been pledged as security.

5. Inventories

Inventories for sales	62 166	53 086
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Inventory pledged as security

No items of inventory have been pledged as security.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2021</u>	<u>2020</u>
	<u>R</u>	<u>R</u>
6. Receivables from exchange transactions		
Trade receivables	1 799	2 631
Prepayments	72 327	117 215
	<u>74 126</u>	<u>119 846</u>
Trade and other receivables pledged as security		
No trade and other receivables have been pledged as security.		
Ageing of trade receivables		
Current (0 to 30 days)	5 254	2 631
30 days	3 500	-
> 121 days	(6 955)	-
	<u>1 799</u>	<u>2 631</u>
Amounts due in respect of trading operations	1 799	2 631
Amounts due in respect of other activities	72 327	117 215
	<u>74 126</u>	<u>119 846</u>
Trade and other receivables can be analysed as follow:		
Neither past nor due	<u>74 126</u>	<u>119 846</u>
7. Receivables from non-exchange transactions		
Department of Sport, Arts and Culture – Public Arts Presidential Employment Stimulus Programme	-	500 000
Split between non-current and current portions		
Amounts due in respect of other activities	-	500 000
8. Investments		
Short-term investments		
Fixed Deposit – ABSA Bank Limited	2 868 937	2 752 488
Money Market Fund – Sanlam Limited	-	501 105
Liquidity Plus – ABSA Bank Limited	9 735 688	6 331 735
Call Account – Corporation for Public Deposits	519 643	-
	<u>13 124 268</u>	<u>9 585 328</u>

The money market account was closed during the financial year and the funds transferred to the call deposit account. The call deposit account and liquidity plus account have no maturity date. The fixed deposit account has a maturity date of 24 May 2022 and will be re-invested on the same day.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	88 412	25 290
Bank balances	451 889	482 017
	<u>540 301</u>	<u>507 307</u>
10. Revaluation reserve		
Revaluation of heritage assets		
Balance at the beginning of the year	2 361 725	2 361 725
Revaluation during the year	(128 435)	-
	<u>2 233 290</u>	<u>2 361 725</u>
<p>Heritage assets were revalued by an independent valuator and was valued using calculations of similar and identical pieces, 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.</p>		
11. Trade and other payables		
Trade payables	150 490	343 403
Other payables	8 800	16 800
	<u>159 290</u>	<u>360 203</u>
Ageing of trade payables		
Current (0 to 30 days)	150 490	343 403
Amounts due in respect of trading operations	150 490	343 403
Amounts due in respect of other activities	8 800	16 800
	<u>159 290</u>	<u>360 203</u>
12. Employee benefit obligation		
The amount recognised in the statement of financial position is as follows:		
Carrying value		
Leave pay	132 978	94 588

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
13. Retirement benefits		
Post-retirement medical aid		
The benefit entails a two-thirds subsidy on the monthly medical contribution of the one retired staff member's choice. The discount rate is based on the official interest rates at year-end. There is no cumulative post-employment obligation for medical costs.		
During the year, the retired staff member, who belonged to the medical aid fund passed away, resulting in the post-retirement medical aid ceasing to exist.		
Reconciliation of opening and closing balances of post-employment benefit liability		
Opening balance	-	112 560
Net expense / (income) recognised in surplus	-	(112 560)
	-	-
Net expense / (income) recognised in surplus		
Interest cost	-	2 045
Fair value adjustment	-	9 088
Benefits paid	-	(11 133)
Reversal of benefits - member deceased	-	(112 560)
	-	(112 560)
Key assumptions used		
Expected annual contributions	-	11 133
Official interest rate	n/a	8.75%
14. Unspent government grants and subsidies		
Government grants	9 830 581	6 979 53

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>				<u>2021</u>	
	<u>R</u>				<u>R</u>	
Reconciliation of government grants						
2022	Capital works fund	GRAP 103 grant	Municipal expenses grant	Leasing of private owned property grant	Compliance grants and Public Art Presidential Employment Stimulus Programme	Total
Balance at the beginning of the year	6 231 883	247 670	-	-	500 000	6 979 553
Grants received during the year:						
Department of Sport, Arts and Culture	5 736 090	-	1 373 000	378 000	1 104 000	8 591 090
Grant not realised	-	-	-	-	(500 000)	(500 000)
Interest received	261 230	-	-	-	-	261 230
Expenditure incurred during the year	(2 646 292)	-	(1 373 000)	(378 000)	(1 104 000)	(5 501 292)
	9 582 911	247 670	-	-	-	9 830 581
2021	Capital works fund	GRAP 103 grant	Municipal expenses grant	Leasing of private owned property grant	Compliance grants and Public Art Presidential Employment Stimulus Programme	Total
Balance at the beginning of the year	3 861 163	271 270	-	-	-	4 132 433
Grants received during the year:						
Department of Sport, Arts and Culture	3 187 000	-	1 303 000	358 000	1 047 000	5 895 000
Interest received	155 430	-	-	-	-	155 430
Expenditure incurred during the year	(971 710)	(23 600)	(1 303 000)	(358 000)	(547 000)	(3 203 310)
	6 231 883	247 670	-	-	500 000	6 979 553

15. Revenue from non-exchange transactions

Government grants and subsidies	13 897 062	10 550 881
Services in kind	210 188	265 893
Donations	383 185	611 818
	14 490 435	11 428 592

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
Government grants and subsidies		
Department of Sport, Arts and Culture: Subsidy – unconditional	8 657 000	7 503 000
Department of Sport, Arts and Culture: Capital works grant – conditional	2 385 062	816 281
Department of Sport, Arts and Culture: GRAP 103 grant – conditional	-	23 600
Department of Sport, Arts and Culture: Municipal expense grant – conditional	1 373 000	1 303 000
Department of Sport, Arts and Culture: Leasing of private owned property grant – conditional	378 000	358 000
Department of Sport, Arts and Culture: Compliance grant – conditional	1 104 000	547 000
	<u>13 897 062</u>	<u>10 550 881</u>

Services in kind

The ATM received the following services in kind from the Department of Sport, Arts and Culture and from the Department of Public Works. These services in kind were recognised in the Statement of Financial Performance.

Rent – Department of Public Works and Infrastructure	<u>210 188</u>	<u>265 893</u>
	<u>210 188</u>	<u>265 893</u>

The buildings, owned by the Department of Public Works and Infrastructure, are occupied free of charge. The ATM received a letter from the Department of Sport, Arts and Culture confirming the user charge for both the current and previous financial year instead of using the fair value determined by using property rental agents as in previous reporting periods.

16. Revenue from exchange transactions

Business venture	323 720	94 394
Course fees	79 150	14 350
Entrance fees	883 561	363 170
Funding and marketing	9 681	21 355
Insurance claims	264 934	16 325
Interest received	405 499	315 247
Profit on sale of assets and liabilities	444	39
Sale of goods	70 635	41 371
Sundry income	1 446	710
	<u>2 039 070</u>	<u>866 961</u>

Interest received was disclosed separately in a note in the 2020/2021 financial statements. In an effort to make the financial statements easier to read, the interest received is now grouped with the rest of the revenue from exchange transactions.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
17. Operating expenses		
Administration costs	6 502 733	5 258 358
Audit fees	475 049	435 373
Depreciation, amortisation and impairments	500 486	416 060
Employee benefit costs (note 19)	6 927 778	6 341 054
	<u>14 406 046</u>	<u>12 450 845</u>
18. Operating surplus (deficit)		
Operating surplus (deficit) for the year is stated after accounting period for the following:		
Operating lease charges		
Premises		
• Contractual amounts	598 379	657 551
Equipment		
• Contractual amounts	39 898	40 476
	<u>638 277</u>	<u>698 027</u>
Loss on sale of property, plant and equipment	(1 430)	(10 331)
Surplus / (loss) on sale of intangible assets	444	39
Amortisation of intangible assets	2794	2 693
Depreciation on property, plant and equipment	497 691	413 367
Employee costs	6 927 779	6 341 054
Research and development costs	223 048	-
Purchases of inventories	52 789	25 326
	<u>6 927 779</u>	<u>6 341 054</u>
19. Employee cost		
Basic and bonuses	5 645 566	5 254 947
Medical aid – company contributions	222 766	227 071
Unemployment Insurance Fund	36 258	32 511
Workman’s Compensation	12 767	14 266
Leave pay provision charge	38 390	(17 633)
Housing subsidy	170 173	165 143
Leave gratuity	15 378	28 095
Pension fund contributions	786 481	749 215
Post-employment benefits	-	(112 560)
	<u>6 927 779</u>	<u>6 341 054</u>
20. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	<u>497 691</u>	<u>413 367</u>

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
Amortisation		
Intangible assets	<u>2 794</u>	<u>2 693</u>
Total depreciation, amortization and impairments		
Depreciation	497 691	413 367
Amortisation	<u>2 794</u>	<u>2 693</u>
	<u>500 485</u>	<u>416 060</u>
21. Operating lease		
Within one year	25 280	30 888
Second to fifth year inclusive	<u>29 506</u>	<u>54 786</u>
	<u>54 786</u>	<u>85 674</u>
At the reporting date, the ATM has outstanding commitments under non-cancellable operating leases. Operating lease payments represents rentals for office equipment. The leases are negotiated for a term of five years and are fixed for the duration of the lease agreement.		
22. Auditor's remuneration		
Fees	<u>475 049</u>	<u>435 373</u>
23. Fair value adjustments		
Post-retirement fund obligation	<u>-</u>	<u>9 088</u>
24. Finance costs		
Interest cost on post-retirement benefit obligation	<u>-</u>	<u>2 045</u>

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
25. Cash generated from operations		
Surplus / (deficit) before taxation	2 123 458	(166 425)
Adjustments for:		
Depreciation and amortisation	500 485	416 060
Loss on sale of assets and liabilities	986	10 292
Interest received	(405 499)	(315 247)
Finance costs – post retirement fund obligation	-	2 045
Fair value adjustment – post retirement fund obligation	-	9 088
Reversal of benefit - post retirement fund obligation	-	(112 560)
Movements in retirement benefit liabilities	-	(11 133)
Revenue: services in kind	(210 188)	(265 893)
Expenses: services in kind	210 188	265 893
Changes in working capital:		
Inventories	(9 080)	25 055
Receivables from exchange transactions	45 720	14 301
Receivables from non-exchange transactions	500 000	(500 000)
Trade and other payables	(200 913)	119 806
Unspent government grants and subsidies	2 851 028	2 847 120
Employee benefit obligation	38 390	(17 633)
	<u>5 444 575</u>	<u>2 320 769</u>

26. Prior period adjustments

26.1 Heritage assets

During the verification and valuation of heritage assets performed for the 2021/2022 financial period, heritage assets to the value of R154 457 were found. These items, donated to the ATM in prior years, were previously not identified, accessioned and valued. Heritage assets are understated by R154 457 as on 01 April 2020 in the Statement of Financial Performance, and revaluation reserve as on 01 April 2020 is understated by R154 457 in the Statement of Financial Position.

The correction of the error results in adjustments as follows:

	As previously reported: 01 April 2020	Adjustments	Restated: 01 April 2020
Statement of Financial Position			
Heritage assets	2 363 409	154 457	2 517 866
Revaluation reserve	(7 061 094)	(154 457)	(7 215 51)
	<u>(4 697 685)</u>	<u>-</u>	<u>(4 697 685)</u>

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
27. Related parties		
Relationships		
Controlling entity		Department of Sport, Arts and Culture
Affiliated entity		Department of Public Works
Affiliated entity		Historium Trust
Affiliated entity		Afrikaans Language Committee
Member of key management		Michael Jonas, ATM 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	949 728	905 364
Bonuses - 13 th cheques	79 144	75 447
Performance bonus	34 586	32 640
Housing subsidy	9 600	9 600
Medical aid contribution	13 200	13 200
Pension fund contribution	154 320	147 122
	1 240 578	1 183 373

Chief financial officer's remuneration

Basic salary	629 520	600 696
Bonuses - 13 th cheque	52 460	50 058
Performance bonus	-	22 828
Housing subsidy	9 600	9 600
Medical aid contribution	13 200	13 200
Pension fund contribution	102 288	130 151
	807 068	826 533

Transactions with associate undertakings

The Historium Building was bought by Council of the Afrikaanse Taalraad (Afrikaans Language Committee) in a private transaction in 1990. The Historium (erven 1747, Paarl) was registered in the name of the ATM since the Afrikaans Language Committee was not a registered entity.

It was the intention of Council to consolidate the Historium Building, the Afrikaans Language Committee and Afrikaans Trust into a new private trust known as the Historium Trust in order to discontinue any party relationship between the ATM and the Historium Building.

The Afrikaans Language Committee was controlled by the same Council as the ATM.

The Auditor-General raised the issue of the relationship between the ATM and the private account of the Afrikaans Language Committee; it is therefore considered as a matter of emphasis in the audit report.

Notes to the Annual Financial Statements for the year ended 31 March 2022

2022 **2021**
R **R**

The property is registered in the name of the ATM although it is the property of the Afrikaans Language Committee, as it was originally purchased by the Afrikaans Language Committee and therefore private.

The ATM submitted a request with a draft deed of donation to the Minister of Sport, Arts and Culture (after having obtained 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.

Rent paid – Historium Trust	385 691	389 158
Rent paid – Department of Public Works	210 188	265 893
	595 879	655 051

28. Counsellors' fees

2022	Fees	Expenses	Total
Adv JJ Meiring	18 981	-	18 981
Ms S Tsoleli	9 410	-	9 410
Dr A Beukes	17 420	-	17 420
Mr L Adendorf	34 840	10 360	45 200
Mr S Maharaj	40 424	12 141	52 565
Ms H Erdmann	27 872	1 502	29 374
Dr L Munsamy	21 604	9 738	31 342
Dr W Langeveldt	21 079	2 002	23 081
Mr JJ Saal	38 324	1 320	39 644
Prof J Rossouw (independent member)	21 254	13 618	34 872
	251 208	50 681	301 889

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>	
	<u>R</u>	<u>R</u>	
2021	Fees	Expenses	Total
Prof EO Saal (Term ended 30 November 2020)	6 327	7 940	14 267
Adv P Magona (Term ended 30 November 2020)	1 917	2 410	4 327
Dr L Munsamy (Reappointed 09 December 2020)	6 968	-	6 968
Dr W Langeveldt (Reappointed 09 December 2020)	7 318	333	7 651
Mr C Le Fleur (Term ended 30 November 2020)	3 484	1 666	5 150
Mr JJ Saal (Reappointed 09 December 2020)	20 904	870	21 774
Dr J Grobbelaar (Term ended 30 November 2020)	8 710	2 500	11 210
Prof S van Wyk (Term ended 30 November 2020)	8 710	360	9 070
Prof J Rossouw (independent member) (Term ended 30 November 2020)	7 668	10 359	18 027
Mr L Adendorf (Appointed 09 December 2020)	6 968	-	6 968
Adv JJ Meiring (Appointed 09 December 2020)	9 811	3 352	13 163
Dr A Beukes (Appointed 09 December 2020)	5 226	-	5 226
Ms S Tsoleli (Appointed 09 December 2020)	3 659	-	3 659
Ms H Erdmann (Appointed 09 December 2020)	6 968	-	6 968
Mr S Maharaj (Appointed 09 December 2020)	12 719	-	12 719
	117 357	29 790	147 147

Prof J Rossouw is the independent Audit Committee Chairperson appointed by Council for the same term as Council members. Prof J Rossouw's term of office ended 30 November 2020 and he was reappointed on 02 July 2021.

29. Commitments

Authorised capital expenditure

Not yet contracted for and authorised by Council	<u>5 949 473</u>	<u>5 736 090</u>
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This committed expenditure relates to property and will be financed by conditional government grants and subsidies.

The amount of R5 736 090 relates to capital works funding for the financial period 2021/2022 for facilities management and the installation of a generator. The amount of R5 949 473 relates to capital works funding for the financial period 2022/2023 for facilities management. No capital commitments are foreseen for 2023/2024 and 2024/2025 financial periods.

30. Events after the reporting period

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report, except for:

Deliberations about a possible name change for the museum occurred in May 2022. There is considerable uncertainty attendant upon these events. The financial effect that it might have cannot be estimated at this point. Further events beyond 2023 entails a possible merger under a single board with the National Library of South Africa (NLSA), the South African Library for the Blind (SALB) and the Amazwi South African Museum of Literature into a larger flagship.

Notes to the Annual Financial Statements for the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	<u>R</u>	<u>R</u>
31. Irregular expenditure		
Irregular expenditure		
Opening balance	9 685 420	9 714 487
Expenditure related to current year	8 955	37 744
Expenditure related to previous financial year overstated	(64 118)	(66 811)
	9 630 257	9 685 420

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

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation was not justified/approved: R8 955.

The ATM was unable to obtain three quotations for certain expenditure due to a monopoly in a specific industry - the irregular expenditure is overstated by R64 118.

Prior year expenditure

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation was not justifiable/approved: R37 744.

32. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure

Opening balance	17 954	17 954
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32. Risk Management

Market Risk

The ATM's activities expose it to a variety of financial risks: market risk (fair value interest risk, cashflow interest rate risk), credit risk and liquidity risk. The ATM is not exposed to market risk due to it being required to settle with creditors within 30 days of receiving an invoice as per 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 its 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 the reporting date.

Sensitivity analysis

At 31 March 2022, if the interest rates 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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

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.

Credit risk

Credit risk refers to the risk that the counterparty 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 standings, and limits exposure to any one counterparty.

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

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.

Notes to the Annual Financial Statements for the year ended 31 March 2022

34. Categories of financial instruments

Categories of financial instruments - 2022	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
Assets					
Non-current Assets					
Property, plant and equipment	2	-	-	5 332 613	5 332 613
Heritage assets	3	-	-	2 389 431	2 389 431
Intangible assets	4	-	-	5 818	5 818
		-	-	7 727 862	7 727 862
Current Assets					
Inventories	5	-	-	62 166	62 166
Investments	8	13 124 268	-	-	13 124 268
Trade and other receivables	6	1 799	-	72 327	74 126
Cash and cash equivalents	9	540 301	-	-	540 301
		13 666 368	-	134 493	13 800 861
Total Assets		13 666 368	-	7 862 355	21 528 723
Net Assets and liabilities					
Net Assets					
Revaluation reserve		-	-	2 233 290	2 233 290
Accumulated surplus		-	-	9 172 584	9 172 584
		-	-	11 405 874	11 405 874
Total Net Assets		-	-	11 405 874	11 405 874
Liabilities					
Current Liabilities					
Trade and other payables	11	-	159 290	-	159 290
Unspent government grants and subsidies	14	-	-	9 830 581	9 830 581
Employee benefit obligation	12	-	-	132 978	132 978
		-	159 290	9 963 559	10 122 849
Total Liabilities		-	159 290	9 963 559	10 122 849
Total Net Assets and Liabilities		-	159 290	21 369 433	21 528 723

Notes to the Annual Financial Statements for the year ended 31 March 2022

Categories of financial instruments - 2021	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
Assets					
Non-current Assets					
Property, plant and equipment	2	-	-	3 560 618	3 560 618
Heritage assets	3	-	-	2 517 866	2 517 866
Intangible assets	4	-	-	1 144	1 144
		-	-	6 079 628	6 079 628
Current Assets					
Inventories	5	-	-	53 086	53 086
Investments	8	9 585 328	-	-	9 585 328
Trade and other receivables	6	2 631	-	117 215	119 846
Receivables from non-exchange transactions	7	-	-	500 000	500 000
Cash and cash equivalents	9	507 307	-	-	507 307
		10 095 266	-	670 301	10 765 567
Total Assets		10 095 266	-	6 749 929	16 845 195
Net Assets and liabilities					
Net Assets					
Revaluation reserve		-	-	2 361 725	2 361 725
Accumulated surplus		-	-	7 049 126	7 049 126
		-	-	9 410 851	9 410 851
Total Net Assets		-	-	9 410 851	9 410 851
Liabilities					
Current Liabilities					
Trade and other payables	11	-	360 206	-	360 206
Unspent government grants and subsidies	14	-	-	6 979 553	6 979 553
Employee benefit obligation	12	-	-	94 588	94 588
		-	360 206	7 074 141	7 434 344
Total Liabilities		-	360 206	7 074 141	7 434 344
Total Net Assets and Liabilities		-	360 206	16 848 992	16 845 195

Notes to the Annual Financial Statements for the year ended 31 March 2022

35. Statement of Comparison of Budget and Actual Amounts

Basis for Preparation

The Afrikaanse Taalmuseum en -monument (ATM) is registered as a Schedule 3A public entity in accordance with the Public Finance Management Act (PFMA). According to the PFMA, No. 1 of 1999, Section 53(3) the ATM may not budget for a deficit. The ATM uses the cash-based method to prepare its budget with no surplus or deficit. The annual financial statement of the ATM is prepared on an accrual basis. The approved budget covers the period from 1 April 2021 until 31 March 2022. During the financial year under review, the ATM adjusted the budget once.

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 2022 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.

Receipts

The ATM hosted 38 525 visitors in the 2021/2022 financial year (2021: 17 030 visitors). The ATM experienced a significant decline in visitors during the 2020/2021 financial year and, although the ATM had almost double the number of visitors during 2021/2022, the effects of the restrictions in movement is still evident when considering that the ATM received between 60 000 and 70 000 visitors per year before the Covid-19 pandemic. This is also evident in the ATM's revenue, especially relating to entrance fees, which increased from 2020/2021 to 2021/2022. Yet the ATM is still seeing the impact of the restriction in movement as a result of Covid-19. The ATM was only able to welcome school groups back at the end of the financial period, but looks forward to continue with this in the 2022/2023 financial year.

A silver lining is the fact that the ATM's popularity with photo and film companies have increased from the previous financial year. The ATM had a significant increase due to various international and national companies that performed numerous shoots on the ATM's premises.

Although the ATM does not budget for donations/sponsorships (the ATM must still function and be able to fulfil its mandate, even if it means that it will be with less funds), the ATM annually applies to various organisations for specific projects and programmes that form part of our mandate and mission. For the year under review, we received R433 185 in donations/sponsorships that is used for educational programmes, and heritage and research projects. The ATM did not receive any donations relating to Covid-19.

During the financial year, the ATM received funding for capital works projects to the amount of R5 736 090. The DSAC also paid conditional grants for rental expenses, extra operational requirements and cost of compliance during the year under review.

Payments

For the 2021/2022 financial year the ATM's main focus was to ensure that it was able to fulfil its monetary and financial obligations, its mandate, and other operational requirements. It also concentrated on completing some of its maintenance projects while there were fewer visitors. This year the ATM could also host events and other public and educational programmes (which it could not do in the previous year), while adhering to regulations regarding the number of people allowed at events. The Amphitheatre could also be rented out on an ad hoc-basis, which was not possible during the previous financial year.

Notes to the Annual Financial Statements for the year ended 31 March 2022

The ATM experienced no staff changes during the financial year. The cleaners and workers received extra compensation during the financial year to acknowledge their hard work during the 2020/2021 financial year.

There are two active capital works projects, namely the workers cloakroom and maintenance to the ATM buildings. The submission of the plans for the workers cloakroom was done in the first quarter, with revisions that needed to be submitted during the second quarter of the financial year. The documents were submitted to the relevant local authorities. As soon as confirmation of receipt is received from the Drakenstein Municipality, the application can be placed on the agenda for consideration. The ATM will have to adjust its timeline for the construction of the cloakroom due to the delay in approval from the various organisations.

The ATM also completed several maintenance projects, namely the second phase of the paving in front of the coffee shop, procurement of a mobile generator, and installation of an irrigation system at the Taalmonument and Taalmuseum. Electric fencing was also installed around the property of the Taalmuseum. Phase 2 of the fencing around the parking area at the Amphitheatre, as well as upgrading the stairs in the parking area, were also completed. The ATM appointed a service provider that replaced the wooden window frames of the coffee shop with aluminium ones, as well as a service provider to replace the electrical wiring that was stolen during September 2021. The only other project that is still underway, except for the cloakroom, is the compilation of an invasive species plan for the grounds of the Taalmonument, which extends well into the 2022/2023 financial year.

Annual Financial Statements for the year ended 31 March 2022
Detailed Income Statement

	<u>Notes</u>	<u>2022</u> <u>R</u>	<u>2021</u> <u>R</u>
Revenue from non-exchange transactions			
Government grants		13 897 062	10 550 881
Services in kind		210 188	265 893
Donations		383 185	611 818
	15	<u>14 490 435</u>	<u>11 428 592</u>
Revenue from exchange transactions			
Business venture		323 720	94 394
Courses		79 150	14 350
Entrance fees		883 561	363 170
Funding and marketing		9 681	21 355
Insurance claims		264 934	16 325
Interest received		405 499	315 247
Profit on sale of property, plant and equipment		444	39
Sale of goods		70 635	41 371
Sundry income		1 446	710
		<u>2 039 070</u>	<u>866 961</u>
Expenses (Refer to page 44)		<u>(14 406 047)</u>	<u>(12 450 845)</u>
Operating surplus / (deficit)		2 123 458	(155 292)
Fair value adjustments	22	-	(9 088)
Finance costs	23	-	(2 045)
		<u>-</u>	<u>(11 133)</u>
Surplus / (deficit) for the year		<u>2 123 458</u>	<u>(166 425)</u>

Annual Financial Statements for the year ended 31 March 2022
Detailed Income Statement

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		R	R
Operational expenses			
Advertising and marketing		158 489	75 216
Auditor's remuneration	21	475 049	435 373
Bank charges		47 968	41 312
Covid-19 expenses		16 606	55 818
Cleaning		72 120	44 278
Communications		12 351	16 907
Computer expenses		76 873	74 167
Consulting and professional fees		252 456	150 478
Courses		57 043	8 080
Depreciation, amortisation and impairments		500 485	416 060
Director's expenses - conferences and meetings		80 251	8 012
Employee costs		6 927 778	6 341 053
Entertainment		23 590	26 866
Exhibitions		17 474	16 668
Honorariums		251 708	117 357
Insurance		93 414	73 465
Lease rentals on operating lease		638 277	698 027
Loss on sale of assets and liabilities		1 430	10 331
Meetings and functions		590 005	350 275
Motor vehicle expenses		2 722	2 070
Municipal expenses		1 687 829	1 386 970
Other expenses		168 543	123 456
Postage		1 364	2 899
Printing and stationary		34 462	47 734
Purchase of inventory		52 789	25 326
Repairs and maintenance		820 693	1 088 046
Research costs		223 048	-
Security		859 334	597 975
Subscriptions		4 364	4 846
Telephone and fax		86 775	84 812
Training		40 937	50 539
Transport claims		126 091	75 423
Uniforms		3 729	1 006
		14 406 047	12 450 845

3. MATERIALITY AND SIGNIFICANCE FRAMEWORK

For the period ending 31 March 2022

3.1 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

3.2 Broad framework for the ATM

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

3.2.1 Materiality level

The ATM 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 Sport, Arts and Culture, self-generated income from tourist activities (entrance fees), memorabilia, 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.
- ❖ 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.

3.3 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 ATM 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.

3.4 Framework

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
54 (2)	<p>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:</p> <p>(a) establishment of participation in the establishment of a company;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a significant shareholding in a company;</p> <p>(d) acquisition or disposal of a significant asset;</p> <p>(e) commencement or cessation of a significant business activity; and</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>(a) Each and every instance</p> <p>(b) Each and every instance</p> <p>(c) Each and every instance</p> <p>(d) Above R500 000</p> <p>(e) Each and every instance</p> <p>(f) Each and every instance</p>

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;</p> <p>(b) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(c) any losses recovered or written off; and</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</p> <p>(b) All instances will be included in the accounting authority's annual report</p> <p>(c) All instances will be included in the accounting authority's annual report – amount greater</p>

	(d) any financial assistance received from the state and commitments made by the state on the accounting authority's behalf.	than 1% of the total value of the expenditure per AFS (d) All instances will be included in the accounting authority's annual report
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