

# CONTENTS LIST

## PAGE NUMBER

Luthuli Museum Council Members .....	1
Luthuli Museum Staff .....	1
 A. GENERAL INFORMATION .....	2
1. Chairperson Statement .....	3-4
2. Vision and Mission .....	5
 B. REPORT OF THE AUDIT COMMITTEE CHAIRPERSON .....	6
B.1 INTRODUCTION BY THE HEAD OF THE INSTUTITON .....	9-10
 C. REPORT / PROGRAMME / ACTIVITY PERFORMANCE .....	11
 D. PERFORMANCE AGAINST OBJECTIVES .....	14
 E. HUMAN RESOURCES .....	38
 F. AUDITOR GENERAL'S REPORT .....	44
 G. ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2017 .....	50

### Council Members list

(New Council appointed 1 December 2017)

Mr. Zakhele Gumede	Chairperson
Dr Mxolisi Mchunu	Deputy Chairperson
Advocate Motlatjo Ralefatane	Member
Dr Albertinah Luthuli	Member
Mr Mfundo Thango	Member
Mr George Kgarume	Member
Mr Mthunzi Luthuli	Member
Ms Salome Mabilane	Member
Mr Brian Xaba	Director (Ex Officio) *

### Luthuli Museum Staff

Mr Brian Xaba	Director
Ms Nana Mzoneli	PA to the Director
Mr Julanolwazi Ncwane	Finance Manager
Mr Thabani Nkosi	Executive Administration Assistant (3 Year Contract)
Ms Loyiso Gumede	Curator (Appointed 1 November 2017)
Vacant	Marketing Manager
Ms Nonhlanhla Mnguni	Finance Officer
Vacant	Research Officer
Mr Njabulo Luthuli	Museum Officer: Design Technician
Mr Clinton Taylor	Education Officer
Mr Thulani Thusi	Heritage Educator
Ms Zinhle Nyembe	Public Relations Officer
Ms Petty Bhodoza	Maintenance Supervisor
Ms Bajabulisile Mngadi	General Assistant
Ms Sibongile Ngwane	General Assistant / Messenger
Ms Khanyisile Mhlongo	Partime Maintenance Supervisor
Mr Siyabonga Dlamini	Groundsman / Gardner

### Luthuli Museum visiting hours

Monday – Saturday	08h30 – 16h00
Sunday and Public Holidays	11h00 – 15h00
	Christmas Day and New Year's Day









# A

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## GENERAL INFORMATION









## Fifty years on!

The year 2017 was an important calendar year as it marked 50 years since Chief Albert Luthuli was killed. The country also celebrated the 100th birthday of one of Chief Luthuli's proteges and successor as president of the African National Congress, the late Oliver Tambo.

On 1 December 2018 the Hon Minister of Arts and Culture appointed a new Council which includes 3 new members and 5 members of the previous Council. This has helped ensure continuity and renewal. I was honoured to be appointed Chairperson of the new Council. This report does, in the main, cover activities of the old Council. We are grateful to them for allowing us to bask in their glory.

One of the first tasks that we undertook was to reconstitute Council committees. That was successfully completed except for the Audit and Risk Committee.

The 50th commemoration focused national attention to the legacy of Chief Luthuli, especially in July, the month of his untimely death in 1967. In preparation for the commemorative events, the grave stones of Chief and Mrs Nokukhanya Luthuli were rebuilt. A new Centre of Memory was built on the grounds of the Groutville United Congregational Church of Southern Africa. These new sites were unveiled by His Excellency, President JG Zuma on 21 July 2017. In addition the plaques at the Memorial site (where Chief Luthuli was allegedly hit by a train), were renewed. We are grateful to our sister institution, The South African Heritage Resources Agency (SAHRA). The Luthuli Museum worked together with the Presidency; the Department of Basic Education and the Department of Arts and Culture to prepare for the main event to commemorate 50 years since the passing of Chief Luthuli at the Groutville Sports Ground. The keynote address at that event was delivered by His Excellency President Jacob Zuma.

In partnership with KwaDukuza Municipality, Ilembe District Municipality, Groutville community (as represented by Groutville Intuthuko Yethu) and commercial sponsors, Luthuli Museum hosted the second Luthuli Legacy Walk and half marathon. The event attracted over 700 South Africans from all walks of life to follow the last footsteps of Chief Luthuli that led to his untimely death. It also gave the community of Groutville an opportunity to be "hosts of the visitors of Chief Luthuli". The event also attracted publicity from both print and electronic media. It was widely covered by SABC morning Live and community radio stations.

President Festus Mogae, former president of Botswana delivered the Chief Albert Luthuli Annual Memorial Lecture for 2017. This lecture continues to be co-hosted with the University of Kwa-Zulu Natal with the SABC channel 404 as a media partner. Through this channel the lecture is broadcast live to the African continent. Soon after his election as president of the ANC, the Deputy President MC Ramaphosa undertook a tour to honour former presidents of the ANC. After a short service at the Church, President Ramaphosa paid respects at the gravesite of Chief Luthuli. All these events have attracted media attention which has helped put the legacy of Chief Albert Luthuli on the spotlight.

On the administration front, the Luthuli Museum started in earnest with the construction of the Nokukhanya Luthuli Resource Centre. The Luthuli Museum continues to support the Luthuli Family as it endeavours to re-open the inquest into the death of Chief Luthuli. The policy reviews are still under way and will be finalised within the 1st half of the 2018-2019 financial year.

Sound financial and operational management continued to be the main administrative focus. There are areas that need improvement. But we are glad that the Auditor General agrees that our systems are sound and the management of our finances and performance still warrant an unqualified audit. Details of the operational achievements will be provided by the Director as part of this report.

The partnerships with our major stakeholders continue to make the tasks we have to perform easier. The Luthuli Family, Chief Luthuli's organisations, the United Congregational Church of Southern Africa (UCCSA) and the African National Congress (ANC) continue to honour their leader in Chief Luthuli, which makes our task of preserving and sharing his legacy a little easier. All arms of Government from national (especially the Department of Arts and Culture), KwaZulu-Natal Province; Ilembe District and KwaDukuza local municipalities continue to support us in our work. The community of Groutville continues to host the Museum and partner with us on all our activities. We are very grateful for these partnerships.

As indicated earlier, this report belongs to the previous Council. I therefore want to thank my predecessor, Mr Jabulani Sithole and his Council for laying a solid foundation for us to continue to the work of the Luthuli Museum. Thank you. I also want to thank my colleagues in the Council and Audit Committee and wish them well as they continue to be stewards of the legacy of Chief Albert Luthuli. Last, but not least, I thank the Director, Mr Brian Xaba and his staff for the day to day work they do on our behalf at the Museum.

I am honoured to present the 2017/2018 Annual Report of the Luthuli Museum.

**Let the spirit of Chief Albert Luthuli Speak to All!**



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**Zakhele Gumede**  
**Chairperson: Luthuli Museum Council**

## 2. Applicable Acts and other information

The Luthuli Museum was established by the Minister of Arts and Culture in terms of the Cultural Institutions Act, Act 119 of 1998 as amended. This Annual Report is submitted in compliance with the Constitution of the Republic of South Africa, Act 108 of 1996; the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999); Treasury Regulations; Employment Equity Act; the Labour Relations Act of 1995; the Basic Conditions of Employment Act; the Policy on Preferential Procurement Framework Act, including the King IV Code of Good Corporate Governance.

## 3. Vision and Mission

The Vision:

The vision of the Luthuli Museum is: **“To let the Spirit of Luthuli speak to all”**

### **Mission:**

The mission of the Luthuli Museum is:

To conserve, uphold, promote and propagate the life, values, philosophies and legacy of the late Chief Albert Luthuli in the struggle against Apartheid oppression, respect for human rights as well as life devotion to non-violent resolutions to world problems.

## 4. Values

The Luthuli Museum values the following:

- Conscientious Leadership
- Human Rights
- Integrity
- Equitable Society
- Freedom; Peace and Human Rights

To bring the institutional values above into practice, the Luthuli Museum commits itself to the following offerings:

- To provide a policy towards furthering the interest of the Albert Luthuli Legacy.
- To produce recommendations to further the interests of museums in South Africa, the Continent and the world.
- To produce; document and make accessible knowledge about the Legacy of Albert Luthuli and the Liberation Struggle of RSA and beyond.
- To empower and engage people and communities in the developing; collecting and distributing of the offering.







# B

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## REPORT OF THE AUDIT COMMITTEE CHAIRPERSON







# Luthuli Museum

## Report of the Audit Committee

We hereby present for our report for the Financial Year ended 31 March 2018

### 1) Audit Committee Members and attendance

The Audit Committee, consisting of independent, external members listed below, is required to meet at least 4 times per annum as per the Audit Committee Charter, although additional meetings may be called as the need arises. The Committee held 5 meetings during the year under review.

Members	Meetings attended
B A Sutcliffe (Chairperson)	5
Adv. M J Ralefatane	2
Mr G Kgarume	1
Mr M Luthuli	2

### 2) Audit Committee Responsibility

The Committee has been set up in accordance with the Public Finance Management Act No 1 of 1999 and operates within the terms of the Audit Committee Charter approved by the Council of the Museum. It has ensured compliance with section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

### 3) Review of the Annual Financial Statements

The Committee concurs with and accepts the unqualified audit opinion issued by the Auditor General, however notes that certain instances of irregular expenditure occurred, this being due to the award of a contract for the building of a resource centre at the Museum.

The Museum continues to have a problem with putting together Bid Adjudication Committee due to the minimal number of managers in the organisation. The report of the tender evaluation committee was presented to the Audit Committee because there was no Bid Adjudication Committee. The tender was awarded after it was presented to the Museum Council'.

There is also a technical problem regarding the ownership/responsibility of the contract due to the fact that it is actually the responsibility of the Dept of Public Works to manage and control the project and the asset will fall under their portfolio.

However, value was received for the payments. Management has undertaken to resolve this issue and to submit it to the Council for condonation with urgency.

The Chairperson has:

Reviewed the Audited Annual Financial Statements Reviewed the Accounting Policies

Reviewed Management responses to the management letters issued by the Auditor General.

The Committee is of the opinion that the Audited Annual Financial Statements be accepted and read together with the Report of the Auditor General.

### 4) Efficiency and Effectiveness of the Internal Audit Function

The Internal Audit Function was outsourced and an audit programme set up as a result of a risk assessment seminar conducted.

Items covered were Revenue, Compliance and Corporate Governance, HR and Payroll, Bank and Cash, Petty Cash, Accounts Payable.

Whilst no items reported were significant problems with certain policies were highlighted and management were requested to undertake a full review of all policies to ensure alignment with legislation and regulations.

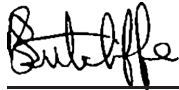
The Internal Auditors have also assisted with the preparation of the Annual Financial Statements.

5) Monthly Management Reports

Monthly Management Reports were reviewed by the Audit Committee. These included income and expenditure reports, bank reconciliations and investment detail. No matters were found.

6) Conclusion

The Audit Committee is of the opinion that the Luthuli Museum and the finances related thereto are exceptionally well managed and wishes to compliment the Director and staff of the Museum on their commitment, effort and dedication in the performance of their duties.



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B A Sutcliffe  
Chairperson  
30 July 2018

## B.1 INTRODUCTION BY THE HEAD OF THE INSTITUTION

As the Accounting Officer I hereby present the 2017/2018 Annual Report of the Luthuli Museum which has again achieved an unqualified audit outcome. The organisation remains sound in terms of financial performance; compliance with legislation; accounting for heritage assets; internal controls; risk management and strategic leadership. This is all thanks to the effective oversight role of the Museum Council and the continued commitment shown by staff to the mandate of the Luthuli Museum.

This reporting year becomes important because the Museum commemorated 50 Years since the death of Chief Albert Luthuli, an important occasion when considering the fact that his death is still considered by many South Africans as 'mysterious'. The last time the death of Chief Albert Luthuli was commemorated it was in 2007 when then President Thabo Mbeki unveiled a monument on site where the Chief was allegedly hit by a goods train. The 50 years anniversary of his death in 2017 was again designated a national event graced by President Jacob Zuma who also unveiled a memorial at the United Congregational Church (UCCSA) where the Chief is laid to rest. The 2017 commemorative activities include also the Luthuli Legacy Walk premised on the route Chief Luthuli took on that fateful day of 21 July 1967. As the Museum we can only say that the legacy of Chief Albert Luthuli continues to grow its footprints within and outside the borders of South Africa.



During this reporting year the Museum Council had the privilege to visit Accra in Ghana and attended the 2nd Kwame Nkrumah Pan African Intellectual and Cultural Festival 25 June – 1 July 2017 at the University of Ghana. The 6 member delegation included representatives from Council; the Luthuli Family and the Museum Director. The trip was a partnership with the Institute of Afrikology whose representative, Ms Ashantewaa Archer – Ngidi, facilitated local engagements with the Nkrumah Family; the university and other heritage institutions and sites important to the trip's objectives.

On the human resources front, the Museum encountered capacity challenges with the resignation of both the Curator and the Marketing Manager followed with disciplinary process instituted against four staff members for alleged misconduct. The staff members were found guilty for misconduct resulting in their dismissal during the 3rd quarter of this reporting year. The matter is currently at the CCMA for arbitration. A new Curator was appointed on the 1 November 2017 and thus far within the remaining last quarter has made great strides in attending to the backlog of work and improving operational efficiency within the programme Business Development.

The 2017 Chief Albert Luthuli Memorial Lecture was graced by the former President of Botswana, H.E. Mr. Festus Mogae as the keynote speaker whose presentation was titled; 'The Peace that eludes us: Remembering the Courage and Peace inheritance from Chief Albert M. Luthuli'.

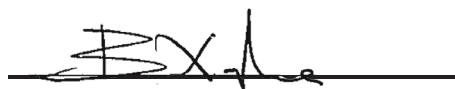
In his address the speaker raised pertinent questions about the current status of the African continent and its future. He asked what lessons has the continent and its leadership learnt from leaders like Chief Luthuli and many others who contributed immensely towards the liberation of the continent.

In terms of lessons learnt, it is worth mentioning that the Museum's participation in the Department of Basic Education's schools 'Inkosi Alert Luthuli Oral History Competition' took a significant step forward. Schools nationally were encouraged by the Department to encourage learners to recognise 21 July through the creative arts in remembrance of Chief Albert Luthuli and the top three winners were invited to visit the Museum and attend the Chief Albert Luthuli Memorial Lecture and its ancillary activities.

On the educational and public programming side the Museum continues to do well as it introduces new and exciting programmes and activities that enable the Museum to achieve its community upliftment and education enrichment objectives. One of the new activities that promises great things to come is the Mrs Nokukhanya Luthuli public lecture which the Museum organises in partnership with SABC national radio station UKHOZI FM.

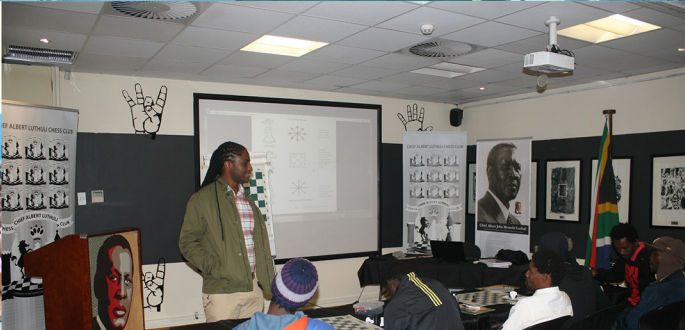
With infrastructure development a milestone was achieved with the appointment of a building contractor during the 3rd quarter of this reporting year for the construction of the Nokukhanya Luthuli Resource Centre. This new building provides accommodation for additional offices; a boardroom; ablution facilities; a 200 seater auditorium space and also a display area on the upper level; and a working space for youth clubs supported by the Museum. This promises to be a game changer in terms of operational efficiency.

Overall the 2017/2018 financial year built on previous years' achievements and was a fair success considering that the Museum maintained good visitor numbers; the profile of the legacy of Chief Albert Luthuli was taken to new heights and organisational stability was maintained despite financial and capacity constraints. A new Council was appointed by the Minister of Arts and Culture as from 1 December 2017. On behalf of the Museum I would like to extend my appreciation for work and achievements made under the previous Council and also the staff which continues to execute its work with much dedication and diligence. The Museum looks forward to 2018/2019 which promises to be another positive financial year as the Museum will achieve new milestones in its quest to collect; research; preserve and promote the legacy of Chief Albert Luthuli.



**Brian Xaba**  
**Director: Luthuli Museum**









# C

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**REPORT /  
PROGRAMME  
/ ACTIVITY  
PERFORMANCE**







## 1. DIRECTOR'S REPORT

This section provides a general overview of the Museum's achievements and challenges during the financial year reporting.

### 1.1 General Review

#### ▪ Curatorial / exhibitions

On 1 November 2017 the Museum filled the vacant position of Curator. The newly appointed Curator for the Luthuli Museum holds a BA Fine Arts Degree and post graduate Diploma in Museum and Heritage Studies. The incumbent comes to the Museum with a varied set of skills pertinent to our growing organisation that demonstrate exposure to collections management; museum education; digitization; auditing; financial management; compliance reporting; exhibitions and overall programmes management. The incumbent has had to hit the ground running in terms of the work backlog with the programme business development but also preparations for the forthcoming internal and external audits, especially with respect to heritage assets and workflow management.

The excavation works for the Nokukhanya Luthuli Resource Centre building brought a windfall in terms of heritage assets. The contractor unearthed a number of household artefacts believed to have belonged to the Luthuli Family. The artefacts are currently in storage to be properly preserved and documented because they have a story to tell about the life at the home of Chief and Mrs Nokukhanya Luthuli.

In terms of exhibitions the traveling exhibition *The Soldiers of Luthuli* was reinstalled as a temporary exhibition at the Museum to coincide with the 50th Anniversary of the death of Chief Albert Luthuli. Judging by the interest shown by visitors and schools in the exhibition, we can only assume this was a wise decision indeed.

#### ▪ Museum Education and events

The educational programmes at the Museum continue to receive much support from the schools and youth in the area. The Museum has over the years invested much effort in organising events involving various partnerships and collaborations. As a developing institution it is these events that have profiled; created and sustained public awareness about the museum's existence and also the legacy of Chief Albert Luthuli both nationally and internationally. Of the events worthy of mention, there was the Mrs Nokukhanya Luthuli commemorative lecture which was broadcast live in isiZulu on SABC UKHOZI FM. The Museum also ventured into live streaming when it convened another public lecture on; 'Banishment under Apartheid' delivered by Professor Saleem Badat. The lecture was accompanied by an exhibition display of the same title mounted by the South Africa History Online (SAHO). Museum education continues with schools and also youth in the area interested in education and development. This reporting year the Museum piloted its own internship programme for local youth introducing them to basic museum operations. This programme included excursions by the group to other different museums with the Province of KwaZulu Natal.

#### ▪ Visitors (Notable / International; tour groups and school groups)

It is worth mentioning that the Museum in this reporting year were patronised with the presence of the President of the Republic of South Africa Mr Jacob Zuma during the 50th Anniversary and his Deputy President Mr Cyril Ramaphosa during his ANC January 8 Statement visit to the Museum. The Museum much appreciates such visits as they profile the legacy of the Chief.

#### ▪ Research and Collections

Not much research has been undertaken by the Museum since the Researcher position had been frozen. The Museum intends filling the position in the 2018/2019 financial year as the Museum refocuses its trajectory in terms of the production of new knowledge on Chief Albert Luthuli.

## ▪ Partnerships

The Museum continues to invest in collaboration and partnerships in order to achieve more economically but with a wider impact. New partnerships worth mentioning include Institute of Afrikology and a youth development organisation called Work4Living. Others that are recent include the SAHO; Phansi Museum; the Mzala Nxumalo Centre; the Department of Basic Education and local organisation Groutville Intuthuko Yethu; The Museum has planned to continue with these new partners during the MTEF period involving new programmes that will be mutually beneficial.

## ▪ Presentations

There were no presentations made by the Museum in this reporting year.

## ▪ Marketing

The position of Marketing Manager currently remains vacant and frozen. The Museum has opted in the interim to appoint a marketing and communications agency to seek alternative creative solutions to build awareness and profile the organisation and the legacy of Chief Albert Luthuli nationally and international.

## ▪ Networking Forums

The South African Museums Association; the International Council on Museum; the Department of Arts and Culture Heritage Sector Forum and the CEO Forum; the University of KwaZulu Natal continued to be information platforms for the Museum and other sectoral organisations.

## ▪ Constraints

The Museum still continues to find itself constrained in terms of financial sustainability and the high staff turnover. The capacity constraints have in some instances affected operational efficiency particularly in administrative areas like finance and SCM, which require a clear segregation of duties; planning and complaint execution of duties. The Museum is currently working on the review of the organisational structure to be able to capacitate the organization accordingly.

The newly built Nokukhanya Resource Centre with its additional facilities offers an opportunity for the Museum to venture into conferencing and venue hire, which can help improve on the organisation's financial sustainability and profiling of the institution and the legacy of Chief Luthuli.

The matter of the dismissed four staff members and the fact that it is current at the CCMA presents another challenge for the organisation not only in terms of capacity but also contingent financial liability. There will be further reporting in the new financial year in this regard.

## ▪ Income and staff costs

	2014 / 2015	2015/2016	2016 / 2017	2017 / 2018
<b>State Grant</b>	9,773,000	11,561,000	9,560,000	13,113,000

## ▪ Annual Visitors Stats

Year	2014 / 2015	2015/2016	2016/2017	2017 / 2018
<b>Visitors</b>	37,143	35,945	36,252	35,726









# D

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**PERFORMANCE  
AGAINST  
OBJECTIVES**







## D. PERFORMANCE AGAINST OBJECTIVES

### PROGRAMME 1: ADMINISTRATION

Sub Programme 1 (A)						
I. GOVERNANCE						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Promote good governance and efficient management of the Museum in line with the applicable legislation, policies; procedures; sectoral best practice standards & strategic vision.	1. Achieved Museum financial sustainability & accountability in line with the principle of good governance & applicable compliance legislation.	<ul style="list-style-type: none"> <li>Council meetings took place on the 16.04.16; 17.07.16; 13.11.16 22.01.17 and 19.02.17</li> </ul>	<ul style="list-style-type: none"> <li>4x Council meetings and Committee meetings per year</li> </ul>	<p>4 Museum Council meetings achieved. Council meetings took place on the 23/04/17; 9 July 2017; 17.09.17 (Special Council); 12.11.17 (Scheduled Council Meeting) and 29.11.17 (End of Term Council normal meeting meetings took place on 24/02/18 &amp; Special Council Meeting on 20/01/18. Committees' meetings took place prior to Council's.</p>	No deviation.	None
		<ul style="list-style-type: none"> <li>Quarterly reports were submitted to the DAC ON THE 4.08.16; 3.11.16; 2.02.17; 2.05.17</li> </ul>	<ul style="list-style-type: none"> <li>4x quarterly reports to the DAC</li> </ul>	<p>4 Quarterly Reports Achieved. All quarter reports were submitted to the DAC accordingly.</p>	No deviation.	None
		<ul style="list-style-type: none"> <li>Monthly reports were submitted by managers during quarter 1; 2; 3 and not quarter</li> </ul>	<ul style="list-style-type: none"> <li>12 x monthly Reports from Managers</li> </ul>	<p>0 Achieved.</p>	Deviation	Positions of Curator and Marketing Manager vacant during reporting year.

		<ul style="list-style-type: none"> <li>The Annual Report was submitted and tabled in Parliament accordingly. Confirmation letter received from the DAC re: confirmation of tabling.</li> </ul>	<ul style="list-style-type: none"> <li>1x Annual Report</li> </ul>	1 Annual Report achieved and submitted accordingly.	No deviation.	None
		<ul style="list-style-type: none"> <li>Strategic Plan was compiled not submitted to DAC.</li> </ul>	<ul style="list-style-type: none"> <li>2x Draft Strategic Plans and 1x final Strategic Plan submitted to DAC</li> </ul>	Not achieved.	Deviation.	Museum misunderstanding on whether to submit the SP to DAC or not
		<ul style="list-style-type: none"> <li>Internal Audit commenced by the 4th quarter. Retesting done and audit continued to 1st quarter of the 2017/2018 FNYR.</li> </ul>	<ul style="list-style-type: none"> <li>1x Internal Audit</li> </ul>	1 Internal Audit achieved. The audit commenced on 26 February 2018.	No Deviation	None

Sub Programme 1 (B)						
SUPPORT SERVICES						
Financial Management						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Ensure effective; efficient and sustainable financial management and reporting of the Museum in line with applicable compliance legislation	1. Legislative compliance with financial prescripts and supply chain management framework	<ul style="list-style-type: none"> <li>Monthly recons were signed by the Director at end of each month</li> </ul>	<ul style="list-style-type: none"> <li>12x monthly financial recons verified and signed by Accounting Officer</li> </ul>	<ul style="list-style-type: none"> <li>12 recons achieved. Financial recons verified and signed by AO</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>The Quarterly Reports were submitted on the set date with the non-financial information report</li> </ul>	<ul style="list-style-type: none"> <li>4x quarterly finance reports signed &amp; submitted to DAC</li> </ul>	<ul style="list-style-type: none"> <li>4 Quarterly finance reports Achieved. Quarterly finance reports signed and submitted to the DAC</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>The unaudited AFS were submitted on the 31.05.16</li> </ul>	<ul style="list-style-type: none"> <li>1x unaudited AFS sent to AGSA &amp; NT on prescribed date</li> </ul>	<ul style="list-style-type: none"> <li>1 Unaudited AFS submitted to AGSA and NT by the 30 May 2018</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>Achieved. Auditors Report submitted to the DAC</li> </ul>	<ul style="list-style-type: none"> <li>1x Auditors Report submitted to DAC on set date</li> </ul>	<ul style="list-style-type: none"> <li>1x Auditors Report 2016/2017 submitted to the DAC on the prescribed date</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>Achieved. Asset counting &amp; report completed</li> </ul>	<ul style="list-style-type: none"> <li>1x asset counting &amp; report completed</li> </ul>	<ul style="list-style-type: none"> <li>1 Asset counting and Report Achieved. Asset counting implemented by the Finance Manager and the Curator on 4th quarter reporting</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>Achieved. Midyear Virements implemented as per PFMA Sect. 49 (2b)</li> </ul>	<ul style="list-style-type: none"> <li>1x midyear Virements implemented as per PFMA Sect. 49 (2b)</li> </ul>	<ul style="list-style-type: none"> <li>1 Midyear Virements update achieved and implemented as per PFMA Sect. 49 (2b)</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None



		<ul style="list-style-type: none"> <li>• Achieved. Annual cost of living adjustment implemented</li> </ul>	<ul style="list-style-type: none"> <li>• 1x annual cost of living adjustment implemented</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Annual cost of living adjustments implemented accordingly as approved by Accounting Authority</li> </ul>	<ul style="list-style-type: none"> <li>• No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>• Achieved. ENE submitted to NT and DAC</li> </ul>	<ul style="list-style-type: none"> <li>• 1x ENE submitted to the NT and DAC</li> </ul>	<ul style="list-style-type: none"> <li>• 1 ENE template submitted to NT and the DAC by the Finance Manager accordingly</li> </ul>	<ul style="list-style-type: none"> <li>• No Deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>• Achieved. Audit action plan implemented</li> </ul>	<ul style="list-style-type: none"> <li>• 1x audit action plan implemented</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Audit Action Plan achieved and reviewed by Council and Audit Committee 24/02/18 and</li> </ul>	<ul style="list-style-type: none"> <li>• No Deviation</li> </ul>	None

Sub Programme 1 (B)						
SUPPORT SERVICES						
Human Resources Management						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
2. Ensure effective; efficient and sustainable financial management and reporting of the Museum in line with applicable compliance legislation	2. Legislative compliance with financial prescripts and supply chain management framework	<ul style="list-style-type: none"> <li>Council approved &amp; signed off on 4x policies, i.e. the Charters of the Finance &amp; Human Resources Committees Museum; Language Policy and the ICT Governance Framework</li> </ul>	<ul style="list-style-type: none"> <li>5x policies amended and approved by Council</li> </ul>	<ul style="list-style-type: none"> <li>Only 3 policies partially achieved, namely, Language Policy; Collections Policy and Procedure; Conservation Management and Guidelines.</li> </ul>	Deviation.	<p>The policies not concluded by 31 March 2018 were Performance Information Policy; Leave Policy; Fundraising Policy; SCM Policy and Petty Cash. They however were reviewed and passed by Internal Auditors during audit. They will be signed off in the new financial year.</p>
		<ul style="list-style-type: none"> <li>Performance Agreements signed by 30.06.16</li> </ul>	<ul style="list-style-type: none"> <li>15x performance agreements signed</li> </ul>	<p>12 Performance Agreements signed. The agreements were not signed in April but June 2017 of the financial year. Only 11 were signed as 4 staff members' suspended did not sign the agreements.</p>	Deviation.	<p>The delayed signing was due to the challenges experienced in the Museum with respect to the pending staff disciplinary matters</p>
		<ul style="list-style-type: none"> <li>No training of staff members took place in this reporting year</li> </ul>	<ul style="list-style-type: none"> <li>1x training of staff members</li> </ul>	0 Achieved.	Deviation	<p>This was due to capacity constraints; the disciplinary process of suspended 4 Museum staff members and the planning for the 50th Anniversary of Chief Albert Luthuli</p>

		<ul style="list-style-type: none"> <li>• Policies &amp; procedures circulated to staff for review 06 / 16</li> </ul>	<ul style="list-style-type: none"> <li>• 1x policies and procedure training workshop for staff</li> </ul>	<ul style="list-style-type: none"> <li>• Not Achieved. No workshop with staff took place on policies and procedures during this reporting year</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation</li> </ul>	<p>This was due to capacity constraints; the disciplinary process of suspended 4 Museum staff members and the planning for the 50th Anniversary of Chief Albert Luthuli</p>
		<ul style="list-style-type: none"> <li>• Only 1x assessment of staff performance occurred in the 1st quarter. Midyear assessments did not take place.</li> </ul>	<ul style="list-style-type: none"> <li>• 2x performance assessment for staff</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• The half yearly performance assessment of staff was not implemented. The full cycle performance assessments take place in the 1st quarter of the new financial year</li> </ul>	<p>This was due to capacity constraints; the disciplinary process of suspended 4 Museum staff members and the planning for the 50th Anniversary of Chief Albert Luthuli</p>
		<ul style="list-style-type: none"> <li>• Not Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• 1x safety officer training</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation. No safety officer training took place</li> </ul>	<p>This was due to capacity constraints</p>

Sub Programme 1 (B)						
SUPPORT SERVICES						
Information Communication Technology						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Provide effective leadership in the management of Museum to achieve its strategic goals & performance objectives	Protected, preserved Museum physical assets & resources in line with applicable legislative prescripts	• ICT Governance Framework including the IT Security and Change Management Policies; and Online User Agreement signed by Council	• 1x developed museum ICT Governance Framework	• Achieved. 1x ICT Governance Framework and policies approved and signed off by Museum Council	No deviation.	None
		• ICT SLA signed with Virtuenet for 12 months	• 1x ICT SLA signed with service provider	Achieved. 1x ICT SLA signed with the service provider	No deviation.	None
		• ICT Security addressed in a Policy; Change Management / Patch Management compiled but the formal request docs for administrator activities; vendor access monitor and disaster business continuity plan not implemented	• 1x ICT security & administration procedural plan implemented, i.e. patch management; formal request docs; monitor of administrator activities; vendor access monitor; disaster continuity plan	0 Achieved. ICT security and administration procedural plan not implemented	Deviation	Museum required additional capacity in order to implement the plan

Sub Programme 1 (B)						
SUPPORT SERVICES						
Legal Services						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
2. Provide effective leadership in the management of Museum to achieve its strategic goals & performance objectives	Protected, preserved Museum physical assets & resources in line with applicable legislative prescripts	• Service Level Agreements with service provider review by AO and the Personal Assistant	• 1x review of SLAs with service providers	• 1x Review of SLAs with service providers achieved	• No deviation	None
		• Lease Agreements with Mrs Guma and the offsite storage implemented	• 1x renewal of lease agreements for staff parking and offsite storage	• 1x Renewal of lease agreements for staff parking and offsite storage achieved	• No deviation.	None
		• MOU with Phansi Museum reviewed	• 1x review & sign of MOUs with partner organisations for public programmes	• 1x Review and signing of MOUs with partners organisations on public programmes achieved	• No deviation	None

Sub Programme 1 (B)						
SUPPORT SERVICES						
Safety and Security Services						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
3. Provide effective leadership in the management of Museum to achieve its strategic goals & performance objectives	Secured and hospitable campus for staff and visitors	<ul style="list-style-type: none"> <li>The reports were implemented based on the security OB Reports re: entries by officers</li> </ul>	<ul style="list-style-type: none"> <li>12x safety and security reports submitted</li> </ul>	<ul style="list-style-type: none"> <li>12x Safety and Security reports submitted accordingly</li> </ul>	<ul style="list-style-type: none"> <li>No deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>Achieved as based on the RAMP Register and reports at Council meetings</li> </ul>	<ul style="list-style-type: none"> <li>4x RAMP Reports submitted</li> </ul>	<ul style="list-style-type: none"> <li>4x RAMP Reports submitted accordingly</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>Service achieved</li> </ul>	<ul style="list-style-type: none"> <li>1x backup power generator service implemented</li> </ul>	<ul style="list-style-type: none"> <li>1x Annual service on the backup power generator achieved</li> </ul>	<ul style="list-style-type: none"> <li>No deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>Museum engaged the services of NOSA where first consultative meeting took place on the 20.02.17 re: contracting and scope of inspection.</li> </ul>	<ul style="list-style-type: none"> <li>1x health &amp; safety inspections implemented</li> </ul>	<ul style="list-style-type: none"> <li>1x Health and Safety inspection implemented by the Department of Public Works</li> </ul>	<ul style="list-style-type: none"> <li>No deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>CCTV surveillance system service achieved</li> </ul>	<ul style="list-style-type: none"> <li>1x service of CCTV surveillance system</li> </ul>	<ul style="list-style-type: none"> <li>1x Service of CCTV surveillance system implemented</li> </ul>	<ul style="list-style-type: none"> <li>No deviation</li> </ul>	None

Sub Programme 1 (B)						
SUPPORT SERVICES						
Supply Chain Management						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
4. Legislative compliance with financial prescripts and supply chain management framework	Compliance with PFMA and National Treasury Regulations and Practice Notes	<ul style="list-style-type: none"> <li>New Security Company called MNR appointed and commenced work by 1 April 2017</li> </ul>	<ul style="list-style-type: none"> <li>1x appointment of security company on a 3 year term for guarding services</li> </ul>	<ul style="list-style-type: none"> <li>1x New Security Company called MNR appointed and commenced work by 1 April 2017</li> </ul>	<ul style="list-style-type: none"> <li>No deviation</li> </ul>	None
			<ul style="list-style-type: none"> <li>1x Appointment of a building contractor for the construction of the Resource Centre Building</li> </ul>	<ul style="list-style-type: none"> <li>1x Building contractor called MVY Construction was appointed on 1 October 2017 for the Nokukhanya Luthuli Resource Centre Project</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None

Sub Programme 1 (B)						
SUPPORT SERVICES						
Design Development						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
5. Application of innovative design approaches to support Museum strategic objectives	Applied technological innovation & design for timely production of promotional material and displays	• 2x Newsletters were designed and not printed	• 4x museum newsletters designed and published	• 0 Achieved. No Museum Newsletters designed and published	• Deviation	Museum Designer was one of staff suspended and ultimately dismissed
		• Confirmation Letter of Annual Report tabling and deposit to libraries and DAC	• 1x Annual Report produced and deposited accordingly	• Achieved. 1x Annual Report produced and deposited accordingly	• No deviation.	None
		• 16 June 1976 40th Anniversary Exhibition; Kennedy Luthuli 50th Anniversary; ANC 100 Years of Selfless Struggle designed and installed	• 2x temporary exhibition designed & installed	• Partially Achieved. 1x Temporary exhibition titled 'The Soldiers of Luthuli' was designed and installed	• Deviation	This was due to challenges of capacity
		• Research; Conceptualisation and planning achieved by the Curator but there was no production and mounting	• 1x permanent exhibition designed & installed	• 0 Achieved as there was no permanent exhibition designed and installed	• Deviation	Museum designer on suspension and eventually dismissed
		• Advert placed on the New Agenda Issue 63 publication and other 2 magazines (names to be confirmed)	• 2x magazine adverts designed and placed in publications	• Achieved. 2x Magazine adverts placed in publications Pan African Parliament and the Fast Finder	• No deviation	None
		• Certificates produced for local Aldenville Primary School	• 4x museum learner certificates produced	• Partially achieved. Only 1x certificate produced.	• Deviation	Only 1 school requested learner certificates produced



Sub Programme 1 (C)						
FACILITIES MANAGEMENT AND DEVELOPMENT						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
6. Protection & sustainability of museum physical assets through an efficient repair & maintenance programme	Implemented Repair and Maintenance Programme (RAMP)	<ul style="list-style-type: none"> <li>Wendy house purchased; Garden maintenance equipment acquired; visitor access project; Ablutions lights; Historic building indoor painting</li> </ul>	<ul style="list-style-type: none"> <li>12x RAMP implementation and monitoring reports (building; electrical; mechanical)</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> </ul>	Repairs and maintenance implemented but reports not developed. Only certificates of completed works compiled
		<ul style="list-style-type: none"> <li>Inventories compiled include the offsite storage equipment; onsite equipment and also consumables</li> </ul>	<ul style="list-style-type: none"> <li>4x quarterly inventories on equipment and consumables</li> </ul>	<ul style="list-style-type: none"> <li>4x Quarterly inventories on equipment and consumables achieved</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None
		<ul style="list-style-type: none"> <li>Checklists maintained as part as the maintenance supervisor responsibility</li> </ul>	<ul style="list-style-type: none"> <li>12x cleaning checklist &amp; inspection reports (toilets; garden; kitchen; offices; exhibition gallery)</li> </ul>	<ul style="list-style-type: none"> <li>12x Cleaning checklists and inspection reports compiled</li> </ul>	<ul style="list-style-type: none"> <li>No deviation.</li> </ul>	None

Implemented User Asset Management Plan (UAMP)	<ul style="list-style-type: none"> <li>• System maintenance not implemented</li> <li>• Asbestos roof replacement not implemented</li> <li>• Specifications for the cabling completed by service provider by the 31 March 2017</li> <li>• NOSA recruited to assist Museum to be safety and security compliant</li> <li>• DPW 2012 building structural inspection and report secured by the Museum</li> <li>• New alarm system installed by G4S. This include new control panels and signal equipment</li> <li>• Inspection done by co. Generator Control and they submitted project quote in April 2017</li> <li>• Sensor door project not executed Project not executed</li> <li>• 'Trellidoor' project not executed</li> <li>• Feasibility study project not Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• 1x planned maintenance of the solar power system and batteries</li> <li>• 1x replacement of asbestos roof in museum outbuilding offices</li> <li>• 1x electrical &amp; IT network cabling</li> <li>• 1x admin building emergency door replacement</li> <li>• 1x admin building cracks and floor levelling</li> <li>• 1x museum security system alarm upgrade</li> <li>• 1x backup power generator exhaust system replacement and fit proper reserve fuel tank</li> <li>• 1x museum main building access door replacement with glass sensor doors</li> <li>• 1x museum main building access security gate replacement with 'Trellidoor' roller gate</li> <li>• 2x feasibility studies for the upgrade of the 'accident site' monument and the integration of memorial sites related to Chief Albert Luthuli</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> <li>• 0 Achieved</li> <li>• 0 Achieved</li> <li>• 0 Achieved</li> <li>• 0 Achieved</li> <li>• Not Achieved</li> <li>• 0 Achieved</li> <li>Achieved. 2x Automated sensor doors installed and operational for access and exit sides</li> <li>• 0 Achieved</li> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation</li> <li>• Deviation</li> <li>• Deviation</li> <li>• Deviation</li> <li>• Deviation</li> <li>• Deviation</li> <li>• Deviation</li> <li>• No deviation</li> <li>• Deviation</li> <li>• Deviation</li> </ul>	<p>Museum experienced challenges in sourcing service provider with requisite knowledge for project</p> <p>Expression of Interest (EOI) dispatched in the new financial year. Tender dispatched and will close by 7 June 2018</p> <p>Expression of Interest (EOI) dispatched in the new financial year. Tender specifications under review with assistance from the DAC ICT unit</p> <p>Installation of the door suspended because of the new building construction project</p> <p>DPW conducted another inspection but project planning and implementation pending</p> <p>Management oversight</p> <p>Project not implemented because of construction of new building project</p> <p>None</p> <p>Project delayed due to planning challenges</p> <p>Projects Officer has been appointed and will commence work on 1 June 2018 to implement project</p>
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## PROGRAMME 2: BUSINESS DEVELOPMENT

Sub Programme A						
COLLECTIONS MANAGEMENT						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Globally map, accession and document collection and heritage material on Chief Albert Luthuli	1.1 Increased Museum collections through fieldwork research; general research and acquisitions	<ul style="list-style-type: none"> <li>16x historic photographs the 50's; 60's and 70's collected; 2x book donations one from Dr M Buthelezi (Biography) and another from Adv. Omar Moosa SC (History Islamic Education in SA); 1x DVD collected titled; '6 Days in SOWETO'; 80 newspaper articles of Ilanga and Drum magazine collected</li> </ul>	<ul style="list-style-type: none"> <li>40x artefacts collected and documented</li> </ul>	<ul style="list-style-type: none"> <li>Partially Achieved. A total of 55x artefacts collected but not documented accordingly</li> </ul>	Deviation.	A total of 55 artefacts (photo album; old brochure on CAL; newspaper articles; implements dug out of museum yard during excavations for the new building foundations) were collected but not documented
	1.2 Accurately digitised and documented museum collection	<ul style="list-style-type: none"> <li>Only scanning of the new collection material implemented and 56 items digitally accessioned onto collections computer register for the reporting year</li> </ul>	<ul style="list-style-type: none"> <li>40x artefacts &amp; documents digitally accessioned</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> </ul>	Capacity constraints. Museum Curator appointed on 1 November 2017
		<ul style="list-style-type: none"> <li>Online Catalogue upload not achieved as there was no available digitised data to work with</li> </ul>	<ul style="list-style-type: none"> <li>40x artefacts &amp; documents uploaded on the Online Catalogue</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> </ul>	Capacity constraints. Museum Curator appointed on 1 November 2017
2. Preserve, protect and maintain museum collections & heritage material in line with the best collection management and preservation standards, policies	2.1 Performance monitoring of preservation and conservation policies	<ul style="list-style-type: none"> <li>Reports on the implementation of preservation and conservation policies not achieved</li> <li>Reports on donor agreements Not Achieved</li> </ul>	<ul style="list-style-type: none"> <li>2x reports on the implementation of the preservation and conservation policies</li> <li>2x reports on donor agreements managed in line with copyright law</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> <li>Deviation</li> </ul>	Capacity constraints. Museum Curator appointed on 1 November 2017
2. Preserve, protect and maintain museum collections & heritage material in line with the best collection management and preservation standards, policies and ethical practice	2.2 Maintained collections filing system	<ul style="list-style-type: none"> <li>Not Achieved</li> </ul>	<ul style="list-style-type: none"> <li>2x reports on the museum institutional memory file</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> </ul>	Capacity constraints. Museum Curator appointed on 1 November 2017

2.3 Maintained collections to acceptable international standards	<ul style="list-style-type: none"> <li>• Collections room access control register not Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• 12x collections room access control register inspection reports</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation.</li> </ul>	Capacity constraints. Museum Curator appointed on 1 November 2017
	<ul style="list-style-type: none"> <li>• Achieved. Pest control visits by RENTOKIL take place on the 15th of each month</li> </ul>	<ul style="list-style-type: none"> <li>• 12x pest control and fumigation reports on the museum buildings and environmentally controlled areas</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved. 12x Fumigation maintained every month by external service provider – RENTOKIL</li> </ul>	<ul style="list-style-type: none"> <li>• No Deviation</li> </ul>	None
	<ul style="list-style-type: none"> <li>• Collections room maintenance status report not achieved</li> </ul>	<ul style="list-style-type: none"> <li>• 4x collections rooms maintenance status reports</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation</li> </ul>	Maintenance of the collections room implemented but reports not submitted due to capacity constraints
	<ul style="list-style-type: none"> <li>• Achieved. Temperature control and RH levels inspected every day and recorded by Curator monthly</li> </ul>	<ul style="list-style-type: none"> <li>• 12x RH and temperature control reports for collections room and historic house exhibit</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Deviation</li> </ul>	Temperature control in the collections room and historic house exhibit maintained and monitored. No reports submitted due to capacity constraints

Sub Programme B						
RESEARCH & EXHIBITIONS						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Broaden and deepen the national and international appreciation of the life, times and legacy of Chief Albert Luthuli	1.1 Conceptualised; implemented and accurately verified museum exhibitions	<ul style="list-style-type: none"> <li>Achieved. 1x biographical exhibition on Chief Albert Luthuli installed in Newcastle, Carnegie Art Gallery</li> <li>1x temporary exhibition installed on Human Rights, titled, 'Bills of Rights.</li> <li>Not Achieved as there was no available digitised data to work with</li> </ul>	<ul style="list-style-type: none"> <li>1x travelling exhibition installed</li> <li>1x temporary exhibition installed</li> <li>1x permanent exhibition installed</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> <li>Achieved. 1x Exhibition installed.</li> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation.</li> <li>No deviation</li> <li>Deviation.</li> </ul>	<ul style="list-style-type: none"> <li>Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018</li> <li>None</li> <li>Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018</li> </ul>
		<ul style="list-style-type: none"> <li>Plans to present paper at forthcoming SAMA conference in March 2017. Presentation of paper cancelled due to work overload</li> <li>Publication on Chief Albert Luthuli not achieved</li> <li>No artefacts and documents were researched and verified</li> </ul>	<ul style="list-style-type: none"> <li>2x conference / seminar papers presented</li> <li>1x publication on Chief Albert Luthuli</li> <li>40x artefacts and documents researched and verified</li> </ul>	<ul style="list-style-type: none"> <li>0 Achieved</li> <li>0 Achieved</li> <li>0 Achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deviation</li> <li>Deviation</li> <li>Deviation</li> </ul>	<ul style="list-style-type: none"> <li>Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018</li> <li>Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018</li> <li>Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018</li> </ul>
		1.3 Accurately researched; verified and managed museum collections and artefacts				

Sub Programme C						
EDUCATION						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
2. Broaden and deepen the national and international appreciation of the life, times and legacy of Chief Albert Luthuli	2.1 Conceptualised, & implemented Chief Albert Luthuli Education Fund	• Draft concept document only developed & no cost estimate done	• 1x Chief Albert Luthuli Education Fund established	• 0 Achieved	Deviation.	Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018
	2.2 Convened public seminar / colloquium or dialogue promoting public discourse	• Youth dialogue and Women Dialogue took place respectively during month of June & August in the 2nd quarter	• 1x themed public seminar / colloquium / dialogue organised	• 0 Achieved	• Deviation	Capacity constraints. Museum Curator appointed on 1 November 2017 and Research Officer on 1 May 2018

## PROGRAMME 3: PUBLIC ENGAGEMENT

Sub Programme A					
MARKETING					
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018
1. Increase the profile and awareness of the museum through print; electronic media; marketing strategies and product development	1.1 Implemented; sustained and strategically focused marketing campaigns	<ul style="list-style-type: none"><li>Media campaigns implemented for events, i.e. Africa Month Music Concert 27/05/16, Chief Albert Luthuli Tribute Concert; Luthuli Walk; Women's Month Live Music Concert. Chief Albert Luthuli Memorial Lecture held 26/11/16</li></ul>	<ul style="list-style-type: none"><li>4x marketing &amp; promotions campaigns</li></ul>	<ul style="list-style-type: none"><li>Partially Achieved. Only 2x media campaigns implemented with the public lecture on 'Banishment under Apartheid' and also the Chief Albert Luthuli 2017 Memorial Lecture</li></ul>	Deviation
		<ul style="list-style-type: none"><li>6x monthly surveys achieved totalling 381 visitor satisfactory positive comments on the visitors' book for the 1st and 2nd quarter. Surveys for the 3rd and 4th quarters not implemented</li></ul>	<ul style="list-style-type: none"><li>12x museum visitors satisfactory surveys</li></ul>	<ul style="list-style-type: none"><li>Achieved. 12x Surveys based on the Museum visitors' book</li></ul>	No Deviation
		<ul style="list-style-type: none"><li>Campaign organised on 31/05/16 Kennedy Luthuli 50th commemoration event in terms of support for the event and staff branded wear for the occasion. Also throughout the year staff wore branded T=Shirts on Fridays</li></ul>	<ul style="list-style-type: none"><li>2x customer services and corporate branding campaigns</li></ul>	<ul style="list-style-type: none"><li>2x corporate branding campaigns achieved. Staff wear corporate T-shirts on events day and Fridays</li></ul>	No Deviation
		<ul style="list-style-type: none"><li>Promotional video shot included footage of interview of student on CAL legacy; International Museums Day and uploading of the content on YOUTUBE</li></ul>	<ul style="list-style-type: none"><li>1x museum 5 minute promotional video</li></ul>	<ul style="list-style-type: none"><li>0 Achieved</li></ul>	Deviation
				Other planned campaigns not achieved due to capacity constraints. Marketing and Communications Agency appointed in 2017 to provide marketing solutions	
				None	
				None	
				Capacity constraints. Marketing Agency appointed as from 1 March 2018	

		<ul style="list-style-type: none"><li>• Promotional brochure / publication not achieved</li></ul>	<ul style="list-style-type: none"><li>• 2x museum promotional brochure and / publication</li><li>• 4x print and electronic media reports</li></ul>	<ul style="list-style-type: none"><li>• Achieved. A new set of 2x brochures was printed as new stock</li></ul>	No Deviation	None
	<ul style="list-style-type: none"><li>• 4x Reports submitted by the Education Subprogramme included coverage of events on ECR; Ukhozi FM; SABC TV News; ETV News; Newspapers incl. the Mercury; Daily News; SOWETAN; Citizen; Times; City Press; Pretoria News; The Star; North Coast Courier; Stranger Weekly and Online News like, VOA News; IOL and Times Live. These were collated by the Education Subprogramme</li></ul>		<ul style="list-style-type: none"><li>• 4x print and electronic media reports</li></ul>	<ul style="list-style-type: none"><li>• Partially achieved. 1x Report compiled by Education Officer</li></ul>	Deviation	Capacity constraints. Marketing Agency appointed as from 1 March 2018
	<ul style="list-style-type: none"><li>• Listing in the North Coast Courier Fast Finder.</li></ul>	<ul style="list-style-type: none"><li>• 3x listing in local; regional; national &amp; international directories</li></ul>		<ul style="list-style-type: none"><li>• Partially Achieved. 2x Listing in the North Coast Courier Fast Finder publication and also Braby's Directory.</li></ul>	Deviation	None
	<ul style="list-style-type: none"><li>• Advertising achieved in New Agenda &amp; African Safaris publications and a Durban community magazine</li></ul>	<ul style="list-style-type: none"><li>• 3x museum advertising in publicity magazines</li></ul>		<ul style="list-style-type: none"><li>• Achieved. Advertising done in the 3x publications , namely, Pan African Parliament; New Agenda and the Fast Finder</li></ul>	No Deviation	None
	<ul style="list-style-type: none"><li>• Participated in the Durban Tourism INDABA from 7 - 9 May 2016 and the Balito Surf PRO from 22 June - 3 July 2016 and the Awesome Ilembe Festival on 27 December 2016</li></ul>	<ul style="list-style-type: none"><li>• 4x participation in promotional fairs / tourism events / festivals</li></ul>		<ul style="list-style-type: none"><li>• Partially Achieved. Museum only participated in 2x events, namely the 'Lions Show' and the 'Ilembe Choral Music Festival'</li></ul>	Deviation	Museum could not attend other promotional fairs due to operational capacity constraints
	<ul style="list-style-type: none"><li>• 7 media releases one for CAL Prayer Concert; Women's Day Dialogue; National Children's Arts Performance; Spring &amp; Heritage Month Concert; Call out for Music Business Education Programme; UHURU Committee candidates nomination; Ilembe Supplement</li></ul>	<ul style="list-style-type: none"><li>• 20x media releases promoting public programmes &amp; profiling events</li></ul>		<ul style="list-style-type: none"><li>• Partially Achieved. Only 4x media release implemented out of the target of 20</li></ul>	Deviation	Capacity constraints. Marketing Agency appointed as from 1 March 2018



1. Increase the profile and awareness of the museum through print; electronic media; marketing strategies and product development	1.2 Effectively managed museum promotional shop operations	<ul style="list-style-type: none"> <li>• Promotional shop sales recon not achieved as the Museum promotional shop not operational</li> </ul>	<ul style="list-style-type: none"> <li>• 248x shop sales recon report not achieved</li> </ul>	• 0 Achieved	Deviation	Promotional shop closed and will open in the new financial year when all systems are in place
		<ul style="list-style-type: none"> <li>• Promotional shop quarterly reports not achieved as the Museum promotional shop not operational</li> </ul>	<ul style="list-style-type: none"> <li>• 4x shop quarterly reports</li> </ul>	• 0 Achieved	Deviation	Promotional shop closed and will open in the new financial year when all systems are in place
		<ul style="list-style-type: none"> <li>• Promotional shop stock control not achieved as the Museum promotional shop not operational</li> </ul>	<ul style="list-style-type: none"> <li>• 2x shop controls; monitoring; sales; financial recon status report</li> </ul>	• 0 Achieved	Deviation	Promotional shop closed and will open in the new financial year when all systems are in place
		<ul style="list-style-type: none"> <li>• Stock control purchase reports not achieved as the Museum promotional shop is not operational</li> </ul>	<ul style="list-style-type: none"> <li>• 2x shop stock control &amp; purchase report</li> </ul>	• 0 Achieved	Deviation	Promotional shop closed and will open in the new financial year when all systems are in place

Sub Programme B						
SOCIAL MEDIA						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Manage the museum website and associated social media as important portals to inform; educate and profile the museum	1.1 Increased and sustained social media presence	• 12x Social Media Committee meetings did not take place as planned	• 12x Social media committee meetings & reports	• 0 Achieved	Deviation	Meetings cancelled as there was no Marketing Manager. Education Officer managed the social media with the Public Relations Officer
		• Achieved as reports submitted by service provider (WSI) every month	• 12x Website and online catalogue reports	• Achieved, 12x WSI Reports submitted monthly	• No Deviation	None
		• Facebook uploads achieved as planned	• 144x Facebook uploads	• Achieved. 144x uploads implemented by Education Officer and the Public Relations Officer	• No Deviation	None
		• Achieved. Reports submitted by the Education Officer	• 4x Website administration & monitoring reports	• Achieved. 4x WSI Reports	• No Deviation	None
		• Museum online catalogue uploads and monitoring reports not achieved	• 4x Museum online catalogue upload & monitoring reports	• 0 Achieved	• Deviation	No capacity to undertake the work.

Sub Programme C						
EDUCATION & TOURS						
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1. Organise an annual calendar of dynamic educational programmes; tours and public events	1.1 Managed and increased public access to educational programmes	<ul style="list-style-type: none"> <li>10x Poetry sessions took place on 16/04/16; 7/05/17; 8/10/16; 29/10/16; 3/12/16; 11/03/17; 2/07/16; 30/07/17; 10/08/16</li> </ul>	<ul style="list-style-type: none"> <li>12x UHURU Poetry club sessions</li> </ul>	<ul style="list-style-type: none"> <li>Partially Achieved. Only 4x sessions implemented in the year</li> </ul>	Deviation	The Club experienced organisational challenges resulting in reduced attendance and the Museum cutting back on sessions
		<ul style="list-style-type: none"> <li>Holiday programmes took place with local children during the school breaks in the year</li> </ul>	<ul style="list-style-type: none"> <li>4x children holiday programmes</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. 4x holiday programmes took place school holidays</li> </ul>	<ul style="list-style-type: none"> <li>No Deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>Time of the Writer Festival; Poetry Africa Festival; and Awesome Ilembe Music Festival</li> </ul>	<ul style="list-style-type: none"> <li>3x arts and culture festivals</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. 3x festivals took place, namely, DIFF; Time of the Write and Poetry Festival which the Museum participated in</li> </ul>	<ul style="list-style-type: none"> <li>No Deviation</li> </ul>	None
		<ul style="list-style-type: none"> <li>Creative Writing Workshop took place on 12 - 14/10/16; Chess Tournament on 17/12/16; Object Cultures in Museums on 9/12/16; 'It starts with a heartbeat' Research Launch on 2/12/16; Poetry Africa Exchange Workshop 13/10/16; Phansi Museum Human Rights Arts and Essay Competition; Music Business Awards Ceremony; Black History Month celebration</li> </ul>	<ul style="list-style-type: none"> <li>18x educational programmes</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. The 18x programmes included the Chess Tournaments and Training; Chief Albert Luthuli Oral History Competition; International Museums Day; Youth Month Commemoration; Music Business Workshop; Essay Writing Competition; Black History Month documentary screenings and dialogues.</li> </ul>	<ul style="list-style-type: none"> <li>No Deviation</li> </ul>	None

Sub Programme D					
PUBLIC RELATIONS AND PROGRAMME					
Strategic Objective	Performance Indicators	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018
1. Enhance the status of the Luthuli Museum through community outreach programmes	1.1 Implement public relations and outreach programmes	• 6x Programmes achieved incl. the Careers EXPO and the Youth Dialogue hosted with Vukani MaAfrika. 'Night at the Museum' young girls' sleeper and Heritage Day Celebration event. Women's Knitting Project & the Community Food Garden Project	• 8x Youth / learner or community capacity building programme	• Partially Achieved. 5x programmes implemented i.e. Careers EXPO; Objects, Culture and Stories Workshop; Basic Introduction to Museums Internship Programme; Mama Nokukhanya Dialogue; Night at the Museum	Deviation
		• Chess Club continues to function including school children	• 2x Museum youth clubs established & programmed	• 0 achieved	• Deviation
		• No Youth Camps attended	• 2x Youth camps attended	• Partially Achieved. Only 1x programme implemented, i.e. the Robben Island Spring Club attended	• Deviation
	1.2 Informed museum stakeholders and interest groups	• Partially Achieved. Only 2x Newsletters were published and distributed	• 4x Quarterly newsletter printed and distributed	• Not Achieved	• Deviation
	1.3 Developed and sustained Luthuli Museum strategic partnerships	• Partnership established with Stranger Hospital Choral Music Choir which performed at the 2016 Chief Albert Luthuli Memorial Lecture; & the AWESOME Africa Music Festival which took place on the 27 December 2016. UKhozi FM which broadcast the Nokukhanya Luthuli Lecture live on 24 March 2017; Gcina Masiko Heritage where its founder Dr Gcina Mhlophe gave keynote address at the Nokukhanya Luthuli Lecture; Mzala Nxumalo Centre. (where Museum is negotiating an MOU) Partnerships maintained with Enterprise Ilembe which gave us platform to promote Museum at DURBAN INDABA stand; EThekwin Municipality which participates in Luthuli Museum events. Partnership created with Phansi Museum for the Human Rights Day and MOU signed.	• 10x Partnerships established / maintained	• Achieved. 10 Partnership established with the Durban Natural Science Museum; Tshelenkosi Senior Secondary School; the Jacob Zuma Open Chess Tournament; Ilembe Choral Music Competition; the ISupport Music Productions; UKZN; UKHOZI FM and CIDA	• No Deviation
					Other programmes not achieved due to planning challenge
					This was due to planning and logistical challenges
					The Nelson Mandela Museum did not host / or invite the Museum this year
					This was due to planning and logistical challenges
					None









# E

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**HUMAN  
RESOURCES**







## E. HUMAN RESOURCES

### 1. Personnel Expenditure

The total staff complement of the Luthuli Museum is:

**Table 1: Personnel costs for the financial year under review (R'000)**

Total Budget	Total Staff Expenditure	Training Expenditure	Pension Fund contribution	Staff Expenditure as a % of Budget	Average personnel cost per employee
13,615	5,494	115	561	40%	323

**Table 2: Amount and % of key personnel costs (R'000)**

Salaries (basic)		Casual Wage		Housing Allowance		Medical Aid	
Amount	Salary as a % cost of personnel cost	Amount	As a % of personnel cost	Amount	As a % of personnel cost	Amount	As a % of personnel cost
4,502	82%	9	0.2%	19	0.4%	431	9.6%

### 2. Employment and Vacancies

**Table 3: Employment and Vacancies for the financial year under review**

Number of posts	Number of posts filled	Vacant posts as of 31 March 2018	Vacancy rate %
17	1	6	35%

### 3. Employment changes

**Table 4: Annual turnover rates by salary levels for the period under review**

Number of employees as at April 2017	Appointments	Terminations and Resignations	Turnover rate	Number of employees at 31 March 2018
13	1	5	29%	13



#### 4. Employment Equity

The Luthuli Museum has to comply with the Employment Equity Act because it is a public institution. The Museum is registered with the Department of Labour as such.

Table 5: Total number of employees

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	1	1	-	-	-	-	-	-	-
Middle Management	3	2	1	-	-	-	-	-	-
High level specialists	6	3	2	1	-	-	-	-	-
Supervisor and high level skilled / clerical	4	3	1	-	-	-	-	-	-
Craft and related trades	3	1	2	-	-	-	-	-	-
<b>TOTAL</b>	<b>17</b>	<b>10</b>	<b>6</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 6: Recruitment, promotion and termination

Type	Number	Africans	Coloureds	Indians	Whites	% Total
Death	-	-	-	-	-	-
Resignation	-	-	-	-	-	-
Expiry of contract	1	1	-	-	-	-
Dismissal – operational changes	4	4	-	-	-	4
Promotion	-	-	-	-	-	-
Discharged due to ill health	-	-	-	-	-	-
Retirement	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	17					4
Number of employees who left as a % of the total employment	29%					

Table 7: Disciplinary Action

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middle Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High level specialists	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Supervisor and high level skilled / clerical	2	N/A	2	N/A	N/A	N/A	N/A	N/A	N/A
Craft and related trades	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>2</b>						

Table 7.1: Outcomes of Disciplinary Hearings

Description	Number
Correctional counselling	0
Verbal warnings	0
Written warnings	0
Final written warning	0
Suspension without pay	0
Fine	0
Demotion	0
Dismissal	4
Not guilty	0
Case withdrawn	0
<b>Total</b>	<b>4</b>



Table 8: Skills Development

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	1	1							
Middle Management	1	1							
High level specialists	6	4	2						
Supervisor and high level skilled / clerical	4	3	1						
Craft and related trades	3	1	2						
<b>TOTAL</b>	<b>15</b>	<b>10</b>	<b>5</b>						

## 5. Utilisation of leave

Annual leave is not accumulated, it is forfeited if it is not utilised within the specified period

## 6. Injury on duty

In this financial year there were no injuries on duty.

## 7. Utilisation of consultants

The Luthuli Museum made use of the following consultants: MRB to upgrade Pastel Accounting; Ngubane Auditors Consulting for internal audit; HR Torque for payroll and human resource management; Virtuenet for IT Support; WSI for website hosting & Support; GTI Marketing for collections Online Catalogue hosting & support; UKUZA Quantity Surveyors and Project Management for the Resource Centre Building (Project Management pro bono); Black Balance Project Management for the Resource Centre Building Project (Architectural services pro bono).









# F

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## AUDITOR GENERAL'S REPORT







# **Report of the auditor-general to Parliament on Luthuli Museum**

## **Report on the audit of the financial statements**

### **Opinion**

- 1) I have audited the financial statements of the Luthuli Museum set out on pages x to x, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended 31 March 2018, 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 Luthuli Museum as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### **Basis for opinion**

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

### **Responsibilities of the board of directors, which constitutes the accounting authority for the financial statements**

- 6) The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 7) In preparing the financial statements, the accounting authority is responsible for assessing the Luthuli Museum's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

- 8) My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 9) 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

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

Programmes	Pages in the annual performance report
Programme 2 — business development	x-x
Programme 3 — public engagement	x-x

- 13) 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.
- 14) I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 2 (business development) and programme 3 (public engagement).

### Other matters

- 15) I draw attention to the matters below. Achievement of planned targets
- 16) The annual performance report on pages x to x includes information on the achievement of planned targets for the year and provides explanations for the under-achievement of a significant number of targets.

### Adjustment of material misstatements

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

## Report on the audit of compliance with legislation

### Introduction and scope

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

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

### **Annual financial statements**

- 20) The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.  
Material misstatements of revenue, current liabilities, non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

### **Procurement and contract management**

- 21) The preference points system was not applied in the procurement of some goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and treasury regulation 16A.6.3(b).  
22) One competitive bid award of R8,25 million was not adjudicated, as a bid adjudication committee was not in place, as required by treasury regulations 16A.6.2 (a), (b) and (c).

### **Strategic planning**

- 23) The 2017-18 strategic plan was not submitted to the executive authority for approval, as required by treasury regulation 30.1.1.

### **Other information**

- 24) 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.  
25) My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.  
26) 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.  
27) The other information we obtained on 31 July 2018 is the chairperson of the board's statement and the director's report, whilst the audit committee's report is expected to be made available to us after 31 July 2018.  
28) If, based on the work we have performed on the other information that we obtained on 31 July 2018 and the outstanding audit committee's report, we conclude that there is a material misstatement in this other information, we are required to report that fact.  
29) After we read all the other information, and if we conclude that there is a material misstatement, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### **Internal control deficiencies**

- 30) 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.



- 31) The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report:

### **Financial and performance management**

- 32) There was lack of adequate monitoring and review by management relating to compliance with supply chain management and other key legislation. The repeat findings on material misstatements on the financial statements and performance report may also be indicative of staff not fully understanding the requirements of the financial reporting and performance management frameworks as well vacancies in key positions.

*Auditor-General*

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Pietermaritzburg  
31 July 2018



## **Annexure — Auditor-general's responsibility for the audit**

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

### **Financial statements**

- 2) In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also
- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer'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 Luthuli Museum's ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

- 3) I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- 4) I also confirm to the accounting officer 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, related safeguards.









# G

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**ANNUAL FINANCIAL  
STATEMENTS FOR  
YEAR ENDING  
31 MARCH 2017**







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Luthuli Museum Annual Financial Statements for the year ended on 31 March 2018**Contents**

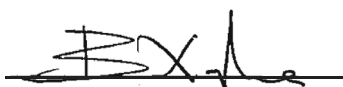
Approval of the annual financial statements	51
Council members	52-53
Statement of financial position	54
Statement of financial performance	55
Statement of changes in equity	56
Cash flow statement	57
Notes to the annual financial statements	58-77

**(a) Approval of the annual financial statement**

The annual financial statements for the year ended 31 March 2018 set out on pages four to eighteen were approved by the Council on 25 May 2018 and are signed on its behalf by:



Julanolwazi Ncwane  
Finance Manager



Brian Xaba  
Director



Zakhele Gumede  
Council Chairperson

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**Luthuli Museum Annual Financial Statements for the year ended on 31 March 2018**
**Council members:****Director**

Mr Brian Xaba

**Luthuli Museum Council Members for the current period were appointed on 12 December 2018 are as follows:**

Mr Zakhele Gumede	Chairperson
Dr Mxolisi Russel Mchunu	Deputy Chairperson
Dr Albertinah Luthuli	Member
Mr Mthunzi Luthuli	Member
Mr Mfundo Thango	Member
Mr Maupe George Kgarume	Member
Advocate Motlatjo Ralefatane .	Member
Ms Salome Mabilane	Member

**Secretary**

Mr Thabani Nkosi

**Audit committee**

Mr Bruce Sutcliffe	Chairperson
Mr Mthunzi Luthuli	Member
Advocate Motjatjo Josephine Ralefatane	Member
Mr Maupe George Kgarume	Member

**Bankers**

First National Bank

**Auditors**

Auditor General

**Registered office**

PO Box 1869, Stanger 4450

3233 Nokukhanya Luthuli Street, Groutville, 4450



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**Luthuli Museum Annual Financial Statements for the year ended on 31 March 2018****Director**

Mr Brian Xaba

**Luthuli Museum Council Members for the period February 2015 to November 2017 are as follows:**

Mr Jabulani Sithole	Chairperson
Advocate Motlatjo Ralefatane	Deputy Chairperson
Dr Albertinah Luthuli	Member
Mr Mthunzi Luthuli	Member
Prof Nomfundo Luswazi	Member
Mr Maupe George Kgarume	Member
Dr Mxolisi Mchunu	Member

**Secretary**

Mr Thabani Nkosi

**Audit committee**

Mr Bruce Sutcliffe	Chairperson
Mr Mthunzi Luthuli	Member
Advocate Motlatjo Josephine Ralefatane	Member
Mr Maupe George Kgarume	Member

**LUTHULI MUSEUM STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2018**

		<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Assets</b>			
<b>Non-current assets</b>		<b>6 191</b>	<b>6 051</b>
Property, plant and equipment	16	1 013	903
Intangibles	18	35	19
Heritage Assets	19	5 143	5 129
<b>Current assets</b>		<b>16 161</b>	<b>12 567</b>
Loans and receivables	11	43	65
Cash and cash equivalents	12	15 515	12 452
Inventory	17	43	50
Work in progress	32	560	-
<b>Total assets</b>		<b>22 352</b>	<b>18 618</b>
<b>Funds and liabilities</b>			
<b>Funds and reserves</b>			
Accumulated surplus		9 695	6 543
Revaluation Reserve	20.2	4 818	4 818
		<b>14 513</b>	<b>11 361</b>
<b>Current liabilities</b>		<b>7 839</b>	<b>6 757</b>
Accounts Payable	13	424	214
Provisions	14	818	576
Unspent Conditional Grant	28	6 157	5 967
Unspent GRAP 103 Conditional Grant	29	440	-
<b>Total funds and liabilities</b>		<b>22 352</b>	<b>18 618</b>



**LUTHULI MUSEUM STATEMENT OF FINANCIAL PERFORMANCE**  
 as at 31 March 2018

		<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Revenue</b>			
Government and other grants	2	<b>13 242</b>	9 348
Related Parties-Service in Kind	31	<b>373</b>	212
Unspent Conditional Grant Transferred	27	<b>560</b>	-
Income from investments	10	<b>754</b>	484
Sales of DVD's	4	<b>1</b>	1
Other Income	3	<b>-</b>	26
		<b>14 930</b>	10 071
<b>Total income</b>			
<b>Expenditure</b>			
Admin expenses	5	<b>1 150</b>	1 046
Staff Costs	6	<b>5 494</b>	5 868
Marketing	7	<b>1 376</b>	1 509
Audit fees	8	<b>794</b>	705
Related Parties-Service in Kind	31	<b>373</b>	212
Operating expenses	9	<b>3 091</b>	2 988
		<b>12 278</b>	12 328
		<b>2 652</b>	- 2 257
<b>(Surplus)/Deficit for the year</b>			

**LUTHULI MUSEUM STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2018

	<b>NOTES</b>	<b>Accumulated Surplus</b>	<b>Total Net Assets</b>
		<b>R '000</b>	<b>R'000</b>
<b>Balance as at 1 April 2016</b>		<b>9 428</b>	<b>9 428</b>
Deficit		- 628	- 628
<b>Balance as at 31 March 2017</b>		<b>8 800</b>	<b>8 800</b>
Deficit		- 2 257	- 2 257
<b>Balance as at 1 April 2017</b>		<b>6 543</b>	<b>6 543</b>
<b>Prior Year Error</b>		<b>500</b>	<b>500</b>
Accumulated Surplus Restated		7 043	7 043
Surplus for the year		2 652	2 652
<b>Balance as at 31 March 2018</b>		<b>9 695</b>	<b>9 695</b>



**LUTHULI MUSEUM CASH FLOW STATEMENT**  
**for the year ended 31 March 2018**

	NOTES	2017/18 R'000	2016/17 R'000
<b>Cash flow from operating activities</b>			
<b>Cash receipts</b>		<b>14 930</b>	<b>16 537</b>
Transfers and subsidies		13 615	16 027
Unspent Conditional Grant Transferred		560	-
Income from investments		754	480
Sale of DVD's		1	1
Other operating income		-	29
<b>Cash payments</b>		<b>-11 814</b>	<b>-11 630</b>
Compensation of employees		-5 157	-5 868
Goods and services		-6 657	-5 762
<b>Net cash generated from operating activities</b>	15	<b>3 116</b>	<b>4 907</b>
<b>Cash outflow from investing activities</b>			
Acquisition of :			
Property, plant and equipment	16	-38	-15
Heritage Assets	19	-15	-5
<b>Net cash flows from investing activities</b>		<b>-53</b>	<b>-20</b>
Net( decrease) in cash and cash equivalents		3 063	4 887
Cash and cash equivalents at beginning of year		12 452	7 565
<b>Cash and cash equivalents at the end of the year</b>	12	<b>15 515</b>	<b>12 452</b>

## LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended on 31 March 2018

### 1. Accounting policies

#### 1.1. Basis of preparation

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 Standard Board in accordance with Section 55(1)(b) of the Public Finance Management Act, (Act, No. 1 of 1999 as amended by No. 29 of 1999). Assets, liabilities, revenues and expenses have not been offset except where is required or permitted by a Standard of GRAP. The accounting policies are applied consistently with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for financial instruments that have been measured at fair value.

These accounting policies are consistent with the previous years

Standard of GRAP approved by the Accounting Standard Board and applicable to The Luthuli Museum.

GRAP 1 Presentation of financial statements  
GRAP 2 Cash flow statements  
GRAP 3 Accounting policies, changes in accounting estimates and errors  
GRAP 6 Consolidated financial statements and accounting for controlled entities  
GRAP 9 Revenue from exchange transactions  
GRAP 12 Inventories  
GRAP 13 Leases  
GRAP 14 Events after the reporting date  
GRAP 17 Property, plant and equipment  
GRAP 19 Provisions, contingent liabilities and contingent asset  
IPSAS 20 Related Party Disclosures  
GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers)  
GRAP 24 Presentation of Budget Information (principle of policy applied)  
GRAP 25 Employee Benefits  
GRAP 26 Impairment of Cash-generating Assets (not applicable to The Luthuli Museum)  
GRAP 31 Intangible Assets  
GRAP 100 Non-current Assets Held for Sale and Discontinued Operations  
GRAP 103 Heritage Assets  
GRAP 104 Financial Instruments

#### 1.2. Property, plant and equipment and intangibles

1.2.1. Property, plant and equipment are stated at historical cost less depreciation and accumulated impairments losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to The Luthuli Museum and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance should be expensed in the Statement of Financial Performance in the financial period in which they are incurred.

The useful life and depreciation method of assets is reassessed on an annual basis and any change in estimate is taken into account in the determination of remaining depreciation and amortisation charges. The residual value of property, plant and equipment is zero where the assets are to be used for the entire economic life.

## LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended on 31 March 2018

### 1.2.2. Inventories

Inventories are measured at the lower of cost or net-realisable value.

1.2.3. Depreciation is calculated on the straight line method to write off the cost of each asset to its estimated residual values over its estimated useful life as follows:

Equipment	16.66% (6 years)
Furniture and fittings	16.66%(6 years)
Computer equipment	33.33% (3 years)
Machinery	25%(4 years)
Motor Vehicles-cars	25%(4 years)
-bukkies	25%(4 years)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating surplus/deficit.

The Department of Public Works is the legal owner of the Land and Building occupied by The Luthuli Museum. The Department of Public Works is responsible for all major capital repairs to the buildings; the current threshold is R100, 000. All expenditure less than this amount is done by The Luthuli Museum.

### 1.2.4. Intangible assets

The useful life and amortisation method of intangible asset is reassessed on an annual basis and any change in estimate is taken into account in the determination of remaining amortisation charges. The residual value of intangible asset is zero where the assets are to be used for the entire economic life.

Intangible assets are shown at costs less accumulated amortisation and impairment losses. The amortisation method is as follows;

Software-straight-line over the useful life of 3 years.

### 1.2.5. Heritage assets

Heritage assets are assets that are in the form of documents, photographs, books, audio-visuels, paintings and other artefacts, and are held indefinitely for the benefit of present and future generations. Heritage assets are recognised as an asset if, and only if: (a) it is probable that future economic benefits or service potential association with the asset will flow to the entity, and (b) the cost or fair value of the asset can be measured reliably.

After recognition as an asset, a class of heritage assets, where 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.

Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair valued at the reporting date.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation of surplus in respect of that heritage assets.



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**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

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**1.2.6. Inventories**

Inventories are valued at the lower of cost or net realisable value. Inventory comprises Goolum Suleman Books and Dvd's. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined using the first-in, first-out method. Books and Dvd's are used for sale and promotion. Books and Dvd's given to guest as promotion or donation are written off as an expense in the in the statement of financial performance under Adverts and Promotions.

**1.4. Financial Instruments****Measurement**

Financial Instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Financial assets and financial liabilities are recognised on the Museum's Statement of Financial Position when the Museum becomes a party to the contractual provisions of the instrument.

**Loans and receivables**

Loans and receivables are non-derivate financial assets that are not quoted in an active market and with no intention of trading. They are included under current assets in the statement of financial position.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and other short term high liquid investments with maturity of less than three months.

**Trade and other payables**

Trade and other payables are stated at cost. Trade and other payables are discounted using the effective interest rate where applicable.

**Gains and Losses on subsequent Measurement**

Gains and Losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

**1.5. Revenue****Grants**

Revenue related to operational expenditure is recognised as revenue when it is probable that the transfer payment will be received and the amount can be estimated reliably, unless, an obligation exists to use the transferred resources in a certain way or return the resources to the transferor. Where it is a requirement to only use the resources in a certain way with no corresponding requirement to return those resources, then no obligation exists and the revenue is recognised. Where an obligation exists, the resource is recognised as deferred revenue until the obligations are met and then recognised as revenue.

**Interest**

Interest revenue is recognised on a time proportion basis, taking into account the principal outstanding and effective rate over the period to maturity, when it is probable that such income will accrue to the institution.

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**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018**Other Income**

Other Income is recognised when it is probable that the future economic benefits will flow to the enterprise and it can be measured reliably.

**1.6. Provisions**

Provisions are recognised when The Luthuli Museum has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying financial benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability.

**1.7. Employee Benefits****Retirement benefit plans**

It is the policy of The Luthuli Museum to provide retirement benefits for the employees. The Luthuli Museum's contributions in respect of defined contribution plan are expensed as incurred.

**Other post-employment benefits**

The Luthuli Museum does not provide post-employment healthcare benefits to their retirees.

**Termination benefits**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Luthuli Museum recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

**1.8. Revenue from non-exchange Transactions**

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition. This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as a revenue, except to the extent that a liability is recognised for the same flow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as an amount equal to that reduction.

**1.9. Revenue from Exchange Transactions**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows represent an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liability extinguished, and gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended on 31 March 2018**

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered and goods sold, the value of which approximates the consideration received or receivable. The full amount of the revenue is recognised and any impairment losses are subsequently recognised.

**Interest Income**

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to Luthuli Museum.

**Other Income**

Other income is recognised when it is probable that the future economic benefits will flow to Luthuli Museum and it can be measured reliably.

**1.10. Leases**

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

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

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

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

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

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to the use of the asset. The classification of the lease is determined using GRAP 13-Leases.

**Operating leases**

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

This liability is not discounted.

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

The Luthuli Museum is the lessee of the rental lease agreement.



**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

### 1.11. Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement Of Financial Performance in the year that the expenditure was incurred.

The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement Of Financial Performance.

### 1.12. Related Parties

#### 1.12.1. Department of Arts and Culture

Grants received for the financial year amounted to R 13,615,000.00 and for the year 2018/2019 will amount to R14,829,000.00.

#### 1.12.2. Department of Public Works

The Department of Public Works is the legal owner of the Land and Building occupied by The Luthuli Museum. The Department of Public Works is responsible for all major capital repairs to the buildings. All expenditure less than this amount is done by The Museum.

#### 1.12.3. Council

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has various sub-committees such as Finance, Audit, Human Resources and Curatorial that guide and assist management which is appointed by Council.

	2018 R'000	2017 R'000
<b>2 NON EXCHANGE REVENUE</b>		
National Departments-Grant received	13 242	9 348
	<b>13 242</b>	<b>9 348</b>
<b>3 EXCHANGE REVENUE</b>		
Tender deposits	-	25
Ticket and book sales	-	1
	<b>-</b>	<b>26</b>
<b>4 Dvd Sales</b>	<b>1</b>	<b>1</b>
<b>5 Administrative expenses</b>		
Computer expenses	140	152
Courier and Postage	49	35
Asset written off	-	5
<b>Fees for services:</b>		
-Administrative	168	91
-Board members	354	214
Stationery and printing	88	62
Communication costs	164	184
Bank charges	31	31
Training and staff development	115	34
Rental Parking	29	26
Municipal Charges	12	212
<b>Total</b>	<b>1 150</b>	<b>1 046</b>

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

**6 Staff costs**

**Wages and salaries**

	<b>3 602</b>	<b>3 449</b>
-Basic salaries	3 359	3 282
-Leave provision	69	167
-Performance bonus provision	174	-

**Senior Management Emoluments**

	<b>1 892</b>	<b>2 419</b>
Director	1 007	877
Finance Manager	672	684
Curator	177	514
Marketing Manager	36	344
<b>Total</b>	<b>5 494</b>	<b>5 868</b>

**7 Marketing costs**

Advertising and Promotions	64	144
Exhibitions	11	20
Public Programmes	1 301	1 345
<b>Total</b>	<b>1 376</b>	<b>1 509</b>

**8 Audit fees**

	<b>794</b>	<b>705</b>
Statutory	550	505
Internal Audit	244	200

**9 Other operating expenses**

	<b>1 145</b>	<b>1 370</b>
Consultants, contractors and special services	938	1 157
Entertainment and Refreshments	32	25
Insurance	175	171
Subscriptions	-	17
Other expenses	1 946	1 618
-Machinery & Equipment	236	210
-Other maintenance, repairs and running costs	39	44
Depreciation -Assets carried at cost	-71	205
Amortisation	-16	16
Municipal services	12	15
Travel and subsistence	1 740	913
Debt Written off	-	215
Interest	6	-
<b>Total</b>	<b>3 091</b>	<b>2 988</b>

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

**10 Finance Income**

-Short-term investments

**Total**

754

**754**

484

**484**

**2018**  
R'000

**2017**  
R'000

**11 Loans and receivables**

Accrued income(interest)

29

29

Staff debtors

13

36

**Total****42****65****12 Cash and cash equivalents**

Cash and balances with banks

2 016

207

Short-term deposit/investments

13 499

12 245

**Total****15 515****12 452****13 Accounts Payable**

Accruals

424

214

**Total****424****214****14 Provisions****Opening balance****576****409**

Utilisation of provisions during the year

-

-

Unused amounts reversed during the year

-576

-409

Provisions made during the year-Leave Provision

644

576

-Performance Bonuses

174

Less: current portion of provisions

-

-

**Closing balance****818****576****Analysis for reporting purposes:****576**

Non-current provisions

-

-

Current provisions

818

576



**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

**14.1 Provisions**

This provision is for the estimation of the value of the leave pay that would become payable at the termination date of any employment contract. The event of the full provision being fully payable at any one time is unlikely.

**15 Reconciliation of surplus/(deficit)  
generated by operations**

Surplus /(deficit) for the year	<b>2 652</b>	<b>-2 257</b>
Non-cash movements/working capital:	<b>464</b>	<b>7,164</b>
Depreciation	-71	205
Amortisation	-16	16
Increase/ (decrease) in receivables	-22	222
(Increase)/decrease in provisions	243	167
Decrease/Increase in inventory	7	-47
Decrease/(increase) in payables	209	126
Decrease/(increase) in the unspent conditional grants	70	6,467
Other non-cash item	44	8
Cash (utilised in) operations	<b>3 116</b>	<b>4 907</b>

**16. Property, plant and equipment**

	Equipment	Motor	Computer Hardware	Office Furniture & Fittings	Total
	R'000	R'000	R'000	R'000	
<b>Balance at 01/04/2016</b>	<b>231</b>	<b>194</b>	<b>430</b>	<b>244</b>	<b>1 099</b>
Gross carrying amount	501	487	767	1 007	2 762
Accumulated depreciation	-270	-293	-337	-763	-1 663
Additions	11	-	4	-	15
Depreciation & Write up	-113	-23	-141	66	-211
<b>Carrying amount at 31/03/2017</b>	<b>129</b>	<b>171</b>	<b>293</b>	<b>310</b>	<b>903</b>
Gross carrying amount	423	487	783	1008	2 777
Accumulated depreciation	-294	-315	-491	-697	-1 874
Additions	13	-	25	-	38
Depreciation	-72	-122	-223	-166	-583
Write up	65	144	376	70	655
<b>Carrying amount at 31/03/2018</b>	<b>135</b>	<b>194</b>	<b>470</b>	<b>214</b>	<b>1 013</b>
Gross carrying amount	436	487	808	1,008	2 739
Accumulated depreciation	-301	-293	-338	-794	-1 726

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

**17 Change in estimate**

**Property, plant and equipment**

In terms of the requirements of GRAP17, the useful lives of all items were reviewed by management at year end. The remaining useful life expectation of some property, plant and equipment differed from previous estimates. This resulted in a revision of some the previous estimates which is accounted for as a change in accounting estimate. The depreciation changed for the current year amounted to R 601,036. The effect of this revision has decrease the depreciation charge for current period by R 688,249. The total impact will be an increase in future depreciation of R 688,249.

	<b>2018</b> <b>R'000</b>	<b>2017</b> <b>R'000</b>
<b>18 Inventory</b>		
Goolum Suleman Books	41	47
Dvd's	2	3
	<u><b>43</b></u>	<u><b>50</b></u>

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

	<b>2018 R'000</b>
<b>19. Intangibles(Software)</b>	
<b>Opening net carrying amount 01 April 2016</b>	<b>35</b>
Gross carrying amount	54
Accumulated amortisation	-19
Additions	-
Amortisation & Write up	-16
<b>Closing net carrying amount at 31 March 2016</b>	<b>19</b>
Gross carrying amount	54
Accumulated amortisation	-35
Additions	-
Amortisation	-18
Write up	34
<b>Closing net carrying amount at 31 March 2017</b>	<b>35</b>
Gross carrying amount	54
Accumulated amortisation	-19
<b>20. Heritage assets</b>	
<b>Opening net carrying amount at 01 April 2016</b>	<b>5 124</b>
Gross carrying amount	5 132
Accumulated impairment	-8
Additions	5
<b>Closing net carrying amount at 31 March 2016</b>	<b>5 129</b>
Gross carrying amount	5 137
Accumulated impairment	-8
Additions	14
<b>Closing net carrying amount at 31 March 2017</b>	<b>5 143</b>
Gross carrying amount	5 151
Accumulated impairment	-8



## LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended on 31 March 2018

### 20.1. Heritage Assets

Luthuli Museum is in custody of items of heritage assets in the form of documents, photographs, books, audio-visuals, paintings and other artefacts which were evaluated by independent valuer: Gillian Scott-Berning Fine And Decorative Arts Consultants. The evaluation certificate was received by Luthuli Museum on the 11 of April 2014. These assets were evaluated using the current market value determine by market and cost to replace those assets. The total monetary value for all the items as at 31 March 2018 amounted to R 5,143,421.75 (2017: R 5,128,921.75).

### 20.2. Revaluation Reserve

Luthuli Museum is in custody of items of heritage assets in the form of documents, photographs, books, audio-visuals, paintings and other artefacts which were evaluated by independent valuer: Gillian Scott-Berning Fine And Decorative Arts Consultants. The evaluation certificate was received by Luthuli Museum on the 11 of April 2014. These assets were evaluated using the current market value determine by market and cost to replace those assets. The total monetary value for all the items as at 31 March 2018 amounted to R 5,143,421.75 (2017: R 5,128,921.75).

	2018 R'000	2017 R'000
Revaluation Reserve was determine as follows:		
Opening Balance	4 818	4 818
Revaluation Increase	-	-
Impairment Losses	-	-
Closing Balance	<u>4 818</u>	<u>4 818</u>

### 21. Tax exemption

The Luthuli Museum is exempted from taxation in terms Section 10 (1) (cA) (I) of the Income Tax Act.

### 22. Financial Instruments

The Luthuli Museum is exempted from taxation in terms Section 10 (1) (cA) (I) of the Income Tax Act.

#### 22.1. Overview

The Luthuli Museum has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

The note presents information about Luthuli Museum's exposure to each of the risks, Luthuli Museum's objectives, policies and processes for measuring and managing risk, and Luthuli Museum's management of capital. Further quantitative disclosures are included throughout these financial statements. In terms of Treasury Regulations 27.2.1, issued in terms of the PFMA, the accounting authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Council has establish an Audit Committee which is responsible for and monitoring Luthuli Museum's risks management policies.

Luthuli Museum's risk management policies are established to identify and analyse the risks faced by Luthuli Museum, to set appropriate risks limits and controls and monitor risks and adherednce to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Luthuli Museum's activities.

## **LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended on 31 March 2018**

Audit committee oversees how management monitors compliance with Luthuli Museum's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Luthuli Museum. The Audit Committee is assisted in the oversight role at operations level by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risks management controls and procedures, results of which are reported to the Audit Committee.

### **22.2. Credit risk**

Credit risk is the risk of financial loss to Luthuli Museum if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Luthuli Museum's receivables from customers.

#### **22.2.1. Trade and other receivables**

Luthuli Museum has no significant exposure to credit risk. The credit risk applicable to Luthuli Museum as at 31 March 2018 amounted to: R29,962.54(2017: R 29,081.00) Luthuli Museum policy is to monitor its exposure to credit risk on a monthly basis. At year end, the maximum exposure to credit risk is represented by carrying amount of each financial asset.

#### **22.2.2. Investments**

Luthuli Museum limits its exposure to credit risk by investing only in liquid securities and with approved banks and financial institutions.

#### **22.2.3. Liquidity risk**

Liquidity risk is that Luthuli Museum will not be able to meet its financial obligations as they fall due. Luthuli Museum's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Luthuli Museum's reputation.

An assessment is made of the payments due in advance. Monies are transferred to the current account to bi-monthly obligations. Any surpluses are invested on a Call Account. It is the policy of Luthuli Museum, not to borrow monies. There are thus no credit facilities available.

### **22.3. Market risk**

Market risk is the risk that changes in market prices, such as the interest rates will affect Luthuli Museum's income. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimizing return.

Luthuli Museum policy is to invest surplus cash. Optimal rates and policies are received from various institutions. Luthuli Museum is exposed to fluctuating market prices inherent in the trading of listed investments. The fair value of traded instruments is based on the market prices of those instruments. The exposure of Luthuli Museum to these investments as at 31 March 2017 amounted to R12,245,522.00( 2016: R 7,349,008.00).

#### **22.3.1. Currency risk**

Luthuli Museum does not engage in foreign currency transactions and is thus not exposed to this risk.

#### **22.3.2. Inherent rate risk**

It is the policy of Luthuli Museum, not to borrow monies. There are thus no credit facilities available. There is thus no risk relating to changes in the interest rate.

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS**  
for the year ended on 31 March 2018

## 22.4. Fair values

The fair values of financial assets and liabilities are the same as the carrying values reflected in the statement of financial position.

## 23. Commitments

At the reporting date, Luthuli Museum had commitment relating to the construction of Nokukhanya Luthuli Resource Centre building as follows:

	2017/18 R'000	2016/17 R'000
Contract Value	8 253	-
Incurred Expenditure as at 31 March 2018	-560	-
Balance of Commitment as at 31 March 2018	<u><u>7 693</u></u>	<u><u>-</u></u>

## 24. Subsequent events

There were no significant events that occurred between reporting date and the date of this report.

## 25. Fruitless or wasteful expenditure

	2017/18 R'000	2016/17 R'000
Reconciliation of the fruitless or wasteful expenditure:		
Opening Balance :	16	16
Condoned by Council	-16	-
Fruitless and wasteful expenditure	6	-
	<u><u>6</u></u>	<u><u>16</u></u>

## 26. Lease

Operating lease rentals are expensed as they become due. The operating lease payments are recognised as an expense during the period that are disclosed in the statement of financial performance.

	31-Mar 2018 R'000	31-Mar 2017 R'000
<b>Operating lease commitments:</b>		
Due in year three	30	26
Due between four and five years	51	96
	<u><u>81</u></u>	<u><u>122</u></u>



**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

**27. Contingent Liability**

In terms of section 7.1 of the National treasury instruction note 6 of 2017/2018: "Public entities in Schedules 3A and 3C to the PFMA must, through their designated departments, surrender for re-depositing into the relevant Revenue Fund, all surpluses that were realized in a particular financial year where application was made to the relevant treasury to accumulate the surplus in terms of section 53(3) of the PFMA and was granted by the relevant treasury.

The accumulated surplus is disclosed as follows:

	<b>31-Mar 2018 R'000</b>	<b>31-Mar 2017 R'000</b>
<b>Details</b>		
Cash and cash equivalents	15 515	12 452
Add: Receivables	43	65
Less: Current liabilities	-7 899	-7 257
Less: Commitments(New Building Resource Centre)	-8 252	-
<b>Surplus</b>	<b>-593</b>	<b>5 260</b>

**28. Unspent Conditional Grants**

	<b>31-Mar 2018 R'000</b>	<b>31-Mar 2017 R'000</b>
Balance unspent at the beginning of the period	5 967	-
Conditions met transferred to revenue	-560	-
Current year receipts	750	6 467
Correction of Prior year error	-	-500
	<b>6 157</b>	<b>5 967</b>

Grant for capital works: these funds will be utilized to build Nokukhanya Luthuli Resource Centre.

**29. Unspent Grant GRAP103**

	<b>31-Mar 2018 R'000</b>	<b>31-Mar 2017 R'000</b>
Balance unspent at the beginning of the period	-	-
Current year receipts	498	-
Conditions met transferred to revenue	-58	-
	<b>440</b>	<b>-</b>

**30. Irregular Expenditure**

Reconciliation of Irregular Expenditure :

	<b>31-Mar 2018 R'000</b>	<b>31-Mar 2017 R'000</b>
Opening Balance	-	-
Irregular Expenditure from operations Identified by management	82	-
Condoned by Council : 2	-82	-
Irregular Expenditure from operations	163	-
Irregular Expenditure from Nokukhanya Resource Centre : 1	560	-
	<b>723</b>	<b>-</b>

1. The 5 May 2017 tender evaluation report was presented to the Audit and Risk Committee on 13 July 2017 as the Museum did not have a standing Bid Adjudication Committee.

2. There is an irregular expenditure of R 82,000.00 which was condoned by Council.

Related party transaction is a transfer of resources or obligations between the related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. The disclosure note details the related party transactions.

## Relationships

The Department of Arts and Culture is the controlling entity of the Luthuli Museum. It provides a monthly operational grant. For the 2017/18 period R 13,615,000.00 was received and it is anticipated that an amount of R 14,829,000.00 will be received for the 2018/19 period.

Executive Authority	Minister of Arts and Culture
Related through Minister	All entities which fall under the portfolio of Minister of Arts and Culture
Accounting Authority	Council Members

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has various sub-committees such as Finance, Audit, Human Resources and Curatorial that guide and assist management which is appointed by Council. They are an independent body and do not take part in operations of the museum. Council members are remunerated for their services in the form of honorarium for each and every meeting they attended.

The Department of Public Works receives the following amounts from the Department of Arts and Culture in respect of the Municipal Charges . The Department of Public Works is the legal owner of land and buildings occupied by the Lutheli Museum at no consideration.

The fair values of the benefits received have been recognised as Services in Kind in the Statement of Financial Performance (Note 2).

	31-Mar 2018 R'000	31-Mar 2017 R'000
Municipal Charges	373	212
	<u>373</u>	<u>212</u>

Contingent liability is a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities are thus not recognised in the statement of financial position as a liability but are included in the disclosure notes, unless the possibility of an outflow of economic resources is remote.

Museum dismissed four staff members in November 2017. The case is still with CCMA. These staff members were paid all the benefits that were due to them when they were dismissed. As a result there is no liability which can be measured with reliability on the financial statements.

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

	<b>31-Mar 2018 R'000</b>	<b>31-Mar 2017 R'000</b>
<b>33. Work in progress</b>		
Opening Balance	–	–
Expenditure incurred during the year	<b>560</b>	–
Closing Balance	<b>560</b>	–

Work in progress relate to the Nokukhanya Resource Centre building which is under construction at the Luthuli Museum premises. This building is to be completed by December 2018

The total costs of this building is estimated to be R 8,252,575.14.

**34. Budget**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: 2017/18**

The budget was approved by the Council and submitted to the executive authority in terms of section 53 (1) of the PFMA. The Luthuli Museum presents its approved budget and the financial statements on the accrual basis.

The approved budget covers the period 1 April 2017 to 31 March 2018. The budget is approved by functional or programme classification in line with Luthuli Museum's strategic objectives and the Annual Performance Plan approved by its Council.

**Budget Adjustment**

The approved budget was revised based on the actual income and expenditure up to 30 September 2017, and projections were made for the period 1 October 2017 to 31 March 2018. Council of KwaZulu-Natal Museum.



**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

SALES					
Sales - DVD's	900	1000	-100	-10	1
	900	1000	-100	-10	
COST OF SALES					
OTHER INCOME					
Subsidy Income	14174678,15	14363000	-188321,85	-1,31	2
Transfer from Investments		87486	-87486	-100	3
Interest - Stanlib	344085,35		344085,35	-100	4
Interest - Fnb Money Market	77720,95		77720,95	-100	5
Book Sale	350		350	-100	6
Interest on 32 Days Notice Deposit	332159,81		332159,81	-100	7
Donations Received	300		300	-100	8
	14929294,26	14451486	478808,26	3,31	
EXPENSES					
Audit Fees - Internal Audit	174440,03	166000	-8440,03	-5,08	9
Audit Fees - External Audit	550292,58	560000	9707,42	1,73	10
Other Projects	557176,11	570000	12823,89	2,25	11
Grp 103	2,91E-11		-2,91E-11	-100	12
Security - OOE	417776,09	614970	197193,91	32,07	13
Adverts & Promotins	53250,9	51977	-1273,9	-2,45	14
Exhibitions	10987,5	63883	52895,5	82,8	15
Public Programs - Marketing	599582,56	730284	130701,44	17,9	16
Luthli Lecture 2017	701715,48	703908	2192,52	0,31	17
Bank Charges - AE	30574,64	42273	11698,36	27,67	18
Cleaning - OOE	39110,03	39523	412,97	1,04	19
Computer Expenses - AE	140214,92	163701	23486,08	14,35	20
Consultation Fees - OOE	1921,88	6739	4817,12	71,48	21
Courier & Postage - AE	48525,51	43746	-4779,51	-10,93	22
Depreciation - OOE	-87213,64	602966	690179,64	114,46	23
Donations	480	2000	1520	76	24
Water and Electricity	11502,55	263009	251506,45	95,63	25
Refreshments - OOE	31604,62	34128	2523,38	7,39	26
HR - Administration Costs	167968,48	159144	-8824,48	-5,54	27
Insurance - OOE	175420,28	203570	28149,72	13,83	28
Interest Paid	6239,69		-6239,69	-100	29
Rental Paid	28981,92	28982	8,00E-02	0	30
Legal Fees	430368,34	409999	-20369,34	-4,97	31
Motor Vehicle Expens- OOE	43096,29	77172	34075,71	44,16	32
Print-Annual Rep.& Broch	73461,6	77539	4077,4	5,26	33
Stationery -AE	14748,86	38199	23450,14	61,39	34
Staff Welfare & Medical	1468,94	5000	3531,06	70,62	34
Repairs & Maint- OOE	236205,05	187386	-48819,05	-26,05	35
Salaries	5482572,33	6954754	1472181,67	21,17	36
Casual Wages	9242,75	10000	757,25	7,57	37
Training & Development - AE	115263,31	95940	-19323,31	-20,14	38
Protective Clothing - AE		5350	5350	100	39
Subscriptions/Affiliations to institutio		7490	7490	100	40
Telephone & Fax - AE	76461,77	119623	43161,23	36,08	41
Cellphone Expenses - AE	83435,11	82568	-867,11	-1,05	42
Travel & Accom.-Staff	292838,06	377231	84392,94	22,37	43
Honoraria - AE	354254,72	188251	-166003,72	-88,18	44
Travel & Accom-Council	1404458,43	764181	-640277,43	-83,79	45
NET PROFIT / (LOSS) BEFORE TAX	2651766,57	14451486	2651766,57	100	
NET PROFIT / (LOSS)	2651766,57	0	2651766,57	100	

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

**Notes on explanations:**

1. DvD sale increased by R100
2. Subsidy Reduced by 5% from the allocation because of the Grap 103 allocation. DAC only deposited R498,000 instead of R 1m.and the other R 502,000 is still outstanding.
3. Transfer from investment of R 87,486 was a top up on budget but was not transferred during the year.
- 4-7. Interest from 4-7 was received from our investments but was not budgeted as we are not allowed to budget for interest
8. Donation of R 300 was received but we do not budget for donations as this income is not a constant income.
- 9-10. Increase in the audit fees was within the budget amount.
11. Immaterial is within the budgeted amount.
12. New allocation for the special GRAP 103 Project.DAC Allocated R498,000.Used only R58 394.22 and the balance is R 439,605
13. There was a saving on this allocation because of the new security company charge less than the previous company.
14. Immaterial is within the budgeted amount.
15. Savings as there were no major exhibition completed this year
16. Savings of 17% on public programmes as some of the events were cancelled at the end of the year.
17. Immaterial is within the budgeted amount.
18. Savings as the museum is using online banking and less cheques
19. Immaterial is within the budgeted amount.
20. Increase in computer expenses as some computers and printers needed to be repaired.
21. There was no much movement as the as we have only used the service of Pastel Consultant
22. Exceeded our budget as a DAC requirement that we sent hard copies to them.
23. Reversal of depreciation as a GRAP103 requirement resulted in credit.
24. No movement as the museum is not giving donations but only to the individuals who supporting the museum by sending flowers at funerals.
25. Savings as the museum is only paying for water and other services are still paid by the DPW as the custodian of the property.
26. Immaterial is within the budgeted amount.
27. Immaterial is within the budgeted amount.
28. There was a saving on our premium as it was negotiated with the insurance broker.
29. No variance as this amount is per lease agreement.
30. Immaterial is within the budgeted amount.
31. Saving as there was no much use of the cars due to the outreach position being vacant.

**LUTHULI MUSEUM NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended on 31 March 2018**

- 32. Immaterial is within the budgeted amount.
- 33. Savings on stationery due to marketing, curatorial and design position being vacant during the year.
- 34. Museum had to assist the employee who was injured on duty in previous year regarding the medical expenses when there is a shortfall on medical aid. During the current year, there were only two visits when compared to the previous year.
- 35. Increase in the repairs and maintenance as there were major repairs during the year including the installation of electronic doors.
- 36. Savings as some of the staff members were terminated towards the end of November 2017.
- 37. Immaterial is within the budgeted amount.
- 38. Increased as result of the training conducted by JMB Consulting for marketing strategy which costed R 72,105.
- 39-40. No movement and as there was no curator to attend these events.
- 41. Savings as some of the staff members were terminated towards the end of November 2017.
- 42. Immaterial is within the budgeted amount.
- 43. Savings as some of the staff members were terminated towards the end of November 2017.
- 44-45. There was an over expenditure on these accounts as the Council was involved in the process which resulted to the termination of four employees. This will include the travelling, accommodation and honorarium by the Council.