

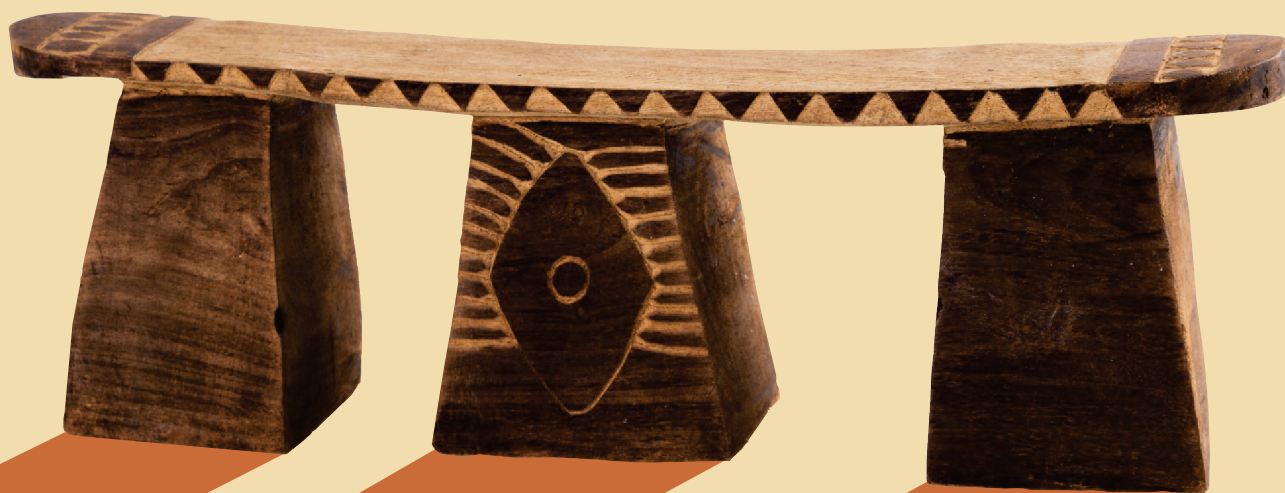
# ANNUAL REPORT

OF MSUNDUZI MUSEUM INCORPORATING THE VOOTREKKER COMPLEX

FOR THE YEAR ENDED

Heritage Institution

31 MARCH 2018





*“Let us in South Africa learn to stop being Bantus, Coloureds, Indians and Whites.  
Let us be what we are, Africans in Africa.”*

*- OR Tambo on Radio Freedom, 8 January 1979.*

**MSUNDUZI MUSEUM**  
**INCORPORATING THE VOORTREKKER COMPLEX**  

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**ANNUAL REPORT**  
2017/2018 FINANCIAL YEAR

**Submission of the Annual Report to the Minister of Arts and Culture by the  
Chairperson of the Museum Council**

In terms of the Public Finance Management Act, No.1 of 1999, I have the honour to submit  
the Annual Report of the Msunduzi Museum Incorporating the Voortrekker Complex  
for the financial year 2017/2018 to the Minister of Arts and Culture.

**Chairperson:**

Mr M. Thango

**Council Members:**

Adv. R.R Dehal, Mr Z. Gumede, Prof S.P. Lekgoathi, Ms S. Mabilane, Dr G. Mazibuko,  
Dr J Ndlovu, Mr J. Nel, Mr T. Nemaheni, Dr T. Ngoma



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# **PART A**

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## **GENERAL INFORMATION**

## 1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	:	Msunduzi Museum Incorporating the Voortrekker Complex
REGISTRATION NUMBER	:	N/A
PHYSICAL ADDRESS	:	351 Langalibalele Street Pietermaritzburg 3201
POSTAL ADDRESS	:	P.O. BOX 998 Pietermaritzburg 3201
TELEPHONE NUMBER	:	27 33 394 6834/5/6
FAX NUMBER	:	27 33 394 6797/033 342 4100
EMAIL ADDRESS	:	mngubane@msunduzimuseum.org.za
WEBSITE ADDRESS	:	www.msunduzimuseum.org.za www.ncomemuseum.org.za
EXTERNAL AUDITOR	:	Auditor-General South Africa
INTERNAL AUDITORS	:	Sizwe Ntsaluba Gobodo (SNG)
BANKERS	:	ABSA Bank
COUNCIL SECRETARY	:	Ms Lestelle Sewell

## 2. LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AFRICOM	International Council for African Museums
COV	Church of the Vow
DAC	Department of Arts and Culture
MEC	Member of Executive Council
NDPW	National Department of Public Works
PFMA	Public Finance Management Act
p.a.	Per annum
SAPS	South African Police Service
SCM	Supply Chain Management
SMART	Specific, Measurable, Achievable, Realistic and Time bound

### 3. FOREWORD BY THE DEPUTY CHAIRPERSON



In terms of the Public Finance Management Act 1 of 1999 as amended, it gives me pleasure to submit the Annual Report of the Msunduzi Museum Incorporating the Voortrekker Complex for the financial year 2017/2018. The report is also reporting on the activities of the Ncome Museum which is an undeclared institution that is attached to the Msunduzi Museum Incorporating the Voortrekker Complex. The year under review has been a daunting one. There are matters though which bring comfort and restores one's sense of hope, that our cultural institutions in the reporting period continued to play a pivotal role in South African society by making a meaningful contribution to cultural and heritage preservation, restoration, promotion, research, education and collecting.

A major development over the last year has been the appointment, as of 1 December 2017 of the new Council. As the accounting authority we will assist in the strengthening of governance and the implementation of the strategy at the museums.

This report reflects that the Museums worked diligently to achieve and deliver against their key objectives as identified in the Strategic Plan, and as Council we continue to be grateful to our committed employees, for their tireless efforts and passion for their work which benefit the museums. I would like to use this opportunity, on behalf of the council, to express our sincere gratitude.

During the reporting period, the cultural institutions ensured that priority is given to our core mandate of research, exhibitions and education by setting out numerous programmes which are aligned with the Government and the National Department of Arts and Culture's programmes, such as, the National Development Plan, and the White Paper on Arts, Culture and Heritage of 1996. Our activities are in line with the Department of Arts and Culture's Outcome 14 targets: "Nation Building and Social Cohesion" and the Medium Term Strategic Framework of the Department and Mzansi's Golden Economy Programme. Given the financial challenges that face the cultural institutions, great effort was made to ensure that significant achievements were realised. Two of the highlights during the reporting period were the OR Tambo Lecture and Exhibition organised by the Msunduzi Museum in partnership with the KwaZulu-Natal Museum, and the 5<sup>th</sup> *Courageous Conversations* Conference hosted at Ncome Museum.

Our cultural institutions recognise that arts, culture and heritage contribute immensely to economic growth and social development hence they will endeavour to strengthen relations and partnerships with various stakeholders which include heritage institutions, universities and different layers of government as well as the community structures.

As mentioned above, financial challenges did not deter the cultural institutions in the reporting period of 2017/2018 financial year from hosting a range of activities in line with their core functions. However the financial position of the institution is extremely concerning.

On behalf of the Council I thank the Department of Arts and Culture for the support and guidance given to the two Museums, none of our achievements would have been possible without their active backing. We also appreciate support of the Local Municipalities and the KwaZulu-Natal Department of Arts and Culture for carrying out some of the projects we had planned.

A handwritten signature in black ink, appearing to read 'J Ndlovu', written over a horizontal line.

**Dr J Ndlovu**

**Deputy Chairperson: Msunduzi Museum Incorporating the Voortrekker Complex**

**31 July 2018**

#### 4. DIRECTOR'S OVERVIEW



It is a pleasure to report on the activities of the Msunduzi Museum Incorporating the Voortrekker Complex and the undeclared cultural institution of Ncome for the financial year which ended on 31 March 2018. This report will indicate that the cultural institution continued to deliver a number of activities using the objectives as set out in the Annual Performance Plan and the Strategic Plan. The latter was aligned to key objectives as set out by the Department of Arts and Culture (DAC) and Government's Programmes.

During the reporting period, the cultural institution had no major capital works. DAC has recently provided R10m for the refurbishment and upgrade of Msunduzi Museum. Planning is in progress and it is expected that refurbishment will be undertaken during the forthcoming financial year.

The cultural institution successfully hosted a number of activities in line with their core functions under extremely difficult financial constraints. Partnership programmes with various departments and organisations contributed to the success of programmes such as the OR Tambo Lecture and exhibition, the Africa Day Month activities presented in partnership with the KwaZulu-Natal Museum, the Heritage Month World Press Photo exhibition, and the Courageous Conversations Conference presented in partnership with the Department of Arts and Culture.

In partnership with the KwaZulu-Natal Museum the cultural institution organised the living heritage events to promote nation building and social cohesion which were successful and cost saving including a Heritage Day event and parade.

The Cultural Institutions in collaboration with the Department of Arts and Culture, KZN Department of Arts and Culture, KwaZulu-Natal Museum and Municipalities, promoted arts and culture in the Province of KwaZulu-Natal. The Cultural Institutions hosted and funded a number of projects and programmes which were in line with the Museum's Strategic and Annual Performance plans. A number of outreach programmes have been conducted during the reporting period. The long term goals for the museums, is to continue to actively preserve and, promote the nation's cultural heritage to benefit nation building and social upliftment. Through their facilities the museums must be able to generate income for the long term sustainability.

We would like to thank the Department of Arts and Culture for the support and guidance given to the cultural institutions. We also appreciate the support the two museums received from the KwaZulu-Natal Department of Arts and Culture and Local Municipalities.

A handwritten signature in dark ink, appearing to be 'M. Ngubane', written over a horizontal line.

**Dr Mlungisi Ngubane**

**Director: Msunduzi Museum Incorporating the Voortrekker Complex**

**31 July 2018**

## **5. Statement of responsibility and confirmation of accuracy of the annual report**

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

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2018.

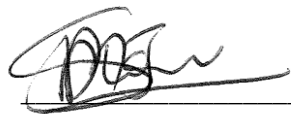
Yours faithfully



**Chief Executive Officer**

**Dr M Ngubane**

**27 July 2018**



**Deputy Chairperson of the Council**

**Dr J Ndlovu**

**27 July 2018**

## **6. STRATEGIC OVERVIEW**

### **6.1. Vision**

The Msunduzi Museum Incorporating the Voortrekker Complex will deliver an excellent cultural experience.

### **6.2. Mission**

The Msunduzi Museum Incorporating the Voortrekker Complex will actively preserve, promote and present our cultural heritage to benefit nation building and social upliftment.

### **6.3. Values**

- Stakeholder orientation
- Batho Pele
- Accountability
- Integrity
- People
- Performance
- Service excellence

### **6.4. Strategic outcome orientated goals**

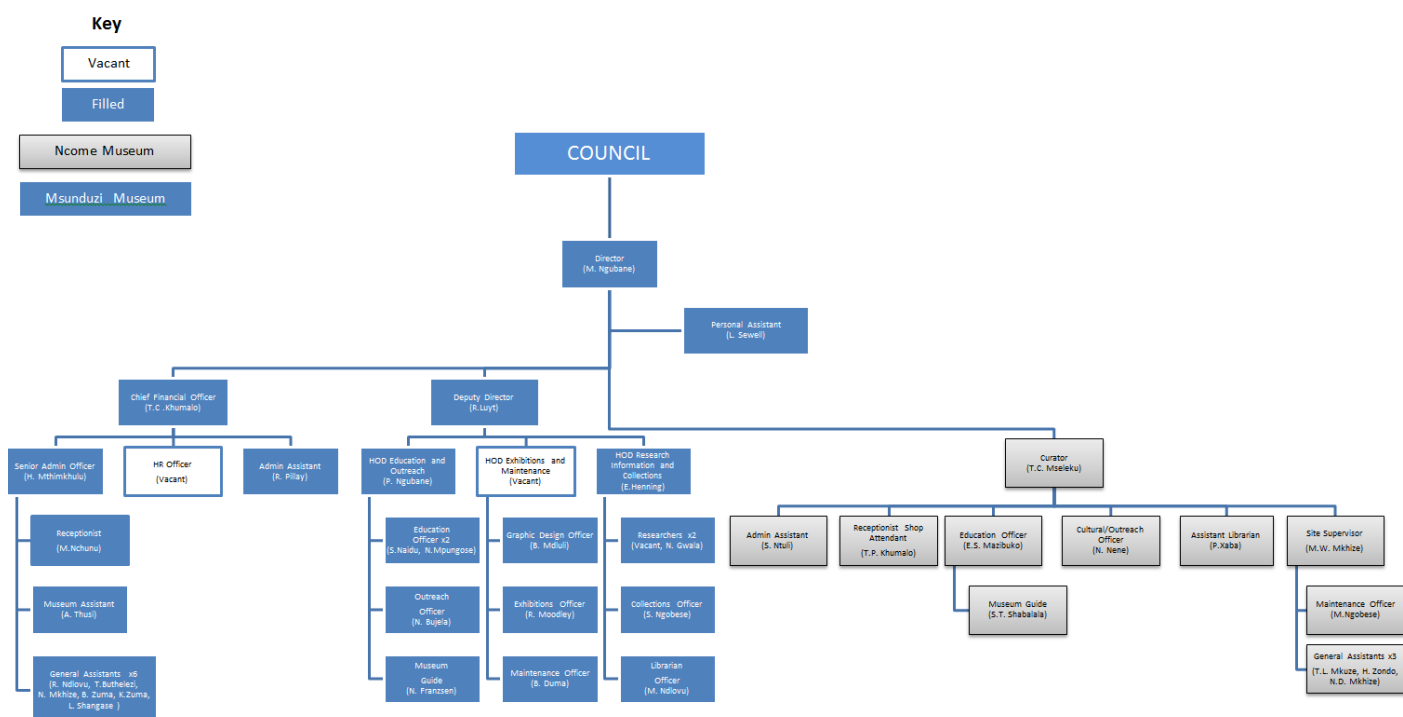
- Collecting, conserving, documenting, researching, educating and exhibiting.
- Promoting multi-culturalism and intangible heritage.
- Improve accessibility to the rich and dynamic cultural heritage of South Africa.

## **7. LEGISLATIVE AND OTHER MANDATES**

- The Public Entity falls under Schedule 3A in terms of the PFMA.
- Cultural Institutions Act 119 of 1998 as amended.
- Public Finance Management Act 1 of 1999 as amended.
- Treasury Regulations.
- South African Heritage Resources Act
- KwaZulu-Natal Heritage Act



## 8. ORGANISATIONAL STRUCTURE - high level organisational structure



## **PART B**

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### **PERFORMANCE INFORMATION**

## 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performed the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to the Auditor's Report on pages 46 to 50, published as Part E: Financial Information of this report.

## 2. SITUATIONAL ANALYSIS

### 2.1. Service Delivery Environment

The museums in collaboration with the Department of Arts and Culture, provincial departments and Lotto Distribution Fund during the reporting period fulfilled their mandate to promote and preserve heritage and culture in South Africa. The museums through their outreach programmes and cultural events were able to fund various projects. Skills development projects through workshops were organised and a conference was conducted.

### 2.2. Organisational Environment

Due to the vacancy rate, the museums experienced challenges during the reporting period. Service delivery and continuity in the museums will be affected if this problem it is not addressed.

### 2.3 Key policy developments and legislative changes

There have been no changes in policies and legislation that affected the operations of the museums during the reporting period.

### 2.4 Strategic Outcome Oriented Goals

The museums have identified the following to guide their work.

Strategic Goal	
<b>Strategic Outcome Oriented Goal 1</b>	Research, Information service and Collections: increase, preserve and develop collections as a lasting resource reflecting our national heritage and accessibility to information.
<b>Goal Statement</b>	To increase and broaden the collections, through research, increased knowledge and understanding about heritage, to manage the collections to set professional standards and provide accessibility to knowledge.
<b>Goal Achievements</b>	The Museums maintained the collections by routine collection management activities and entered 82 items into the accession register. Research was completed for 3 projects. The library collections were increased with 44 materials being added (34 at Msunduzi Museum and 10 at Ncome Museum). A stock check of museum items as well as a stocktake of library materials and a book launch were conducted at Msunduzi Museum. Library week and book week events were held. A functioning internet café is offered as an additional community resource. The 5 <sup>th</sup> "Courageous Conversations" Conference was held at Ncome Museum. The OR Tambo Lecture was held at Msunduzi Museum and a dialogue was organised to commemorate Women's Day.

## Strategic Goal

**Strategic Outcome Oriented Goal 2** Exhibitions: promote and increase the understanding and enjoyment of heritage, collections and information/knowledge.

**Goal Statement** To increase access to, comprehension and knowledge of museum collections through interesting and engaging exhibitions.

**Goal Achievements** Eight temporary exhibitions were held including an OR Tambo/Africa Day exhibition, a Human Rights quilt exhibition and the World Press Photo exhibition.

A total of thirty two publications were produced including invitations and programmes, a booklet titled *Pietermaritzburg Freedom Route*, a Journal, and *Ulwazi* volume's 2, and 3. The Annual Report, Annual Performance Plan and 5 newsletters were also produced.

## Strategic Goal

**Strategic Outcome Oriented Goal 3** Enhanced education and public programmes.

**Goal Statement** To promote an understanding, insight, awareness and enjoyment of South Africa's heritage and culture that will contribute to nation building and social upliftment through education programmes, public events and training (skills development).

**Goal Achievements** A total of 195 schools were visited to market educational programmes at the museums. A total of 150 presentations were given to schools. A total of 21 craft/skills workshops and herbal workshops were held. 519 brochures were distributed. 2 educator's workshops were held. 3 programmes and 3 worksheets were revised, 1 new programme and 1 new worksheet was developed. 19 events and commemorative days were commemorated by the museums including the Reconciliation Day event at Ncome Museum.

## Strategic Goal

**Strategic Outcome Oriented Goal 2 and 3** Administration and Support

**Goal Statement** To provide support for line functions of the Museums.  
To implement financial and risk management policies.  
To implement HR policies.  
To plan, design and implement security measures to ensure safety of the Museum premises, staff and visitors.

**Goal Achievement** The Museums continued to support line functions and, Council, as well as to provide reports required by the Department, National Treasury and other stakeholders.  
The Museum complies with financial, risks management and supply chain management policies.  
Efficient human resources policies, procedures and systems.  
General safety of staff, visitors and Museum resources.  
Refresher workshops on policies, performance management and risk management were conducted. Other training courses were also attended by various staff members, including training on supply chain management, public speaking, human resource training, first aid and basic photography.  
A total of 19068 visitors engaged with exhibitions and events.

The Msunduzi Museum Incorporating the Voortrekker Complex in collaboration with the Department of Arts and Culture, KZN Department of Arts and Culture and Municipalities, promoted arts and culture in the Province of KwaZulu-Natal. The Museum hosted and funded a number of projects and programmes which were in line with the museum's Strategic and Annual Performance plans. A number of outreach programmes have been conducted during the reporting period and a "mobile museum" vehicle funded by Lotto was acquired during March 2018.

### 3. PERFORMANCE INFORMATION BY PROGRAMME

#### Strategic objectives, performance indicators, planned targets and actual achievements

#### **3.1 PROGRAMME 1: ADMINISTRATION**

Performance indicator	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
<b>Programme Strategic Objective: To provide effective and efficient financial administration and corporate governance.</b>					
Unqualified Audit report and compliance with legislation including the PFMA, the Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Policy of Preferential Framework Act, KZN Heritage Act	4 Quarterly Reports and 1 Annual Report	KPI Baseline Report and Quarterly Report submitted to DAC quarterly. Public Entities Input Quarterly Report submitted to Treasury quarterly. Annual Report produced annually.	4 Quarterly Reports and 1 Annual Report	N/A	N/A
<b>Programme Strategic Objective: To maintain the museum's information and computer systems and implement and monitor risk management processes and controls.</b>					
Number of major IT system incidents and number of risks identified and mitigated	4 Audit Committee Meetings and 4 Internal audit reports:  INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AUDIT REPORT  REVENUE AND RECEIVABLES, HUMAN RESOURCES MANAGEMENT, BUDGET MANAGEMENT, PERFORMANCE INFORMATION Q2 AND FOLLOW UP 3 of 2016/17  SUPPLY CHAIN MANAGEMENT, EXPENDITURE MANAGEMENT AND	4 Audit Committee meetings and 1 Internal Audit Report	5 Audit Committee Meetings and 4 Internal audit reports:  REPORT 1 OF 2017/18 PERFORMANCE INFORMATION - QUARTER 1  REPORT 2 OF 2017/18: REVENUE  REPORT 3 OF 2017/18 PERFORMANCE INFORMATION QUARTER 2  REPORT 4 OF 2017/18: ASSET MANAGEMENT	One additional meeting was held and 3 Internal Audit Reports produced	An additional meeting was held to review the AG's draft Audit Report. 3 additional audit reports were produced and hence the target was exceeded.

	PERFORMANCE MANAGEMENT SYSTEM (Q1) 01 & 02 of 2016/17				
<b>Programme Strategic Objective: To develop an efficient Human Resources Operational Plan</b>					
Percentage of staff trained according to HR Operational Plan	100 % of staff trained according to HR Operational Plan	100% staff trained according to HR Operational Plan	100% staff trained according to HR Operational Plan	N/A	N/A
Mid-term and final performance reviews conducted for all staff	Performance Management Workshop and 2 performance reviews	1 Performance Management Workshop and 2 performance reviews for staff	1 Performance Management Workshop and 2 performance reviews	N/A	N/A
<b>Programme Strategic Objective: To promote safety within the museums premises.</b>					
Number of major incidents and identification of safety and security measures	10 meetings held ( 6 - Msunduzi , 4 -Ncome)	8 Quarterly meetings with security providers	8 meetings held (4 Msunduzi, 4 Ncome)	N/A	N/A
<b>Programme Strategic Objective: Record, compile and report on visitor statistics for museum visits, projects and events</b>					
Number of visitors recorded	27434 visitors Msunduzi :15746 Ncome : 11688	22 521 visitors	19068 visitors Msunduzi: 13 106 Ncome: 5962	3453 less visitors	Less visitors visited the museum than anticipated.

### **3.2 PROGRAMME 2: BUSINESS DEVELOPMENT**

<b>Performance indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation From Planned Target To Actual Achievement For 2017/2018</b>	<b>Comment On Deviations</b>
<b>Programme Strategic Objective: To develop and preserve the museum collections that reflects the nation's diversity</b>					
Expand existing museum collections	3 done (apron, headband, photo's, t-shirt, programme and 4 other items collected)	Organize 2 trips or events to collect relevant items	3 done (2 Msunduzi; 1 Ncome – photo's and various other items collected)	One more done, during which additional items were acquired	The collecting opportunity was identified and the target exceeded.
Number of items documented according to international museums standards	Msunduzi :12 Ncome: 41 TOTAL: 53 entered	Enter 48 new acquisitions into accession register, computer database, take digital images and add to storage lists	Msunduzi: 55 Ncome: 27 TOTAL: 82 entered	34 extra acquisitions were entered	The target was exceeded as more objects were acquired and therefore documented.

Programme Strategic Objective: To promote social cohesion and nation building					
Number of public engagements organised	-DCO Matiwane Lecture -Address by Judge Nicholson at "Sport in the Struggle" exhibition opening -Dialogue held at Msunduzi focusing on motivating women -Conference at Msunduzi -Talk at Ncome	Organise and host 3 public engagements	- OR Tambo lecture - Women's Day dialogue - Conference at Ncome	N/A	N/A
Programme Strategic Objective: Improve access to information					
Research material produced for exhibitions	1 Research project – texts completed	1 Research project to be completed for exhibitions	2 Research projects – texts completed	1 additional research project on OR Tambo was completed	The target was exceeded as an exhibition was required as part of the year of OR Tambo.
Research material produced for publications	1 Research project – texts for 3 brochures completed	1 Research project to be completed for publications	1 Research project – texts completed for 1 brochure	N/A	N/A
	7 (5 newsletters, 1 Ulwazi, 1 Journal)	Complete 6 research materials for museum publications	7 (5 newsletters, 1 Ulwazi, 1 Journal)	1 extra research material produced	The target was exceeded as material for one extra newsletter was required to promote the conference and Ncome Museum.
Number of visitors using library services during the week	1137 (Msunduzi: 778; Ncome: 359) 4 reports compiled	Assist 400 visitors and compile 4 reports on user statistics	888 (Msunduzi:688; Ncome: 200) 4 reports compiled	488 more visitors	Marketing activities and internet café attracted more visitors therefore the target was exceeded.
Number of public engagements organised	3 library public engagements  (Book Week Workshop for school librarians held at Msunduzi, Library Week held at Ncome and Msunduzi)	Organise 2 library public engagements	5 library public engagements  (Book Week and Library Week held at Msunduzi and Ncome. A book launch was also held at Msunduzi)	3 additional engagement held	Msunduzi hosted an extra book launch event and library and book week events were held at both Msunduzi and Ncome therefore the target was exceeded.
Number of library materials acquired	Purchased: 24, Donated: 2 (Msunduzi)  Purchased: 14, Donated: 341, (Ncome)  22 materials catalogued (Msunduzi)  355 materials catalogued (Ncome)	Purchase catalogue and digitize 20 library materials (Msunduzi and Ncome Museum)	Purchased: 22 Donated: 12 (Msunduzi)  Purchased: 04, Donated: 06, (Ncome)  25 materials catalogued (Msunduzi)  2 materials	6 additional materials were purchased, and 18 donated  7 extra materials catalogued	The donations were not anticipated and additional materials were required therefore the target was exceeded.

			catalogued (Ncome)		
<b>Programme Strategic Objective: To account for library assets in the care of the museums</b>					
To check and verify that library material in asset registers are accounted for	Stock take completed as part of GRAP 103 process. 1 Report produced.	Stock taking of library holdings. 1 report produced	Stock take completed at Msunduzi Museum. 1 Report produced.	Stock take not done at Ncome Museum	Ncome staff member working in the library was injured.
<b>Programme Strategic Objective: To account for heritage assets in the care of the museums</b>					
To check and verify that collection items recorded in asset registers are in the collection centre or on exhibition	Stock take completed as part of the GRAP 103 process. 1 Report Produced.	Museum item stock take spot check carried out (50 items on exhibition and 50 items in storage) 1 Report produced	Stock check of 50 items in storage and 50 items on exhibition was conducted. 1 report produced.	NA	NA

### **3.3 PROGRAMME 3: PUBLIC ENGAGEMENT**

<b>SUB-PROGRAMME 1 : EXHIBITIONS</b>					
<b>Performance indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation From Planned Target To Actual Achievement For 2017/2018</b>	<b>Comment On Deviations</b>
<b>Programme Strategic Objective: Present engaging exhibitions by interpreting and presenting the museums' collections to the benefit of visitors</b>					
Number of exhibitions designed, planned, constructed and installed	1 exhibition produced and installed at Msunduzi Museum ( Pietermaritzburg Hidden Treasures and the Freedom Route)	Produce 1 exhibition	90% complete. (Exhibition was designed and panels printed and mounted at Ncome Museum)	Remaining 10% to be complete by end of March 2018.	The exhibition will be completed in May 2018.
<b>Programme Strategic Objective: Make information and knowledge accessible</b>					
Number of publications designed and printed	19 publications:  DCO & Youth Day Register  DCO Matiwane Lecture Programme  Sport in the Struggle Exhibition Invitation  Sport in the Struggle Exhibition Programme	5 publications designed and printed	32 publications:  International Museums Day invite  International Museums Day programme  Youth Day invite  Youth Day programme	27 additional items were produced	Extra items were required for various events therefore the target was exceeded.



	Pietermaritzburg Hidden Treasures Booklet  Museum Journal Vol 5  Museum Journal Vol 6  Annual Report  Women's Day Programme  Women's Day Invitation  Courageous Conversations Conference Call for Papers , Invitation and Conference Programme  Ulwazi Vol 1  Crafters certificates  Library week poster  APP  Human Rights Invitation  Human Rights / Quilters Programme		Youth Day poster  Youth Day register  Youth Day flyers  Freedom Route Publication  Ncome Education Brochure printed  Ulwazi (vol 2 printed)  Heritage Festival Poster  Heritage Festival Programme  Heritage Festival Attendance Register  Road to Democracy Brochure printed  Women's Day Programme  Woman's Day Invitation  Annual Report  Conference - 2nd Call for papers  Conference – Invitation  Book Bazar – Invitation  Book Bazar Advertising poster  Book Week Posters Printed  Ncome Brochure  Conference Programme  Conference Folder  Conference Dinner Programme  Conference Poster  APP  Journal (Vol 7-2018)  Ulwazi (Vol 3-2018)  Human Rights Day Programme  Human Rights Day Invitation)		
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Programme Strategic Objective: Mount temporary exhibitions					
Number of temporary exhibitions planned and set-up	6 temporary exhibitions :  Sport in the Struggle Exhibition  3 x travelling exhibitions ( installed at Alexandra Library, Hayfields Primary, St Anne's Hospital)  "Unsettled 100 years of Resistance by Xhosa people against Boer and British" ( PACSA Photographic exhibition )  Quilt Exhibition	Mount 2 temporary exhibitions	8 temporary exhibitions:  Msunduzi:  OR Tambo/Africa Day exhibition  Human Rights Quilt exhibition  World Press Photo exhibition hosted  2 x travelling exhibitions (installed at Richmond Library, Northdale Library)  Ncome:  Women' s exhibition  Heritage exhibition  Human Rights exhibition taken to Vezinhlanhla Primary	6 additional exhibitions were held	The target was exceeded as the museum hosted one additional incoming temporary exhibitions responded to exhibition requests and incorporated additional temporary exhibitions as part of commemorative day programmes.
Programme Strategic Objective: Develop marketing materials					
Number of newsletters designed and printed	4 newsletters designed and printed  1 conference bag printed	Design and print 4 newsletters	5 newsletters designed and printed  1 Youth Day banner produced  2 x pullup banners produced to promote the museum's Education and Outreach Department  1 x Conference pullup banner produced	1 additional newsletter was produced for the conference and 4 banners were produced to market museum services and events	Target exceeded as additional marketing materials for events and to promote educational services were required.

### **PROGRAMME 3: PUBLIC ENGAGEMENT (CONTINUED)**

SUB-PROGRAMME 2 : EDUCATION					
Performance indicator	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

Programme Strategic Objective: To provide learner and teacher enrichment through educational service					
Number of programmes and associated worksheets revised	4 programmes and 4 worksheets revised (3 programmes and 3 worksheets revised Ncome, 1 programme and 1 worksheet Msunduzi)	3 revised educational programmes and 1 worksheet	3 programmes and 3 worksheets revised (2 programmes and 2 worksheets Ncome, 1 programme and 1 worksheet Msunduzi)	2 additional worksheets were produced	The worksheets needed to be improved therefore the target was exceeded.
	3 programmes and 3 worksheets developed (Ncome)	1 new educational programme and 1 worksheet	1 programme and 1 worksheet developed (Ncome)	N/A	N/A
Presentation of educational programmes of the museum	128 presented (24 Ncome; 104 Msunduzi)	120	150 presented (41 Ncome; 109 Msunduzi)	30 additional presentations were made	Extra schools booked more Grades to visit the Msunduzi Museum due to their interest in participating in the passport competition. As a result the target was exceeded. At Ncome fewer schools booked than anticipated.
Visits to schools to promote museum educational programmes and activities	213 contacted/visited (125 visited, 2 contacted Ncome; 86 Msunduzi)	150	195 visited (101 visits Ncome, 94 visits Msunduzi)	45 extra visits made	Additional visits were made to invite teachers to attend the educator's workshops.
Plan and organise holiday programmes during school holidays	3 offered (1 Ncome; 2 Msunduzi)	3	3 (1 Ncome ; 2 Msunduzi)	N/A	N/A
Programme Strategic Objective: Market the museum's educational programmes and activities					
Number of educational brochures distributed	660 distributed (163 Msunduzi; 497 Ncome)	180	519 distributed (405 Ncome ; 114 Msunduzi)	339 extra brochures were distributed	More brochures were required for distribution at events held in partnership with organisation in order to promote the museum and was also distributed at the conference.

Plan and organise teachers workshops	2 educators workshops held ( 1 Ncome, 1 Msunduzi)	2	2  (1 Ncome; 1 Msunduzi)	N/A	N/A
<b>Programme Strategic Objective: To conduct outreach programmes</b>					
Number of skills development workshops facilitated	16 held  ( craft / herbal skills development workshops held : 6 craft and 6 herbal Msunduzi; 4 Ncome)	16	21  (11 craft and 6 herbal Msunduzi; 4 Ncome) A crafters closing/award event was also held at Msunduzi	5 additional workshops and a closing event were held	The target was exceeded as an additional workshop was held due to Africa Day and one on request from the crafters for winter socks. 2 were held as part of the quilt exhibition and an additional knitting lesson was needed. The closing event was held to recognise and present the work of the crafters.
<b>Programme Strategic Objective: Celebrate commemorative days to promote nation building and social cohesion through events</b>					
Number of commemorative day events held	18  Msunduzi: 9  International Museums Day; Youth Day; Mandela Day; Woman's Day; Woman's Day Panel discussion; Heritage Day; Wellness Day; Human Rights Day and International Quilters Day Event  Ncome: 9  International Museums Day; Youth Day; Mandela Day; Women's Day; Human Rights Day; Freedom Day ( Youth Parliament); Reconciliation Day; Events: Mini Comrades Marathon and School Debate	16	19  Msunduzi: 9  International Museums Day; Youth Day; Mandela Day; Woman's Day; Africa Day; Heritage Day; Wellness Day; Human Rights Day; International Quilters Day Event  Ncome: 10  International Museums Day; Youth Day; Freedom Day ( Youth Parliament); Mandela Day; Women's Day; Human Rights Day; Reconciliation Day; World Aids Day  Events: Heritage Month Mini Comrades Marathon and School Debate	3 additional commemorative events	The target was exceeded due to the additional Africa Day event held in response to the DACs request for institutions to celebrate Africa Month and at Ncome additional events were held as an additional initiative.

## Strategy to overcome areas of under-performance

There have been no significant deviations related to the achievement of annual performance targets, and as a result there is no need to make structural adjustments.

## Changes to planned targets

No changes to planned targets were made.

## Linking performance with budgets

	2017/2018			2016/2017		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Administration	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	6,872	4,607	2,265	4, 373	4,362	11
Goods and services	5,688	5,587	101	4,598	6,426	-1,828
Total	12,560	10,194	2,366	8,971	10,788	-1,817

	2017/2018			2016/2017		
Sub-Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Public Engagement	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	3,376	2,890	486	3,332	3,324	8
Goods and services	400	352	48	269	242	27
Total	3,776	3,242	534	3,601	3,566	35

	2017/2018			2016/2017		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Business development	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	1,199	3,119	-1,920	2,707	2,700	7
Goods and services	208	222	-14	45	48	-3
Total	1,407	3,341	-1,934	2,752	2,748	4

	2017/2018			2016/2017		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Total by Expense Items	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	11,447	10,616	831	10,412	10,386	26
Goods and services	6,296	6,161	135	4,912	6,716	-1,804
Total	17,743	16,777	966	15,324	17,102	-1,778

#### 4. SUMMARY OF FINANCIAL INFORMATION

##### 4.1 Revenue Collection

	2017/2018			2016/2017		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Entrance fees	24	26	2	23	25	2
Rent	244	229	-15	205	252	47
Curio shop	45	23	-22	53	30	-23
Parking fees	170	195	25	153	175	22
Investment income	110	783	673	137	498	361
Other income	15	12	-3	13	13	-
Grant subsidy	15,803	16,039	236	13,146	13,146	-
Deferred income	483	483	-	61	61	-
Other grants (Municipal charges)	1,258	1,258	-	906	906	-
Reserves	-	-		1,322	-	-1,322
Sale of assets	-	5	5	-	-	1
Insurance claims	74	-	-74	272	-	-272
Total	18,227	19,053	827	16,291	15,106	-1,184

The Msunduzi and Ncome Museums collected R 486 000 through the sale of goods and services other than capital assets and interest earned. This is against a background that the baseline allocation is inadequate to support the Museum's operations.

Included in the total estimated income for 2017/18 financial year is R 483 000 recognised as deferred income which was not included in the budgeted income reflected on page 56 of the financial information.

### Summary of payments by sub-programme

	2017/2018			2016/2017		
Sub-Programmes	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	12,560	10,194	2366	8,971	10,788	-1,817
Public Engagement	3,776	3,242	534	3,601	3,566	35
Business development	1,407	3,341	-1934	2,752	2,748	4
Total	17,743	16,777	966	15,324	17,102	-1,778

### Disposals

The portion of movable assets disposed were as results of assets being scrapped, redundant, obsolete or broken. Two cameras and two exhibition assets were found not to be working and were written off. Proceeds were also received from insurance for 2 motor vehicles written off during the year. The profit on the disposal of these assets was R 4 979.

### Asset Register (Movable Assets)

The Cultural Institutions have continuously maintained their Asset Registers and added new acquisitions as and when a need arises. It is our view that the closing carrying values fairly reflect the prevailing market values.

### Maintenance of Immovable Assets

Since the Immovable assets are under the care and maintenance of the Department of Public Works, it remains a challenge to regularly service these buildings as they are old.



ABOVE: BEAD NECKLACE WITH A MESSAGE (BAYEKE BAKHULUME ONDABA) MEANING "LET THEM TALK"  
 AREA: MSINGA, BELONGED TO DLIZENI NGOBESE  
 C. 1970s

BELOW: NORTHERN NGUNI BEAD NECKLACE (LOVE LETTER)  
 C. 1880-1900



## **PART C**

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### **GOVERNANCE**

## **1. INTRODUCTION**

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

## **2. EXECUTIVE AUTHORITY**

Four quarterly reports, the Annual Performance Plan and the Strategic Plan were submitted to the DAC.

## **3. THE ACCOUNTING AUTHORITY/COUNCIL**

### **Introduction**

The Council is appointed in terms of the Cultural Institutions Act, and provides an oversight supervision of the institution.

### **The role of the Council is as follows:**

- 1.1.1 To formulate policies.
- 1.1.2 To hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the declared institution concerned.
- 1.1.3 To receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1).
- 1.1.4 To raise funds for the institution.
- 1.1.5 To manage and control the moneys received by the declared institution and to utilise those moneys for defraying expenses in connection with the performance of its functions.
- 1.1.6 To keep a proper record of the property of the declared institution, to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept.
- 1.1.7 To determine, subject to the Act and with the approval of the Minister, the objects of the declared institution.

### **Council Charter**

Operations of the Council are regulated by the Cultural Institutions Act 119 of 1998.  
During the reporting period the Council Charter was reviewed and approved by Council.

## COMPOSITION OF THE COUNCIL

### Council Members 01 April 2017 to 30 November 2017

Name	Designation (in terms of the Public Entity – Board structures)	Date appointed	Date of termination of council membership	Qualifi- cations	Area of expertise	Board Director- ship (list entities)	Other Committees	No of meetings scheduled	No of meetings attended
Prof SP Lekgoathi	Chairperson	01/12/2014	N/A	PhD	History	None	Audit Committee  Human Resource Committee  Council	3  3  3	0  0  2
Ms C Mngomezulu	Deputy Chairperson	01/12/ 2014	20/06/2017		Management and marketing	None	Human Resource Committee  Council	3  3	0  0
Mr D Mangena	Member	01/12/2014	N/A	LLB	Law	None	Audit Committee  Council	3  3	1  2
Ms L Marais-Botes	Member	01/12/2014	N/A		Heritage	None	Human Resource Committee  Council	3  3	3  2
Mr T Kubheka	Member	28/08/2015	N/A	N. Dip Acc	Accounting	None	Audit Committee  Council	3  3	1  1
Dr G Mazibuko	Member	01/02/2016	N/A			None	Human Resources Committee  Council	3  3	3  3
Dr MP Sithole	Member	01/12/2014	N/A	PhD	History	None	Human Resources Committee  Council	3  3	3  3
Mr G Kgarume	Member	01/06/2017	N/A		Governance	None	Council	3	1
Mr T Nxasana	Member	01/06/2017	N/A		Heritage	None	Council	3	2

### Council Members 01 December 2017 to 31 March 2018

Name	Designation (in terms of the Public Entity – Board structures)	Date appointed	Date of termination of council membership	Qualifi- cations	Area of expertise	Board Director- ship (list entities)	Other Committees	No of meetings scheduled	No of meetings attended
Mr M Thango	Chairperson	01/12/2017	N/A	N.Dip Education	Management	None	Audit Committee  HR Committee  Council	1  1  1	1  1  1
Dr MJ Ndlovu	Deputy Chairperson	01/12/2017	N/A	PhD	Human Resources	None	HR Committee  Council	1  1	1  1
Prof SP Lekgoathi	Member	01/12/2017	N/A	PhD	History	None	Council	1	0
Dr G Mazibuko	Member	01/12/2017	N/A	PhD	Languages	None	HR Committee  Council	1  1	1  1
Mr TI Nemaheni	Member	01/12/2017	N/A		Heritage	None	HR Committee  Council	1  1	1  1
Dr T Ngoma	Member	01/12/2017	N/A	PhD	Governance	None	Council	1	0
Ms SV Mabilane	Member	01/12/2017	N/A	B.Tech Acc	Finance	None	Audit Committee  Council	1  1	1  0
Mr Z Gumede	Member	01/12/2017	N/A	BCom Law	Finance	None	Audit Committee  Council	1  1	1  1
Mr J Nel	Member	01/12/2017	N/A		Heritage	None	Council	1	1
Adv RR Dehal	Member	01/12/2017	N/A	LLB	Law	None	Council	1	0

**COMMITTEES: HUMAN RESOURCES**  
**01 April 2017 to 30 November 2017**

Committee	No of meetings scheduled	No of meetings attended	No of members	Names of members
Human Resource Committee	4	3	5	Ms L Marais-Botes (Chairperson)
		0		Dr S Kabanyane
		0		Prof SP Lekgoathi (Ex-officio)
		3		Dr M.P Sithole
		3		Dr G Mazibuko
<b>Total</b>	<b>4</b>	<b>9</b>	<b>5</b>	

**COMMITTEES: HUMAN RESOURCES**  
**01 December 2017 to 31 March 2018**

Committee	No of meetings scheduled	No of meetings attended	No of members	Names of members
Human Resource Committee	4	2	4	Dr M.J Ndlovu (Chairperson)
		1		Dr G Mazibuko
		2		Mr T.I Nemaheni
		1		Mr M Thango (Ex-officio)
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	

**Remuneration of Council members**

Council members are paid as per National Treasury directive: Adjustment of the remuneration levels: service benefits packages for office bearers of certain statutory and other Institutions issued in each financial year. Council members are paid a meeting fee as per sub-category E2 of the said directive. Council remuneration per each attendance was as follows:

Chairperson's meeting fee for the year ended 31 March 2018 was R1,531

Vice Chairperson's meeting fee for the year ended 31 March 2018 was R1, 384

Member's meeting fee for the year ended 31 March 2018 was R1, 228

Name	Remuneration (meeting fee) R' 000	Other allowances R'000	Other re- imbursements R'000	Total R' 000
Prof SP Lekgoathi	7	-		7
Mr M Thango	23	-	-	23
Dr MJ Ndlovu	9	-	-	9
Mr ZS Gumede	9	-	-	9
Adv RR Dehal	1	-	-	1
Ms SV Mabilane	8	-	-	8

Mr J Nel	5	-	-	5
Prof P Sithole	12	-	-	12
Mr TI Nemaheni	6	-	-	6
Dr GB Mazibuko	15	-	-	15
Ms L Marais-Botes	5	-	-	5
Mr D Mangena	5	-	-	5
Mr T Kubheka	-	-	-	-
Mr GB Kgarume	1	-	-	1
Mr T Nxasana	5	-	-	5
<b>Total</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>111</b>

#### 4. RISK MANAGEMENT

Risks are grouped into categories, namely:

- a) Building
- b) Security
- c) Cash
- d) Human Resources
- e) Finance
- f) Procurement
- g) Information technology
- h) Performance Management Systems

We have updated the risk management register to effectively manage risks.

#### 5. INTERNAL CONTROL UNIT

Due to the size of the Museums, it does not have an internal control unit; however this task is outsourced to an audit firm, which its tasks will be explained in the following heading. However the administration unit continues to install relevant internal controls and continuous assessment of accounting and relevant internal controls is done by this unit.

#### 6. INTERNAL AUDIT AND AUDIT COMMITTEES

- Key activities and objectives of the Internal Audit firm is to assess the effectiveness of the areas listed below:
  - i) Acquisitions and Procurement policy
  - ii) Payroll
  - iii) Bank, creditors and payroll reconciliations
  - iv) Subsistence and travel allowances
  - v) Investment register
  - vi) Strategic plans
  - vii) Accuracy of the financial information submitted to the DAC and to Council.
- Key activities and objectives of the Audit committee are:
  - i) To provide assurance that the Museums comply with relevant laws and regulations.
  - ii) To provide assurance on the effective delivery of quality service in an efficient, transparent and economical manner.
  - iii) To review the work performed by the Internal Audit firm.
  - iv) To recommend and review accounting policies.
  - v) To provide assurance on the accuracy of financial information submitted to Council.
  - vi) To advise Council on the current status of the finances and make recommendations, where necessary.
  - vii) To review the AFS submitted to the Auditor-General for statutory audit.

The tables below disclose relevant information on the Audit Committee members:

#### **Audit Committee 01 April 2017 to 30 November 2017**

<b>Name</b>	<b>Qualification</b>	<b>Internal or External</b>	<b>If internal, position in the public entity</b>	<b>Date appointed</b>	<b>Date resigned</b>	<b>No of meetings scheduled</b>	<b>No of meetings attended</b>
Prof B Stobie	M.Acc , CA(SA)	External	N/A	2008-05-29	N/A	4	3
Mr A Jordaan	MBA	External	N/A	2010-02-19	N/A	4	3
Prof P Green	PhD	External	N/A	2010-02-19	N/A	4	1
Mr T Kubheka	N. Dip Acc	Internal	Council member	2015-08-28	N/A	4	1
Mr D Mangena	LLB	Internal	Council member	2011-05-01	N/A	4	1
Prof SP Lekgoathi	PhD	Internal	Council member	01/12/2014	N/A	4	0
Dr S Kabanyane	PhD	Internal	Council member	01/12/2014	N/A	4	0

#### **Audit Committee 07 February 2018 to 31 March 2018**

<b>Name</b>	<b>Qualification</b>	<b>Internal or External</b>	<b>If internal, position in the public entity</b>	<b>Date appointed</b>	<b>Date resigned</b>	<b>No of meetings scheduled</b>	<b>No of meetings attended</b>
Mr M Zikalala	LLB	External	N/A	07/02/2018	27/03/2018	4	1
Mr M Gwala	B.Tech	External	N/A	07/02/2018	N/A	4	2
Ms Z Khanyile	MBA	External	N/A	07/02/2018	N/A	4	1
Ms S.V Mabilane	B.Tech	Internal	Council member	01 /12/2017	N/A	4	2
Mr Z Gumede	B.COM	Internal	Council member	01/12/2017	N/A	4	1
Mr M Thango	N. Dip	Internal	Council member	01/12/2017	N/A	4	1

## **7. COMPLIANCE WITH LAWS AND REGULATIONS**

The Museums have tried to comply with National Treasury prescripts and regulations with specific reference to supply chain management and annual financial statements specimen. Their officials have attended some of the conferences organised by the DAC and National Treasury.

## **8. FRAUD AND CORRUPTION**

Every year staff is work-shopped on this policy and the importance to report untoward, fraudulent and corrupt activities to relevant officials and to the fraud hotline number.

## **9. MINIMISING CONFLICT OF INTEREST**

All staff, more in particular the supply chain management unit have completed declaration of business interest forms and furthermore internal controls are prevalent to detect frequent usage of service providers, albeit inadequate due to lack of segregation of duties in the unit.

## **10. CODE OF CONDUCT**

The museums developed and implemented the Code of Conduct policy which enforces good behavioural attributes of staff.

## **11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

There were no significant incidents during the year.

## **12. SOCIAL RESPONSIBILITY**

The Museums have contributed in a variety of ways:

- National days have been commemorated and on those occasions community participation has been encouraged.
- To grow heritage awareness and increase traditional craft and other skills the museums offers a variety of skills workshops throughout the year.
- To contribute to the development of the youth, relevant educational programmes are offered to learners.



### 13. AUDIT COMMITTEE REPORT

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

#### Audit Committee Responsibility

The Msunduzi Museum has complied with the Public Financial Management Act section 51 which state that "(1) The Accounting Authority for a public entity (a) must ensure that the public entity has and maintains (i) effective, efficient and transparent systems of financial and risk management and internal control; (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;

The Msunduzi Museum has appointed the new Audit Committee in February 2018 and Sizwe Ntsaluba Gobodo were appointed in November 2017 as the Museum's Internal Audit. The Audit Committee held their first meeting on the 26<sup>th</sup> February 2018, of which it was the last meeting for the 2017/18 financial year.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein

#### In-Year Management and Monthly/Quarterly Report

The public entities have been reporting monthly and quarterly to the Treasury as is required by the PFMA.

#### Evaluation of Financial Statements

The Audit Committee has reviewed the draft annual financial statements assisted by internal audit prior approval by the council and submission to the Office of the Auditor General.

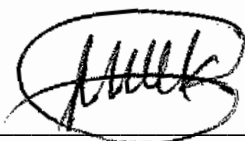
#### Members

Information on the members of the Audit Committee appears on page 33 of the Annual Report.

#### Auditor's Report

We have reviewed the entities implementation plans for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



**Mr Mnqobi K. Gwala**  
**Chairperson of the Audit Committee**  
**Msunduzi Museum Incorporating the Voortrekker Complex**  
**31 July 2018**

## **PART D**

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### **HUMAN RESOURCE MANAGEMENT**

## 1. INTRODUCTION

### Overview of HR matters at the museum

The museums have conducted a number of organizational developmental interventions during the reporting period.

#### 1. Formal workshops and training attended:

Workshops/training attended	Managers	Staff
Bachelor of Education Degree		1
BEd Hons		1
IT Certificate		1
Performance Management Workshop	6	33
Public Speaking		2
Supply Chain Management	5	14
First Aid		3
HR Certificate		1
Basic Photography		1
Archival Studies		1

A human resources operational plan was further developed and implemented by the entities during the reporting period.

### Set HR priorities for the year under review and the impact of these priorities

During the reporting period, the entities had a comprehensive report dealing with the development of an effective and efficient organisational structure. Due to shortages of funds, a job grading exercise for all museum posts was not executed.

### Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

During the reporting period a Research Officer resigned from the museum. Findings concluded that it was due to career change and salary package. The post of Head of Department Exhibitions and Maintenance was advertised during the period however no appointment was made. The museum therefore could not fulfil its goal to retain skilled staff

### Employee performance management framework

During the reporting period, staff of the entities attended a performance management workshop, and performance reviews were done as planned. After moderations, 25 staff members were awarded for outstanding performance as indicated in the performance management system and policy of the entity.

### Employee wellness programmes

In collaboration with the health institutions the entity organised a wellness day. Community members who attended also benefited from the programme.

### Policy development

The entity reviewed/developed the following policies which were approved by the Council for implementation:

- HR Terms of Reference
- Council Charter
- Investment Policy

## Challenges faced by the museums

During the reporting the entities were faced with financial constraints and therefore could not recruit employees to fill vacant senior level posts which affected their human capital resources.

## Future HR plans / goals

The entity plans to perform job grading for all posts when funds are available, develop policies and review policies that are due for review. These will then be presented to Council for consideration and approval.'

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### Personnel cost by programme: permanent staff

Programme	Total Expenditure for the Museum (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	<b>16,777</b>	4,507	27.46%	19	242
Public Engagement		2,890	17.23%	12	240
Business Development		3,119	18.59%	8	446
<b>Total</b>	<b>16,777</b>	<b>10,616</b>	<b>61,91%</b>	<b>39</b>	<b>279</b>

### Personnel cost by programme: temporary staff and internship

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	<b>16,777</b>	93	0.55%	24	4
Public Engagement		50	0.30%	3	17
Business development		19	0.11%	4	5
<b>Total</b>	<b>16,777</b>	<b>162</b>	<b>0.96%</b>	<b>31</b>	<b>26</b>

### Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	<b>10,616</b>	20%	3	716
Senior Management		15%	3	540
Professional qualified		6%	3	222
Skilled		36%	19	201
Semi-skilled		22%	11	214
<b>Total</b>	<b>10,616</b>		<b>39</b>	<b>272</b>

### Performance rewards

Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	1	2,147	0,04%
Senior Management	2	1,622	0,06%
Professional qualified	1	666	0,015%
Skilled	11	3,826	0,29%
Semi-skilled	4	2,355	0,17%
<b>Total</b>	<b>19</b>	<b>10,616</b>	<b>0,18%</b>

### Training costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
Administration	<b>10,616</b>	144	1.35%	9	16
Public Engagement				9	30
Business Development				4	36
<b>Total</b>	<b>10,616</b>			<b>22</b>	<b>7</b>

## Employment and vacancies

Programme	2016/2017 No. of Employees	2017/2018 Approved Posts	2017/2018 No. of Employees	2017/2018 Vacancies	% of Vacancies
Administration	20	20	19	1	5%
Public Engagement	12	13	12	1	8%
Business development	8	8	8	0	0%
<b>Total</b>	<b>40</b>	<b>41</b>	<b>39</b>	<b>2</b>	<b>5%</b>

Programme	2016/2017 No. of Employees	2017/2018 Approved Posts	2017/2018 No. of Employees	2017/2018 Vacancies	% of Vacancies
Top Management	3	3	3	0	0%
Senior Management	3	4	3	1	25%
Professional qualified	3	3	3	0	0%
Skilled	17	20	19	1	5%
Semi-skilled	13	11	11	0	0%
<b>Total</b>	<b>39</b>	<b>41</b>	<b>39</b>	<b>2</b>	<b>5%</b>

## Employment changes

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

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Senior Management	3	0	0	3
Professional qualified	3	0	1	2
Skilled	17	0	0	17
Semi-skilled	13	0	0	13
<b>Total</b>	<b>39</b>	<b>0</b>	<b>1</b>	<b>38</b>

### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	1	3%
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
<b>Total</b>	<b>1</b>	<b>3%</b>

- Staff left because they have found better paying jobs elsewhere.
- The museum advertised the posts while placing staff members in acting positions.
- The museum hired casual staff on a contract basis.
- The museum has also hired interns on a contract basis to address workload capacity.

### Labour relations: misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0
<b>Total</b>	<b>0</b>

### Equity target and employment equity status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	1	1
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	0	0	0	0	0	0	0	0
Skilled	9	9	0	0	2	2	0	0
Semi-skilled	6	6	0	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	1	1
Professional qualified	2	2	0	0	0	0	0	0
Skilled	5	5	2	2	0	0	1	1
Semi-skilled	5	5	0	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Other Human Resource Statistics

### Job Evaluation

Number of Posts evaluated	Outcomes	Narrative
0	-	-

### Promotions and Injury on Duty

No promotions took place however one staff member was appointed to a position at a higher level, following a recruitment and selection process.



## Utilization of Leave

The Cultural Institution follows a practice of forfeiting leave in the event it is not used after eighteen months of the new cycle. The table below summarizes the number of staff due to take leave before 30 June 2018 otherwise leave accumulated is forfeited.

Item	Number Of Staff	Percentage
Number of staff less than 5 days to take leave	7	18%
Number of staff more than 5 days to take leave	23	61%
Number of staff not eligible to take accrued leave	8	21%
<b>Total</b>	<b>38</b>	<b>100%</b>



DECORATIVE BRASS VASE FROM THE SOOBRAMANIAN AND MARRIAMAN TEMPLE COMPLEX,  
PIETERMARITZBURG.

## **PART E**

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### **FINANCIAL INFORMATION**

# 1. Report of the auditor-general to Parliament on Msunduzi Museum (Incorporating the Voortrekker Complex)

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Msunduzi Museum (Incorporating the Voortrekker Complex) set out on pages 52 to 87, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Msunduzi Museum (Incorporating the Voortrekker Complex) 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 (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 board of directors, which constitutes 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 board of directors, which constitutes the accounting authority is responsible for assessing the Msunduzi 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 board of directors, which constitutes 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:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 2 – Business development	16 – 18
Programme 3 – Public engagement	18 – 22

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. The material finding in respect of the usefulness and reliability of the selected programmes is as follows:

### **Programme 2 – Business development**

#### **Measurability: Not well defined and verifiable**

##### **Number of library materials acquired**

15. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the target purchase, catalogue and digitise 20 library materials. This was due to inadequate technical indicator descriptions that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 26 purchased, 16 donated and 27 catalogued library materials as reported in the annual performance report.

### **Programme 3 – Public engagement**

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the Public engagement programme.

#### **Other matters**

17. I draw attention to the matters below.

##### **Achievement of planned targets**

18. The annual performance report on pages 13 to 22 contains information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 15 of this report.

##### **Adjustment of material misstatements**

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2 Business Development. I raised material findings on the usefulness of the reported performance information as management subsequently corrected only some of the misstatements. Those that were not corrected are reported above.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

20. 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.

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

### Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(a) of the PFMA. Material misstatements of expenditure, cash flow and disclosure items identified by the auditors in the submitted financial statements were corrected resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure disclosed in the financial statements was caused by non compliance with SCM legislation.

### Other information

24. The board of directors, which constitutes 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 I obtained prior to the date of this auditor's report is the draft foreward by the chairperson of the Board, the Directors overview and the Statement of responsibility of the CEO and Chairperson as well as other human resource and governance information. The final reports of the leadership and those of the audit committee are still pending and are expected to be made available to me after 31 July 2018.

28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact.

29. After I receive and read the final outstanding information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not

corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

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.

### Leadership

32. Policies were not adequately implemented to create the environment for certain processes to be adequately administered. Action plans were not effective to avoid repeat findings.

### Financial and performance management

33. The financial statements submitted for audit did not adequately comply with the GRAP standards due to management not performing reviews to ensure the correct implementation of the accounting framework. Supply chain management was not adequately monitored to ensure that non-compliance matters were prevented.

*AUDITOR GENERAL*  
Pietermaritzburg

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the 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 authority
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Msunduzi 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 a 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 authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

**1. ANNUAL FINANCIAL STATEMENTS**

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**Msunduzi Museum**  
**Incorporating the Voortrekker Complex**

**Annual Financial Statements**  
***for the year ended 31 March 2018***

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**ANNUAL FINANCIAL STATEMENTS**  
**31 March 2018**

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**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The annual financial statements for the year ended 31 March 2018, set out on pages 52 to 87 were approved by the Museum Council and are signed on its behalf by:



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Dr J Ndlovu  
Deputy Chairperson of the Council

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2018**

**Council Members**

**Director for the period**

Dr M Ngubane

**Council Members for the period**

**Apr 17-Nov 17**

Professor S Lekgoathi (Chairperson)  
Ms N Mngomezulu (Deputy chairperson)  
Mr T Nxasana  
Mr GM Kgarume  
Mr D Mangena  
Dr S Kabanyane  
Mr T Kubheka  
Ms L Marais-Botes  
Professor MP Sithole  
Dr GB Mazibuko

**Dec 17-Mar 18**

Mr M Thango (Chairperson)  
Dr M J Ndlovu (Deputy Chairperson)  
Dr GB Mazibuko  
Mr J Nel  
Adv R R Dehal  
Mr T Nemaheni  
Ms SV Mabilane  
Mr ZS Gumede  
Professor S Lekgoathi

**Audit committee**

**Apr 17-Nov 17**

Professor B Stobie (Chairperson)  
Mr M Zikalala  
Dr P Green  
Mr A Jordan  
Professor S Lekgoathi  
Mr D Mangena  
Dr S Kabanyane  
Mr T Kubheka

**Feb 17-Mar 18**

Mr M Zikalala (Chairperson)  
Mr M Gwala  
Ms ZP Khanyile  
Mr M Thango  
Mr SV Mabilane

**Bankers**

ABSA Bank

**Auditors**

Auditor General

**Registered office**

P O Box 998, Pietermaritzburg, 3200  
Msunduzi Museum Building  
351 Langaibalele Street, Pietermaritzburg, 3201

**MSUNDUZI MUSEUM**  
(Incorporating the Voortrekker Complex)

**STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2018

	Notes	2018 R	Restated 2017 R
<b>ASSETS</b>			
<i>Non-current assets</i>		9 408 282	9 816 883
Plant and equipment	2	2 680 404	3 225 313
Intangibles	3	4 545	6 817
Heritage Assets	25	6 723 333	6 584 753
<i>Current assets</i>		16 650 154	13 219 183
Accounts receivable and prepaid expenses	4	50 371	48 095
Inventory	5	98 910	92 599
Cash and cash equivalents	7	16 500 873	13 078 489
<i>Total assets</i>		<u>26 058 436</u>	<u>23 036 066</u>
<b>FUNDS AND LIABILITIES</b>			
<i>Funds</i>		11 818 456	9 403 025
Accumulated surplus		4 435 997	2 159 146
Revaluation surplus		7 382 459	7 243 879
<i>Current liabilities</i>		14 239 980	13 633 041
Accounts payable and advance deposits	8	1 251 573	1 269 190
Leave pay Provision	9	591 302	493 790
Bonus and performance awards accrual	10	339 744	329 939
Deferred income	11	12 057 361	11 540 122
<i>Total funds and liabilities</i>		<u>26 058 436</u>	<u>23 036 066</u>

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 31 March 2018**

		<b>2018</b>	<b>2017</b>	<b>2018</b>
	<b>Notes</b>	<b>R</b>	<b>R</b>	<b>Budget</b>
				<b>R</b>
<b>CURIO SHOP SALES</b>	12	22 899	29 725	45 114
<b>OTHER INCOME</b>		19 030 649	15 076 237	17 697 874
Donations received		2 929	2 489	2 312
Entrance fees		25 898	25 332	23 886
Interest Income		783 099	498 024	109 907
Insurance claims		-	-	74 100
Internet income		4 367	3 995	4 187
Other income		5 115	6 362	8 427
Parking income		195 426	174 862	169 571
Profit on Disposal of fixed assets		4 979	-	-
Rent received		229 075	252 140	244 484
Revenue from Non-exchange transactions	13	17 779 761	14 113 033	17 061 000
<b>TOTAL INCOME</b>		<b>19 053 548</b>	<b>15 105 962</b>	<b>17 742 988</b>
<b>EXPENDITURE</b>		<b>(16 776 696)</b>	<b>(17 102 078)</b>	<b>(17 742 988)</b>
Bonus accruals	10	9 804	12 281	-
Cost of sales	12	21 000	22 339	25 968
Fair value adjustment in market value of investments		-	130 358	-
Depreciation and amortisation	2/3	810 055	966 917	4 500
Leave pay provision	9	97 512	52 792	40 000
Operating expenditure (refer pages 5)		15 838 324	15 917 391	17 653 520
Provision for Performance awards		-	-	19 000
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<b>2 276 852</b>	<b>(1 996 116)</b>	<b>-</b>

**MSUNDUZI MUSEUM**  
(Incorporating the Voortrekker Complex)

**STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)**  
for the year ended 31 March 2018

	Notes	2018	2017	2018
		R	R	Budget R
<b>OPERATING EXPENDITURE</b>				
Accounting fees		52 401	137 457	100 000
Advertising and marketing		28 642	44 949	80 000
Advisory and administration fees		1 296	16 685	2 000
Audit committee expenses		59 920	52 605	67 870
Audit remuneration		702 865	579 796	698 713
Bank charges		53 237	41 599	50 244
Bad debts		-	58 979.00	-
Cleaning materials		48 939	39 765	50 120
Computer expenses		68 117	80 995	87 000
IT Upgrade		2 565	-	50 000
Casual labour		160 953	129 819	180 000
Conferences		9 899	5 854	20 000
Conference : courageous conversation		160 402	22 000	180 000
Conservation and collection		3 308	6 970	7 000
Education and outreach		204 127	103 811	220 000
Entertainment		9 754	12 156	11 500
Equipment expenses (less than capital threshold)		16 699	6 429	161 550
Exhibition openings		7 040	5 000	11 000
Functions (Living Heritage)		92 176	99 150	125 000
Furniture (less than capital threshold)		23 749	10 623	52 000
Lecture		32 375		32 375
Honoraria	14	111 294	58 346	100 000
Insurance		168 671	144 185	171 665
Interior décor and display		5 731	969	8 000
Internal audit function		177 727	107 828	123 332
Job evaluation		-	-	-
Legal expenses		12 419	8 278	20 000
Library books		7 317	6 733	10 000
Library Week		7 792	-	15 000
Lights and water		-	22 340	23 500
Loss on sale of fixed assets		-	91 440	-
Municipal charges		634 002	906 321	791 190
National Lottery Fund: Activity 1-pamphlets		3 473	-	-
National Lottery Fund: Activity 4-collections marketing brochures		9 290	-	-
National Lottery Fund: Activity 7-paint for exhibitions		3 401	-	-
National Lottery Fund: Activity 7-images for exhibitions		420		
National Lottery Fund: Activity 7-printing		47 561		

**MSUNDUZI MUSEUM**  
(Incorporating the Voortrekker Complex)

**STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)**  
for the year ended 31 March 2018

	Notes	2018	2017	2018
		R	R	Budget R
<b>OPERATING EXPENDITURE</b>				
National Lottery Fund: Activity 7-banners for exhibitions		13 800		
National Lottery Fund: Activity 7-consumables (sponge rollers)		109		
National Lottery Fund: Activity 7-collection of cultural Items for displays		3 690	-	-
National Lottery Fund: Activity 7-pamphlets Ncome		3 038	-	-
National Lottery Fund: Activity 5-herb garden braille signage		-	7 950	-
Ncome furniture (DAC sponsored projects)		13 589	-	-
Ncome Appliances (DAC sponsored projects)		23 940	31 900	-
Ncome Bedding and Pillows (DAC sponsored projects)		-	138 450	-
Ncome Crockery & Cutlery (DAC sponsored projects)		480	16 288	-
Ncome Towels (DAC sponsored projects)		-	16 608	-
Ncome Transportation costs (DAC sponsored projects)		-	14 472	-
Ncome Accessories (DAC sponsored projects)		5 183	-	-
Ncome labour (DAC sponsored projects)		8 963	-	-
Ncome Marketing(DAC sponsored projects)		5 700	-	-
Ncome Cleaning Material (DAC sponsored projects)		6 845	-	-
Blood river bridge maintenance Costs-DAC		236 000	-	-
Photographic material		500	-	-
Photocopier rental		97 190	89 379	155 543
Postage		4 066	3 978	4 200
Printing and stationery		88 607	72 039	148 290
Repairs and maintenance	2.1	124 490	112 617	125 000
Repairs and maintenance (sponsored projects)	2.1	32 917	32 916	-
Security		428 220	368 873	424 964
Staff expenditure	15	10 616 223	10 385 950	10 667 878
Staff training		143 848	59 435	171 761
Subscriptions		27 751	34 785	40 310
Subsistence allowance		21 875	16 980	21 000
Sundries		2 751	4 583	4 885
Tools		3 499		7 700



**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)**  
**for the year ended 31 March 2018**

	Notes	2018	2017	2018
		R	R	Budget
				R
<b>OPERATING EXPENDITURE</b>				
Motor vehicle		-	-	460 000
Signage		41 180	5 291	46 500
Telephone and fax (less recoveries)		191 289	221 143	230 000
Transformation 4 (Exhibition-income)		12 128	19 846	-
Travel and accommodation (Council costs)		216 916	120 353	131 000
Travel and motor vehicle expenses		462 059	403 549	524 229
Uniforms		32 176	25 786	31 643
Valuation costs		22 427	912 551	1 000 000
Workmen's compensation		19 314	587	9 558
<b>TOTAL OPERATING EXPENDITURE</b>				
(see page 56 )		<u>15 838 324</u>	<u>15 917 391</u>	<u>17 653 520</u>

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 March 2018**

	<b>REVALUATION SURPLUS</b>	<b>ACCUMULATED SURPLUS R</b>	<b>TOTAL R</b>
Balance at 01 April 2016	-	4 287 087	4 287 087
Correction of error	7 238 759	(131 825)	7 106 934
Restated balance at 31 March 2016	<u>7 238 759</u>	<u>4 155 262</u>	<u>11 394 021</u>
Revaluation/Additions	4 360	-	4 360
Deficit for the year	-	(1 996 117)	(1 996 117)
Correction of error (Note 28)	760		760
Restated balance at 31 March 2017	<u>7 243 879</u>	<u>2 159 145</u>	<u>9 403 024</u>
Revaluation (Additions)	138 580	-	138 580
Surplus for the year		2 276 852	2 276 852
<b>Balance at 31 March 2018</b>	<u><u>7 382 459</u></u>	<u><u>4 435 997</u></u>	<u><u>11 818 456</u></u>

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

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

	<b>Note</b>	<b>2018</b> <b>R</b>	<b>2017</b> <b>R</b>
<b>Net cash retained in/(utilised by)/ operating activities</b>			
Receipts			
Transfers and subsidies		18 297 000	13 146 000
Sale of goods and services		<u>1 273 787</u>	<u>1 940 116</u>
		19 570 787	15 086 116
Payments			
Cash paid to suppliers and employees		(16 673 605)	(16 014 755)
Cash generated/(utilised) by operating activities	A	<u>2 897 182</u>	<u>(928 640)</u>
Interest received		783 099	498 024
		<u>3 680 281</u>	<u>(430 616)</u>
Cash flow from investing activities			
Additions to property, plant, equipment and intangibles		(486 940)	(783 811)
Proceeds from sale of property, plant, equipment and intangibles		229 045	272 631
Increase in investments		-	2 503 861
		<u>(257 895)</u>	<u>1 992 681</u>
Net increase / (decrease) in cash and cash equivalents		3 422 385	1 562 065
Cash and cash equivalents at the beginning of the year		13 078 488	11 516 423
Cash and cash equivalents at the end of the year	B	<u><u>16 500 873</u></u>	<u><u>13 078 488</u></u>

**MSUNDUZI MUSEUM**  
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**NOTES TO THE CASH FLOW STATEMENT**  
**For the year ended 31 March 2017**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
<b>Note A</b>		
<b>Reconciliation of surplus to cash flows from operations</b>		
Surplus for the year	2 276 852	(1 996 117)
Adjustments for :		
Depreciation and Amortisation	810 055	966 917
Interest received	(783 099)	(498 024)
(Profit) /loss on sale of assets	(4 979)	91 440
Increase in leave pay provision	97 512	52 792
Increase in bonus accrual	9 805	12 281
Operating deficit before working capital changes	2 406 146	(1 370 711)
Working capital changes		
(Increase)/Decrease in trade and other receivables	(2 276)	38 992
(Increase)/Decrease in inventory	(6 311)	(2 476)
(Decrease)/Increase in deferred income	517 240	(60 712)
(Decrease)/Increase in trade and other payables	(17 617)	466 267
Cash generated from /(utilized by) operations	<u>2 897 182</u>	<u>(928 640)</u>

**Note B**  
**Cash and cash equivalents**

Nedbank Money Market	383 130	367 084
ABSA 32 Day Notice	85 494	81 790
ABSA Call Account	2 218 297	2 033 887
Cash on hand	2 500	2 500
ABSA Current Account	1 784 658	243 867
ABSA Savings Account	27	612
ABSA Liquidity Plus	12 026 766	10 348 749.59
	<u>16 500 873</u>	<u>13 078 489</u>

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 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 Standards Board in accordance with section 55(1)(b) of the Public Finance Management Act, (Act No.1 of 1999 as amended by Act No. 29 of 1999).

Assets, liabilities, revenues and expenses have not been offset except where offsetting 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 or otherwise stated.

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. Standards of GRAP approved by the Accounting Standards Board and applicable to the Cultural Institution.

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 assets

GRAP 23 Revenue from non-exchange transactions

GRAP 24 Presentation of budget information

GRAP 25 Employee benefits

GRAP 31 Intangible assets

GRAP 100 Non-current assets held for sale and discontinued operations

GRAP 103 Heritage assets (see note 26)

GRAP 104 Financial instruments

GRAP 105 Transfer of functions between entities under common control

GRAP 20 Related party disclosures

**GRAP standards approved but not yet effective:**

GRAP 32 Service concession arrangements: grantor

GRAP 108 Statutory receivables

GRAP 109 Accounting by principals and agents

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.1 Basis of preparation (continued)**

The following statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board are issued but not applicable to the Cultural Institution:

GRAP 4 The effects of changes in foreign exchange rates  
GRAP 5 Borrowings  
GRAP 7 Accounting for investment in associates  
GRAP 8 Financial reporting of interests in joint ventures  
GRAP 10 Financial Reporting in Hyperinflationary Economies  
GRAP 11 Construction Contracts  
GRAP 16 Investment Property  
GRAP 27 Agriculture  
GRAP 21 Impairment of Non-cash-generating Assets  
GRAP 24 Presentation of Budget information  
GRAP 26 Impairment of Cash-generating Assets  
GRAP 18 Segment Reporting  
GRAP 106 Transfer of Functions between Entities Not Under Common Control  
GRAP 107 Mergers

**1.2 Property, plant and equipment and intangibles**

**Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is written off on a straight-line method using rates deemed to be suitable for writing off the property, plant and equipment over their expected economic life. The Management of the Cultural Institution assesses /review the depreciation method, residual value, useful life and carrying value of assets annually and revisions are made when it is considered necessary. Property, plant and equipment is impaired, derecognised or disposed of when it is probable they are no longer in use for the purpose it was originally acquired for, either they are redundant, obsolete, damaged beyond repairs or generally not in use. Assets should be componentised and depreciated separately if parts of an asset have significantly different estimated useful lives.

**Depreciation**

Assets are depreciated over the following periods, according to the straight line method:

Equipment	2 - 10	years
Computer equipment	3 - 10	years
Furniture and fittings	2 - 10	years
Huts and structures	15	years
Motor Vehicles :		
Passenger Cars	5	years
Light delivery vehicles	4	years
Library Books	10-15	years
Audio Visual	7-10	years

**Intangible Assets**

Intangible assets are shown at cost less accumulated depreciation and impairment losses. The management of the Cultural Institution assesses the carrying value of each intangible asset annually for impairment and impairment loss is recognised if the asset is determined to be impaired. Intangible assets relates to licences to software to be used by the Cultural Institution for more than a year and are derecognised or disposed of when it is probable they are no longer in use for the purpose it was acquired for. The amortization is calculated on the straight line method to write-off the cost of intangible assets over their estimated useful lives as follows:

Software	2	years
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**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Heritage Assets**

Heritage assets are assets that have cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of the present and future generations.

**1.3.1 Recognition**

- (a) The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity and where cost or fair value of the asset can be reliably measured.
- (b) The entity will assess the degree of certainty attached to the flow of future service potential or economic benefits.
- (c) If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
- (d) For recognition of heritage assets, the asset needs to be controlled by the entity as a result of past events. Such events may include: Purchase, donation, bequeath, loan or transfer.

**1.3.2 Measurement**

- (a) The value of assets have been determined using either cost or fair value.

**1.3.3 Directive 7 - Use of deemed cost for heritage assets upon initial recognition and adoption of a standard.**

The following terms are used in this directive with the meanings specified:

- (a) Acquisition cost: When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or at fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.
- (b) Deemed cost: Deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).

- (c) Measurement date (for purposes of this Directive): Measurement date is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information, in its first financial statements prepared using Standards of GRAP.

For the purposes of this directive, the measurement of assets at fair value on the adoption of the Standards of GRAP, does not constitute:

- (a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or
- (b) the application of the fair value model in the Standard of GRAP on Investment Property.

Subsequent depreciation, if applicable, is based on that deemed cost and starts from the measurement date. Initial entries using deemed cost.

When an entity initially measures assets using the deemed cost approach in this Directive, it recognises the effect:

- (a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening statement of financial position prepared using Standards of GRAP; or
- (b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets.

**1.3.4 Valuation of Heritage Assets**

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.46).

The valuation of heritage assets was performed by a member of the valuation profession.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.3.4 Valuation of heritage assets**

**(a) Valuation techniques**

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

**(b) Inability to value**

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

**(c) Valuing an entire collection**

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed. (GRAP 103.45)

**1.3.5 Heritage assets on loan to other institutions**

The financial statement shall also disclose information on heritage assets that are borrowed from, or on loan to other entities.

**1.3.6 Retrospective application**

The entity adopted the accounting standard on 1 April 2012, the entity has taken advantage of the transitional period of three (3) years to fully implement GRAP 103 in terms of Directive 2. The three year period in which entities were not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage assets has ended.

Where entities have not yet determined the deemed cost of those assets within the scope of Directive 7, they should consider GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, and consider whether this change in accounting policy can be applied retrospectively from this date, or whether it is impracticable to do so.

GRAP 3 states that: "When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable...."

It may be impracticable to determine the deemed cost retrospectively if, for example, the following circumstances exist:

- (a) Relevant data may not have been collected in the prior period and cannot be obtained by alternative means that allows for retrospective application.
- (b) The entity is required to make significant estimates and assumptions about conditions that existed at a point in time in the past and cannot do so objectively without using hind-sight.

**1.3.7 Subsequent measurement**

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

**1.3.8 Heritage assets revaluation**

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The entity make use of an accounting policy based on the revaluation model and shall apply the policy to an entire class of heritage assets. Increases or decreases resulting from revaluations and from impairment losses recognised or reversed directly in net assets in accordance with the Standards of GRAP on Impairment of Non-cash-generating assets.



**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.3.9 Impairment**

At each reporting date, the entity assesses whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

**1.3.10 Transfers**

(a) Transfers from heritage assets are made when, and only when, the particular asset no longer meets the definition of a heritage asset.

(b) Transfers to heritage assets are made when, and only when, the particular asset meets the definition of a heritage asset.

**1.3.11 De-recognition**

The carrying amount of a heritage asset is de-recognised:

(a) on disposal, or

(b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is de-recognised.

**1.4 Inventory**

Inventory is initially recorded at historical cost and is valued at the lower of cost or estimated net realisable value, using first-in, first-out method of valuation.

**1.5 Investments**

Investments with banks and institutions including money market are reflected at amortised cost. In the case of the investment in Collective Investments, the book value of the investment at 31 March 2018 represents the market value of the investment as at that date.

**1.6 Financial Instruments**

Financial instruments are initially measured at fair value.

Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost (cost less provision for doubtful debts). Receivables are written off when considered irrecoverable.

Trade and other payables

Trade and other payables are measured at cost

Cash and cash equivalents

Cash and cash equivalents are measured at fair value

Listed Investments

Listed investments are accounted for as available-for-sale financial instruments, recorded at fair value with any gains or losses arising from a change in the fair value of a financial asset measured at fair value being recognised in surplus or deficit.

**1.7 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.

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.8 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.

**1.9 Revenue recognition**

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

**1.10 Interest**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**1.11 Irregular and fruitless and wasteful expenditure**

Irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

**1.12 Provisions**

Provisions are recognised where the institution has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date .

**1.13 Retirement benefits**

The Cultural Institution operates a defined benefit plan together with a defined contribution plan, the assets of which are generally held in separate trustee – administered funds. The plans are funded by payments from the entity and members. Payments to these retirement plans are charged to the statement of financial performance in the year to which they relate.

**1.14 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Cultural Institution's accounting policies, which are described in note 1, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgments in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Useful lives of plant, furniture and equipment and intangibles**

The Cultural Institution reviews the estimated useful lives of property, plant and equipment and intangibles at the end of each annual reporting period.

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Comparative figures**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year

**1.16 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in transit, deposits held on call with banks and investments in money markets instruments, all of which are available for use by the Cultural Institution unless otherwise stated.

**1.17 Budget information**

The approved budget is prepared on accrual basis and presented by economic classification linked to performance outcome. The approved budget covers the fiscal period from 01 April 2017 to 31 March 2018. The financial statements and the budget are not prepared on the same basis of accounting.

**1.18 Related parties**

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the control of the Minister of Arts and Culture are considered to be related parties. Management are those responsible for planning, directing and controlling the activities of the entity, including those charged with governance of the entity in accordance with the legislation, in instances where they are required to perform such functions. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed. The entity applies IPSAS20 for related parties in the absence of an effective GRAP standard.

**1.19 Contingencies**

Contingent liabilities are disclosed if there is a possible or present obligation that may, but probably will not, require an outflow of resources. The entity discloses for each class of contingent at the reporting date, a brief description of the nature of the contingent liability.

When some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Contingencies are disclosed in note 27.

**1.20 Leases**

Operating leases-lessee

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

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**2. Plant and equipment**

	<b>Library Books R</b>	<b>Equipment R</b>	<b>Computer Equipment R</b>	<b>Furniture &amp; Fittings R</b>	<b>Motor Vehicles R</b>	<b>Total R</b>
<b>Year ended 31 March 2018</b>						
Opening carrying amount	461 388	1 402 446	278 646	831 688	251 145	3 225 313
Gross carrying amount	659 126	4 551 175	822 917	1 728 797	684 417	8 446 432
Accumulated depreciation	(197 738)	(3 148 729)	(544 271)	(897 109)	(433 272)	(5 221 119)
Additions	-	63 001	55 906	15 100	352 934	486 940
Disposals		(39 909)	-	(15 892)	(168 266)	(192 283)
Depreciation	(54 216)	(415 319)	(38 045)	(240 663)	(59 540)	(807 783)
Closing carrying amount	407 172	1 010 220	296 507	590 232	376 273	2 680 404
Gross carrying amount	659 126	4 427 936	878 823	1 701 519	746 461	8 413 864
Accumulated depreciation	(251 954)	(3 417 716)	(582 316)	(1 111 287)	(370 188)	(5 733 460)

No assets have been pledged as security.

**2.1 Repairs and Maintenance Expenditure**

Repairs and maintenance comprises of general maintenance of R 124 490 and maintenance to CCTV cameras (DAC sponsored project of R32 917). Included in the costs of repairs and maintenance were repairs relating to equipment and fumigation of storage for library books, and collections.

Repairs to equipment	17 119
Fumigation for conservation centre and library	18 458
Maintenance of CCTV cameras	32 919
	<u>68 496</u>

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**2. Plant and equipment (continued)**

	Library Books R	Equipment R	Computer Equipment R	Furniture & Fittings R	Motor Vehicles R	Total R
<b>Year ended 31 March 2017</b>						
Opening carrying amount	527 301	1 781 277	255 372	991 353	209 999	3 765 302
Gross carrying amount	659 126	4 488 046	712 098	1 775 490	651 892	8 286 652
Accumulated depreciation	(131 825)	(2 706 769)	(456 726)	(784 137)	(441 893)	(4 521 350)
Additions	-	114 826	155 474	349 952	163 559	783 811
Depreciation	(65 913)	(487 136)	(132 200)	(221 951)	(52 528)	(959 728)
Disposals	-	(6 521)	-	(287 666)	(69 885)	(364 072)
	-	-	-	-	-	-
	-	-	-	-	-	-
Closing carrying amount	461 388	1 402 446	278 646	831 688	251 145	3 225 313
Gross carrying amount	659 126	4 551 175	822 917	1 728 797	684 417	8 446 432
Accumulated depreciation	(197 738)	(3 148 729)	(544 271)	(897 109)	(433 272)	(5 221 119)

No assets have been pledged as security.

**3. Intangibles**

	R	R
Net carrying amount at the beginning of the year	6 817	14 005
Gross carrying amount	108 029	108 029
Accumulated amortisation	(101 212)	(94 024)
Amortisation	(2 272)	(7 188)
Net carrying amount at the end of the year	4 545	6 817
Gross carrying amount	108 029	108 029
Accumulated amortisation	(103 484)	(101 212)

The amortisation charge is included with the depreciation charge in Note 2 for disclosure purposes in the Statement of Financial Performance.

**4. Accounts receivable and prepaid expenses**

Sundry debtors	102 317	107 074
Prepaid Expense	7 032	-
Provision for doubtful debts	(58 979)	(58 979)
	<u>50 371</u>	<u>48 095</u>

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

	<b>2018</b> <b>R</b>	<b>2017</b> <b>R</b>
<b>5. Inventory</b>		
Comprised of goods for sale	<u>98 910</u>	<u>92 599</u>
<b>6. Collective investments</b>		
<b>7. Cash and cash equivalents</b>		
Nedbank Money Market	383 130	367 084
ABSA 32 Day Notice	85 494	81 790
ABSA Call Account	2 218 297	2 033 887
Cash on hand	2 500	2 500
ABSA Current Account	1 784 658	243 867
ABSA Savings Account	27	612
ABSA Liquidity Plus	12 026 766	10 348 750
Heritage Trust Account	-	-
	<u>16 500 873</u>	<u>13 078 489</u>
<b>8. Accounts payable and advance deposits</b>		
Accounts payable	1 202 673	1 203 366
Advance deposits	48 900	56 500
Deferred income - Rental	-	9 324
	<u>1 251 573</u>	<u>1 269 190</u>
<b>9. Leave pay Provision</b>		
Balance at the beginning of the year	493 790	440 998
Increase / (Decrease)	97 512	52 792
Balance at the end of the year	<u>591 302</u>	<u>493 790</u>
<b>10. Bonus and performance awards accrual</b>		
Bonus Accrual		
Balance at the beginning of the year	313 939	301 658
Increase / (Decrease)	9 804	12 281
Balance at the end of the year	<u>323 744</u>	<u>313 939</u>
Performance awards accrual		
Balance at the beginning of the year	16 000	16 000
Increase / (Decrease)	-	-
Balance at the end of the year	<u>16 000</u>	<u>16 000</u>
Total bonus and performance awards accrual	<u>339 744</u>	<u>329 939</u>

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**11. Deferred income : Grants**

	<b>Ncome R</b>	<b>Msunduzi R</b>	<b>Total R</b>
<b>Transformation grants</b>			
Year ended 31 March 2018			
Unexpended at the beginning of the year	13 275	-	13 275
Expended	(12 128)	-	(12 128)
Unexpended at the end of the year	1 147	-	1 147
Year ended 31 March 2017			
Unexpended at the beginning of the year	33 121	-	33 121
Expended	(19 846)	-	(19 846)
Unexpended at the end of the year	13 275	-	13 275
<b>National lottery grant</b>			
Year ended 31 March 2018			
Unexpended at beginning of the year	1 216 506	279 259	1 495 765
Expended	(365 697)	(72 019)	(437 716)
Unexpended at end of the year	850 809	207 240	1 058 049
Year ended 31 March 2017			
Unexpended at beginning of the year	1 216 506	287 209	1 503 715
Expended	-	(7 950)	(7 950)
Unexpended at end of the year	1 216 506	279 259	1 495 765

A total of R 1 700 000 was confirmed and approved to be received from National Lottery Distribution fund in lieu of mobile museums. The first tranche of R 1 020 000 was received in the 2015/2016 financial year and the balance of R 680 000 will be received in the following financial years. In 2017/2018 R 352 934 was expended. The closing balance in 2017/18 was R 667 066 2016/17: R 1 020 000 relating to the R 1 700 000 approved in 2015/2016. The difference in closing balance of R 390 983 relates to conditional grants received in prior year for the upgrading of the exhibition and displays.

**Department of Arts & Culture grant**

Year ended 31 March 2018			
Unexpended at beginning of the year	-	10 031 082	10 031 082
Expended	-	(32 917)	(32 917)
Further funding received	-	1 000 000	1 000 000
Unexpended at end of the year	-	10 998 165	10 998 165
Year ended 31 March 2017			
Unexpended at beginning of the year	-	10 063 998	10 063 998
Expended	-	(32 916)	(32 916)
Further funding received	-	-	-
Unexpended at end of the year	-	10 031 082	10 031 082

R 10 000 000 was approved by the Departments of Arts and Culture for the upgrade and refurbishment of all buildings at Msunduzi Museum for the 2015/16 financial year. In 2017/2018 financial year an additional R 1000 000 was received from DAC for the restoration of buildings and Security upgrade.

**Total deferred income**

12 057 361

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2018

Department of Arts & Culture grant	Ncome R	Msunduzi R	Total R
<b>Unconditional Grant received in prior years (2013/2014)</b>			
Year ended 31 March 2018			
Unexpended at beginning of the year	764 020	-	764 020
Expended(less than threshold)	(64 700)	-	(64 700)
Expended(Capitalised)	-	-	-
Unexpended at end of the year	<u>699 320</u>	<u>-</u>	<u>699 320</u>
Year ended 31 March 2017			
Unexpended at beginning of the year	1 200 000	-	1 200 000
Expended(less than threshold)	(217 718)	-	(217 718)
Expended(Capitalised)	(218 262)	-	(218 262)
Unexpended at end of the year	<u>764 020</u>	<u>-</u>	<u>764 020</u>

R1 200 000 was approved by Department of Arts and Culture for the Management of Ncome Facility in 2013/2014. These funds were recognised as revenue at the time there were received and were expended in 2017/2018(R 64 700) 2016/2017(R 435 980) .Closing balance unexpended 2018:R 699 320(2017:R764 020).Included in Accumulated surplus of R 4 435 997 is R 699 320 relating to this unconditional grant.

	2018 R	2017 R
<b>12. Curio Shop</b>		
Sales	22 899	29 725
Cost of sales	(21 000)	(22 339)
Inventory at the beginning of the year	92 599	90 123
Purchases	27 310	24 815
Inventory at the end of the year	(98 910)	(92 599)
Trading profit	<u>1 899</u>	<u>7 486</u>

**13. Revenue from non-exchange transactions**

Operating grant	17 297 000	14 052 321
National lottery grant funds expended	437 716	7 950
Department of Arts & Culture grant funds expended	32 917	32 916
Transformation grants	12 128	19 846
	<u>17 779 761</u>	<u>14 113 033</u>



**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**14. Audit Committee, Council, Directors and Senior Management remuneration**

<b>14.1 Gross remuneration for Council Members</b> (Non-Executive Directors)	<b>2018</b> <b>R</b>	<b>2017</b> <b>R</b>
Dr S Kabanyane	-	4 600
Professor S Lekgoathi	6 809	12 814
Professor MP Sithole	11 640	8 064
Dr GB Mazibuko	15 452	9 812
Dr D Mangena	4 656	4 600
Mr T Nxasana	4 656	-
Ms L Marais-Botes	4 656	6 928
Mr M Thango	22 965	-
Dr MJ Ndlovu	8 596	-
Mr T Kubheka	-	11 528
Mr GP Kgarume	1 164	-
Mr ZS Gumede	9 824	-
Mr T Nehameni	6 140	-
Adv R R Dehal	1 228	-
Ms SV Mabilane	8 596	-
Mr Johan Nel	4 912	-
	<u>111 294</u>	<u>58 346</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
<b>14. Related parties (continued)</b>		
<b>14.2 Directors' and Senior Managers' emoluments</b>		
<b>Mr Mlungisi Ngubane</b> <b>(Director)</b> (01 April 2014 – present)		
Basic salary	656 758	612 730
Car allowance	155 574	145 145
Death cover scheme	412	302
Housing subsidy	10 524	10 524
Medical aid	18 000	18 000
Pension	106 723	99 568
Service bonus	55 689	51 852
UIF	1 785	1 785
	<u>1 005 464</u>	<u>939 907</u>
<b>Mr Robert Osler Luyt (Deputy Director)</b> (01 June 2015 – present)		
Basic salary	421 374	393 126
Car allowance	57 086	53 258
Death cover scheme	412	302
Housing allowance	4 200	4 200
Medical aid	18 000	18 000
Pension	68 473	63 883
Other Bonus	1 000	-
Service bonus	35 730	33 268
UIF	1 785	149
	<u>608 059</u>	<u>566 186</u>
<b>Ms Thenjiwe Christinia Khumalo</b> (01 February 2017 – present)		
Basic salary	404 261	63 834
Car allowance	-	-
Death cover scheme	412	50
Housing allowance	10 524	3 508
Medical aid	18 000	3 000
Pension	65 692	10 373
Service bonus	31 917	-
Other Bonus	1 500	-
UIF	1 785	295
	<u>534 091</u>	<u>81 061</u>

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**  
**for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>

**14. Related parties (continued)**

**14.2 Directors' and Senior Managers' emoluments (continued)**

Total Directors' and Senior Managers' emoluments	2 147 614	1 587 153
--	-----------	-----------

**14.3 National Department of Arts & Culture**

Operating grants received for the financial year amounted to 2018:R 16 061 000 (2017 : R 13 146 000).  
The 2018/19 grant will amount to R 16 991 000.

**14.4 Department of Public Works**

The department is the legal owner of land and buildings occupied by the Cultural Institution through the National Department of Arts & Culture. The Museum is not leasing land and buildings.  
The Department of Works is responsible for unplanned maintenance above R100 000.  
Amounts greater than R100 000 are spent in situations of extreme urgency.

**14.5 Council**

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has two subcommittees, namely Audit and Human Resources Committees that guide and assist Management.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
<b>15. Employee related costs</b>		
13th cheque bonuses	637 815	628 279
Acting Allowances	104 823	71 875
Funeral cover scheme	15 881	12 020
Housing Allowance	124 250	134 400
Housing Subsidy	91 476	78 321
Leave pay	13 705	36 616
Long-service bonus	3 000	7 000.00
Medical (pensioners)	36 000	36 000
Medical aid	500 438	490 730
Pension	1 332 968	1 299 846
Performance bonuses	18 500	4 000
Salaries	7 463 112	7 323 746
Travel allowance	212 660	198 405
UIF	61 595	64 712
	<hr/> 10 616 223	<hr/> 10 385 950
Casual wages	160 953	129 819
Workmen's compensation	19 314	587
Staff training	143 848	59 435
Job evaluation	-	-
	<hr/> <hr/> 10 940 338	<hr/> <hr/> 10 575 791

**16. Financial instruments**

**16.1 Overview**

The Cultural Institution has exposure to the following risks from its use of financial instruments:

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

This note presents information about the Cultural Institution's exposure to each of the above risks, the Cultural Institution's objectives, policies and processes for measuring and managing risk, and the Cultural Institution'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 established an Audit Committee which is responsible for monitoring the Cultural Institution's risk management policies.

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

The audit committee oversees how management monitors compliance with the Cultural Institution's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Cultural Institution.

The Audit Committee is assisted in its oversight role at operations level by Internal Audit.

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**16. Financial instruments (continued)**

**16.2 Credit risk**

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

**16.2.1 Trade and other receivables**

The Cultural Institution has no significant exposure to credit risk. The credit risk applicable to the Cultural Institution at 31 March 2018 amounted to: R 50 371 (2017:R 48 095).

Other receivables relates to expenses paid in advance.

The Cultural Institution 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 the carrying amount of each financial asset.

**16.2.2 Investments**

The Cultural Institution limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.

**16.3 Liquidity risk**

Liquidity risk is the risk that the Cultural Institution will not be able to meet its financial obligations as they fall due. The Cultural Institution'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 the Cultural Institution's reputation.

An assessment is made of the payments due in advance. Monies are transferred to the current account to meet the bi-monthly obligations. Any surpluses are invested on a Call Account.

It is the policy of the Cultural Institution not to borrow monies.

There are thus no credit facilities available.

The cash available at 31 March 2018 was R 16 500 873 (2017: R 13 078 489 )

**16.4 Market risk**

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

The Cultural Institution policy is to invest surplus cash. Optimal rates and policies are received from various institutions.

The Cultural Institution 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 the Cultural Institution to these investments at 31 March 2018 amounted to R NIL (2017: R NIL).

**16.4.1 Currency risk**

The Cultural Institution does not engage in foreign currency transactions and is thus not exposed to this risk.

**16.4.2 Interest rate risk**

It is the policy of The Cultural Institution not to borrow monies. There are thus no credit facilities available. There is therefore no risk relating to changes in the interest rate.

**16.5 Fair values**

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

**16.6 Trade and other payables and advance deposits**

Trade and other payables and advance deposits are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**17. Tax exemption**

The Public Cultural Institution is exempt from taxation in terms Section 10 (1) (cA) (I) of the Income Tax Act.

**18. Operating lease agreements**

Museum as lessee

At the reporting date the Cultural Institution had two outstanding commitments under non-cancellable operating leases relating to photocopiers.

At 31 March 2018 the total commitment was R 126 574 (2017: R 20 510).

	Not later than one year	Later than one year not later than five years	Total
2018			
Rental photocopier - Msunduzi	<u>84 383</u>	<u>42 191</u>	<u>126 574</u>
	Not later than one year	Later than one year not later than five years	Total
2017			
Rental photocopier - Msunduzi	<u>20 510</u>	<u>-</u>	<u>20 510</u>

**19. Post retirement obligations**

**19.1 Pension fund**

	No of employees	Employer's contribution	Employees contribution	Monetary Value R
2018				
Defined Benefits Scheme	12	20.0%	7.5%	417 375
Defined Contribution Scheme	27	15.0%	7.5%	915 593
Total	<u>39</u>			<u>1 332 968</u>
2017				
Defined Benefits Scheme	12	20.0%	7.5%	389 396
Defined Contribution Scheme	28	15.0%	7.5%	910 450
Total	<u>40</u>			<u>1 299 846</u>

The Cultural Institution falls under multi-employer plan both as defined and contribution plan.

The Actuary of the Museums Pension Fund calculates the applicable proportion share of liability of each participating employer per end of each financial year apart from a statutory valuation done in every three years and concluded that according to the April 2018 valuation report the fund was 100% funded. Under this plan it is difficult for entities to apply defined benefit accounting since the plan does not distinguish the liabilities and assets for each Institution participating in the plan.

If a deficit is recognised in a particular year for defined benefit plan, an applicable share of shortfall is shared by each participating employer to an extent that a proportional share is charged to the statement of financial performance with a corresponding credit to the statement of financial position. The Cultural Institution only recognises a liability for any unpaid contributions at year end and discloses the applicable contribution expense for the year.

The Cultural Institution's updated liability as at 01 April 2018 is R nil. (2016: R nil)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**19. Post retirement obligation (continued)**

**19.2 Post retirements medical benefits**

No written policy for post - retirement medical benefits exists, although the Cultural Institution is contributing 66 % of the total medical cost for each retired employee to a maximum of R1 000 per month effective from 01 April 2010, subject to review as it deems necessary. There is no contractual liability to pay these medical costs, hence a provision cannot be determined.

Furthermore, the Council took a resolution that future retired staff members will not be subsidized with medical aid. The Current medical aid to three pensioners is paid out of goodwill.

**20. Subsequent events**

No events having financial implications requiring disclosure occurred subsequent to 31 March 2018.

**21. Bonuses and performance awards**

Bonuses relate to 13th cheque payable on the birthday date of staff, however performance bonuses relate to performance of staff in executing their duties deemed to be competent and commendable. Management calculates the nominal monetary amount is deemed to be appropriate.

**22. Conditional grants**

Government grants whose primary condition is that the Cultural Institution should purchase, construct, or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position.

When a related asset is recognised revenue equivalent to the amount of the asset is also recognised.

Where a liability is required to be recognised it is measured in accordance with the requirements of para .55 of GRAP 23, and the amount of the increase in net assets, if any, is recognised as revenue.

When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

These grants were given to the Cultural Institution to transform its identity, in as far as collection, exhibitions, training, etc. so that the Cultural Institution represents the cultural groups in KwaZulu-Natal. Refer to note 11.

The grant received from National Lottery and Distribution Trust Fund (NLDTF) is currently being expended. Refer to note 11. The second tranche and final payment for R1 206 952 was deposited in the financial year 2011/12. The total grant agreement amounted to R3 017 380. An amount of R 1 020 000 was received on the 17 December 2015 from the National Lottery and Distribution Fund for the purposes of Mobile Museum. The National lottery grant was allocated to finance the Cultural Institution's Research, Exhibition and Educational projects.

**23. Revenue from non-exchange transactions**

Included in the 2018 income is R 482 761 (2017: R 60 710) to compensate for grant funds expended during the year.

The 2018 income is to compensate the following expenditure during the year:

	R
Capital expenditure	352 933
Operating expenditure	129 828
	<hr/> <hr/> 482 761

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**24. Irregular expenditure**

	<b>2018</b> <b>R</b>	<b>2017</b> <b>R</b>
Opening balance*	1 868 484	2 792 514
Irregular expenditure current year	13 176	169 794
Condoned by Authority	(194 129)	(1 093 824)
	<hr/>	<hr/>
*Irregular expenditure awaiting condonement by National Treasury	<u>1 687 531</u>	<u>1 868 484</u>

\*: The entity is awaiting condonation from National Treasury.

Incidents		
Declaration of interest not provided by service providers	849 622	849 622
Expired contracts still in use	654 939	654 939
Quotations not obtained(2015/2016)	-	194 129
Reason for deviation not meet sole or Emergency (2016/2017)	169 794	169 794
Quotations not obtained(2017/2018)	13 176	
	<hr/>	<hr/>
	<u>1 687 531</u>	<u>1 868 484</u>

**25. Heritage assets**

The Cultural Institution's heritage assets include amongst others photographs, textiles, artwork and ethnographic items. These assets have not been recorded in the asset register but they are recorded and controlled in a register which has been reconciled with the heritage assets on hand.

	<b>2018</b>			<b>2017</b>		
	<b>Cost / Valuation</b>	<b>Accu mulat ed impair ment loss</b>	<b>Carrying Value</b>	<b>Cost / Valuation</b>	<b>Accumulated impairment loss</b>	<b>Carrying Value</b>
Arts and artefacts	5 845 656	-	5 845 656	5 714 536	-	5 714 536
Audio and visual	16 592	-	16 592	16 592	-	16 592
Historical Papers	12 302	-	12 302	12 302	-	12 302
Library Books	781 233	-	781 233	778 373	-	778 373
Photographic	67 550	-	67 550	62 950	-	62 950
	<hr/>		<hr/>	<hr/>		<hr/>
	<u>6 723 333</u>	<u>-</u>	<u>6 723 333</u>	<u>6 584 753</u>	<u>-</u>	<u>6 584 753</u>



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2018

**25. Heritage assets (continued)**

**Reconciliation of Heritage  
Assets - 2018**

	<b>Opening balance Restated</b>	<b>Additions</b>	<b>Revaluation increase/ decrease</b>	<b>Total</b>
Arts and artefacts	5 714 536	131 120	-	5 845 656
Audio and visual	16 592	-	-	16 592
Historical Papers	12 302	-	-	12 302
Library Books	778 373	2 860	-	781 233
Photographic	62 950	4 600	-	67 550
	<u>6 584 753</u>	<u>138 580</u>	<u>-</u>	<u>6 723 333</u>

**Reconciliation of Heritage  
Assets - 2017**

	<b>Opening balance</b>	<b>Additions</b>	<b>Revaluation increase/ decrease</b>	<b>Total</b>
Arts and artefacts	-	1 360	5 713 176	5 714 536
Audio and visual	-	-	16 592	16 592
Historical Papers	-	-	12 302	12 302
Library Books	-	-	778 373	778 373
Photographic	-	(600)	63 550	62 950
	<u>-</u>	<u>760</u>	<u>6 583 993</u>	<u>6 584 753</u>

The Entity is restricted from disposing of Heritage assets in accordance with the provisions of the National Heritage Act and had no contractual commitments for the acquisition ,maintenance and restoration of Heritage assets at year end  
No assets have been pledged as security.

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**for the year ended 31 March 2018**

**26. Statement of Comparison of Actual and Budget amounts**

	Notes	Actual R	Approved Budget R	Variance R
<b>CURIO SHOP SALES</b>	1	22 899	45 114	(22 215)
<b>OTHER INCOME</b>		19 030 649	17 697 874	1 332 775
Donations received	2	2 929	2 312	617
Entrance fees	3	25 898	23 886	2 012
Income from investments	4	783 099	109 907	673 192
Insurance claims	5	-	74 100	(74 100)
Internet income	6	4 367	4 187	180
Other income	7	5 115	8 427	(3 312)
Parking income	8	195 426	169 571	25 855
Profit on Disposal of fixed assets		4 979	-	4 979
Rent received	9	229 075	244 484	(15 409)
Revenue from Non-exchange transactions	10	17 779 761	17 061 000	718 761
<b>TOTAL INCOME</b>		19 053 548	17 742 988	1 310 560
<b>EXPENDITURE</b>		(16 776 696)	(17 742 988)	(966 292)
Bonus accruals		9 804	-	(9 804)
Cost of sales	11	21 000	25 968	4 968
Depreciation and amortisation	12	810 055	4 500	(805 555)
Leave pay provision	13	97 512	40 000	(57 512)
Operating expenditure (refer pages 5)	14	15 838 324	17 653 520	1 815 196
Provision for Performance awards		-	19 000	19 000
<b>(DEFICIT)/ SURPLUS FOR THE YEAR</b>		2 276 852	-	344 268

**MSUNDUZI MUSEUM**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**26. Statement of Comparison of Actual and Budget Amounts (continued)**

**ACTUAL OPERATING EXPENDITURE VERSUS BUDGET OPERATING EXPENDITURE**

Budget variance Explanation

**REVENUE**

**1. Curio Shop sales**

The actual income is less than the budget income by 49% due to decrease in visitors ,a target market for sales.

**2. Donations received**

Actual Income exceeded budget income by 27% .Donations income is unpredictable as it depends mainly to donors willing to donate.

**3. Entrance Fees**

Actual Income exceeded budget by 11% due to usage of new facilities being utilised for photo shooting by public.

**4. Income from investments**

Actual income exceeded budget income by 613% .Interest earned from capital works funding for projects still in progress.

**5. Insurance Claim**

Proceeds received from Insurance for a Motor vehicles written off .Never budgeted for.

**6. Internet Income**

Actual Income is less than budget by 4% due to decrease in users of internet.

**7. Other Income**

Actual Income is less than budget income by 39% due to decrease in photocopies made.

**8. Parking Income**

Actual Income exceeded budget income by 15% due to increase in parking rate during the year.

**9. Rent received**

Actual Income is less than budgeted income due to decrease in number of bookings.

**10. Revenue from Non-exchange transaction**

Actual Revenue exceeds budget income by 4% due to deferred income recognised during the year amounting to R 482 761 and funding amount to R 236 000 for the maintenance of Blood River reconciliation bridge.

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL  
AMOUNTS**  
**for the year ended 31 March 2018**

**26. Statement of Comparison of Budget and Actual Amounts (Continued)**

**EXPENSES**

**11. Cost of Sales**

Actual expenditure is less than budgeted amount by 22% due to decrease in number purchases done during the year and as a result of a decrease in sales.

**12. Depreciation and Amortisation**

Actual expenditure exceeded budgeted amount by 99%. Depreciation is budgeted at a minimal amount due to its nature (Non-cash item)

**13. Leave provision**

Actual amount exceeded budgeted amount by 59% due to increase in closing balance in leave days.

**14. Operating Expenditure**

Actual expenditure is less than budgeted amount by 11% due to decrease in operating expenditure a decrease amounting to R 1 815 196. The decrease was of Grap 103 received for bulk of expense incurred in 2016/17, unutilised funds due to SCM processes not completed at year end.

**MSUNDUZI MUSEUM**  
**(Incorporating the Voortrekker Complex)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2018**

**27. Contingent liabilities**

The Cultural Institution is requested each financial year by National Treasury to make a motivation for retention of and reconciliation of surpluses at the end of each financial year. The Cultural Institution has therefore disclosed surpluses by way of a note, awaiting National Treasury approval at the end of the financial year. The surplus of the Cultural Institution at 31 March 2018 amounted to R 2 276 852.

**28. Correction of errors**

**Heritage assets revaluations**

Prior year error is due to heritage assets erroneously revalued and included in the financial statements in year ended 31 March 2017. Subsequently the valuation of heritage assets in 2017/18 indicated that there were assets that were either missing or not revalued and included financial statements in 2016/17 financial year end. These asset were classified as art and artefacts, photographs. These assets were revalued by Gilfillan Scott-Berning on 31st March 2018. The correction of the error is accounted for retrospectively, and the comparatives have been restated to the original cost as per the Museum's accounting policy. The effect of the change is as follows:

**28.1 Errors in accounting for Heritage Assets (Note 26)**

Heritage Assets as previously reported	6 584 753
Adjustments as per restated Note 25 - 2017	760
	<hr/>
Restated balance at 31 March 2017	<u>6 585 513</u>

**As a result of 28.1 above:**

Accumulated surplus as previously reported	4 155 262
Adjustments as per restated Note 2 - 2016	-
	<hr/>
Restated balance at 31 March 2016	<u>4 155 262</u>
Revaluation surplus as previously reported	7 243 119
Adjustments as per restated Note 25 - 2017	760
	<hr/>
Restated balance at 31 March 2017	<u>7 243 879</u>







## NCOME MUSEUM



**TOP:** Aerial view of Ncome Museum

**BELOW:** ACCOMMODATION FACILITIES

1. Zulu hut accommodation 2. Zulu hut accommodation, inside. 3. Museum hall, outside 4. Museumhall, inside  
5. Self catering accommodation 6. Self catering accommodation, inside. 7. Braai/Picnic area 8. Braai/Picnic area

**FRONT COVER**

Head rest: Eshowe, 2000.





an agency of the  
Department of Arts and Culture



## MISSION

*"The Msunduzi Museum Incorporating the Voortrekker Complex will actively preserve, promote and present our cultural heritage to benefit nation building and social upliftment."*

## VISION

*"The Msunduzi Museum Incorporating the Voortrekker Complex will deliver an excellent cultural experience."*



### **Msunduzi Museum Incorporating the Voortrekker Complex and Ncome Museum**

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