

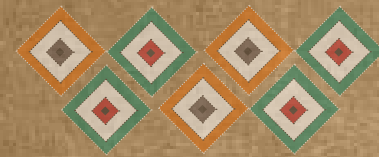


**nhc**

National Heritage Council  
SOUTH AFRICA

an agency of the  
Department of Sport, Arts and Culture







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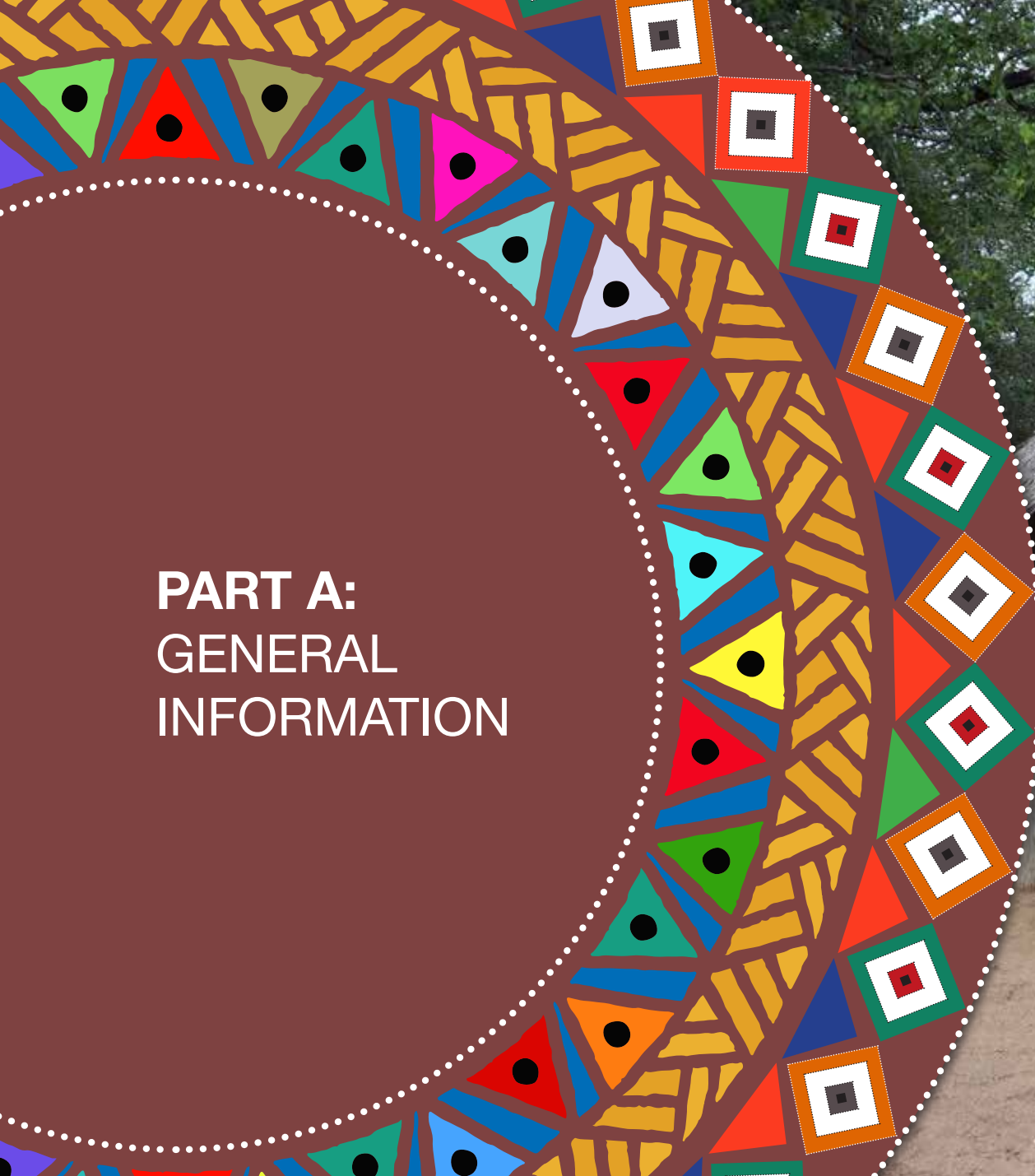
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## PART A: GENERAL INFORMATION





# 1. PUBLIC ENTITY'S GENERAL INFORMATION

<b>REGISTERED NAME:</b>	<b>NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA</b>
<b>PHYSICAL ADDRESS:</b>	353 Festival Street Hatfield Pretoria SOUTH AFRICA 0081
<b>POSTAL ADDRESS:</b>	PO Box 74097 Lynwood Ridge Pretoria 0040
<b>TELEPHONE NUMBER/S:</b>	+27 12 748 3949
<b>EMAIL ADDRESS:</b>	Council@nhc.org.za
<b>WEBSITE ADDRESS:</b>	www.nhc.org.za
<b>EXTERNAL AUDITORS:</b>	Auditor General of South Africa
<b>INTERNAL AUDITORS:</b>	Masegare and Associates Incorporated
<b>BANKERS:</b>	First National Bank
<b>COMPANY SECRETARY:</b>	Vacant





## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>ACH</b>	Arts Culture and Heritage	<b>NFVF</b>	National Film and Video Foundation
<b>AGSA</b>	Auditor-General of South Africa	<b>NHC</b>	National Heritage Council
<b>AFS</b>	Annual Financial Statements	<b>NIO</b>	National Inventory Office
<b>APP</b>	Annual Performance Plan	<b>NLDTF</b>	National Lotteries Distribution Trust Fund
<b>ARC</b>	Audit and Risk Committee	<b>PanSALB</b>	Pan South African Language Board
<b>BBBEE</b>	Black Broad Based Economic Empowerment	<b>PESP</b>	Presidential Economic Stimulus Package
<b>CEO</b>	Chief Executive Officer	<b>PFMA</b>	Public Finance Management Act
<b>DAC</b>	Department of Arts and Culture	<b>RLHR</b>	Liberation Heritage Route
<b>DSAC</b>	Department of Sport, Arts and Culture	<b>SAHRA</b>	South African Heritage Resources Agency
<b>DMV</b>	Department of Military Veterans	<b>SAMSA</b>	South African Maritime Safety Authority
<b>MEC</b>	Member of Executive Council	<b>SATMA</b>	South African Traditional Music Achievement
<b>MHSC</b>	Mining Health and Safety Council	<b>SMME</b>	Small, Medium and Micro Enterprises
<b>MTEF</b>	Medium Term Expenditure Framework	<b>TR</b>	Treasury Regulations
<b>MTSF</b>	Medium Term Strategic Framework	<b>UNESCO</b>	United Nations Education, Scientific and Cultural Organisation
<b>NAC</b>	National Arts Council		





## FUNDING

**R62 million**

*Funds distributed*

**67**

*Beneficiaries*

**6 035**

*Jobs created*

## RECOGNITION

**23**

Golden Shield Heritage Awards recipients honoured for excellence in heritage

## EDUCATION

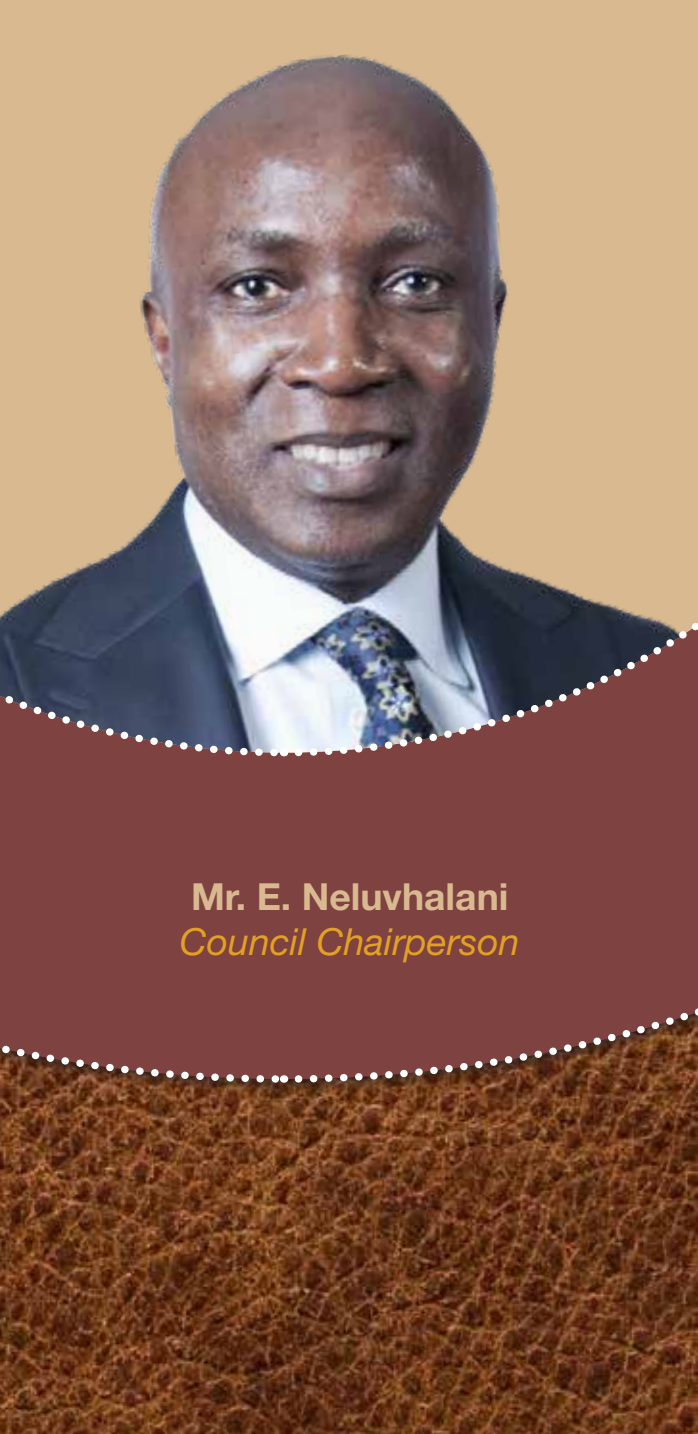
**8**

School representing provinces qualified for the Heritage Education Schools Outreach Programme

## STAKEHOLDERS

**3**

Provincial Houses of Traditional Leaders are officially collaborating with the NHC



**Mr. E. Neluvhalani**  
*Council Chairperson*

### 3. FOREWORD BY THE CHAIRPERSON

As custodians of our nation's rich and diverse cultural heritage, this Council has embarked on a bold journey of restoring an organization without overlooking the preservation, promotion, and celebration of our shared past, present, and future. It is with immense pride and honor that I pen this foreword as the Chairperson of the National Heritage Council.

The tapestry of our heritage is woven from the threads of countless generations who have lived, loved, struggled, and thrived on this land. It is a tapestry that bears witness to the triumphs and challenges that have shaped our identity, culture, and values. Our heritage tells the story of who we are as a people – a nation with a unique blend of traditions, languages, beliefs, and experiences.

This Council has preserved and safeguarded South Africa's heritage not merely as an obligation, but a solemn duty that we owe to the generations that will follow us. It is in these echoes of the past that we endured in finding the wisdom to build a more harmonious, compassionate, and enlightened society.

Through innovative initiatives in the form of the National Inventory Office meant to record all elements of our cultural practices, norms, and values and aiming to address the imbalance of neglected and criticized intangible heritage, collaborative partnerships, and public engagement, we have introduced yet another pioneering element in heritage. This is to ensure that the voice of every community finds resonance within the tapestry of our heritage.

#### Strategic Relations and Alignment

Through the Ubuntu Initiative, the NHC has invited citizens from all nine provinces, through the Ubuntu Initiative to join us on an inspiring journey of working with

NPOs in providing school shoes and other essentials, a gesture that former President Nelson Mandela believed in. Whether you are an artist, historian, researcher, or simply an individual passionate about preserving our shared legacy, your contributions are invaluable. Together, let us embrace the responsibility of safeguarding our heritage, empowering future generations to connect with their roots while embracing the global challenges of the modern world.

Not only was it Council's mission to form strategic relations, but Council became resolute in the alignment of initiatives with the Economic Reconstruction and Recovery Plan of the Presidency (ERRP). Through this alignment, the heritage sector also responded to support economic recovery. In the work of NHC, Outcome 14 and Priority 6 remain a strategic focal point and whilst acknowledging heritage as a shared competence across three spheres of government we have pursued this objective through programs and funding distribution. Council remain appreciative of programs in the form and Mzansi Golden Economy which also gives the sector tremendous opportunities for sustainability and future prospects for the sector.

#### International, and regional relations

In building an internationally recognized heritage organization, the NHC has focused on heritage programs and working relationships on heritage matters. It is through this strategic intent that the NHC and Seychelles National Heritage have signed a memorandum of understanding for five years. The agreement is to establish an institutional structure of two parties to exchange expertise and host joint activities including but not limited to heritage restoration of ruins and relics, conservation, and preservation. Council's involvement in this partnership





On regional engagements, yet another international milestone was realized through the NHC collaboration with DSAC on the Africa Liberation Heritage Programme (ALHP) which is part of Africa's Road to Independence agenda of UNESCO in Africa. In this inter - Ministerial Committee, the NHC's Liberation Heritage Route Programme serves as the anchor of South Africa's input in the ALHP. Our regional focus impressed on DSAC priorities to repatriate heritage objects including remains of fallen struggle icons buried in foreign countries. The NHC has developed a policy position paper on the Repatriation of Heritage Assets.

In safeguarding heritage, the NHC undertook a technical site inspection of the Oliver Reginald Tambo house in Lusaka, Zambia, a transnational heritage mission that presented the potential of mapping South Africa's liberation heritage. Having made provisions for the World Heritage Programme, the amplified dossier was submitted to DSAC and as a result, reports on site status readiness for the UNESCO evaluation were produced, another milestone for the significant claim to the world heritage stage.

Like other public entities, this Council has navigated reduced funding through cost-effective measures and valuable partnerships. With the focus on sustainability, whilst pursuing a national cohesion agenda, with limited resources, the NHC continued to uplift its core business through effective management, and improvement of costs of business. Within the legal and operating environment, the South African government is attempting to address historical imbalances with inclusive and equality-seeking legislation in the form

of the White Paper aimed at assisting previously disadvantaged communities and introducing institutional changes. Together with other entities the NHC is highly interested in these reforms and will continue to support the path the department will follow.

### Strategic Focus

Our strategic focus in the year ahead is directed at fast-tracking PESP distribution and following that with a monitoring and evaluation framework that will continue uplifting South Africans fond of their heritage. Ours is to see direct impact versus perceived impact and NHC will continue strengthening its systems in this regard.

In the form of key turnaround strategies, this Council sought to identify, support, and partner with Community-Based Organizations that have a proven record, relevance, and high-impact initiatives in the heritage sector. The partnerships with house of traditional leaders and the respective traditional houses affirm Council as foregrounded in the national cohesion agenda.

### Governance

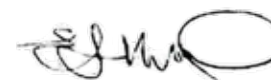
As the Chairperson, I am committed to leading the National Heritage Council with unwavering dedication, transparency, and inclusivity. The Council's goal is to foster an environment where cultural heritage is accessible to all, regardless of background or origin. Council further upholds high governance standards through King IV and continued its oversight over PFMA objectives and National Treasury prescripts.

### Appreciation

I invite all citizens to join us on this inspiring journey. Whether you are an artist, historian, researcher, or simply an individual passionate about preserving our shared legacy, your contributions are invaluable. Together, let us embrace the responsibility of safeguarding our heritage, empowering future generations to connect with their roots while embracing the global challenges of the modern world.

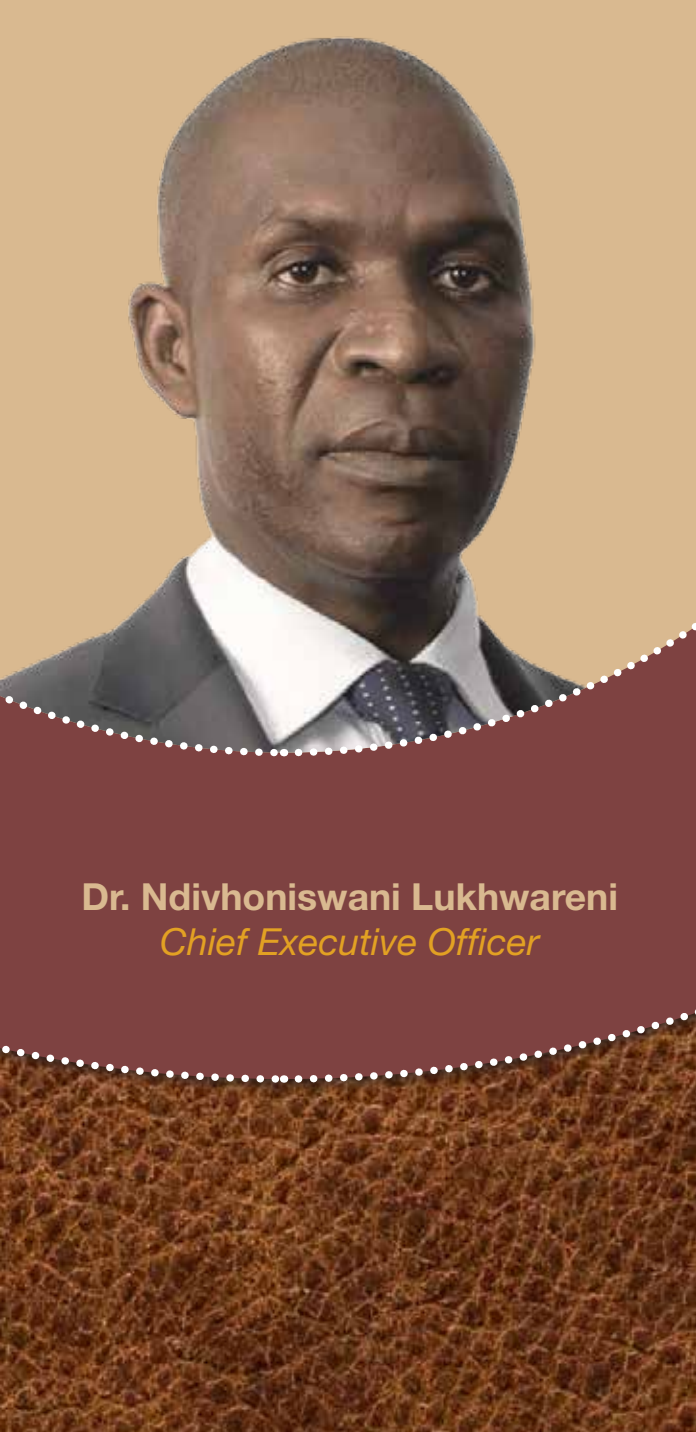
Finally, I extend my sincere thank you to the Minister of Sport, Arts, and Culture and the department for their guidance and involvement in the concerns of the NHC. My appreciation also goes to the Council members whose oversight and fiduciary responsibilities bonded us all and informed decisions collectively guided the NHC. Finally, I am grateful to the CEO and staff for their commitment and determination in improving the operational environment of the NHC.

It is through our collective efforts that we can create a legacy worthy of the generations yet to come. Together, let us embark on this transformative odyssey, as we carry the torch of our cultural heritage into a brighter and more prosperous future



**Mr. E. Neluvhalani**  
*Council Chairperson*





**Dr. Ndivhoniswani Lukhwareni**  
*Chief Executive Officer*

## 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

It is with great pleasure and immense pride that we present to you the Annual Report of the National Heritage Council for the year 2023. As custodians of our nation's cultural heritage, we have continued our tireless efforts to preserve, protect, and promote the rich tapestry of our past, ensuring its enduring legacy for generations to come.

The NHC's mandate and purpose is to improve lives through an impactful heritage agenda. This is done among others through the coordination of heritage initiatives.

In the 2022/2023 financial year's report, we reflect on the milestones achieved and the challenges overcome as we pursued our mission to safeguard our cultural heritage. We reaffirm our commitment to fostering a sense of pride and identity in our shared heritage, acknowledging that it is the foundation upon which our nation's diverse and vibrant society stands.

### Our Core Pillars of Delivery

#### 1. Cultural Preservation and Restoration

Throughout the year, the National Heritage Council has diligently worked toward the preservation and restoration of historically significant sites. Our dedicated team and collaborators have undertaken crucial projects aimed at safeguarding these invaluable treasures. This year, we completed restoration initiatives on [mention specific projects/sites], breathing new life into our past.

#### 2. Intangible Cultural Heritage

Acknowledging that our heritage is not solely confined to physical artifacts, we have also made substantial progress in preserving our intangible cultural heritage. Traditional art forms, crafts, rituals, and languages have been documented and promoted to ensure their continuation and appreciation by future generations.

#### 3. Educational Outreach and Public Engagement

Education remains at the heart of our mission, and we have reached out to schools, colleges, and local communities to instill a deeper appreciation for our cultural legacy. Through workshops, seminars, and interactive programs, we have sought to inspire a new generation of cultural custodians.

#### 4. Partnerships and Collaborations

We recognize that the task of preserving our heritage is a collective one, and this year has seen the forging of significant partnerships. Collaborating with governmental bodies, academic institutions, private enterprises, and community organizations, we have strengthened our impact and extended the reach of our initiatives.

The NHC established a partnership with the University of South Africa and the University of Venda where Ph.D. and Master's students were part of the studentship program. The responsibility of





coordinating the activities of public institutions involved in heritage management.

### 5. Embracing Technology for Cultural Conservation

In this rapidly evolving digital age, we have embraced innovative technologies to amplify our efforts and access. Our digital platforms have made our cultural heritage more accessible to a global audience, creating awareness and fostering international collaborations. For instance, the online application system has digitally equipped our communities to steadily move to paperless applications and improved submissions.

### 6. Financial Overview

We extend our heartfelt gratitude to all our stakeholders and the department for their unwavering support. Your contributions have

enabled us to execute our projects effectively and make a positive difference in the realm of heritage conservation. Our determination for an unqualified report has shaped an agile NHC.

### Projects Funding

Knowing that the heritage mandate continues to be underfunded, working with practitioners, and interested parties, the NHC, as its strategic focus continued to assist community heritage initiatives. The distribution of R62 million to 67 projects with 6035 jobs for the Presidential Employment Stimulus Programme (PESP) positioned the NHC of its capabilities to fairly distribute funds across the nine provinces. The continued annual heritage funding of R7 million from the allocation supported 32 other heritage projects, thus contributing to a total of 99 projects funded.

### Conclusion

As we look back on the year that was, we stand humbled by the magnitude of the work yet to be accomplished. Our commitment to preserving our cultural heritage remains resolute, and we embark on the coming year with renewed vigor and determination.

Together, let us continue our journey to preserve our past, enrich our future, and ensure that our nation's cultural heritage continues to shine brightly as a beacon of inspiration.



**Dr. Ndivhoniswani Lukhwareni**  
*Chief Executive Officer*






## 5. STRATEGIC OVERVIEW


### 5.1 VISION

A nation proud of its African heritage.



### 5.2 MISSION

To transform, protect and promote heritage through the coordination and management of heritage knowledge and resources for social cohesion and sustainable development.



### 5.3 VALUES

Within Ubuntu philosophy, the following values will guide the programmes, actions and behaviours of NHC council members and employees and those acting in its name:

- Batho Pele;
- Integrity;
- Professionalism;
- Equity and
- Creativity





## 6. LEGISLATIVE MANDATE

The NHC's mandate is contained in the National Heritage Council Act, 1999 (No. 11 of 1999) Section 4. The objects are to:

- (a) develop, promote and protect the national heritage for present and future generations;
- (b) coordinate heritage management;
- (c) protect, preserve and promote the content and heritage which resides in orature in order to make it accessible and dynamic;
- (d) integrate living heritage with functions and activities of the Council and all other heritage authorities and institutions at national, provincial and local level;
- (e) promote and protect indigenous knowledge systems including, but not limited to, enterprise and industry, social upliftment, institutional framework and liberatory processes and
- (f) intensify support for the promotion of history and culture of all our peoples and particularly to support research and publications on enslavement in South Africa.

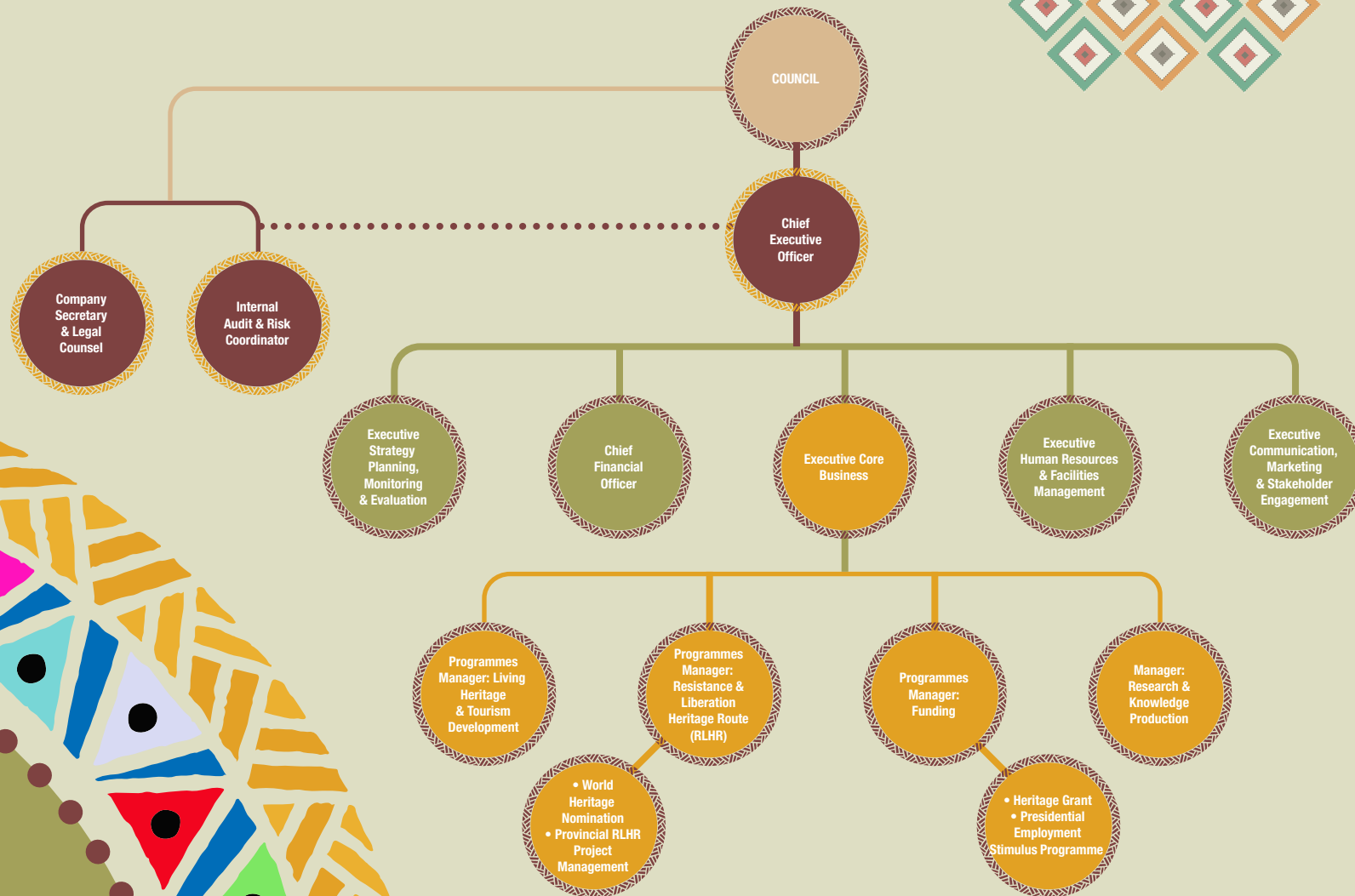
The NHC council's core functions are set out in the NHC Act and inform the organisation's day-to-day realities and will therefore be pre-eminent in strategic initiatives and its related objectives. The council's core functions are to:

- (g) advise the Minister on:
  - (i) national policies on heritage matters including indigenous knowledge systems, treasures, restitution and other relevant matters and
  - (ii) any other matter concerning heritage which the Minister may from time to time determine;

- (h) advise the minister on the allocation of core funding to declared cultural institutions;
- (i) investigate ways and means of effecting the repatriation of South African heritage objects presently held by foreign governments, public and private institutions and individuals;
- (j) make grants to any person, organisation or institution in order to promote and develop national heritage activities and resources;
- (k) co-ordinate the activities of public institutions involved in heritage management in an integrated manner to ensure optimum use of state resources;
- (l) monitor and co-ordinate the transformation of the heritage sector with special emphasis on developing heritage projects;
- (m) consult and liaise with relevant stakeholders on heritage matters;
- (n) generally support, nurture and develop access to institutions and programmes to promote and bring equity to heritage management;
- (o) promote an awareness of the history of all our peoples, including the history of enslavement in South Africa;
- (p) lobby in order to secure funding for heritage management and to create a greater public awareness of the importance of our nation's heritage;
- (q) perform such duties in respect of its objects as the Minister may assign to it and
- (r) The Council may on its own initiative advise the Minister on any matter concerning heritage.



## 7. ORGANISATIONAL STRUCTURE





## 8. COUNCIL MEMBERS



**Mr Edgar Neluvhalani**  
*The Council Chairperson*



**Dr Graham Dominy**  
*Ministerial Appointee*



**Ms Nontlaza Sizana**  
*Ministerial Appointee*



**Salome Sithole**  
*Ministerial Appointee*



**Dr Protas Madlala**  
*Ministerial Appointee*



**Ms Refiloe Mabaso**  
*National Libraries of South Africa Chairperson*



**Ms Esther Netshivhongweni**  
*Heraldry Council Chairperson*



**Mr Jabulani Sithole**  
*IZIKO Museums Deputy Chairperson*



**Adv. Motlatjo Ralefatane**  
*Ditsong Museums Chairperson*



**Dr Luyanda Mpahlwa**  
*South African Heritage Resources Agency Chairperson*



**Mr Luthando Jack**  
*Eastern Cape Province Representative*



**Dr Vikunduku Mnculwane**  
*KwaZulu-Natal Province Representative*



**Ms Lydia Moroane**  
*Mpumalanga Province Representative*



**Ms Laura Robinson**  
*Western Cape Province Representative*



**Mr Onkabetse Mereki**  
*Northern Cape Province Representative*



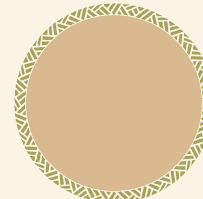
**Hosi Adv Khavhareni Mahumani**  
*Limpopo Province Representative*



**Mr Tsheko Tsehlana**  
*Gauteng Province Representative*



**Elodie Seotseng Tihoele**  
*Free State Provincial Representative*



**Vacant**  
*North West*



## PART B: PERFORMANCE INFORMATION





# 1. STATEMENT OF RESPONSIBILITY REGARDING PERFORMANCE INFORMATION

## Statement of responsibility regarding performance information for the year ended 31 March 2023

The Chief Executive Officer (CEO) is responsible for preparing the public entity's performance information and for judgements made in this information. He is responsible for establishing and implementing an internal control system to provide reasonable assurance on the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the National Heritage Council's performance for the financial year ended 31 March 2023.



**Dr. N. Lukhwareni**  
*Chief Executive Officer*

31 July 2023



## 2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General has conducted some audit procedures on the performance information for usefulness and reliability, compliance with laws and regulations and internal control, but an opinion is not expressed on the performance information.

Refer to page 70 of the Report for the Auditor General's Report, included in Part E: Financial Information.





### 3. OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE

#### 3.1 STRATEGIC OUTCOME ORIENTED GOALS

The NHC had the following strategic outcome-oriented goals:

Strategic Outcome Oriented Goal 1	An internationally recognised heritage organisation on the African continent
<b>Indicators</b>	Increase the level of awareness and participation of the NHC as a heritage organisation in Africa through the following: <ul style="list-style-type: none"> <li>• Number of activities to promote awareness about the NHC</li> <li>• Number of multilateral and bilateral heritage agreements initiated with African countries</li> <li>• Number of presentations of research data on African Liberation Heritage Programme</li> <li>• Number of heritage exchange programmes participated in</li> </ul>
Strategic Outcome Oriented Goal 2	Mainstreaming of liberation heritage
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Level of progress with domestic management of liberation heritage</li> <li>• Level of progress towards world heritage listing of the LHR</li> <li>• Number of submissions on the African Liberation Heritage Programme</li> <li>• Number of research reports and publications</li> <li>• Number of presentations made on the liberation heritage</li> <li>• Number of knowledge partnerships signed</li> <li>• Number of inter-governmental arrangements formalised</li> <li>• Number of identified sites submitted for formal protection</li> </ul>
Strategic Outcome Oriented Goal 3	Increased knowledge and awareness about South Africa's heritage by South Africa's citizens
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Percentage increase of participants in heritage activities</li> <li>• Number of research outputs produced</li> <li>• Number of manuscripts from funded heritage projects published</li> <li>• Number of presentations made on heritage</li> <li>• Number of knowledge partnerships signed</li> <li>• Proportion of performance milestones achieved on the implementation of the NHC Language Policy</li> <li>• Level of implementation of the research agenda</li> </ul>





<b>Strategic Outcome Oriented Goal 4</b>	<b>The leading institution on intangible heritage in South Africa</b>
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Approved framework for the establishment of a heritage institute by 2017</li> <li>• Number of Intangible Cultural heritage (ICH) research initiatives funded</li> <li>• Number of intangible heritage programmes implemented and tangible heritage programmes supported</li> </ul>
<b>Strategic Outcome Oriented Goal 5</b>	<b>Social Cohesion and nation building</b>
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Number of annual stakeholder engagement sessions</li> <li>• Number of advocacy programmes / campaigns conducted annually</li> <li>• Number of nation building initiatives implemented and funded annually</li> </ul>
<b>Strategic Outcome Oriented Goal 6</b>	<b>An effective, efficient and sustainable institution</b>
<b>Indicators</b>	<p><b>Effectiveness</b></p> <ul style="list-style-type: none"> <li>• Unqualified audit</li> <li>• Level of collaboration with experts in the field</li> </ul> <p><b>Efficiency</b></p> <ul style="list-style-type: none"> <li>• Level of functionality of operational systems</li> <li>• Establishment of Project Management Office</li> </ul> <p><b>Sustainability</b></p> <ul style="list-style-type: none"> <li>• Level of skills retention</li> <li>• Alignment with adapted King III</li> <li>• Level of viability and credibility of the knowledge management strategy</li> <li>• Retention of institutional memory</li> <li>• Diversity of funding streams</li> </ul>





## 3.2 SERVICE DELIVERY ENVIRONMENT

Highlights of programmes implemented in the 2022/23 financial year are as follows:

### 3.2.1 Heritage funding

The heritage sector is underfunded. Most heritage organisations and practitioners with whom we engage find it difficult to access heritage funding. This challenge discourages and retards heritage service and product development.

The NHC funds community heritage that propels projects into flourishing milestones to protect, preserve and promote South Africa's cultural heritage. Annually, applicants are invited to submit heritage proposals for financial support.

Just over R62 million was distributed to 67 projects nationally, resulting in 6035 jobs from the Presidential Employment Stimulus Programme (PESP). These projects covered all nine provinces. Additionally, as part of the NHC's annual heritage funding, R7 million was allocated to support 32 public projects.



*The launch of the book of Mind Heart & Soul by Don Materra funded by the NHC at a ceremony honouring his legacy.*

### 3.2.2 Golden Shield Heritage Awards (GOSHA)

Through this flagship activity, the NHC recognises the contribution of individuals, groups, organisations and academic institutions contributing to the conservation, preservation and promotion of South Africa's heritage as "Champions of Heritage". The recipients and the projects reflect best practice in heritage. Nominations were received from all disciplines with a direct bearing on how heritage is appreciated and preserved. The Limpopo Provincial Department of Sport, Arts and Culture continued its partnership with the Awards into the third year hosted in Polokwane. Among the partners were the Polokwane Municipality and the South African Gallery of Legends.

The peak of the ceremony was the honour of Professor Muxe Gesler Nkondo, a contributor Chairperson of the committee that developed the Heritage Transformation Charter and a legendary woman woodcarver and artist of note, Noria Mabasa.



*Some of the young winners from the 9th annual Golden Shield Heritage Awards*



*Lifetime Achievement Award receipt, Mam Noria Mabasa flanked by Chairperson of the Council, Mr Edgar Neluvhalani, her daughter and Ms Nakedi Kekana, MEC of Sport, Arts and Culture in Limpopo.*



### 3.2.3 Heritage Education Schools Outreach Programme (HESOP)

Nationally, Schools challenge each other to represent their province at a week-long camp in this NHC programme. The inter-provincial challenge was hosted at the national heritage site Marakele National Park where learners were taken through an educational cultural exchange experience of a lifetime. Through the programme, the NHC responded to the Department of Basic Education's (DBE) request to assist in developing learner and teacher support materials on heritage themes. The booklet was distributed nationally for classroom use. In partnership with DBE, Brand SA, National Youth Development Agency (NYDA), South African Heritage Resources Agency (SAHRA), South African National Parks (SanParks) and some Provincial Departments of Sport, Arts and Culture, the NHC successfully crowned Stintile High School from Mpumalanga as the national winners of the challenge.



*The 2022 HESOP first place winners representing Mpumalanga from Stintile Secondary School.*

### 3.2.4 National Inventory Office (NIO)

The NIO record every element of South Africa's cultural practices, norms and values normally referred to as living heritage. This tool redresses past imbalances that neglected and/or criticised intangible cultural heritage. Living heritage provides people with a sense of identity and continuity within communities. Understanding common features of cultural traditions across South Africa can foster national unity and pride, while maintaining respect for human rights.

The inventory prototype was developed with information collated from research and interviews of cultural heritage knowledge bearers.

### 3.2.5 Ubuntu Initiative

The lack of social cohesion and nation-building poses challenges in a country's social-political and economic growth. The NHC had several initiatives dedicated to helping communities' social cohesion and nation building. The Ubuntu initiatives is an interventionist programme to influence society to positively embrace and emulate the Ubuntu practice as encouraged by former president Nelson Mandela. The NHC takes pride in reporting that national beneficiaries were reached through this programme. The Ubuntu gesture, working with non-profit organisations (NPOs), provided school shoes, uniforms, sanitary towels and food parcels.



*Ubuntu handover in Xxby.*



*Ubuntu handover in Mpumalanga.*





### 3.2.6 Cultural expressions: Kuluma Vukanyi

This annual event in February ensures communities appease and acknowledge their ancestors for providing marula – *Ku Luma Vukanyi* (Xitsonga name for the ceremony). It has been identified as the kind of heritage representing knowledge and information sustained through memory and transmitted orally or by practice from one generation to the next. By its nature, it is a fragile resource that is often vulnerable and subject to degeneration if not adequately managed in a way consistent with its conservation needs.

The ceremony contributes to safeguarding the intangible cultural heritage and promoting the indigenous knowledge systems of brewing and serving marula beverage (vukanyi/morula/mukumbi). It is a way of enhancing and promoting social cohesion, nation building and contributing towards socio-economic development. The local economy is boosted through these projects that proves our heritage contribute to the economy.

The ceremony was attended by more than 250 traditional healers from Limpopo municipalities, led by the Southern African Development Countries (SADEC) Traditional Healers Association and Traditional Leaders chairperson, gathered at Muti Wa Vatsonga Open Air Museum.



*A traditional libation ritual performed by elders at the ceremony of celebrating the first fruits at Muti Wa Vatsonga.*



*A Tshitsonga male traditional dancer at the Kuluma vukanyi Cultural Expression ceremony.*

### 3.2.7 Research and knowledge production

The year under review had a special focus on capacitating the NHC as a knowledge producer in heritage. This included establishing a research office augmented by working with mainly two universities. Four post-graduate Masters and PhD researchers were accommodated at the NHC to pursue research while accumulating work experience in the field of heritage. The Venda University of Science and Technology had a partnership with the NHC to host 14 post-graduate honours students in indigenous knowledge systems (IKS).

Into the future, the planned research and knowledge production will focus on: policy position papers on the State of Conservation of Heritage Sites at Local Government Level, and conflict between African and European Cultures, especially in the sporting fraternity.

### 3.2.8 Resistance and Liberation Heritage Route (RLHR)

The Minister of Sport, Arts and Culture appointed the NHC as the implementing agency for the Resistance and Liberation Heritage Route to preserve South Africa's liberation struggle history heritage through the memories of events, people and places of significance.

The NHC embarked on the important task of coordinating the development and management of heritage sites capturing this history and currently 13 out of 23 sites have completed. In terms of feasibility studies, preparing them for development, four additional sites are in operation after being fully funded by the Department of Sport, Arts and Culture from their inception and three sites have been identified for immediate development.



### 3.2.9 Communications, marketing and stakeholder engagement

Projects implemented during the financial year enjoyed media coverage especially in publications and broadcasters operating in the targeted audience and communities. A large number of implemented projects were dialogues on various heritage subjects and drew support from broadcasters with whom the NHC partnered and carried the programmes live on their platforms. These included Soweto TV, IgagasiFM, UNISA Radio and the South African Broadcasting Corporation (SABC) Limpopo. The CEO also represented the NHC in positive television and radio interviews.



*Some of the Publicity recieved during the year.*



*Heritage Month Campaign with a national radio station (Radio 2000).*

The website was revamped to align with the NHC's strategic direction and continues to serve as the gateway to the programmes and opportunities to the public.

The NHC actively participates on the four social media platforms Twitter, Facebook, Instagram and YouTube. Substantial growth was realised over the 12 months with various stakeholders using the platforms to consume the NHC offerings and engage on serious matters, including raising concerns.

A Heritage Month campaign was implemented in September 2022 to engage the public while promoting a spirit of celebration. A partnership with Radio 2000 ran the campaign for a two-week period including 24 September (Heritage Day). Instead of the usual approach of placing an

advertisement, the NHC posed questions to the public through popular Radio 2000 DJs. Listeners called in while others sent WhatsApp voice notes to share their view on critical questions that were asked. Some of the questions were whether:

- heritage should be taught in schools?
- as a parent, do you have conversations with your children about their heritage?
- do you think ma2000 understands what this day really means?

The responses were valuable and educational to other listeners, the main aim of the approach. This campaign would have been broader if funds had allowed the organisation to use other radio stations.







### 3.3 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

The NHC expanded on its previous year's foundation to maintain cordial relations with strategic stakeholders across the three tiers of government and internationally. The programmes implemented during the financial year received the Departments of Sport, Arts and Culture's support nationally and provincially as well as the department of tourism with whom a memorandum of agreement (MoA) was signed. Provincial Traditional Houses of Leaders appreciated the NHC extending an opportunity to collaborate in matters of preserving heritage, especially in their communities.

A working relation was entered into with the Seychelles National Heritage Resource Council to establish an institutional structure for the two parties to exchange expertise and have joint activities. The labour relations environment has been stabilised for regular engagements with staff members on issues of mutual concern, particularly relating to their conditions of service. Consequently, there has been no unrest or recorded disharmony between management and staff in the year under review.

### 3.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no legislative changes subsequent to the consultations on the review of the White Paper on Art, Culture and Heritage.



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 PROGRAMME 1: ADMINISTRATION

The programme provides strategic leadership and enables the NHC performance through the delivery of support services.

The programme constitutes the following sub-programmes:

- Office of the CEO;
- Communication, Marketing and Stakeholder Management;
- Company Secretariat;
- Finance and Supply Chain Management; and
- Human Resource Management.

### Key performance measures, targets and actual results

#### Outcomes:

- 1.1 Strategic Leadership is provided
- 1.2 Promotion of the NHC and its programmes
- 1.3 A highly motivated and competent team
- 1.4 Sound financial management provided
- 1.5 ICT support provided

#### SUMMARY

- 11 targets were planned for Programme 1 in 2022/23.
- Nine (81.8%) targets were achieved and two (18.18%) were not achieved.

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
An effective, efficient and accountable organisation with good governance, a sound culture and track record of delivery	Strategic Leadership is provided	Compliance documents (APP, Quarterly Reports and Annual Report) are submitted to the Executive Authority on time.	Organisation wide adherence to compliance dates was achieved.	Organisation wide adherence to compliance dates was achieved.	Organisation wide adherence to compliance dates achieved	Organisation wide adherence to compliance dates achieved	The target was achieved as planned with no deviations.	N/A
		Percentage of institutional policies and charters due for review reviewed.	New target.	95% of institutional policies and charters due for review reviewed and approved.	100% of institutional policies and charters due for review reviewed.	100% of institutional policies and charters due for review reviewed.	The target was achieved as planned with no deviations.	N/A





Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Promotion of the NHC and its programmes	Number of publications and productions produced.	12 monthly newsletters published.	12 monthly newsletters published.	12 publications and 1 production produced.	12 publications and 0 productions produced.	The target was missed by the 1 production not being produced (completed) by 2022/23 year-end.	Challenges were experienced with stakeholders during the filming phase. Production to be completed in Q1 of 2023/24
		Number of media engagements conducted.	16 x (planned) Media engagements conducted.	22 Media Engagements conducted.	9x media engagements conducted.	14x media engagements conducted.	The target was exceeded by one media engagement.	Opportunities to engage the media to exceed the target were utilised from the programmes implemented by the NHC.
		Number of Heritage Month Marketing Campaigns activated.	New target.	New target.	1 Heritage Month Marketing Campaign activated.	2 Heritage Month Marketing Campaigns activated.	The target was exceeded by 1 Heritage Month Marketing Campaign.	An additional activation opportunity was utilised to promote the Heritage Month.
		Number of stakeholder engagements implemented.	New target.	New target.	5X stakeholder engagements implemented.	5X stakeholder engagements implemented.	The target was achieved as planned with no deviations.	N/A
	A highly motivated and competent team	Percentage of implementation of the approved Annual Training Plan on critical skills.	10.4% of the approved Annual Training Plan on critical skills was implemented.	7% of the approved Annual Training Plan on critical skills was implemented.	80% implementation of the approved Annual Training Plan on critical skills.	42% implementation of the approved Annual Training Plan on critical skills.	The target was missed by 38%.	Failure of staff members to undertake training due to operational reasons etc.



Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Establish or improve level of employee wellness/ engagement / satisfaction.	New target.	New target.	Employee engagement survey conducted.	Employee engagement survey conducted.	The target was achieved as planned with no deviations.	N/A
	Sound financial management provided.	Audit opinion achieved.	Unqualified Audit opinion achieved.	Unqualified Audit opinion achieved.	Unqualified Audit opinion achieved.	Unqualified Audit opinion achieved.	The target was achieved as planned with no deviations.	N/A
	ICT support provided	Level of Local Area Network availability (%).	100% network availability achieved.	97% network availability achieved.	Local Area Network availability (95%).	97, 7%.Local Area Network availability achieved.	The target was exceeded by 2,7%.	Target exceeded due to continuous improvement and allocation of additional resources in the ICT Unit.
		Business Continuity Plan approved and tested.	Disaster Recovery & Business Continuity Plan approved and tested.	Disaster Recovery & Business Continuity Plan approved and tested.	Business Continuity Plan approved and tested.	Business Continuity Plan approved and tested.	The target was achieved as planned with no deviations.	N/A

### Strategy to overcome areas of underperformance

The unachieved targets were rolled over to 2023/24.

### Changes to planned targets

There were no changes to planned targets.





## 4.2 PROGRAMME 2: HERITAGE PROMOTION

The purpose of the programme is to deliver on the mandate and core business of the NHC as per the legislative mandate within available resources.

Programme two consists of the following sub-programmes:

- Living Heritage promotion
- Funding
- Resistance and Liberation Heritage Route

## Key Performance measures, targets and actual results

### Outputs:

- 1.6 Initiatives associated with living heritage supported/implemented to promote social cohesion and nation building.
- 1.7 Advise the Minister on key heritage aspects by developing a proposed policy framework
- 1.8 Disbursed funding and partnerships pursued to enable capacity building and resource mobilisation for preserving and promoting heritage
- 1.9 Mainstreaming the resistance and liberation heritage route
- 1.10 Developing and coordinating heritage resources for economic benefit
- 1.11 Partnerships with other government, private sector and civil society entities to promote and develop the economic benefit of heritage

### SUMMARY

- A total of **16** targets were planned for Programme 2 in 2022/23.
- **12 (75%)** targets were achieved as planned and **4 (25%)** were not achieved

Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Enhance social cohesion and transformation through the coordination of heritage with emphasis on living heritage	Initiatives associated with living heritage supported/ implemented to promote social cohesion and nation building.	Number of initiatives associated with living heritage supported.	New target.	New target.	6 initiatives associated with living heritage supported/ implemented.	6 initiatives associated with living heritage supported/ implemented. <sup>1</sup>	The target was achieved as planned with no deviations.	N/A

<sup>1</sup> Golden Shield Heritage Awards (GOSHA), Ku luma Vukanyi, SATMA, Ubuntu, Xitsonga Music Awards and the Intergenerational Cultural Dialogue in partnership with Headway Foundation and Mahikeng Local authority.



Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Number of heritage resource partnerships with national/provincial houses of traditional leadership implemented.	New target.	New target.	2 heritage resource partnerships with national/provincial houses of traditional leadership implemented.	2 heritage resource partnerships with national/provincial houses of traditional leadership implemented (Nesengane Royal House and LP House of Traditional Leaders).	The target was achieved as planned with no deviations.	N/A
		Number of heritage education initiatives implemented.	1 heritage education initiative implemented.	1 heritage education initiative implemented.	1 heritage education initiative implemented.	1 heritage education initiative implemented. HESOP Camp held in Marekele Camp on 3-7 Oct '22	The target was achieved as planned with no deviations.	N/A
		Number of indigenous knowledge seminars/dialogues hosted.	1 indigenous Language Advocacy Seminar hosted.	1 indigenous Language Advocacy Seminar hosted.	1 indigenous knowledge seminar/dialogue hosted.	1 indigenous knowledge seminar/dialogue hosted. Hosted in partnership with Kara Institute.	The target was achieved as planned with no deviations.	N/A
		Accessible Heritage database produced.	National Inventory Office Framework developed	National Inventory Office Framework approved	Accessible heritage database produced.	Accessible heritage database produced.	The target was achieved as planned with no deviations.	N/A





Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Number of heritage exchange programmes implemented/ participated in.	Partnership with SOMAFCO Trust implemented.	2 heritage exchange programmes implemented/ participated in.	2 heritage exchange programmes implemented/ participated in.	3 heritage exchange programme implemented/ participated in (Seychelles MoU, 8th GPDNet General Assembly and the Intergenerational Cultural Exchange Dialogue).	The target was exceeded by one exchange programme.	Engagements with international stakeholders provided an opportunity for the additional exchange programme.
	Advise the Minister on key aspects of heritage through development of a proposed policy framework	Number of policy position papers produced.	1 Policy Position Paper produced.	2 Policy Position Papers produced.	2 Policy Position Papers produced.	2 Policy Position Papers produced.	The target was achieved as planned with no deviations.	N/A



Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Disbursed funding and partnerships pursued to enable capacity building and resource mobilisation for the preservation and promotion of heritage	Number of community heritage projects supported and funded.	10% of DSAC annual grant allocated to community heritage projects.	30 community heritage projects supported and funded.	30 community heritage projects supported and funded.	32 Public projects approved and notified.	Funds not disbursed by year-end.	Contracting and disbursement delayed due to delays in the appointment of the Funding Committee to adjudicate applications.
		% of funded projects monitored and evaluated.	New target.	100% of funded projects monitored and evaluated	100% of funded projects monitored and evaluated.	74% of projects funded in 2022/23 monitored and evaluated.	The monitoring and evaluation was only limited to the projects funded in 2022/23.	Rollover projects nearing completion were not included due to resource constraints and progress already registered in those projects.
	The Resistance and Liberation Heritage Route is mainstreamed.	Number of RLHR related community outreach programmes implemented/ participated in.	5 presentations/ dialogues on the RLHR made to different stakeholders.	6 presentations/ dialogues on the RLHR made to different stakeholders.	4 RLHR related community outreach programmes implemented/ participated in.	4 RLHR related community outreach programmes implemented/ participated in. <sup>2</sup>	The target was achieved as planned with no deviations.	N/A





Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		No of RLHR related multilateral engagements Implemented/ participated in.	New target.	New target.	1 RLHR related multi-lateral engagements implemented/ participate in.	1 RLHR multi-lateral engagement implemented/ participated in (Memory Of the World Documentary)	The target was achieved as planned with no deviations.	N/A
		Number of engagements on the African Liberation Heritage Programme	2 submissions on the African Liberation Heritage Programme.	2 engagements on the African Liberation Heritage Programme.	2 engagements on the African Liberation Heritage Programme.	2 engagements on the African Liberation Heritage Programme approved.	The target was achieved as planned with no deviations.	N/A
		Number of engagements in the World Heritage Programme achieved.	Amplified Nomination Dossier submitted to DSAC.	1 engagement achieved (Amplified Dossier submitted to UNESCO).	1 engagement in the World Heritage Programme achieved.	1 engagement in the World Heritage Programme achieved. (Reports on Site Statuses readiness for evaluation produced.)	The target was achieved as planned with no deviations.	N/A



## Programme 2: Heritage Promotion

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Number of Provincial Resistance and Liberation Heritage Route (RLHR) Sites developed and managed.	80% of Annual PMO Project Plan completed.	9 RLHR Sites developed and managed.	9 Provincial Resistance and Liberation Heritage Route (RLHR) sites developed and managed.	13 Provincial Resistance and Liberation Heritage Route (RLHR) sites under development and management cumulatively with feasibility studies completed. Target not achieved.	The developments are still at feasibility stage.	The development is in phases and progress is measured on phased completed in the financial year..
	Develop and coordinate heritage resources to bring economic benefit	Number of heritage sites and resources identified and supported to be commercially viable for the benefit of women, youth and people with disability.	New target	New target	1 heritage site and resource identified and engaged to be supported to be commercially viable for the benefit of women, youth and people with disability.	1 heritage site and resource supported to be commercially viable for the benefit of women, youth and people with disability (Concept Paper produced)	The target was achieved as planned with no deviations.	N/A





Programme 2: Heritage Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Partnerships with other government, private sector and civil society entities to promote and develop the economic benefit of heritage	Number of partnerships established to enhance the economic benefit of heritage (categorised into: government; private sector; civil society; international)	New target	New target	1 partnership established to enhance the economic benefit of heritage.	0 partnerships established to enhance the economic benefit of heritage.	The 1 target of a partnership was missed as no partnership was successfully established.	There were delays in concluding identified potential partnerships.

### Strategy to overcome areas of under-performance

The unachieved targets were rolled over to 2023/24.

### Changes to planned targets

There were no changes to planned targets.





## PART C: GOVERNANCE





# 1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. It enhances organisational discipline, integrity, transparency, accountability, responsibility, fairness and sustainable economic, social and environmental performance. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance in a public entity is applied through the precepts of the Public Finance Management Act (PFMA, Act 1 of 1999) and run in tandem with the principles contained in the King IV Report on Corporate Governance.

The NHC is committed to the principles of accountability, openness and integrity and its policies and charters formalise this commitment. This gives the shareholder and other stakeholders the assurance that the NHC is ethically managed according to prudently determined risk parameters in compliance with best practices.





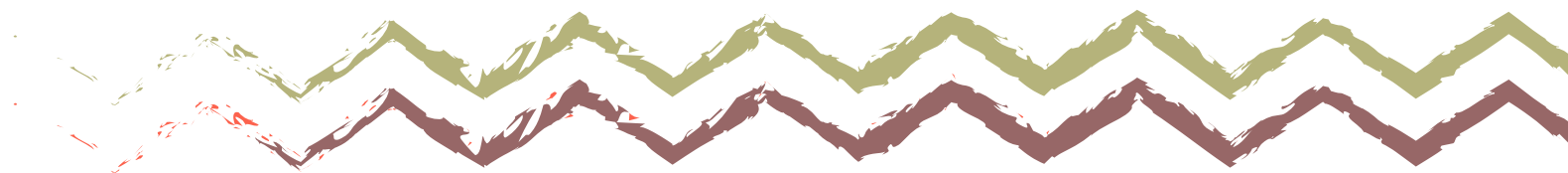
## 2. EXECUTIVE AUTHORITY

The Minister of Sport, Arts and Culture and the NHC signed a shareholders' compact that captures the key performance measures and indicators agreed between the council as the NHC's accounting authority and the minister as the executive authority.

This a requirement for public entities listed in Schedule 2, 3B or 3D of the PFMA. However, notwithstanding the NHC being a Schedule 3A entity and therefore not bound by this requirement, it was deemed necessary to do so for cooperative governance and accountability. Consequently and in line with the PFMA, the NHC submits quarterly reports to the DSAC. During the year under review the following reports were submitted:

- 1<sup>st</sup> quarterly report submitted on 30 July 2022;
- 2<sup>nd</sup> quarterly report submitted on 30 October 2022;
- 3<sup>rd</sup> quarterly report submitted on 30 January 2023;
- 4<sup>th</sup> quarterly report submitted on 30 April 2023.





## 3. THE COUNCIL

### 3.1 DESCRIPTION OF THE COUNCIL

The NHC is a juristic entity established in terms of the National Heritage Council Act of 1999 (Act 11 of 1999). The Minister of Sport, Arts and Culture appoints members of the public of the Republic of South Africa as members of the NHC to manage its affairs in terms of the Act and its regulations in line with corporate governance principles. The NHC is constituted in terms of Section 5. (1) of the National Heritage Council Act as follows:

- (a) at least five members appointed by the minister;
- (b) a representative of each province to be nominated by the MEC concerned; and
- (c) the chairpersons of the
  - (i) Council of the South African Heritage Resources Agency;
  - (ii) National Archives Commission;
  - (iii) Heraldry Council;
  - (iv) Board of the National Library;
  - (v) Council of the Northern Flagship Institution (Ditsong Museums) and
  - (vi) Council of the Southern Flagship Institution (Iziko Museums)

The council advises the minister on certain heritage issues including national policies on heritage, allocation of core funding and resources and other matters concerning heritage the minister or the council may determine.

The council operates in terms of an approved charter that clearly spells out its role and responsibilities. It plays an oversight role and provides leadership on the NHC's affairs. Its role includes establishing, reviewing and monitoring strategic objectives and it gives strategic direction and ensures compliance with corporate governance and legislative imperatives. The council oversees the NHC's systems of governance, internal control and risk management.

The council meets at least once a quarter and special meetings are held when needed. The meetings review the NHC's strategic and operational performance; looks into business plans and policies and approves major contracts and other strategic issues. Management is responsible for implementing council's decisions and strategies.

### 3.2 COUNCIL STRUCTURE AND COMPOSITION

The council is constituted by members appointed by the Minister of Sport, Arts and Culture, provincial Art and Culture MECs, the chairpersons of certain declared cultural institutions (Iziko Museums of Cape Town, Ditsong Museums, NLSA, National Heraldry Council and SAHRA), National Heraldry Council and the National Archives Council. They are people from diverse backgrounds and have extensive skills in the heritage sector. In making appointments, the minister considers diversity and skills. In the period under review there were 19 council members with the CEO being an *ex officio* member.

#### Composition of the Council

During the year ended 31 March 2023 four ordinary meetings, six special meetings and three strategy review workshops and two training sessions were conducted. Below is the profile of council members and meeting attendance:



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Mr Edgar Neluvhalani	Chairperson Appointed by The Minister	01/12/2020	Active	i) Masters of Arts Degree ii) BA Education Honors iii) Bed iv) Diploma Environmental Education	i) Heritage ii) Governance and Leadership iii) Strategy Environmental Education	i) Director: DYARA Non-Executive Director: KCM (Kenneth Copeland Ministries Africa (Religious)) ii) Non-Executive Director: GMC (Religious) iii) Chairperson: Pan South African Language Board (PanSalb)	None	15/15
Dr Graham Dominy	Member Appointed by The Minister	01/12/2020	Active	i) PhD ii) Post Graduate Diploma in Museums Sc (cum laude) iii) MA: National iv) N Diploma Archives Science v) BA, BA Hons, Higher Diploma Education	i) Archives ii) Heritage iii) History iv) Museums v) Research Ethics vi) Transformation	i) Honorary Research Fellow: UNISA ii) Corporate Member: Institute of Directors South Africa (IoDSA)	i) Chairperson: Social and Ethics Committee ii) Member: Heritage Research and Development Committee	14/15





Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Ms Nontlaza Joyce Nosisa Sizani	Member Appointed by The Minister	01/12/2020	Active	i) B.Comm (Accounting) ii) B. Compt Honours /CTA iii) Post Graduate Diploma in Management iv) Certificate of Competency (Intro to property investment and practice)	i) Financial and Risk Management ii) Internal and External Audit iii) Budgeting iv) Cash Management and Policy Development v) Project and Structured Finance vi) Credit Ratings Advisory	i) Executive Director: Invest Wealth (Pty) Ltd ii) Non- Executive Director and Chairperson of the Finance Committee: Dezzo Holdings (Pty) Ltd iii) Non-Executive Director and Chairperson of the Audit Committee: Dezzo Social Housing Agency (DSHA) NPC	i) Member: Audit and Risk Committee ii) Member: Heritage Research and Development Committee	13/15
Ms Salome Francinah Sithole	Member appointed by The Minister	01/07/2022	Active	i) LLB, BA ii) Professional Certificate in Public Management iii) Certificate in Project Management iv) Junior Primary Teachers Diploma	i) Labour ii) Finance iii) Legal iv) Governance	i) Deputy Chairperson: Mpumalanga Tourism and Parks Agency	i) Member: Audit and Risk Committee ii) Member: Social and Ethics Committee	12/12



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Dr Protas Madlala	Member appointed by The Minister	08/09/2022	Active	i) Ph.D (Hon Laude) ii) MA, Honours Degree, BA Degree iii) Diploma iv) Certificate in Co- ops	i) Community Development ii) Media iii) Political Analyst	None	i) Member: Heritage Research Development Committee ii) Member: Social and Ethics Committee	9/10
Mr Luthando Phillip Jack	Eastern Cape Provincial Representative	01/12/2020	Active	i) Masters in Commerce with Specialised in Leadership Studies ii) BA in Philosophy iii) BTech in Public Management iv) NDiploma in Public Management and Administration	i) Governance ii) Strategy iii) Research	i) Chairperson: Chris Hani Co-operative Development Centre ii) Director: Learning Futures iii) Deputy President: South African Association of Senior Student Affairs Professionals iv) Director: Eastern Cape Socio Economic Consultative Council v) Chairperson: Boxing South African Board	i) Heritage Research and Development Committee ii) Corporate Services Committee	12/15



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Bishop Dr Vikinduku Mnculwane	KwaZulu-Natal Provincial Representative	01/12/2020	Active	i) PhD Doctor of Administration ii) Masters of Public Administration iii) Master of Theology iv) BTh Honours: UNISA v) BA Hons Public Administration vi) Post Graduate Diploma Monitoring and Evaluation	i) Public Policy ii) Monitoring and Evaluation	None	None	6/15
Ms Lydia Moroane	Mpumalanga Provincial Representative	01/12/2020	Active	i) Secondary Teachers Diploma ii) Advanced Certificate in Education iii) Project Management iv) Mediation, Conflict Resolution, Negotiation v) Advanced Certificate in Municipal Governance and Management vi) Practical Ministry	i) Social Transformation ii) Issues and Plights of Women iii) Politics	i) Arbitrator, Mediator and Counsellor: Mpumalanga Rental Tribunal ii) Town Planning: Mpumalanga Township Board iii) SGB Secretary: Freddy Sithole High School	i) Corporate Services Committee ii) Social and Ethics Committee	15/15





Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Ms Laura Robinson	Western Cape Provincial Representative	01/12/2020	Active	i) B Architecture Degree	i) Architecture and the Built Environment ii) Cultural Heritage and Cultural Landscapes iii) Intangible Heritage and Sites of Conscience and Memory iv) Human Rights and Heritage	None	i) Heritage Research and Development Committee	11/15



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Mr Onkabetse Wordsworth Mereki	Northern Cape Province Representative	01/12/2020	Active	i) B Social Science	i) Public Administration ii) Heritage Services	i) Member: Northern Cape Mental Health Review Board ii) Member: Northern Cape Heritage Authority iii) Member: McGregor Museum iv) Board Chairperson: Legadima Industrial v) Managing Member: Woxbricks Trading vi) Managing Member: Nkgodisana Social Connections	i) Corporate Services Committee	14/15



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Hosi Adv. Aarone Mahumani	Limpopo Province Representative	01/12/2020	Active	<ul style="list-style-type: none"> <li>i) LLM Masters of Law</li> <li>ii) B. Juris Degree</li> <li>iii) Post Graduate Diploma Labour Law</li> </ul>	<ul style="list-style-type: none"> <li>i) Governance Leadership</li> <li>ii) Legal ii)Administrative Matters</li> </ul>	<ul style="list-style-type: none"> <li>i) Hosi/Head of the Mahumani Royal Leadership Tribe: COGTA</li> <li>ii) Director: Mahumani Empowerment Centre Services</li> <li>iii) Board Member: Limpopo Gambling Board</li> <li>iv) iBoard Member: National Council of Correctional Services</li> <li>v) Board Member: Gauteng Commission of Traditional Ministerial Leadership and Disputes</li> </ul>	<ul style="list-style-type: none"> <li>i) Heritage Research and Development Committee</li> <li>ii) Social and Ethics Committee</li> </ul>	11/15





Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Mr Tsheko Tsehlana	Gauteng Provincial Representative	01/12/2020	Active	i) Certificate in Development Management ii) Certificate in Arts and Culture Management	i) Management ii) Project Management iii) Organisational Design	i) Chairperson: SOWETO Heritage Foundation ii) Chairperson: Gauteng Liberation Heritage Committee iii) Member: Lebone Secondary School iv) Member: Gauteng Geographical Name Change Committee	i) Heritage Research and Development Committee	10/15
Ms Elodie Seotseng Tlhoale	Free State Province Representative	1/12/2020	Active	i) Professional Architect: ii) BA Architect, BA Hons Architecture iii) Revised N Diploma Architectural Technology	i) Professional Architecture ii) Heritage Practitioner iii) Emerging Contractor Mentor iv) Build Environment Consultant v) Artist	i) Managing Director: Impact Architecture Pty Ltd ii) Deputy Chairperson and Council Member: Free State Heritage Resources Authority	i) Heritage Research and Development Committee ii) Social and Ethics Committee	15/15



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Mr Jabulani Dennis Sithole	Member Appointed by The Minister – Chairperson of IZIKO Museums	01/08/2022	Active	i) Master of Arts History ii) BA Honours iii) BA Degree iv) Secondary Teachers Diploma	i) Heritage ii) Culture iii) History iv) Research	i) Council Chairperson: IZIKO Museums ii) Director: Imvukuzane Foundation (NPO)	i) Chairperson: Heritage Research and Development Committee ii) Member: Corporate Services Committee	14/15
Ms Ester Netshivhongweni	Member appointed by Minister – Heraldry Council	01/05/2021	Active	i) MCom, BCom Hons, BCom ii) Advanced Diploma in Professional Management iii) Diploma in Professional Management	i) iHuman Resources ii) Corporate Governance	i) Council Chairperson: Heraldry Council ii) Chairperson: African Community Conservationists	i) Chairperson: Corporate Services Committee ii) Social and Ethics Committee	14/15



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Dr Refiloe Mabaso	Member appointed by Minister – Chairperson of National Library of South Africa	01/10/2021	Active	i) PhD ii) Post Graduate Diploma in Knowledge and Information Systems Management iii) General Managers Programme iv) MBA v) B.Tech Library Information Studies vi) Strategic Leadership Programme vii) Certificate in Information and Knowledge Management viii) Management Development Programme ix) N Diploma in Library and Information Practice	i) Governance ii) Information Management iii) Information Governance iv) Library Management v) Knowledge Management vi) Business Intelligence vii) Records Management	i) Council Chairperson: National Library of SA ii) Board Chairperson: Knowledge Management South Africa (NPO) iii) Board Chairperson: Kitso Lesedi (NPO)	i) Heritage Research and Development Committee ii) Corporate Services Committee	13/15





Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Adv Motlatjo Ralefatane	Member Appointed by The Minister – Ditsong Museums	01/08/2022	Active	<ul style="list-style-type: none"> <li>i) LLB Post Graduate Degree</li> <li>ii) BProc. Degree</li> <li>iii) Labour Relations Certificate</li> <li>iv) Certificate in Human Rights</li> <li>v) Certificate in Computer Bookkeeping</li> </ul>	<ul style="list-style-type: none"> <li>i) Labour Law</li> <li>ii) Corporate Governance and Ethics</li> <li>iii) Audit and Risk Management</li> <li>iv) Human Resources</li> <li>v) Forensic Audit Investigation</li> <li>vi) Strategies</li> <li>vii) Policy and Business Systems Development</li> </ul>	<ul style="list-style-type: none"> <li>i) Council Chairperson: Ditsong Museums</li> <li>ii) Council Member: Health Professions Council of South Africa</li> <li>iii) Council Member: The Playhouse Company</li> <li>iv) Independent ARC Chairperson: Msunduzand Ncome Museums</li> <li>v) Member of Remuneration and Reimbursement Committee: South African Pharmacy Council</li> <li>vi) Member: Gender Crime Investigative Aid (GENCRIA)</li> <li>vii) Member: International Board of Directors (IBODA)</li> </ul>	<ul style="list-style-type: none"> <li>i) Audit and Risk Committee</li> <li>ii) Social and Ethics Committee</li> </ul>	8/9



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Dr Luyanda Mpahlwa	Member Appointed by The Minister – Chairperson of SAHRA	01/08/2022	Active	i) Dr of Science (Honoris Causa) ii) M.Sc. Engineering iii) Diploma in Engineering Architecture	Architecture and Built Environment	Council Chairperson: SAHRA	None	7/9
Dr Adv. Mphalane Moses Makhura	Member appointed by The Minister: Chairperson of NAAC	01/12/2020	Term ended 31/12/2022	i) PhD (Information Science) ii) LLB (Bachelors of Law) iii) Master's Degree in Information Studies iv) B Inf Studies (Hons) v) B.Bibl (Ed	i) Library and Information Science ii) Records and Information Management iii) Teaching / Education iv) Legal Services	i) Board Chairperson: NAAC ii) Director: Khunkhwane Trading iii) Owner/Director: Hollandsdrift Farm iv) Chairperson: South African Bureau of Standard (SABS) TC 46 v) Secretary General: South African Society of Archivists (SASA) vi) Council Member: Mangosuthu University of Technology(MUT)	i) Corporate Services Committee ii) Social and Ethics Committee	9/12



Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Ms Karabo Tebogo Rapoo	Member Appointed by The Minister – Chairperson of Ditsong Museums	01/12/2020	Term ended 31/07/2022	<ul style="list-style-type: none"> <li>i) Executive Development Programme (EDP)</li> <li>ii) Post Graduate Trustee Training Programme</li> <li>iii) BCompt</li> <li>iv) Articles of Traineeship</li> </ul>	<ul style="list-style-type: none"> <li>i) Governance</li> <li>ii) Strategy Formulation</li> <li>iii) Risk Management</li> <li>iv) Risk Financing Insurance</li> <li>v) Internal Audit</li> <li>vi) Financial Management</li> <li>vii) Facilitation and Project Management</li> </ul>	<ul style="list-style-type: none"> <li>i) Board Chairperson: Ditsong Museums of SA</li> <li>ii) Board Member, Audit Committee Member: Medipos Medical Aid Scheme</li> <li>iii) Audit Committee Member: BestMed Medical Aid Scheme</li> <li>iv) Audit Committee Member, Risk Management Committee: Dep of Sports Arts and Culture</li> <li>v) Chairperson: DMSA</li> <li>vi) Chairperson of Executive Operational Committee (EOC) and Ex Officio Member of various Committees: SAPO</li> </ul>	<ul style="list-style-type: none"> <li>i) Audit and Risk Committee</li> <li>ii) Social and Ethics Committee</li> </ul>	2/4





Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship/ Directorship /Membership/ Partnership	Other Committees (NHC Sub Committees)	No of Scheduled Meetings (4), Special Meetings (6), Strategy Workshops (3) and Training Sessions (2)
Mr Moses Themba Makhweyane	Member appointed by The Minister: SAHRA Chairperson	01/12/2020	Term ended 31/07/2023	i) B Juris	i) Legal ii) Corporate Law	i) Managing Member: Makhweyane Support Services (NPC) ii) Board Chairperson: SAHRA	i) Corporate Services Committee ii) Social and Ethics Committee	3/4
Adv. Roderick Solomons	Member appointed by The Minister – Chairperson of IZIKO Museums	01/12/2020	Term ended 31/07/2023	i) LLB ii) B.Soc.Sc iii) Certificate in Sports Law	i) Law ii) Management iii) Business iv) Arts and Culture v) Sports Development vi) Conflict Resolution vii) Politics viii) vCommunity Activism	i) Board Chairperson: IZIKO Museums of SA ii) Convenor: SA 1st Forum (NGO) iii) Director: UCTABA UCT Association of Black Alumn – NPO iv) Council Member: NFVF v) Owner: Rodsol Sport and Leisure Group (PVT Business) vi) Executive Director: Yes We Cab Sport and Jazz Foundation (NPO)	i) Heritage Research and Development Committee	3/4



### 3.3 COUNCIL COMMITTEES

In its operations, the Council is assisted by the following four committees:

- (a) **Audit and Risk Committee** - assists the Council in fulfilling its responsibilities and provides oversight on its behalf on related audit, finance, performance and risk matters. Its charter is aligned to the duties prescribed by the PFMA and Treasury Regulations.
- (b) **Heritage Research and Development Committee** – oversees heritage management in relation to the NHC’s mandate in implementing heritage coordination, promotion, funding, conservation, transformation and development in South Africa.
- (c) **Corporate Services Committee** - responsible for determining and recommending for council’s approval of a sound human resources and remuneration philosophy, strategy and policies.

- (d) **Social and Ethics Committee** responsible for ensuring the NHC conducts its business responsibly with regard to ethical standards and social responsibility.

All the committees operate according to approved Terms of Reference set out in their respective mandates.

### 3.4 INTERNAL CONTROLS

Internal controls improved during the year under review and were continuously strengthened through the work of the Internal Auditors and the Audit and Risk Committee. Financial controls and human resources policies were reviewed and approved.

### 3.5 INTERNAL AUDIT

The internal audit function is outsourced. Internal Auditors monitor the functioning of internal control systems and make recommendations to Management, the Audit and Risk Committee and Council.



### 3.6 COMPOSITION OF COUNCIL COMMITTEES

Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working tasked team meetings held	No. of members	Names of members
Heritage Research and Development Committee.	4	0	0	0	10	<ol style="list-style-type: none"> <li>1. Mr Jabulani Sithole (Chairperson)</li> <li>2. Ms Laura Robinson (Deputy Chairperson)</li> <li>3. Mr Tsheko Tsehlana</li> <li>4. Ms Elodie Tlhoale</li> <li>5. Mr Luthando Phillip Jack</li> <li>6. Hosi Adv. Khavhareni Aarone Mahumani</li> <li>7. Dr. Graham Dominy</li> <li>8. Dr Refiloe Mabaso</li> <li>9. Dr Protas Madlala</li> <li>10. Ms Nontlaza Sizani</li> </ol>
Corporate Services Committee.	4	1	0	0	7	<ol style="list-style-type: none"> <li>1. Ms Esther Netshivhongweni (Chairperson)</li> <li>2. Mr. Jabulani Sithole (Deputy Chairperson)</li> <li>3. Ms. Salome Sithole</li> <li>4. Mr. Onkabetse Mereki</li> <li>5. Ms. Lydia Moroane</li> <li>6. Mr. Luthando Phillip Jack</li> <li>7. Dr Refiloe Mabaso</li> </ol>
Social and Ethics Committee	4	0	0	0	7	<ol style="list-style-type: none"> <li>1. Dr Graham Dominy (Chairperson)</li> <li>2. Ms Elodie Tlhoale (Deputy Chairperson)</li> <li>3. Hosi Adv. Khavhareni Mahumani</li> <li>4. Dr. Adv. Mphalane Makhura</li> <li>5. Ms. Lydia Moroane</li> <li>6. Ms Esther Netshivhongweni</li> <li>7. Adv Motlatjo Ralefatane</li> <li>8. Dr Protas Madlala</li> </ol>
Audit and Risk Committee	4	3	2	0	6	<p>Independent Members</p> <ol style="list-style-type: none"> <li>1. Ms Margaret Phiri (Chairperson)</li> <li>2. Mr Johan Van der Walt</li> <li>3. Mr Tichaona Zororo</li> <li>4. Council Members</li> <li>5. Ms Nontlaza Sizani</li> <li>6. Ms Salome Sithole</li> <li>7. Adv Motlatjo Ralefatane</li> </ol>





### 3.7 PROFILE OF THE AUDIT AND RISK COMMITTEE

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's within NHC (e.g. Audit Committee)	No of Scheduled Meetings (4), Special Meetings (3), Workshops (2) attended
Ms Margaret Phiri	Chairperson: External/ Independent Member.	01/05/2021 – 30/04/2024	Active	<ul style="list-style-type: none"> <li>i) Qualified CA(SA):SAICA</li> <li>ii) Registered Auditor and Registered Tax Practitioner</li> <li>iii) CTA/BCompt Honours</li> <li>iv) BCom. Accounting Degree</li> </ul>	<ul style="list-style-type: none"> <li>i) Internal and External Auditing</li> <li>ii) Board Evaluation and Investigation</li> <li>iii) Financial Management</li> <li>iv) Corporate Governance</li> <li>v) IT Governance</li> <li>vi) Risk Management</li> <li>vii) Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>i) Director: Mohaleseoka INC</li> <li>ii) Director: Lethamatse</li> <li>iii) Director: Seoka Phiri CT</li> </ul>	None	9/9
Mr Johannes Van Der Walt	External / Independent Member	01/05/2021 – 30/04/2024	Active	<ul style="list-style-type: none"> <li>i) CA(SA)</li> <li>ii) M.Com Financial Management (cum laude)</li> <li>iii) BCompt (Hons), BCompt</li> </ul>	<ul style="list-style-type: none"> <li>i) Strategic Financial Management</li> <li>ii) Corporate Governance</li> <li>iii) Financial Management and Accounting</li> <li>iv) Risk Management</li> <li>v) Supply Chain Management</li> <li>vi) IT, Legal and HR Management</li> </ul>	<ul style="list-style-type: none"> <li>i) Board and ARC Member - Council for Medical Schemes</li> <li>ii) Board and ARC Member - Gauteng Film Commission</li> <li>iii) Board and ARC Member - WWP Group of Companies</li> <li>iv) Board and ARC Member Enterstage Africa (Pty) Ltd</li> <li>v) Board and ARC Member - Pandoclox (Pty) Ltd</li> <li>vi) Board and ARC Member - South African Tourism* Gauteng Tourism</li> </ul>	None	9/9



Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's within NHC (e.g. Audit Committee)	No of Scheduled Meetings (4), Special Meetings (3), Workshops (2) attended
Mr Tichaona Zororo	External/ Independent Member.	01/05/2021 – 30/04/2024	Active	<ul style="list-style-type: none"> <li>i) CIA, CRMA, CGEIT, CRISC, CISA, CISM, CDPSE, COBIT Certified Assessor</li> <li>ii) Post Graduate Diploma in Computer Auditing</li> <li>iii) B.Sc. Honours Information Systems</li> <li>iv) Digital Disruption</li> <li>v) Chartered Institute of Secretaries &amp; Administrators Economics, Accounting, Principles of Marketing</li> </ul>	<ul style="list-style-type: none"> <li>i) IT Governance.</li> <li>ii) IT Auditing</li> <li>iii) Governance and Enterprise Risk Management</li> <li>iv) Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>i) Advisor Audit &amp; Risk Committee and IT Steering Committee - South African National Biodiversity Institute</li> <li>ii) Audit and Performance Committee Member - Setsoto Municipality</li> <li>iii) Board Member Immediate Past President - Information Systems Audit Control Association (ISACA) South Africa</li> </ul>	None	6/9



## 4. COMPLIANCE WITH LAWS AND REGULATIONS

The National Heritage Council strives to comply with relevant legislation and regulatory imperatives applicable to it, including but not limited to the National Heritage Council Act 11 of 1999, Public Finance Management Act (PFMA), National Treasury Regulations and Practice Notes, Companies Act 71 of 2008, King I-IV Report, relevant Labour laws, Health and Safety Laws, Procurement Prescripts, Broad Based Black Economic Empowerment (BBBEE) etc.

## 5. FRAUD AND CORRUPTION

To mitigate the risk of fraud and corruption the following instruments are in place:

- (i) Fraud Prevention Policy, Strategy and Implementation Plan for mitigating the risk of fraud and corruption;
- (ii) Anti-Fraud and Corruption Policy;
- (iii) Code of Ethics and Business Conduct and
- (iv) Risk Management Plan.

The report on fraud and corruption is a standing item on the agenda of the quarterly Audit and Risk Committee meetings. Furthermore, the DSAC has made its hotline for whistle blowing available

to all its entities, including the NHC. During the period under review no cases were reported to the hotline.

## 6. MINIMISING CONFLICT OF INTEREST

All NHC employees and Council members sign Declaration of Interest Forms in accordance with the National Heritage Council Act No.11 of 1999.

- *Bid Evaluation Committee:* at every meeting before bids are evaluated, members are given forms to sign declaring that they have no interest in the outcome of the bid;
- *Bid Adjudication Committee:* Once the Bid Evaluation Committee has finalised its work, the process goes to the *Bid Adjudication Committee* and members are also required to sign declaratory forms indicating that they have no interest in the outcome of the tender;
- On an annual basis, all Council and NHC staff members declare their interest and.
- A gift register for staff members is in place.

## 7. CODE OF CONDUCT

The Council has an approved Code of Conduct Policy. The Code of Conduct is included in the Council Charter and is based on principles of honesty and integrity.

## 8. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The HR Management Unit is responsible for facilities management, to ensure that health, safety and environmental issues are addressed.

## 9. COMPANY SECRETARY

The Company Secretary reports functionally to the Council and administratively to the CEO, and is responsible for ensuring that the Council complies with all applicable legal and statutory requirements and policy imperatives.

The Company Secretary keeps Council members informed of their legal responsibilities, ensures the smooth running of Council activities, advises on Council procedures and adherence to legislative requirements, and ensures that Council and Committee resolutions are communicated to the relevant stakeholders and implemented timeously.

In compliance with good corporate governance, the Company Secretary also facilitates self-assessment of the Council and its Committees, as well as financial disclosures by Council Members. The responsibilities are strategic and incorporate all matters pertaining to corporate governance and compliance with the King I-IV Report.





## 10. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) presents its report regarding its affairs at the National Heritage Council for the financial year ended 31 March 2022.

### Audit and Risk Committee Responsibility

The Audit and Risk Committee has complied with its responsibilities as stated in Section 51(1) (a) (ii) of the Public Finance Management Act and Treasury Regulations 27 paragraph 13.1. The ARC reports that it has adopted appropriate terms of reference. As per its ARC Charter, the ARC has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The ARC is accountable to the Council and has the oversight function of amongst other responsibilities:

- Financial and Performance Management
- IT Governance
- Risk and Fraud Management
- Internal Audit Function
- Compliance with Laws and Regulations and good Ethics
- Reporting practices
- External Audit

### Summary of the work done by the Audit Risk Committee during the year under review

- Updated the ARC Charter
- Undertaken risk management processes
- Approved internal audit charter
- Approved the Internal Audit three year rolling plan and current annual plan
- Ensured that all planned Internal Audit projects were timely completed
- Reviewed the reports of the Internal Audit Activity and made appropriate recommendations
- Considered quarterly finance and performance reports and provided guidance on the adequacy and quality improvements for these reports
- Conducted separate meetings with Internal Audit Functions and Management to drive and enhance risk and performance management
- Provided guidance on IT governance and policy issues
- Monitored compliance with policies and applicable legislations
- Monitored progress on previous audit findings

### Internal Audit Function

The ARC is satisfied that the internal audit function has appropriately discharged its functions and responsibilities during the year under review. The ARC is also satisfied that the internal audit function is operating effectively, that it has addressed the risks pertinent to the entity while maintaining an effective internal quality assurance and programme that covers all aspects of the internal audit activity.

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

The ARC is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the year under review, the ARC considered the entity's Interim Financial Statements and Expenditure against the Budget, assessed the Quarterly Performance Reports and recommended the associated corrections to Council for approval.

### Risk Management

The entity risk management was affected by the dissolution of Council in 2020. The Risk Management Committee which reported to the ARC was not effective. However, management had continued to monitor the strategic and operational risks faced by the entity throughout the financial year.



## Evaluation of Annual Financial Statements

The ARC reviewed and recommended the unaudited Annual Financial Statements to the Council for approval and onward submission to the AGSA for the annual audit. The ARC was satisfied that these unaudited Annual Financial Statements were in line with the quarterly reports submitted throughout the year under review. The ARC reviewed the accounting policies applied in the compilation of the Annual Financial Statements and satisfied itself that the policies were consistent with those of prior years, and have been constantly applied in accordance with the National Treasury Guidelines.

## Auditor's Report

The ARC has discussed the Auditor's report with the Auditor-General South Africa (AGSA), to ensure that there are no unresolved issues. The ARC has also reviewed the NHC's implementation plan for audit issues raised in the AGSA management report and continuous monitoring will be exercised to ensure that all matters are adequately addressed.

The ARC concurs and accepts the conclusions of the AGSA regarding the Annual Financial Statements and Performance Report, and recommend that the Audited Annual Financial Statements and Performance Report be accepted and read together with the report of the AGSA.



**Ms. Margaret Phiri**

*Chairperson*

*NHC Audit and Risk Committee*

DATE



## 11. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The NHC is in the process of developing Terms of Reference (ToRs) for appointment of a service provider to assist the organisation in developing the criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	The NHC is in the process of developing ToRs for appointment of a service provider to assist the organisation in developing and implementing a preferential procurement policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	The NHC is in the process of developing ToRs for appointment of a service provider to assist the organisation in developing the criteria for entering into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of BBBEE?	Yes	The NHC is in the process of developing ToRs for appointment of a service provider to assist the organisation in developing the criteria for the awarding of incentives, grants and investment schemes in support of BBBEE.

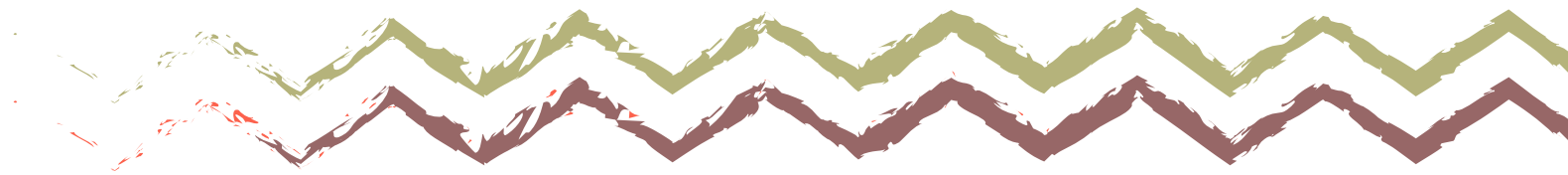






## PART D: HUMAN RESOURCE MANAGEMENT





## 1. INTRODUCTION

The mission, which is to transform, protect and promote heritage through the coordination and management of heritage knowledge and resources for social cohesion and sustainable development, continues to drive the NHC in ensuring that it achieves its ultimate vision of making a nation proud of its African heritage.

The most important asset, the employees, remain at the centre of operations. The NHC recognises and places staff at the forefront of everything. The Human Resource Management (HRM) unit's key objective is to ensure that the NHC has the right people in the right roles at the right time with appropriate skills so that it may effectively carry out its mandate and achieve its mission.

The staff complement as at 31 March 2023 was 45, comprising of 18 Males and 27 Females. The following are the key HR milestones for the year under review:

- Appointment of key staff in critical positions
- Staff satisfaction survey
- Employee Wellness/Welfare workshop
- Visible staff development through NHC study assistance
- Workplace Skills Planning and Annual Training Report submissions to PSETA on time
- CEO's quarterly staff engagements sessions
- Signed recognition agreement with organised labour
- Establishment of key internal committee's such as Occupational Health and Safety, Employee Wellness Committee, Employment Equity and Training Committee and Bargaining and Consultative Committee
- Successful negotiations and implementation of Cost of Living Adjustment (COLA)
- Introduction of Employee Leave Self Service



## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### Personnel Cost by programme

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)
CEO's Office	6 333	6 329	8%	4	1 582
Heritage	13 012	5 232	7%	6	872
Finance	13 623	5 563	7%	5	1 113
Human Resources	6 189	5 065	7%	12	422
Marketing	2 454	1 861	2%	2	930
Funding	9 528	2 791	4%	3	930
LHR	9 656	3 773	5%	3	1 258
CS	11 650	2 092	3%	2	1 046
PESP	2 030	692	1%	12	69
<b>TOTAL</b>	<b>74 475</b>	<b>33 399</b>	<b>45%</b>	<b>31</b>	<b>711</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	2 522	8%	1	2 522
Senior Management	17 893	54%	12	1 491
Professional qualified	2 077	6%	2	1 038
Skilled	7 502	22%	13	577
Semi-skilled	229	1%	1	229
Unskilled	331	1%	2	166
Temps (PESP and Interns)	2 845	9%	16	178
<b>TOTAL</b>	<b>33 398, 87</b>	<b>100%</b>	<b>47</b>	<b>711</b>

### Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	-	2 522	0%
Senior Management	-	17 893	0%
Professional qualified	-	2 077	0%
Skilled	74	7 502	0%
Semi-skilled	-	229	0%
Unskilled	-	331	0%
Temps (PESP and Interns)	-	2 845	0%
<b>TOTAL</b>	<b>74</b>	<b>33 399</b>	<b>0%</b>

### Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
CEO's Office	6 329	36	1	1	36
Heritage	5 232	8, 63	0	1	9
Finance	5 563	22	0	2	11
Human Resources	5 065	10, 49	0	2	5
Marketing	1 861	10	1	-	-
Funding	2 791	-	-	-	-
LHR	3 773	47	1	1	47
Company Secretariat	2 092	-	-	-	-
PESP	692	-	-	-	-
<b>TOTAL</b>	<b>33 399</b>	<b>134</b>	<b>3</b>	<b>7</b>	<b>108</b>



## Employment and vacancies

Programme	2021/2022 No. of Employees	2021/2022 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Top Management	1	1	1	-	-
Senior Management	12	16	6	3	37.5%
Professionals	2	16	3	1	12.4%
Skilled	8	19	34	-	-
Semi-skilled	1	1	1	-	-
Unskilled	2	2	2	-	-
Interns (PESP and Interns)	-	-	16	-	-
<b>TOTAL</b>	<b>26</b>	<b>55</b>	<b>47</b>	<b>4</b>	<b>100%</b>

## Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	-	-	1
Senior Management	12	4	4	12
Professional qualified	2	1	1	2
Skilled	8	5	-	13
Semi-skilled	1	1	1	1
Unskilled	2	-	-	2
Interns (PESP and Interns)	-	16	-	16
<b>TOTAL</b>	<b>26</b>	<b>27</b>	<b>6</b>	<b>47</b>

## Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	16.7%
Resignation	5	83.3%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
<b>Total</b>	<b>6</b>	<b>100%</b>

## Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	3
Dismissal	2





## Equity Target and Employment Equity Status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	-	-	-	-	-	-
Senior Management	5	5	-	1	-	1	-	1
Professional qualified	1	1	-	1	-	1	-	1
Skilled	7	7	-	1	-	1	-	1
Semi-skilled	1	1	-	-	-	-	-	-
Unskilled	2	2	-	-	-	-	-	-
<b>TOTAL</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	1	5	-	1	-	-	-	1
Professional qualified	1	3	-	-	-	1	-	1
Skilled	9	5	-	-	-	-	1	3
Semi-skilled	1	1	-	-	-	-	-	-
Unskilled	1	1	-	-	-	-	-	-
<b>TOTAL</b>	<b>13</b>	<b>15</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>5</b>

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	2	-	2
Professional qualified	-	2	-	2
Skilled	-	3	-	3
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>



## PART E: FINANCIAL INFORMATION



# 1. STATEMENT OF RESPONSIBILITY

## Statement of Responsibility for the year ended 31 March 2023

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the National Heritage Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements.

The Annual Financial Statements are based on Generally Recognised Accounting Practice and accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

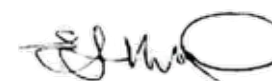
The Accounting Authority has reviewed the National Heritage Council's cash flow forecast for the year ended 31 March 2024 and, in the light of this review and the current financial position, is satisfied that the National Heritage Council has access to adequate resources to continue in operational existence for the foreseeable future.

The National Heritage Council is mainly dependent on the Department of Sport, Arts and Culture for continued funding of operations. The financial statements are prepared on the basis that the National Heritage Council is a going concern and that the Department of Sport, Arts and Culture has neither the intention nor the need to liquidate or scale down the functions of the National Heritage Council materially.

The financial statements, which have been prepared on the going concern basis, were approved by the Accounting Authority on 29 May 2023.



**Dr. N. Lukhwareni**  
CEO



**Mr E Neluvhalani**  
*Chairperson of the Council*



## 2. REPORT OF THE CHIEF EXECUTIVE OFFICER

Whilst recovering from complex institutional changes, the NHC has indeed gained momentum to pursue its mandate with renewed vigor. In the year 2022/2023 with the Council's provision of oversight the institution maintained strategic leadership and promoted the NHC and its programmes.

The NHC maintained effective, efficient, and accountable organization through timely organization-wide compliance. Charters were reviewed to inculcate a strong governance and compliance culture.

Notably, the NHC has achieved 81.8 % performance, an achievement that was closely monitored through the support of the Council. The unachieved target for instance; a compelling film production on Mrs Lillian Diedericks aimed at undoing the shame of classifying her as yet another symbol of South Africa's forgotten women activists will be completed in the year 2023.

The capacity constraints at NHC are often reinforced with training. To align the business requirements this area requires fixed focus and as a result, more opportunities will be given to staff for further uptake of critical courses for a competent workforce.

Events after reporting date contain the entity's will to reform NHC and rework capacity that is focused on impactful and visible heritage. Given the imperative of efficient heritage management, in April 2023 the NHC has since made two appointments; one of Executive: Core Business, Dr. Thabo Manetsi, who comes with a heritage, tourism, and research strength, and a Chief Executive Officer Ms. Mbalenhle Manukuza a seasoned financial management professional with public sector experience. In July 2023, the NHC appointed Ms. Palesa Kadi as an Executive: Strategy, Planning, and Implementation, she is a heritage and cultural management practitioner with governance and risk experience.

The 2022/2023 audit presented the NHC with restored confidence in improving audit outcomes. The organization is currently viable with the existing funding and the Council strives to oversee program implementation incited by the cost of living and inflation. We welcome the report and the findings and have taken the call from the Council and AGSA of improving non-compliance with legislation and irregular expenditure as the most critical task. With the new team of professionals at the executive level, the NHC is in a better place to change this status.



**Dr. N. Lukhwareni**  
*Chief Executive Officer*

31 July 2023





# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the National Heritage Council set out on pages 78 to 117, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as 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 National Heritage Council as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards

are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

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

### Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the

public entity at, and for the year ended, 31 March 2023.

### Other matter

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

### Supplementary information

9. The supplementary information does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### National Treasury Instruction Note No. 4 of 2022-23 on PFMA Compliance and reporting framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful



expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 31 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of National Heritage Council. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

11. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

#### **Responsibilities of the accounting authority for the financial statements**

12. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the auditor-general for the audit of the financial statements**

14. 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.

15. 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 annual performance report**

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
17. I selected material performance indicators relating to heritage promotion and sustainable development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandate and that are of significant national, community or public interest.
18. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an



annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only.

21. I did not identify any material findings on the reported performance information for the selected material performance indicators.

#### **Other matter**

22. I draw attention to the matter below.

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

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

#### **Report on compliance with legislation**

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows.

#### **Expenditure management**

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R 4 609 000 as disclosed in note 31 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management laws and regulations.



## Other information in the annual report

29. The accounting authority is responsible for the other information included in the annual report, which includes chief executive officer's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with

the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate this to those charged with governance and request that this other information be corrected. If the other information is not corrected, I may have to retract this audit report and re-issue an amended report as necessary. However, if it is corrected this will not be necessary.

## Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with

applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

34. Non-compliance with legislation was identified as the entity incurred irregular expenditure and this could have been prevented if compliance with legislation had been properly reviewed and monitored.

*Auditor-General*

Pretoria

31 July 2023



*Auditing to build public confidence*





# ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

## Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

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 material performance indicators and on the public entity's compliance with selected requirements in key legislation.

### Financial statements

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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify

my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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.

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



# COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Selected legislation and regulations	Consolidated firm level requirements
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56(1); 56(2); Section 57(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 8.2.1; 8.2.2 Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c ); 16A6.3(d); 16A 6.3(e ); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A8.3(d); 16A 8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e ); 16A9.1(f); 16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1;31.1.2(c') Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c );18; 18 (1) and (2);
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraph 5.5.1(vi); 5.5.1(x)



Selected legislation and regulations	Consolidated firm level requirements
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.4.2(b); 3.3.1; Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)





### 3. ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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# STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

## ASSETS

### Non-current assets

Property, plant and equipment

Intangible assets

### Current assets

Receivables from exchange transactions

Receivables from non- exchange transactions

Prepayments and advances

Cash and cash equivalents

### Total Assets

## LIABILITIES

### Non-current liabilities

Deferred income

Long term lease liability

Current liabilities

Payables from exchange transactions

Deferred income

Finance lease obligation

Leave Accrual

Performance Bonuses

Salary related provision

Total Liabilities

### TOTAL NET ASSETS

Accumulated Surplus

### NET ASSETS

NOTES	2023 R'000	2022 R'000
	<b>2,465</b>	<b>2,891</b>
2	2,095	2,593
3	370	298
	<b>167,458</b>	<b>96,408</b>
4	698	338
5	-	78
6	61,255	19,086
7	105,505	76,906
	<b>169,923</b>	<b>99,299</b>
	-	71
9	-	-
10	-	71
	<b>127,358</b>	<b>61,288</b>
8	11,368	13,408
9	114,015	45,829
10	71	64
11	865	1,097
12	-	482
13	1,039	408
	<b>127,358</b>	<b>61,359</b>
	<b>42,565</b>	<b>37,940</b>
	42,565	37,940
	<b>42,565</b>	<b>37,940</b>



# STATEMENT OF FINANCIAL PERFORMANCE

## for the year ended 31 March 2023

	NOTES	2023 R'000	2022 R'000
<b>TOTAL REVENUE</b>		<b>79,099</b>	<b>74,838</b>
<b>Non-exchange revenue</b>		<b>77,251</b>	<b>74,291</b>
Government grant/Transfer – Department of Sport, Arts and Culture	14	73,602	72,248
Amortised Government/Transfers/ Partnerships - Other	15	3,649	2,043
<b>Exchange revenue</b>		<b>1,848</b>	<b>547</b>
Other income	16	-	-
Interest received	17	1,848	547
<b>TOTAL EXPENSES</b>		<b>(74,475)</b>	<b>(56,820)</b>
Operating expenses	18	(24,440)	(8,845)
Administrative expenses	19	(12,217)	(11,702)
Employee related costs	20	(33,399)	(31,557)
Operating lease expenses	21	(2,711)	(2,711)
Finance costs	22	(11)	(16)
Loss on disposal	16	(177)	(456)
Depreciation	23	(1,206)	(1,405)
Amortisation	24	(313)	(128)
<b>SURPLUS FOR THE YEAR</b>		<b>4,624</b>	<b>18,018</b>
<b>SURPLUS FOR THE YEAR</b>			
<b>Attributable to:</b>			
Owners of the controlling entity		4,624	18,018
		<b>4,624</b>	<b>18,018</b>



# STATEMENT OF CHANGES IN NET ASSETS

## for the year ended 31 March 2023

	Accumulated Surplus R'1000
<b>Balance at 1 April 2021</b>	<b>19,801</b>
Prior period adjustment – note 37	122
Restated balance at 1 April 2021	<b>19,923</b>
Surplus for the period	18,018
<b>Balance at 31 March 2022</b>	<b>37,941</b>
Prior period adjustment – note 37	(672)
Balance at 31 March 2022	<b>38,613</b>
Restated Balance at 31 March 2022	<b>37,941</b>
Surplus for the period	4,624
<b>Balance at 31 March 2023</b>	<b>42,565</b>



# CASH FLOW STATEMENT

## for the year ended 31 March 2023

	NOTES	2023 R'000	2022 R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>CASH RECEIPTS</b>		<b>148,807</b>	<b>83,355</b>
Government Grant/Transfer – Department of Sport, Arts and Culture	14	73,602	72,248
Other Receipts		47	197
Conditional Grants/Transfers/ Partnerships		71,835	10,000
Interest Received		3,323	910
<b>CASH PAID TO SUPPLIERS AND EMPLOYEES</b>		<b>(118,754)</b>	<b>(54,753)</b>
Employee Related Costs		(34,014)	(32,942)
Suppliers		(84,729)	(21,795)
Interest Paid		(11)	(16)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	26	<b>30,053</b>	<b>28,602</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(1,386)</b>	<b>(1,185)</b>
Acquisition of Property, plant and equipment	2	(1,035)	(816)
Acquisition of Intangible assets	3	(385)	(369)
Proceeds on disposal of Property, Plant & Equipment		34	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(68)</b>	<b>(67)</b>
Payment for finance lease		(68)	(67)
<b>NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS</b>		<b>28,599</b>	<b>27,350</b>
Cash and Cash Equivalents at the beginning of the year		76,906	49,556
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<b>105,505</b>	<b>76,906</b>





# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2023

	Approved Budget R '000	Adjustments R '000	Final Budget R '000	Actual R '000	Variance R '000
<b>REVENUE</b>					
<b>TOTAL REVENUE</b>	<b>73,602</b>	<b>3,649</b>	<b>77,251</b>	<b>79,099</b>	<b>1,848</b>
<b>Non-exchange revenue</b>	<b>73,602</b>	<b>3,649</b>	<b>77,251</b>	<b>77,251</b>	<b>-</b>
Government grant/Transfer	73,602	-	73,602	73,602	-
Department of Sport, Arts and Culture					
Amortised Government/Transfers/ Partnerships –	-	3,649	3,649	3,649	-
Other - &					
<b>Exchange revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,848</b>	<b>1,848</b>
Other income	-	-	-	-	-
Interest received - \$	-	-	-	1,848	1,848
<b>EXPENSES</b>					
<b>TOTAL EXPENSES (Excluding CAPEX)</b>	<b>72,138</b>	<b>(16,034)</b>	<b>88,172</b>	<b>(74,475)</b>	<b>13,697</b>
Operating expenses - *	(22,081)	(12,098)	(34,179)	(24,441)	9,738
Administrative expenses - @	(15,464)	(78)	(15,542)	(12,217)	3,325
Employee related costs	(31,882)	(3,697)	(35,579)	(33,399)	2,180
Operating lease expenses - ^	(2,711)	(161)	(2,872)	(2,711)	161
Finance costs	-	-	-	(11)	(11)
Loss on disposal	-	-	-	(177)	(177)
Depreciation	-	-	-	(1,206)	(1,206)
Amortisation	-	-	-	(313)	(313)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>1,464</b>	<b>(12,385)</b>	<b>(10,921)</b>	<b>4,624</b>	<b>15,545</b>
Capital Expenditure	1,464	1,464	1,464	1,421	43

See Note 35 for significant budget variance explanations:

- a - &
- b - \$
- c - \*
- d - @
- e - ^



# ACCOUNTING POLICIES

## 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements are presented in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) and in compliance with GRAP 1.18, the provisions of the Public Finance Management Act (Act 1 of 1999), as amended, as well as other applicable legislation, including any interpretations of such Statements issued by the Accounting Practices Board. The preparation of annual financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant notes.

The cash flow statement can only be prepared in accordance with the direct method.

Accounting policy developments include new standards issued, amendments to standards, and interpretation issued on new standards. Management assessed the impact of all new standards issued, amendments to standards, and interpretations issued on current standards.

### Effect of new Standards of GRAP issued

At the date of approval of these annual financial statements, the following standards were issued but not yet effective. These approved standards of GRAP are not likely to impact the Annual Financial Statements when they are adopted since accounting policies have been determined based on the principles in these standards:

#### Standards

GRAP 25: Employee Benefits

GRAP 103: Heritage Assets

GRAP 104: Financial Instruments

### 1.1 Judgments made by Management

In preparing the financial statements, management is required to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Historical experience and various other factors believed to be reasonable under the circumstances are used in these instances. Actual results in the future could differ from these estimates. Significant judgment has been exercised in determining the following:

#### *Fair value estimation*

The amortised cost (using the effective interest method); less impairment provision of trade receivables and payables are assumed to approximate their fair values. The present value of future cash flows (using the effective interest method), is assumed to approximate the fair value of revenue and purchase transactions.

#### *Impairment testing*

The entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### *Provisions*

Provisions are based on estimates using the information available to management at reporting date.

#### *Depreciation*

Assets are depreciated on their estimated useful lives based on management's best judgement and experience.

#### *Reassessment of useful lives*

Annual reassessment of useful lives is performed to assist management by external experts.



## ACCOUNTING POLICIES (continued)

### *Amortisation of assets*

Assets are amortised on their estimated useful lives based on management's best judgement and experience.

### 1.2 Basis of Preparation

The annual financial statements have been prepared on the accrual basis. These annual financial statements are presented in South African Rands. The following are the principal accounting policies used by the National Heritage Council which are consistent with those of the previous year.

### 1.3 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the National Heritage Council; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. The depreciable amounts of property, plant and equipment are allocated on systematic basis over their useful lives. The estimated useful lives are currently as follows

Item	Average Useful life
Computer equipment	2 – 12 years
Office equipment	2 – 12 years
Motor vehicles	5 – 16 years
Furniture and Fittings	2 – 13 years
Leasehold Improvements	Remainder of lease period
Leased Office Equipment	3 years (33%) / Lease term

Leasehold improvements and leased assets are depreciated over the period of the building lease agreement and lease term respectively. For all other categories, depreciation is provided on a straight-line basis over their useful life. Depreciation rates and residual values are considered annually and adjusted if appropriate.

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceed, if any, and the carrying amount of the item.

### 1.4 Intangible Assets

*An intangible asset is recognised when:*

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.



## ACCOUNTING POLICIES (continued)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets on a straight-line basis, to their residual values. The estimated useful lives of intangible assets is currently as follows:

Item	Average useful life
Computer software	2 years

### 1.5 Financial Instruments

#### *Initial Recognition and Measurement*

Financial instruments are recognised initially when the National Heritage Council becomes a party to the contractual provisions of the instruments.

The National Heritage Council classifies financial instruments, or their component parts, on initial recognition as a financial asset or financial liability in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. Financial assets and financial liabilities have not been offset in the Statement of Financial Position.

#### *Trade and Other Receivables*

Trade and other receivables are measured at initial recognition at fair value, and are subsequently

measured at amortised cost which, due to their short-term nature, closely approximates their fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently recorded at amortised cost.

#### *Trade and Other Payables*

Trade and other payables are stated at fair value. Items classified within trade and other payables are not usually re-measured, as obligations are usually known with a high degree of certainty and its settlement is short term.

### 1.6 Taxation

#### *Tax Expenses*

The National Heritage Council is exempt from taxation in terms of Section 10 (1) (cA) (i) of the Income Tax Act.

The National Heritage Council is exempt from the payment of Value Added Tax (VAT) on the transfers and subsidies received. As a result, any VAT paid by the National Heritage Council is also not refundable by the South African Revenue Service.

### 1.7 Leases

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

#### *Operating Leases*

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

#### *Finance Leases*

Finance leases are recognised as assets and liabilities in the statement of financial position





## ACCOUNTING POLICIES (continued)

at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

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

### 1.8 Impairment of assets

The National Heritage Council assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the National Heritage Council estimates the recoverable amount of the asset.

### 1.9 Employee benefits

#### *Short term benefits*

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and bonus), are recognised in the period in which the service is rendered and are not discounted.

Leave liabilities are measured at the amount of leave days accrued at year-end and the cost-to-company rate per day as at reporting date.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### *Defined contribution plans*

Pension contributions are provided for employees by means of a defined contribution provident fund externally administered by Liberty Life. The defined contribution provident fund is governed by the Pension Funds Act, 1956. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### 1.10 Accruals

#### *Accruals are recognised when:*

- The National Heritage Council has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of accruals is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required in settling a provision is expected to be

reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the accruals. Accruals are not recognised for future operating deficits.

### 1.11 Revenue from Non-Exchange Transactions

*Transfers and subsidies are recognised when there is reasonable assurance that:*

- The National Heritage Council will comply with the conditions attaching to them; and
- The transfers and subsidies will be received.

Transfers and subsidies to which conditions are attached are recognised as revenue in the Statement of Financial Performance to the extent that the entity has complied with any criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions and obligations have not been met, a liability is raised in the Statement of Financial Position.

Unconditional transfers and subsidies are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or



## ACCOUNTING POLICIES (continued)

when the amount is receivable. All transfers and subsidies are recognised at fair value.

### 1.12 Revenue

Revenue comprises the fair value of considerations received or receivable in the ordinary course of the Council's business.

*Revenue is also recognised as follows:*

- Transfers and subsidies as stated in accounting policy 1.10
- Interest income is recognised in the statement of financial performance on a time proportionate basis using the effective interest rate method.

### 1.13 Comparative figures

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

The comparative figures shown in these financial statements are limited to the figures shown in the previous years audited financial statements and such other comparative figures that the National Heritage Council may reasonably have available for reporting in terms of the Public Finance Management Act (PFMA).

### 1.14 Fruitless and wasteful expenditure, irregular expenditure and material losses through criminal conduct

Fruitless and wasteful expenditure, irregular expenditure and material losses through criminal conduct are disclosed in accordance with the requirements of the PFMA and the guidelines issued in terms of the PFMA when the entity identifies events that gave rise to the classification of these expenditures and the entity confirmed the classification as such. Receivables for the recovery of these expenditure are only recognised when there is a reasonable expectation that the amounts will be recovered. These expenditure is reduced by the amounts recoverable, condoned by NT or written off as irrecoverable. Any uncertainties to these expenditures are also disclosed.

Fruitless and wasteful expenditure is included in note 31, Irregular expenditure is included in note 31 There were no expenditures identified relating to material losses through criminal conduct.

### 1.15 Services received in kind

Services received in kind consist primarily of technical assistance received by the National Heritage Council and project group members. The National Heritage Council cannot reliably determine a fair value for this assistance, and as

a result does not recognise the value of these services received in the Statement of Financial Performance.

### 1.16 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The contingent liabilities are disclosed under note 33.

### 1.17 Budget Information

The National Heritage Council is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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



## ACCOUNTING POLICIES (continued)

The annual financial statements and the budget are on the same accrual basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.18 Related parties

The Council operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the constitutional independence of all three spheres of government in South Africa, only national sphere of government will be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer, Chief Financial Officer, Executive Core Business, Company Secretary and Head: Strategy Planning, Monitoring & Evaluation are the only positions regarded as being at key management level.

Close family members of key management are considered to be those family members who may

be expected to influence, or be influenced by key management individuals or other parties related to the entity. Related party transactions do not require disclosure if the transactions occurred in a normal supplier/client relationship with more or less favourable conditions and which occurred with normal operating parameters established by that reporting entity's legal mandate.

### 1.19 Events after the reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the financial statements.

### 1.20 Commitments

Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources. Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases: approved and contracted commitments, approved and not contracted for, where the

expenditure has been approved and the contract has been awarded at the reporting date; and where disclosure is required by a specific standard of GRAP.

### 1.21 Change in accounting estimates

*Change in accounting estimates and errors – reassessment of useful lives*

Most of our assets have reached their useful lives but are still in use. Management has therefore resolved to undergo a reassessment of useful lives at every financial year-end. An expert is sought to perform the reassessment.

### 1.22 Prior period error

The NHC shall account for a change in accounting policy resulting from the initial application of a Standard of GRAP in accordance with the specific

transitional provisions, if any, in that Standard; and when an entity changes an accounting policy upon initial application of a Standard of GRAP that does not include specific transitional provisions applying to that change, or changes an accounting policy voluntarily, it shall apply the change retrospectively.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023

### 2. PROPERTY, PLANT AND EQUIPMENT

	March 2023			March 2022		
	Cost R '000	Accumulated Depreciation R '000	Net Value R '000	Cost R '000	Accumulated Depreciation R '000	Net Value R '000
Motor Vehicle	337	(314)	23	337	(303)	34
Computers	2,866	(1,865)	1,001	2,895	(1,859)	1,036
Office Equipment	578	(311)	267	534	(387)	147
Leasehold Improvements	2,133	(1,715)	418	2,133	(1,391)	742
Lease Assets (Photocopiers)	194	(130)	64	194	(64)	130
Furniture and Fittings	1,702	(1,380)	322	1,729	(1,225)	504
	<b>7,810</b>	<b>(5,715)</b>	<b>2,095</b>	<b>7,822</b>	<b>(5,229)</b>	<b>2,593</b>

Reconciliation 2023	Opening Balance	Additions	Useful lives Adjustment	Derecognition	Depreciation	Closing Balance
Motor Vehicle	34	-	-	-	(11)	23
Computers	1,036	696	-	(251)	(480)	1,001
Office Equipment	147	245	-	(38)	(87)	267
Leasehold Improvements	742	-	-	-	(324)	418
Lease Assets (Photocopiers)	130	-	-	-	(66)	64
Furniture and Fittings	504	95	-	(39)	(238)	322
	<b>2,593</b>	<b>1,036</b>	<b>-</b>	<b>(328)</b>	<b>(1,206)</b>	<b>2,095</b>





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

Reconciliation 2022	Opening Balance	Additions	Useful lives Adjustment	Derecognition	Depreciation	Closing Balance
Motor Vehicle	73	-	-	-	(39)	34
Computers	1,068	626	-	(10)	(648)	1,036
Office Equipment	215	20	-	(20)	(68)	147
Leasehold Improvements	1,066	-	-	-	(324)	742
Lease Assets (Photocopiers)	195	-	-	-	(65)	130
Furniture and Fittings	767	-	-	(2)	(261)	504
	<b>3,384</b>	<b>646</b>	<b>-</b>	<b>(32)</b>	<b>(1,405)</b>	<b>2,593</b>

An amount of R 54, 000 was incurred in the current financial year for repairs and maintenance relating to property, plant and equipment

A register containing the information required by section 55 of the Public Finance Management Act (PFMA) is available for inspection at the registered office of the National Heritage Council (NHC). The register reconciles to Note 2.

The NHC entered into a three (3) year rental agreement (leased assets) with TSL Telecommunications for three (3) photocopy machines effective from 6 April 2021 which will end on 5 March 2024. Refer to Finance Lease Obligation (See note 10)

The NHC has undergone a full-on assets verification process which resulted in restatement of asset related figures in the prior year. *Refer to Prior Period Error Note (See note 37)*

### Pledge as security

None of the Property, Plant and Equipment has been pledged as security for any liabilities.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 3. INTANGIBLE ASSETS

#### INTANGIBLE ASSETS- 2023

	March 2023			March 2022		
	Cost	Accumulated Amortisation	Net Value	Cost	Accumulated Amortisation	Net Value
Computer Software	898	(528)	370	513	(215)	298
	<b>898</b>	<b>(528)</b>	<b>370</b>	<b>513</b>	<b>(215)</b>	<b>298</b>

Reconciliation 2023	OpeningBalance	Additions	Useful lives adjustment	Derecognition	Amortisation	ClosingBalance
Computer Software	298	385	-	-	(313)	370
	<b>298</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>(313)</b>	<b>370</b>

Reconciliation 2022	OpeningBalance	Additions	Useful lives adjustment	Derecognition	Amortisation	ClosingBalance
Computer Software	323	369	-	(179)	(215)	298
	<b>323</b>	<b>369</b>	<b>-</b>	<b>(179)</b>	<b>(215)</b>	<b>298</b>

A register containing the information required by section 55 of the Public Finance Management Act (PFMA) is available for inspection at the registered office of the National Heritage Council (HNC). The register reconciles to Note 3.

The NHC has undergone a full-on assets verification process which resulted in restatement of asset related figures in the prior year. *Refer to Prior Period Error Note (See note 37)*

All software assets are acquired, there is no internally developed software.

#### Pledge as security

None of the Intangible assets have been pledged as security for any liabilities.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2023 R '000	2022 R '000
Sundry Debtors	172	173
Staff Debtors	32	39
Interest receivable	494	126
<b>Financial assets</b>	<b>698</b>	<b>338</b>

Receivables of R 16,000 have been written-off as bad debts due to the death of one of the debtor (R15,000) and to economical effects of having to pursue the other debtor (R1,000). The debts were over 120 days.

#### Pledge as security

None of the receivables from exchange transactions have been pledged as security for any liabilities.

### 5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Conditional Grant/Transfer Receivable	-	78
<b>Financial assets</b>	<b>-</b>	<b>78</b>

A receivable amounting to R 78, 000 has been written-off as bad due to inability to settle the debt as cited by the debtor. The debt was over 120 days.

#### Pledge as security

None of the receivables from non-exchange transactions have been pledged as security for any liabilities.

### 6. PREPAYMENTS AND ADVANCES

Deposit for rent	150	150
Prepayments and advances	61,105	18,936
	<b>61,255</b>	<b>19,086</b>

Included under prepayment and advances is R 11,650 million of disbursed funds to provincial government departments on ring-fenced conditional funds relating to Department of Sport, Arts and Culture for the implementation of Resistance and Liberation Heritage Route (Project Management Office).



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 7. CASH AND CASH EQUIVALENTS

	2023 R '000	2022 R '000
Cash on hand	5	5
Cash at bank	105,499	76,900
Funds held on call deposit	1	1
<b>Financial assets</b>	<b>105,505</b>	<b>76,906</b>

### 8. PAYABLES FROM EXCHANGE TRANSACTIONS

#### Financial liabilities

Trade payables

Salary related payables

#### Other Payables

Operating lease payables

#### Financial liabilities

	10,826	12,705
	9,808	11,156
	1,018	1,549
	541	703
	541	703
	11,368	13,408

The operating lease is straight lined.

Included under trade payables is R 5.127 million of accumulated interest earned on ring-fenced conditional funds relating to Department of Sport, Arts and Culture. Payables of R49,000 have been written off due. R40,000 of this relates to a discontinued project, and R9,000 is for a deceased creditor who was also owing the NHC.

See Note 28 on Financial Instruments on how risk is managed in relation to the financial liabilities listed above





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 9. DEFERRED INCOME

	2023 R '000	2022 R '000
<b>Balance at the beginning of the year</b>	<b>45,829</b>	<b>37,872</b>
Conditional Grant/Transfers – Department of Sport, Arts and Culture (PMO)	45,814	37,857
Conditional Grants/Transfers - National Lotteries Commission	15	15
<b>Movement during the year – Receipts</b>	<b>71,835</b>	<b>10,000</b>
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO)	6,835	10,000
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PESP)	65,000	
<b>Movement during the year – Amortized</b>	<b>(3,649)</b>	<b>(2,043)</b>
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO)	(1,611)	(2,043)
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PESP)	(2,023)	-
Conditional Grant/Transfers - Department of Sport, Arts and Culture (LOT)	(15)	-
<b>Balance at year end</b>	<b>114,015</b>	<b>45,829</b>
Conditional Grant/Transfers - Department of Sport, Arts and Culture (PMO)	51,038	45,814
Conditional Grants/Transfers – (PESP)	62,977	15
Current portion	114,015	45,829
Non-current portion	-	-
	<b>114,015</b>	<b>45,829</b>

The National Heritage Council (NHC) received conditional or ring- fenced grants was from Executive Authority or Shareholder (Department of Sport, Arts and Culture (DSAC)) for the implementation of the Resistance and Liberation Heritage Route – Project Management Office (PMO). In total the NHC received R 58,383 million to date from DSAC for the PMO (R21,150 million in 2017/18 and R 20,398 million in 2020/21, R 10 million in 2021/22 and R 6.835 million

in 2023). DSAC has also transferred R 65 million for the Presidential Employment Stimulus Programme in 2022/23.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 10. FINANCE LEASE OBLIGATION

	2023 R '000	2022 R '000
Minimum Lease payments due		
- Within one year	75	75
- In second to fifth year inclusive	-	75
	75	150
Less: Future finance charges	(4)	(15)
	71	135
Present value of future minimum lease payments		
Present value of minimum lease payments due		
- Within one year	71	64
-- In second to fifth year inclusive	-	71
	71	135
Current portion of finance lease obligation	71	64
Non-current portion of finance lease obligation	-	71
	71	135

It is National Heritage Council policy to lease certain equipment under finance leases:

Entered into a rental operational agreement with TSL Telecommunications for three (3) photocopy machines effective from 6 April 2021. The contract is for a period of 3 years (36 months) at R 225, 326 per annum. The lease is accounted for as a finance lease since the lease term is for the major part of the economic life of the assets, even though the title to the asset may not be transferred on expiry of the lease term.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 11. LEAVE ACCRUAL

	2023 R '000	2022 R '000
<b>Opening balances</b>	<b>1,097</b>	<b>1,450</b>
Leave accrual	1,097	1,450
<b>Additions</b>	<b>865</b>	<b>-</b>
Leave accrual	865	-
<b>Utilised</b>	<b>(375)</b>	<b>-</b>
Leave - Utilised	(375)	-
<b>Reversed</b>	<b>(722)</b>	<b>(353)</b>
Leave - Reversed	(722)	(353)
<b>Closing balances</b>	<b>865</b>	<b>1,097</b>
Leave accrual	865	1,097

Employees are entitled to 21,96 working days of annual leave. The leave is allocated at a monthly rate of 1,83 days. The annual leave cycle is the period from 1 April of one year to 31 March of the following year. All employees must utilise their accrued leave within six (6) months after the annual leave i.e. accrued leave must be utilised before 30 September of the following year. Should such leave not be utilised, it is forfeited.

The NHC does not pay employees in respect of unutilised leave balances except on termination employment.

The additional leave accrual of R1,097 that was reflected in the previous year's annual report has been removed. This was a typo error that happened during the printing of the annual report. The closing balance of R1,097 remains the same as what was on the audited financial statements.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 12. PERFORMANCE BONUSES

	2023 R '000	2022 R '000
<b>Opening balances</b>	<b>482</b>	<b>1,582</b>
Performance Bonuses	482	1,582
<b>Additions</b>	<b>-</b>	<b>-</b>
Provision	-	-
<b>Utilised</b>	<b>(74)</b>	<b>(1,100)</b>
Bonus paid	(74)	(1,100)
<b>Reversed</b>	<b>(408)</b>	<b>-</b>
Performance Bonuses	(408)	-
<b>Closing balances</b>	<b>-</b>	<b>482</b>
Performance Bonuses	-	482

There is no provision for bonuses in the current as per National Treasury's budgeting guidelines.





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 13. PROVISION FOR SALARY RELATED COSTS

	2023 R '000	2022 R '000
Acting Allowance	47	408
Salary provision	992	-
	<b>1,039</b>	<b>408</b>

### 14. GOVERNMENT GRANT/TRANSFER

Grant/Transfer received – Department of Sport, Arts and Culture	73,602	72,248
	<b>73,602</b>	<b>72,248</b>

### 15. AMORTISED GOVERNMENT/TRANSFERS/PARTNERSHIPS – OTHER

#### AMORTISED GRANT/TRANSFER/PARTNERSHIPS - OTHER

Department of Sport, Arts and Culture – Project Management Office	1,611	2,043
Department of Sport, Arts and Culture – National Lotteries Commission	15	-
Department of Sport, Arts and Culture – Presidential Employment Stimulus Programme	2,023	-
	<b>3,649</b>	<b>2,043</b>

### 16. LOSS ON DISPOSAL

Loss on Disposal of assets	-	-
	177	456
	<b>177</b>	<b>456</b>

The NHC disposed of certain fixed assets during the current financial year. The comparative balance has been corrected from other income of R6 previously disclosed to R456. Please refer on the correction of prior period error note.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 17. INTEREST RECEIVED

	2023 R '000	2022 R '000
Interest received	1,848	547

Interest revenue comprises of interest received on positive bank balances and funds invested on one-day call account. Interest revenue is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

### 18. OPERATING EXPENSES

Legal fees	4,429	1,689
Legal Settlements	2,042	-
Heritage projects and programmes	16,962	6,732
Staff training and development	953	380
Maintenance, repairs and running costs	54	44
	<b>24,440</b>	<b>8,845</b>

### 19. ADMINISTRATIVE EXPENSES

General and Administrative expenses	11,116	11,317
Travel and Accommodation	1,101	385
	<b>12,217</b>	<b>11,702</b>

The comparative balance for general and administrative expenses has been reclassified by R899 which has been reclassified to employee related costs. This relates to salaries for employees appointed for short term contracts.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 20. EMPLOYEE RELATED COSTS

Basic salaries
Acting Allowance
Overtime
Employees contributions - Provident Fund
Employees contributions – UIF
Leave and bonus
Employer contributions - Provident Fund
Employer contributions – UIF
Employer contributions – SDL
Employer contributions – Medical Aid

2023 R '000	2022 R '000
28,281	25,727
453	1,063
3	23
2,035	2,137
80	73
(260)	(360)
2,035	2,137
80	73
311	285
381	399
<b>33,399</b>	<b>31,557</b>

The prior year figures have been restated by R899 due to reclassification of temporary employee costs to employee related costs from administrative costs.

### 21. OPERATING LEASE EXPENSES

Office space
Parking

2,298	2,298
413	413
<b>2,711</b>	<b>2,711</b>

Refer to Operating Leases. (See note 25)

### 22. FINANCE COSTS

Interest paid on leased assets
--------------------------------

11	16
<b>11</b>	<b>16</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 23. DEPRECIATION

	2023 R '000	2022 R '000
Property, Plant and Equipment	1,206	1,405

The comparative balance for depreciation has been restated from R952 to R1,405 to correct a prior period error. Please refer to the prior period error note.

### 24. AMORTISATION

Intangible Assets	313	128
-------------------	-----	-----

The prior year figure has been restated due to prior year error. Effect will reflect in the prior period error.

### 25. OPERATING LEASES

The National Heritage Council entered into a rental agreement with the Gremgrow Properties Limited, effective from 1 July 2019. The office lease contract is for sixty (60) months at a cost of R 2,264,580 per annum, escalating at 9% per annum.

#### Lease commitments (operating leases)

Up to one year	3,131	2,872
Later than one year and not later than 5 years	-	3,131
	3,131	6,003



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 26. CASH GENERATED FROM OR (USED IN) OPERATIONS

	2023 R '000	2022 R '000
<b>(Deficit) / Surplus for the year</b>	4,624	18,018
<b>Adjustments for:</b>	<b>69,759</b>	<b>9,312</b>
Depreciation – Property, Plant and Equipment	1,206	1,405
Amortisation - Intangible Assets	313	128
Movement in Leave and Bonuses Pay	(83)	(1,453)
(Gain) or loss of De-recognition of Property, Plant and Equipment	253	466
Other Non-Cash – Bad debts	94	733
Other Non-Cash - Liabilities written-off	(48)	-
Other Non-Cash – Operating Lease Accrual	(162)	76
Other Non-Cash – Movement in deferred income	68,186	7,957
<b>Changes in working capital:</b>	<b>(44,330)</b>	<b>1,272</b>
Trade and Other Receivables	(282)	709
Prepayments and Advances	(42,168)	(2,163)
Trade and Other Payables	(1,879)	2,726
	<b>30,053</b>	<b>28,602</b>

The comparative figures for depreciation, amortisation, and derecognition of property, plant and equipment have been restated due to the correction of a prior period error.





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 27. RELATED PARTIES

	2023 R '000	2022 R '000
<b>Related party transactions (Receipts)</b>		
Grant/Transfer – Recurring expenditure – Department of Sport, Arts and Culture	73,602	72,248
Grant/Transfer – non-exchange – Department of Sport, Arts and Culture (Project Management Office)	6,835	10,000
Grant/Transfer – non-exchange – Department of Sport, Arts and Culture (Presidential Employment Stimulus Programme)	65,000	-
	<b>145,437</b>	<b>82,248</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### Related party transactions (Payments)

#### Nature:

#### Relationships

Controlling Entity	Department of Sport, Arts and Culture
Under common control	Lovelife Artscape The Market Theatre and Windybrow Theatre National Arts Council Performing Arts Centre of the Free State The Playhouse Company The South African State Theatre Business and Arts South Africa National Film and Video Foundation Pan South African Language Board Boxing South Africa South African Institute for Drug-free Sport South African Sports Confederation and Olympic Committee The sports trust Various sport federations Die Afrikaanse Taalmuseum en -monument Freedom Park Iziko Museums Luthuli Museum KwaZulu-Natal Museum National Museum Nelson Mandela Museum Robben Island Museum South African Heritage Resources Agency Amazwi South African Museum of Literature uMsunduzi Museum War Museum of the Boer Republics William Humphreys Art Gallery Ditsong Museums of South Africa Engelenburg House Art Collection
None executive members	Refer to note 29
Members of key management	Refer to note 30



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 28. FINANCIAL INSTRUMENTS

#### Liquidity risk

The National Heritage Council is only exposed to liquidity risk with regards to the payment of its trade payables. These trade payables are all due within the short-term. The National Heritage Council manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in a money market account.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The National Heritage Council only deposits cash with major banks with high quality credit standing and limits exposure to any other counter- party.

#### Interest rate risk

The National Heritage Council's activities do not expose it to significant market interest rate risks. Therefore, there are no procedures in place to mitigate these risks.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 1) Current and Call Account Interest Rate

- A percentage point increase/decrease in current account interest rate.
- A percentage point increase/ decrease in call account interest rate.
- A percentage point increase/ decrease in Finance Lease Agreement interest rate.

2023

Current & call account interest rate.			
Current Balance			
	R'000	R'000	R'000
Current bank and callaccount Balance	105,505	106,560	104,450
% change	1%		-1%

### Finance lease agreement interest

Current Balance			
Finance LeaseAgreement	71	72	70
% change	1%		-1%

2022

Current & call account interest rate.			
Current Balance			
	R'000	R'000	R'000
Current bank and callaccount Balance	76,906	81,136	72,676
% change	5.5%		-5.5%

### Finance lease agreement interest

Current Balance			
Finance LeaseAgreement	64	68	61
% change	-	-	



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

1) An analysis of the ageing of Debtors that are more than 30 days

### 2023

Debtors type	Total R'000	Current R'000	30-120 R'000	120+ R'000
Staff Debtors	32	17	-	15
Sundry Debtors	172	13	-	159
Interest Receivable	494	494	-	-
Mine, Health & Safety Council	-	-	-	-
<b>Totals</b>	<b>698</b>	<b>524</b>	<b>-</b>	<b>174</b>

### 2022

Debtors type	Total R'000	Current R'000	30-120 R'000	120+ R'000
Staff Debtors	173	-	-	173
Sundry Debtors	39	16	-	23
Interest Receivable	126	126	-	-
Eastern Cape(Office of the Premier)	-	-	-	-
Mine, Health & Safety Council	78	-	-	78
<b>Totals</b>	<b>416</b>	<b>142</b>	<b>-</b>	<b>274</b>





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 2) Financial Assets Subject to credit risk

**2023**

Debtors type	Total R'000	Current R'000	30-120 R'000	120+ R'000
Staff Debtors	32	17	15	-
Other Debtors	172	13	159	-
Interest Receivable	494	494	-	-
Mine, Health & Safety Council	-	-	-	-
Totals	698	524	174	-

**2022**

Debtors type	Total R'000	Current R'000	30-120 R'000	120+ R'000
Staff Debtors	173	-	173	-
Other Debtors	39	16	23	-
Interest Receivable	126	126	-	-
Eastern Cape (Office of the Premier)	-	-	-	-
Mine, Health & Safety Council	78	-	78	-
Totals	416	142	274	-



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 3) Maturity Profile of Financial Instruments

31-Mar-23	1 year or less R'000	1-5 years R'000	Total R'000
<b>Assets</b>			
Trade and other Receivables	698		698
Call Account	1	-	1
Current Account – National Lotteries Commission Funds	21	-	21
Current Account – Department of Sport, Arts and Culture –	56,851	-	56,851
Current Account – Department of Sport, Arts and Culture – Ring fenced – PMO	48,490	-	48,490
Current Account – Department of Sport, Arts and Culture – Ring fenced - PESP	137	-	137
Cash on hand	5	-	5
<b>Total Financial assets</b>	<b>106,203</b>		<b>106,203</b>
Finance lease	(71)	-	(71)
Trade and other Payables	(11,368)	-	(11,368)
<b>Total Finance Liability</b>	<b>(11,439)</b>	-	<b>(11,439)</b>
<b>Net Financial Asset/ liability</b>	<b>94,764</b>	-	<b>94,764</b>



#### 4) Maturity Profile of Financial Instruments

31-Mar-22	1 year or less R'000	1-5 years R'000	Total R'000
<b>Assets</b>			
Trade and other Receivables	416	-	416
Call Account	1	-	1
Current Account – Lotteries National Commission Funds	22	-	22
Current Account – Department of Sport, Arts and Culture –	37,694	-	37,694
Current Account – Department of Sport, Arts and Culture – Ring fenced	40,184	-	40,184
Cash on hand	5	-	5
<b>Total Financial assets</b>	<b>78,322</b>	<b>-</b>	<b>78,322</b>
<b>Liabilities</b>			
Finance lease	(64)	(71)	(135)
Trade and other Payables	(13,408)	-	(13,408)
<b>Total Finance Liability</b>	<b>(13,472)</b>	<b>(71)</b>	<b>(13,543)</b>
<b>Net Financial Asset/ liability</b>	<b>64,850</b>	<b>(71)</b>	<b>64,779</b>



5) *Line items presented in the statement of financial position summarised per category of Financial Instrument*

**2023**

	Carrying Amount R'000	Adjustment R'000	Fair value R'000
<b>Financial Assets</b>			
Cash and Cash equivalents	105,505	-	105,505
Trade and other receivables	698	-	698
<b>Financial Liability</b>			
Finance lease Agreement	71	-	71
Trade and other Payables	11,368	-	11,368

**2022**

	Carrying Amount R'000	Adjustment R'000	Fair value R'000
<b>Financial Assets</b>			
Cash and Cash equivalents	76,906	-	76,906
Trade and other receivables	416	-	416
<b>Financial Liability</b>			
Finance lease Agreement	64	-	64
Trade and other Payables	12,472	-	12,472

**Pledge as security**

None of the Financial Assets have been pledged as security for any liabilities.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 29. MEMBERS EMOLUMENTS - NON-EXECUTIVE

2023

Names and Designations	Honoraria R'000	Travel R'000	Honoraria Non-Committee R'000	Travel Non-Committee R'000	Total R'000
Mr E Neluvhalani (Chairperson)	278	7	85	-	370
Mr J Sithole (Deputy Chairperson)	162	1	36	-	199
Mr T Tsehlana	68	-	5	-	73
Mr M.T Makhweyane #	37	-	-	-	37
Ms S Mabilane #	16	-	-	-	16
Mrs L Robinson	80	1	3	-	84
Adv R Solomons #	36	-	-	-	36
Ms E Tlhoale	147	9	13	-	169
Ms L Moroane	134	6	-	-	140
Mr J Phillips	93	-	5	-	98
Adv M Makhura #	68	-	-	-	68
Dr G Dominy	121	1	16	-	138
Adv Hosi A Mahumani	68	16	50	-	134
Mr O Mereki	100	-	5	-	105
Ms N Sizani	105	2	2	-	109
Ms R Mabaso	84	3	11	-	98
Dr Rev Mculwane	8	3	3	-	14
Ms E Netshivhongweni	126	26	51	-	203
Mr L Mphahlwa *	24	-	-	-	24
Dr P Madlala *	60	-	-	-	60
Adv M Ralefatane *	43	-	-	-	43
Ms S Sithole *	87	-	3	-	90
Ms K Rapoo #	-	-	5	-	5
<b>Audit and Risk Committee</b>					
Mr T Zororo – Independent	37	-	-	-	37
Ms M Phiri – Independent	100	1	9	-	110
Mr J Van Der Walt – Independent	47	-	-	-	47
	<b>2,128</b>	<b>77</b>	<b>303</b>	<b>-</b>	<b>2,508</b>

# Appointment Terminated/Resigned

\* Appointed in 2022/23





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

2022

Names and Designations	Honoraria R'000	Travel R'000	Honoraria Non- Committee R'000	Travel Non- Committee R'000	Total R'000
Council					
Mr E Neluvhalani (Chairperson)	117	9	332	-	458
Mr T Dlamini (Deputy Chairperson) #	132	1	76	2	211
Mr T Tsehlana	63	-	10	-	73
Mr M.T Makhweyane	105	4	5	-	114
Ms S Mabilane	102	11	45	4	162
Mrs L Robinson	76	2	39	-	117
Adv R Solomons	18	-	-	-	18
Ms E Tlhoale	110	13	24	-	146
Ms L Moroane	118	12	8	-	138
Mr J Phillips	84	-	8	-	92
Adv M Makhura	89	1	24	-	114
Dr G Dominy	151	-	35	-	186
Adv Hosi A Mahumani	73	10	10	-	93
Mr O Mereki	110	-	11	-	121
Mr J Sithole	139	-	63	-	202
Ms N Sizani	92	-	13	-	105
Ms R Mabaso #*	39	-	3	-	42
Dr Rev Mculwane	37	-	10	-	47
Ms E Netshivhongweni #*	52	5	8	-	65
Audit and Risk Committee					
Mr T Zororo – Independent #*	50	-	-	-	50
Ms M Phiri – Independent #*	148	-	-	-	148
Mr J Van Der Walt – Independent #*	63	1	-	-	64
	<b>1 966</b>	<b>71</b>	<b>724</b>	<b>6</b>	<b>2 767</b>

##Lapsed

# Appointment Terminated/Resigned #\*Appointed in 2020/21



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

## 30. MEMBERS EMOLUMENTS (EXECUTIVE)

2023

Designation	Effective Date	Basic Salary R'000	Acting Allowance R'000	Travel Allowance R'000	Medical R'000	Resignation Leave R'000	Provident Fund R'000	Settlements R'000	Long Service R'000	Total R'000
Chief Executive Officer	1-April-22	2,103	-	-	48	-	371	-	-	2,522
Executive Core Business*	1-April-22	1,367	-	-	4	-	66	-	-	1,437
Acting Executive Core Business@#	1-April-22	-	265	-	-	-	-	-	-	265
Chief Financial Officer*	1-April-22	1,374	-	-	7	-	143	1,157	-	2,681
Acting Chief Financial Officer@#	15-June-21	-	161	-	-	-	-	-	-	161
Head: Strategy Planning, Monitoring & Evaluation	1-April-22	1,263	-	151	40	-	250	-	108	1,812
Company Secretary	1-April-22	805	-	-	24	65	142	-	-	1,036
		<b>6,912</b>	<b>426</b>	<b>151</b>	<b>124</b>	<b>65</b>	<b>971</b>	<b>1,157</b>	<b>108</b>	<b>9,914</b>

@ Received Acting Allowance / # Vacant – Received Acting Allowance / \* Terminated

2022

Designation	Effective Date	Basic Salary R'000	Acting Allowance R'000	Travel Allowance R'000	Medical R'000	Resignation Leave R'000	Provident Fund R'000	Performance Bonuses R'000	Total R'000
Acting Chief Executive Officer*	1-April-21	761	-	-	-	51	-	-	812
Chief Executive Officer	1-October- 21	1,041	-	-	24	-	184	-	1,249
Executive Core Business	1-April-21	1,124	-	-	12	-	198	-	1,334
Acting Executive Core Business@	1-April-21	-	327	-	-	-	-	-	327
Chief Financial Officer	1-April-21	1,330	-	-	12	-	246	-	1,588
Acting Chief Financial Officer@	15-June-21	-	329	-	-	-	-	-	329
Head: Strategy Planning, Monitoring & Evaluation	1-April-21	1,249	-	151	40	-	247	69	1,756
Acting Company Secretary#	1-April-21	-	213	-	-	-	-	-	213
Company Secretary	6-September-21	586	-	-	19	-	109	-	714
		<b>6,091</b>	<b>869</b>	<b>151</b>	<b>107</b>	<b>51</b>	<b>984</b>	<b>69</b>	<b>8,322</b>

# Vacant – Received Acting Allowance / \* Resigned



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 31. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

	2023 R '000	2022 R '000
Irregular Expenditure and Fruitless and Wasteful Expenditure		
Irregular Expenditure	4,609	4,534
Fruitless and Wasteful Expenditure	-	52
	<b>4,609</b>	<b>4,586</b>

### 32. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Nothing has come to the attention of Management and Accounting Authority to indicate that the organisation would not remain a going concern for the foreseeable future, based on forecasts and its liquidity.

### 33. EVENTS AFTER REPORTING DATE

CCMA has ruled for the entity to payback an Executive of Core Business an amount of R 992, 032.74 relating to salaries.

### 34. CONTINGENT LIABILITIES

**34.1 The entity estimates a sum of R 100, 000 for legal costs in the appeal case that is referred to labour court. The case is against the Executive of Core Business.**

**34.2 There is a CCMA matter that is ongoing. The entity estimates R 75, 000 in settlements costs.**



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 35. BUDGET VARIANCES

- (a) Non-exchange revenue includes R 1,611 million amortisation (non-cash) of deferred conditional or ring-fenced grant in respect of continued implementation of Project Management Office (PMO). It also includes about R2.023 million amortisation of PESP deferred income.
- (b) Exchange revenue includes R 1.848 million of interest earned on the operation grant received from DSAC.
- (c) Underspending under operating expenditure related to committed budget under funded projects and some relate to the rolled-over projects from retained surplus.
- (d) Underspending under administrative expenditure results from savings. Retained surplus was directed to other unforeseen expenditure relating to recruitment of several employees.
- (e) Included in the operating lease expenses is an accrual of R161 thousand relating to accounting treatment in respect of straight-lining of lease monthly lease rentals over the contracted period inclusive of the escalation clause.
- (f) The greater part of the deficit in the budget is due to the allocation of the retained surplus into budget.

### 36. SEGMENT INFORMATION

The entity has no segments to report on and operates as a single integrated entity.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2023 (continued)

### 36. PRIOR PERIOD ERROR

The corresponding figures for 31 March 2022 have been restated as a result of errors discovered during the financial year end 31 March 2023.

Effect of the above errors is as follows;

#### Statement of Financial Position

Effect	Nature	2022 R'000	2021 R'000
Net increase/(decrease) in cost of property plant and equipment	Assets verification by asset valuation service provider	(1,171)	39
Net (increase)/decrease in accumulated depreciation of property plant and equipment.	Assets verification by asset valuation service provider	645	83
Increase/(decrease) in cost of intangible assets	Assets verification by asset valuation service provider	(882)	-
(Increase)/decrease in accumulate damortisation of intangible assets.	Assets verification by asset valuation service provider	736	-
Increase/(decrease) in accumulated surplus		<b>(672)</b>	<b>122</b>

#### Statement of Financial Performance

Effect	Nature	2022 R'000	2021 R'000
Decrease in Administrative expenses	Temporary staff compensation costs were reclassified into costs of employment	(900)	-
Increase in costs of employment	Temporary staff compensation costs were reclassified into costs of employment	900	-
Increase/(decrease) in loss disposal of assets	Assets verification by asset valuation service provider	462	(39)
Increase/(decrease) in depreciation and amortisation	Assets verification by asset valuation service provider	332	(83)
Increase/(decrease) in surplus for the period		<b>(794)</b>	<b>122</b>











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SOUTH AFRICA

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