



2020/21
**ANNUAL
REPORT**



*Advancing access to
information*

The National Library of South Africa (NLSA) is the custodian and provider of the nation's key knowledge resources. The NLSA is mandated by the National Library of South Africa Act to collect and preserve documentary heritage and to make it accessible thereby ensuring that knowledge is preserved for posterity and that information is available to all.

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PART A: GENERAL INFORMATION



The Research and Innovation capability has been established at the National Library of South Africa to facilitate and co-ordinate research and innovation related projects and initiatives.

1 *Aim*

- Act as an incubator for research and innovation
- Create the necessary capacity and infrastructure to support both the NLSA and provincial libraries
- Create sustainability and ensure that themes and areas are supported and enhanced with research or innovation

Pillars 2

- Development of research skills and the ability to draft and develop submissions to scholarly publications
- Development of initiatives to monitor and track research initiatives within the Library and Information Science (LIS) sector and ensure
- Be guided by a strategy and a structure to facilitate the operationalisation of the activities and deliverables of the capability.

**RESEARCH
AND
INNOVATION**

PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	National Library of South Africa
PHYSICAL ADDRESS:	228 Johannes Ramokhoase Street Pretoria 0001
POSTAL ADDRESS:	Private Bag X990 Pretoria 0001
TELEPHONE NUMBER:	+27 12 401 9700
FAX NUMBER:	+27 12 326 7642
EMAIL ADDRESS:	info@nlsa.ac.za
WEBSITE ADDRESS:	www.nlsa.ac.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Standard Bank and Absa Bank
BOARD SECRETARY:	Adv. S.J Mabaso (from 1 October 2020)

ABBREVIATIONS AND ACRONYMS

AfLIA	African Library and Information Associations and Institutions
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
CFB	Centre for the Book
CFO	Chief Financial Officer
DSAC	Department of Sport, Arts and Culture
ENE	Estimates of National Expenditure
GRAP	Generally Recognised Accounting Practice
IAS	Information Access Services
ICT	Information Communication Technology
ICTS	Information Communication Technology and Strategy
IFLA	International Federation of Library Associations and Institutions
IFM	Interlending Fee Management
ILL	Interlibrary Loans
ISAP	Index to South African Periodicals
ISBN	International Standard Book Number
ISN	International Standard Number
ISSN	International Standard Serial Number
LIS	Library and Information Services
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NCLIS	National Council for Library and Information Services
NISC	National Inquiry Service Centre
NLSA	National Library of South Africa
OPD	Official Publications Depository
PFMA	Public Finance Management Act No. 1 of 1999
RDA	Resource Description and Access
REMCO	Remuneration Committee Forum
SABINET	South African Bibliographic and Information Network
SACat	South African Union Catalogue
SADC	Southern African Development Community
SAIS	Southern African Inter-Lending Scheme
SANB	South African National Bibliography
SCECSAL	Standing Conference of Eastern, Central and Southern Africa Library and Information Associations
SCM	Supply Chain Management
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WLIC	World Library and Information Congress

CHAIRPERSON'S

Foreword

When English author Margaret Drabble penned the words, “When nothing is sure, everything is possible” she had no idea that her words would be so relevant for the 2020/21 financial year. The 2020/21 financial year was indeed unprecedented. With COVID-19 wreaking havoc in every sector in the country.

The Library and Information sector were not spared; with libraries across the world shutting their doors to the public. With no road map to guide the way forward, libraries, including the National Library of South Africa, set out to define their new normal, because ‘when nothing is sure, everything is possible’.

The National Library of South Africa (NLSA), as an agent of the Department of Sport, Arts and Culture (DSAC) and mandated by the NLSA Act, collects, preserves, and makes available the country’s documentary heritage. With this mammoth mandate in mind, and in line with the priorities of the Sixth Administration, the Management of the NLSA, in September 2019, penned the strategic objectives for the entity for the financial years 2019/20 to 2024/25. The foundation of the NLSA’s strategic vision was anchored on the themes of enhanced services; research, knowledge management, and Innovation; stakeholder relations and communication; Human Resources; technology, and finance.

The NLSA’s commitment to enhancing the LIS services was realised through leveraging its research capability, knowledge management, and innovative ideas. We understand that to accomplish our goals, we need appropriate, skilled human talent who in turn need to be enabled with the appropriate technology. The synergy of all of these factors will lead us to a successful, sustainable NLSA.

As we take stock, at the end of the 2020/21 financial year, we reflect on the many projects, programmes and opportunities afforded the NLSA to increase its local, continental, and global reach while fulfilling its mandate. I am therefore proud to present to you the NLSA’s 2020/21 Annual Report.

Strategic Alignment to the National Priorities

In responding to the State of the Nation Address of 2020, the NLSA embarked on a programme of action towards Economic Transformation and Job Creation – by providing opportunities for youth through the Graduate Development and Internship Programmes. The Programmes focused on skills development and assistance with career guidance to increase employability opportunities and reduce the unemployment rate ultimately reducing poverty levels. The NLSA’s entrepreneurial support saw a focus on Supply Chain Management processes that support preferential procurement and the commitment to pay supplier invoices within 30 days.

Concerning education, skills, and health, the NLSA has formulated educational support programmes through conducting workshops on Information Literacy capacity building. Also, promoting reading, writing, publishing and lifelong learning, access to information and research, innovation, and knowledge management. As the Information Hub in the Southern African Region, the NLSA continues to provide study facilities, reference, and research support.

The entity promotes the employment of people living with disabilities. Towards social cohesion and safe communities, it has always been in the interest of the NLSA to create safe spaces for social cohesion (free Wi-Fi, Reading, and Reference Rooms); restoration and preservation of documentary heritage for future generations; and increased support to establish reading and book clubs in partnerships with Provincial Library Services and Municipalities.

Our international footprint can best be illustrated by the institution’s commitment to a better Africa and World beginning with a love for, and a desire to, protect the planet and our heritage for future

generations. Taking care of the environment and natural resources by installing water-saving and energy-efficient devices. The NLSA in the continent and global context, through the roles it plays in the bigger library space, i.e. IFLA, AFLIA, SCECSAL, UNESCO (Memory of the World) and LIASA provides an opportunity for building new partnerships globally and locally to affirm shared values of the profession. We will utilise these platforms to dialogue, share ideas, influence sector policy direction and promote our country. Alignment with the Sustainable Development Goals (SDG number 4 - Quality Education), National Development Plan (NDP) Chapters 15- Social Cohesion and AU Agenda 2063 (Goal Number 2 - Well Educated Citizens and Skills revolution underpinned by Science, Technology, and Innovation).

Economic and Financial Overview

The global economy is in a serious downward trend with South Africa being declared with a junk economic outlook by rating agencies Moody's and Fitch. The economy is expected to contract by 9.2% in 2021, while gross debt is expected to rise to R5.5 trillion in the 2023/24 fiscal year. The negative effects of the COVID-19 pandemic continue across the African continent economy, with South Africa being the most hit country by COVID-19 especially with high mortality rates which necessitated 56 million vaccinations for the South African population. The government is scrambling across the divide for financial resources, to alleviate these rare circumstances caused by the pandemic.

In line with this challenge, the NLSA's revised budget has seen a major cut of R 3 million for 2020/21, R 9 million for 2021/22, and R11.3 million for 2022/23 financial years respectively. This significant reduction in budget allocation will require renewed thinking in regards to fundraising initiatives and cost-saving measures whilst embracing technology to improve efficiencies as part of the NLSA's ICT Strategy.

Strategic Relationships

Strategic projects that advance access to information are commissioned and implemented with significant achievements. These achievements were realised in partnership with various stakeholders both in the public and private sectors. The NLSA will continue to engage stakeholders to this end.

The NLSA understands that the visibility of the organisation is vital for the implementation of strategic initiatives that will have an impact on our country. The NLSA is deliberate in creating awareness by publicizing the good work that is done. In this way, the footprint of the NLSA is grown and the organisation's credibility is increased among

stakeholders. Advocacy and enhanced marketing, communication, and stakeholder management are enhanced to improve the NLSA's brand recognition. During 2020/21, the NLSA was a member of the Department of Sport, Arts and Culture's organising committee tasked with conceptualising and coordinating the heritage/cultural contribution to South Africa's participation at the Dubai Expo. The Dubai Expo was postponed in 2020 and will be hosted from September 2021 to March 2022.

Good Governance and a Positive Clean Audit

We recognise that our heritage assets are our core assets and irreplaceable nations historical, cultural, and information heritage collected over 200 years, NLSA has to ensure that its heritage assets register is fully GRAP 103 compliant, the objective is to control and maintain reliable asset management system. An updated inventory control register is the outcome.

Management committed themselves to bring real change to the persistent challenge to account for our heritage collections which had a major impact on the negative audit outcome as a result of non-compliance to the GRAP103 Standard. Additional resources both financial and human capacity will be required to significantly address the backlog and fully comply with the requirements of the GRAP standards.

One of the strategic priorities of the Accounting Authority, as prescribed by the PFMA, is to institutionalise and strengthen good governance in the areas of risk management, fraud prevention, minimising conflict of interest, and promoting the code of conduct and healthy control environment within the NLSA.

Legal Matters

Over the past three years, the NLSA experienced high legal costs which attracted Parliamentary questions through the Minister of Sport, Art and Culture. The Board submitted to the Minister, a plan to contain legal costs in the future. The NLSA had the opportunity to appoint a Board Secretary with legal expertise, a skill that was lacking in the organisation. The Board Secretary not only advises the Board but provides legal services to the organisation. Since the appointment of Board Secretary, the NLSA has reduced its legal costs by 75%.

Presidential Economic Stimulus Plan

The NLSA received an allocation of R60 million for the employment of 326 youth as part of the Presidential Employment Stimulus Package for the NLSA and the National Archives and Records Services of South Africa (NARSSA). Funding

allocation was intended for the payment of monthly stipends of 326 youth; procurement of digitisation equipment and consumables for the digitisation of archival and document heritage collections. Through the project, the NLSA was able to create short term employment opportunities targeting youth under the age of 35; train the recruited youth in digitisation, binding, conservation, and metadata description of the identified collection; and acquire the equipment and materials required for the project.

Challenges

The Coronavirus, commonly referred to as COVID-19, took a toll on the mandate of the NLSA as the performance targets in the Annual Performance Plan had to be reviewed significantly including budget cuts as explained in section on economic performance. The entity had to adapt to fewer people in the offices to comply with the respective Regulations and ensure officials are provided with the appropriate tools of the trade to conduct NLSA business from home.

Handing Over the Baton

As the term of the current Board comes to an end, it is imperative to highlight a few strategic areas identified by the Sub-committees of the Board for the incoming governing body to take into consideration.

Data Analytics is a critical tool that should be embraced throughout the entire spectrum of the business of the NLSA. In anticipation of forthcoming developments, the rapid roll-out of technologies including robotics, artificial intelligence (AI), and machine learning (ML), will transform business models, roles, and responsibilities - not only in the private sector but in the public sector as well. This radical transformation in the ICT landscape triggers significant cultural changes. Against this backdrop, it is imperative that the NLSA tracks these developments and most importantly, acquire new skills to reap the benefits of these emerging technologies.

The **internal control deficiencies** still have an impact on the business of the NLSA and a fully established Internal Audit Function is not an option. The role of the Compliance and Information and Technology Officers requires strategic elevation.

An organisational environment that can easily adapt to disruptions, like the COVID-19 pandemic, requires a permanent hybrid model of a mix of remote and on-site working for all roles that lends itself to such a model.

Appreciation

I wish to thank the Minister of Sport, Arts and Culture, Mr Nathi Mthethwa, Deputy Minister, Ms. Nocawe Mafu, Director-General, Mr. Vusumuzi Mkhize, and staff of the Department for their support.

To the NLSA's partners in the Library and Information Services sector, stakeholders, and library clients nationally and globally, I thank you for joining us on our journey.

To my fellow Board members, I thank you for your unwavering support in delivering on the mandate of the entity.

I wish to thank the National Librarian and Chief Executive Officer, Mr Kepi Madumo, Management, and staff for their commitment and hard work.

I have served the National Library of South Africa for two consecutive terms and have never let any form of challenge and/or problem distract the governing body from executing its primary mandate. In this last term, we experienced a barrage of leakages that intended to destabilise the institution; but bold leadership prevailed and steered the Board to focus on the requirements of external and internal stakeholders.



Mr Themba Dlamini
Chairperson of the Board

CEO'S

Overview

The 2020/21 financial year presented various challenges brought about by the unprecedented Coronavirus pandemic. In compliance with the Disaster Management Act and several National Lockdown Regulations and safety protocols, the NLSA closed the doors of both the Pretoria and Cape Town Campuses to the public for a period of 6 months. However, notwithstanding this crisis environment I am pleased to report that the NLSA remained resilient and demonstrated flexibility by adapting to the changing environment in continuing to meet the information needs of our researchers and the library users.

Despite a global shock of this magnitude, the NLSA's performance for the year under review is positive. The NLSA achieved 76% of the predetermined performance indicators. Some of the highlights in this annual report includes, but is not limited to, new initiatives, partnership endeavours, playing a leadership role in the Library and Information Sector, contributing towards the socio-economic changes and job creation, and forwarding the NLSA's mandate. Underpinning these efforts, we found ourselves presented with opportunities to re-imagine the way we provide library and information services and to intensify our efforts towards equitable access to information. Essentially, the pandemic compelled us to intensify our digitisation efforts to provide remote access to our collections. Being a Legal Deposit Library means that a large portion of our collections is still in physical format.

The NLSA's response to meeting our mandate during a pandemic included a Fast-Pick-Up service wherein our users requested library materials in advance and librarians prepared the items for pick up on appointment. Our Librarians hosted a 'Ask a Librarian' service where they responded to research, and other, enquiries via email, WhatsApp and/or telephonically.

The NLSA successfully secured a R30 million grant under the Presidential Employment Stimulus Package (PESP) for a Digitisation of Heritage Collections project which proved invaluable for our response to the critical need to modernise our services. The legacy of this project is the significant investment in our ICT and digital workspace but more

importantly providing internship work opportunity to our unemployed graduate Librarians.

In assuming a leadership role, a proposal was made for the National Library of South Africa to host the secretariat of SCANULE-ECS for two years pending the review of the constitution and new governance structure.

During Quarter Four of the year under review, the NLSA successfully hosted the inaugural National Reading Summit in partnership with the Department of Sport, Arts and Culture and the University of South Africa's Department of Information Science. The Summit was hosted virtually from 24 to 26 March 2021 under the theme 'Strengthening the Reading Ecosystem'. Another highlight was the established of the Research and Innovation Unit. The Unit will allow the NLSA to fulfill its functional mandate of undertaking research. During this reporting year, NLSA staff, with assistance from the Research and Innovation Unit, presented (number) papers and/or posters at the inaugural National Reading Summit. We are delighted that the NLSA actively contributed to the body of knowledge in the Library and Information Services (LIS) sector

Our reading awareness and promotion campaigns were severely impacted by COVID-19 as public gatherings were prohibited and/or restricted to less than 100 people. The NLSA moved to hosting outreach events on-line via the Zoom on-line meeting platform. The NLSA also ceased the opportunity to stream the event live on our Facebook page. Highlights of our outreach events included the virtual celebration

of World Book Day, webinars that commemorated International Mother Tongue Day and World Digital Preservation Day, and a hybrid event to observe International Literacy Day. In addition, book club establishment was supported and writing workshops were also held virtually.

As we present our annual financial statements, the analysis on the environment within which the NLSA operates does not suggest the existence of conditions that may significantly curtail or discontinue entirely the primary operations of the entity, nor are there plans to curtail or discontinue the primary operations of the entity in the foreseeable future. It is therefore concluded that the NLSA is a going concern, however financial constraints are noted which are fuelled by the economic environment of the country. The ideal fiscal position required by national government is likely to continue exerting pressure on the finances of the NLSA and its ability to advance on its mandate.

The AFS for the year ended 31 March 2021 are therefore prepared on the basis that the NLSA will continue as a going concern, and will realise all assets acquired as at 31 March 2021 during the normal course of business; and liabilities will be settled when they become due.

No-one could have foreseen what was to befall us during the year under review, but I am proud of the NLSA staff and our combined efforts to continue to

serve the public. I wish to thank the staff for their resilience and flexibility as we embraced remote working. Balancing work and home responsibilities while maintaining high productivity levels under these difficult circumstances.

I am grateful to our Board for their continued leadership during, not only the year under review, but throughout their tenure. Your oversight, encouragement and support of Management, staff allowed us to successfully conduct the work of the NLSA and for that we thank you.

To our users, I am grateful for your dedication, patience and understanding as we continue to adjust to the new normal. We look forward to serving you even more effectively and efficiently in the future.

In conclusion, the NLSA will continue to be a beacon of knowledge to all. We are proud of our position as one of the country's knowledge institutions and as such we renew our commitment to connecting our stakeholders with the documentary heritage of our country.



Mr Kepi Madumo
National Librarian and CEO

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

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

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.
- The annual report is complete, accurate and is free from any material omissions.
- The annual report has been prepared following the guidelines on the annual report as issued by the National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The accounting authority is responsible for preparing the annual financial statements and the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal controls which is designed to provide reasonable assurance on the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors were engaged in expressing an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, performance information, human resources information and the public entity's financial affairs for the financial year ended 31 March 2018.

STRATEGIC OVERVIEW

6.1. VISION

A world-class African national library and information hub.

6.2. MISSION

We build, record, preserve, conserve and make available a complete South African documentary heritage, fostering a reading nation and working towards an informed citizenry.

6.3. VALUES

The NLSA espouses the following shared and unifying values:



LEGISLATIVE AND OTHER MANDATES

Legislative mandate

The NLSA was established in 1998 following an amalgamation of the South African Library and the State Library. The National Library of South Africa Act, Act No. 92 of 1998 regularises and governs the mandate of the NLSA.

Accountability and reporting

The NLSA is a schedule (3A) entity in terms of the Public Finance Management Act (Act 1 of 1999 as amended by Act No. 29 of 1999). The NLSA is accountable to the Minister of Sport, Arts and Culture and the Executive Authority. In terms of financial management and accountability, the NLSA is governed by the PFMA and the NLSA Act, among others.

The NLSA submits quarterly financial and non-financial performance reports to both the DSAC and National Treasury. Further, the NLSA tables its Strategic Plan, Annual Performance Plan and Annual Report to the National Assembly on an annual basis.

Objectives

(Section 3, NLSA of South Africa Act, Act No. 92 of 1998). The objectives of the NLSA are to contribute to socio-economic, cultural, educational, scientific and innovative development by collecting, recording, preserving and making available the national documentary heritage and promoting an awareness and appreciation thereof, by fostering information literacy, and by facilitating access to the world's information resources.

Functions

Section 4 of the NLSA Act No. 92 of 1998 sets out the functions of the NLSA. Subsection (1) deals with library functions and subsection (2) deals with the generic functions of a national cultural institution.

(1) The functions of the NLSA are to:

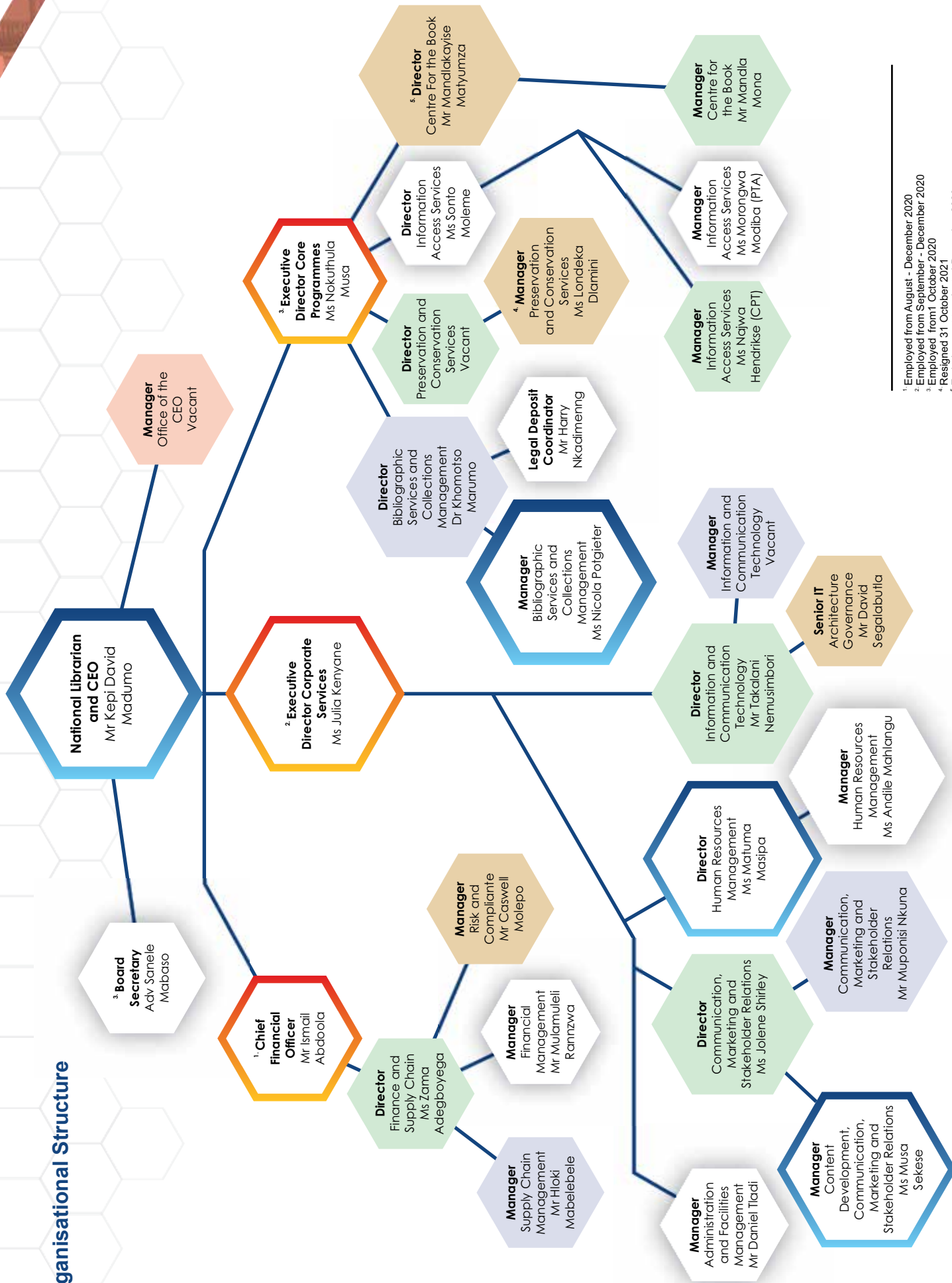
- (a) Build up a complete collection of published documents emanating from and relating to South Africa;
- (b) Maintain and extend any other collections of published and unpublished documents with emphasis on documents emanating from or relating to Southern Africa;

- (c) Promote optimal management of collections of published documents held in South African libraries as a national resource;
- (d) Supplement the national resource contemplated in subparagraph (i) with selected documents;
- (e) Record the documents contemplated in paragraph (a);
- (f) Render a national bibliographic service and to act as the national bibliographic agency;
- (g) Promote optimal access to published documents, nationally and internationally;
- (h) Provide reference and information services, nationally and internationally;
- (i) Act as the national preservation library and to provide conservation services on a national basis; and
- (j) Promote awareness and appreciation of the national, published documentary heritage; and promote information awareness and information literacy.

(2) To achieve its objects and promote the development of Library and Information Services in South Africa, the NLSA must, in relation to the functions referred to in subsection (1):

- (a) Provide appropriate information products and services;
- (b) Provide leadership, guidance and advice to South African libraries and information services;
- (c) Undertake planning and co-ordination in co-operation with other library and information services;
- (d) Present, in consultation and co-operation with appropriate educational institutions and professional bodies, courses of training and education relating to the functions referred to in subsection (1);
- (e) Undertake research and development; and
- (f) Liaise with libraries and other institutions in and outside South Africa.

Organisational Structure



¹ Employed from August - December 2020
² Employed from September - December 2020
³ Employed from 1 October 2020
⁴ Resigned 31 October 2021
⁵ Employment terminated December 2020



PART B: PERFORMANCE INFORMATION

COVID-19 AND THE NATIONAL LIBRARY OF SOUTH AFRICA: ADAPTING TO THE NEW NORMAL

The National Library of South Africa like many libraries and institutions has been impacted by the COVID-19 pandemic. However, its approach has been that of deciding to embrace the change, adapting to an approach of working with stakeholders and focusing on how the future can best be forecasted so that the work done now can have a greater impact. The NLSA shares its experiences, learning and approaches for this new normal and hopes this sheds light on how national, and all, libraries can adopt a culture of continuous growing and adapting whether in a pandemic or not.



1 COVID-19 Risk Response Plan

The NLSA conducted a risk assessment of the NLSA's environment. This was used to develop the NLSA's Coronavirus (COVID-19) Risk Response Plan. The purpose of this Risk Response Plan is to ensure that measures are put in place to eliminate/ or manage the risk of COVID-19. The Plan aims to provide guidelines on how National Library of South Africa will, as far as is reasonably practicable, eliminate or manage COVID-19 to ensure the health and safety of our employees and others who might be affected by the activities of the National Library of South Africa.

Pandemic Task Team

- Leads and oversees the implementation of the COVID-19 Risk Response Plan
- A contact point for all COVID-19 questions, queries and comments
- Reports to the National Librarian and CEO.



3 Screening

- Screening is a vital first line of defense to detecting and protecting against the spread of COVID-19
- No mask no entry policy and contactless temperature screening
- On-line screening procedure which can be accessed on a smart phone

Digital and Remote Services

- Social media platforms to engage users and share content
- Shared open-source databases and information
- Researchers were able to email their requests to the NLSA
- Automated request process for international standard book numbers
- Quarantine procedures implemented for library collections and materials
- Online Public Access Catalogue (OPAC) and electronic resources used to assist students and academics



5 4IR

- Need for digitally available collections was highlighted
- Harnessing technologies such as robotics, block chain, virtual reality and artificial intelligence to develop and improve the NLSA's services
- Continuous up-skilling of staff especially in the rapidly changing technological environment
- Invest in development to ensure that librarians of the future have the necessary skills

PERFORMANCE INFORMATION:

Predetermined Objectives

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the actual performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the Auditor's Report. The Auditor's Report can be found in Part E of this report.

2. SITUATIONAL ANALYSIS

2.1 PERFORMANCE ENVIRONMENT

2.1.1 Objectives of the NLSA

(Section 3, National Library of South Africa Act, Act No. 92 of 1998)

The objectives and functions of the NLSA are by statute and prescribed in the National Library of South Africa Act, Act No. 92 of 1998. The NLSA's legislative Act sets it apart from public libraries as the NLSA has a special statutory authority to perform certain functions and discharge certain responsibilities, which are different from those of public libraries.

The NLSA is vested with a responsibility to contribute to socio-economic, cultural, educational, scientific, and innovative development by collecting, recording, preserving and making available the national documentary heritage and promoting an awareness and appreciation thereof, by fostering information literacy, and by facilitating access to the world's information resources.

2.1.2 Functions of the NLSA

(Section 4, National Library of South Africa Act, No. 92 of 1998)

The core business of the NLSA is to collect, record, preserve and make accessible all published and unpublished documents emanating from and relating to South Africa.

The mandatory functions of the NLSA are to:

- Build up a complete collection of published documents emanating from and relating to South Africa;
- Maintain and extend any other collections of published and unpublished documents with emphasis on documents emanating from or relating to Southern Africa;
- Promote optimal management of collections of published documents held in South African libraries as a national resource;
- Supplement the national resource with other selected and relevant library materials;
- Record all the documents collected and make these accessible nationally and internationally;
- Render a national bibliographic service and to act as the national bibliographic agency;
- Promote optimal access to published documents, nationally and internationally;
- Provide reference and information services, nationally and internationally;
- Act as the national preservation library and to provide conservation services on a national basis; and
- Promote awareness and appreciation of libraries as information centres and encourage the reading of the nationally published heritage materials in various formats.

The NLSA also has a critical role in promoting the development of library and information services in South Africa. To achieve its objectives and perform its functions, the NLSA must:

- Provide appropriate information products and services;
- Provide leadership, guidance and advice to South African library and information services;
- Present, in consultation with other library and information services, any relevant issues regarding the sector;

- Undertake planning and co-ordination in co-operation with other library and information services;
- Undertake research and development for the improvement of library and information services;
- Establish and maintain beneficial partnerships with local, national and international organisations, including library and information services for national access to information, worldwide;
- Encourage local and international tours of the NLSA's on both Campuses, including the Centre for the Book and Ensure training of new library and information professionals, in partnership with universities, by offering a platform for experiential learning and internships; and
- Liaise with libraries and other institutions within and outside South Africa.

2.1.3 Operational Sites of the NLSA

The NLSA operates on three sites that complement each other. The main site is the Pretoria Campus which is the largest and functions as the NLSA Head Office.

The Cape Town Campus houses the unique and rare heritage collections and functions as a research hub used daily by scholars, researchers and the general public. Both sites offer free internet access as well as a wealth of online information available worldwide. The NLSA is visited by approximately 1500 clients daily.

The third site is the Centre for the Book which also functions as the NLSA outreach unit to promote reading, writing and publishing in South Africa.

The activities of NLSA on the three sites contribute towards the achievement of the overall NLSA services as follows:

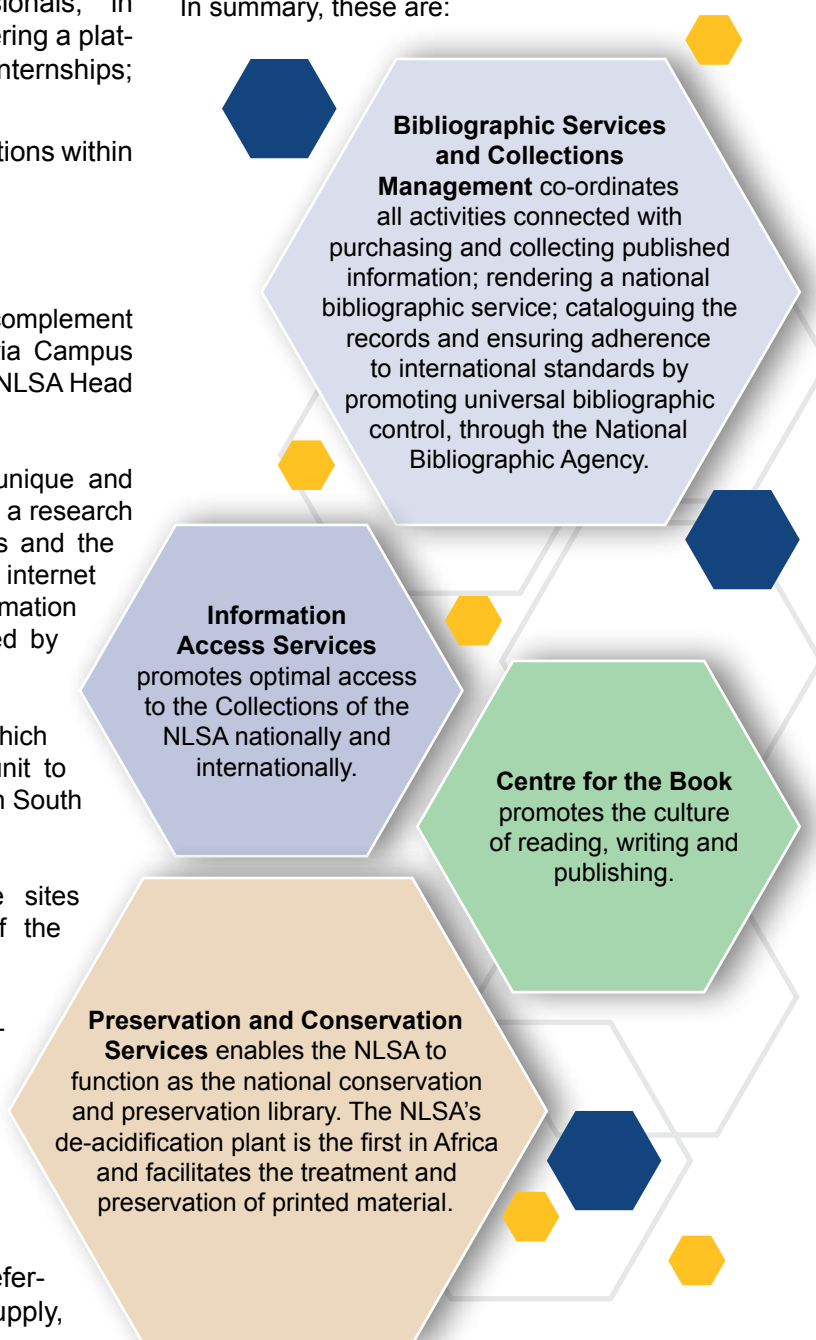
- Bibliographic Services and Collections Management (South African National Bibliography, Index to South African Periodicals, International Official Publications, International Standard Number Agency, Legal Deposit, Acquisitions)
- Information Access Services (Reference, Map Collection, Document Supply, Special Collections)

- Preservation and Conservation Services (Conservation, De-acidification, Digitisation, Stack Management)
- Centre for the Book (Promotion of reading, writing and publishing)

2.2 ORGANISATIONAL ENVIRONMENT

The service delivery platforms of the NLSA are structured on the Core Programmes, supported by the Administration Programme. The Core Programmes consist of four sub-programmes responsible for delivering the core business of the NLSA, as mandated by Section 4(1) of the NLSA Act. These sub-programmes are within the institution.

In summary, these are:



The service delivery platform further provides for five corporate service structures as strategic partners to the core business functions.

The support service departments are:

- Office of the National Librarian and CEO provides dynamic leadership to all core and support services and engages with the Board of the NLSA as well as relevant organisations nationally and internationally.
- Information and Communication Technologies (ICT) manages, supports and enhances the services and infrastructure of the NLSA and its affiliates to improve and promote access to resources through the provision of innovative technology.
- Finance and Supply Chain Management ensures sound financial management, full compliance with relevant legislation and/or regulations and sound budgeting to enable the institution to deliver on its mandate.
- Human Resources Management is responsible for the recruitment and retention services of suitably qualified individuals who will add value and live the shared and unified values of the NLSA.
- Communications, Marketing and Stakeholder Relations which ensures that the NLSA achieves visibility and impact by creating awareness of the services and products of the NLSA while building collaborations on both national and international fronts.

2.3 NATIONAL STRATEGIC OUTCOME ORIENTATED GOALS

The NLSA, consistent with the selection of the DSAC, contributes to five, but supports all, of the National Outcomes identified and agreed to by Cabinet.

Outcome 1: *Improved quality of basic education.*

The NLSA provides information to support teaching, learning and research through its library and information services and products.

Outcome 4: *Decent employment through inclusive economic growth.*

The NLSA is an employer and thus contributes to providing decent employment to individuals. Through outsourcing, the NLSA also contributes to the economic development of service providers.

Outcome 5: *A skilled and capable workforce to support inclusive growth path.*

The NLSA employs over 200 employees who are continuously trained to ensure that they are a skilled and capable workforce that will contribute to an efficient and effective national library that will ensure an empowered South Africa.

Outcome 7: *Vibrant, equitable and sustainable rural communities.*

The NLSA, through its Centre for the Book, reaches out to rural communities to assist with support for book clubs, donating books and promoting a culture of reading and writing.

Outcome 12b: *An empowered, fair and inclusive citizenship.*

The NLSA contributes to empowering the citizens through access to information offered through its library and information services. The free internet access provided to the general public assists in bridging the digital divide.

PERFORMANCE INFORMATION BY PROGRAMME

The NLSA continued to function as a national resource and the custodian of South Africa's literary heritage. As a national resource, the NLSA is well positioned to ensure that its rich historical and rare collections are accessible to all users, thus contributing towards building a reading nation and an informed citizenry.

The functions of the NLSA are to provide leadership, guidance and advice to South African Libraries and Information Services; to act as the national preservation library, render a national bibliographic service, provide reference and information services nationally and internationally and promote information awareness and information literacy.

The following Programmes of the NLSA are designated in terms of the National Library of South Africa Act to facilitate performance on the objectives, which contributes towards meeting the legislative mandate.

To reflect on the strategic objectives as set out in the Strategic and Annual Performance Plans, the NLSA's predetermined objectives for the three Programmes comprises of strategic objectives, performance indicators and targets. The performance information tables illustrate the indicators, targets achieved and explanation of variances.

PROGRAMME 1:

Administration

OFFICE OF THE NATIONAL LIBRARIAN AND CEO

Refer to performance information on page 28.

FINANCE AND SUPPLY CHAIN MANAGEMENT

Refer to performance information on page 31.

HUMAN RESOURCE MANAGEMENT

Refer to performance information on page 33.

DEPARTMENT: COMMUNICATIONS, MARKETING AND STAKEHOLDER RELATIONS

The NLSA occupies a strategic space in the Library and Information Services (LIS) Sector both nationally and internationally. In the quest to maintain its visibility through active stakeholder engagement.

Most of the 2020/21 financial year was impacted by the COVID-19 pandemic and subsequent national lockdown. While the NLSA's remote working plan allowed for business continuity, it is not without its challenges. While remote working negatively impacted certain performance targets, it presented an opportunity for innovation and creativity in the implementation of others.

The NLSA conceptualised and hosted the virtual Poetry Slam during the year under review as part of the Youth Month celebrations. The Poetry Slam is an annual event usually hosted in the NLSA's auditorium on the Pretoria Campus. Due to the national lockdown, the CMSR Unit conceptualised the virtual competition and hosted it on the NLSA's Facebook page. While a resounding success, this virtual event provided a valuable learning opportunity for the NLSA. There was extensive engagement with the public on the NLSA's social media platforms during the competition.

Conceptualising exhibitions from physical to digital is a new and exciting terrain for the NLSA. Two exhibitions were hosted online during the Quarter – International Poetry Month in May, and Youth Month in June. The CMSR Unit worked closely with Information Access Services and ICT to identify the Collection to be exhibited, layout of the digitised material and the upload onto the NLSA website.

From 24 to 26 March 2021, the NLSA successfully hosted the inaugural National Reading Summit in collaboration with the Department of Sport, Arts and Culture and UNISA's Department of Information Services.

The NLSA's Stakeholder Framework enables the NLSA to build and sustain mutually beneficial partnerships with stakeholders. We are continuously striving to engage in coherent partnerships with like-minded stakeholders to maximise our impact. Extension stakeholder engagement was hosted during the year under review, including Libraries and Archives Canada, City of Tshwane Library Services, Department of Correctional Services and LIASA.

The CIR Unit utilises a variety of communication tools to communicate and engage with our stakeholders. As such, the NLSA's social media platforms are an essential arrow in our quiver of communication tools. During the year under review, the NLSA grew the following across our social media platforms. During the National Lockdown due to the COVID-19 pandemic, the NLSA's social media platforms effectively communicated with our stakeholders. Events including World Book Day were celebrated virtually on our Facebook page; open access material was shared, and our collections promoted.

The NLSA's social media platforms are used extensively to create awareness of, and to promote, the NLSA, its products and service. During the year under review, a remote services campaign was hosted to inform users of the remote services offered by the NLSA and how to access them. An AMA (Ask Me Anything) webinar was hosted to promote the NLSA's service including legal deposit, ISBN and preservation. During the webinar, our participant could post their questions to the NLSA's experts for a response.

The NLSA secured positive publicity during the year under review. The NLSA's virtual World Book Day Celebration saw the National Librarian and CEO being interviewed on SABC TV, Power FM and SAFM; the Executive Director: Core Programmes was interviewed on Thobela FM and the Acting Executive Director: Corporate Services was featured in the Pretoria News, The Star and IOL.

DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The purpose of the Information and Communication Technology (ICT) function at the NLSA is to provide high availability levels of ICT services for both the public and internal stakeholders.

In today's information and technology-driven world, the National Library is continuously evolving and implementing innovative solutions to meet the demands of our users. In response to COVID-19, the Information, Communications Technology (ICT) Unit drew from its experience and capabilities to ensure an uninterrupted ICT service.

Risk Management is an important aspect that is continuously assessed, managed and monitored. The ICT unit has developed preventative and risk mitigation strategies to minimise the threats from cybersecurity attacks. On this basis, the unit

has strengthened systems, security policies and procedures as well as creating awareness to staff about cybersecurity. Further, installation of security end-point protection anti-virus have been carried out.

During the year under review, upgrades on the Enterprise Systems were conducted, data backups, server and storage infrastructure refreshed. With recent developments of COVID-19, ICT licenced a secure virtual meeting tool and renewed other ICT related security and software licences for a safe ICT environment. In addition, maintenance of the web and mail services were carried out to endure high system availability and uptime.

This unit regularly provided technical advice for the computers and other equipment purchased during the year under review and ensured that NLSA

computers/ devices are connected to the Local Area Network (LAN). In addition, steps have been taken to solve software and hardware problems of all internal and public access computers/devices.

ICT automated a COVID-19 self-screening form at both the library visitors' and staff entrances to enhance an optimal contactless screening procedure.

Since ICT operations have been low-cost and fit for purpose, some components cannot be refreshed due to the unavailability of funds. The underfunding challenge contributes to the inability of ICT to implement identified business improvement projects. It also contributes to the inability to provide the much-needed training and skills development for the ICT System Administrators.

PROGRAMME 2:

Business Development

DEPARTMENT: BIBLIOGRAPHIC SERVICES AND COLLECTIONS MANAGEMENT

Bibliographic Services and Collections Management (BSCM) is one of the four core programmes of the National Library of South Africa (NLSA), whose primary task is to build a complete collection of published documentary heritage material, emanating from, or relating to, South and southern Africa; to expand and maintain existing collections; to acquire material published abroad either by South African authors or that relates directly to South Africa, via purchase, gift or donation, and to ensure universal bibliographic control of acquired material, by creating the national bibliography. The Department operates across both the Pretoria and Cape Town Campuses.

STRATEGIC PRIORITIES

- Create the national bibliography adhering to and promoting the use of international standards
- Enhance the Library's ability to exploit its collection to deliver on its strategic priorities, portfolios and programmes
- Ensure the collection of all legal deposit material, both serial and non-serial, print and electronic format

- Enable and encourage publishers to adhere to the Legal Deposit Act, 54 of 1997 and to promote broader community awareness through training and workshops on the importance of legal deposit
- Member of the ISN Agency and responsible for the allocation of the ISBN and ISMN
- Creation of Index of South African Periodicals (ISAP) records
- Extend the NLSA collections through gifts and donations to close any identified collection gaps

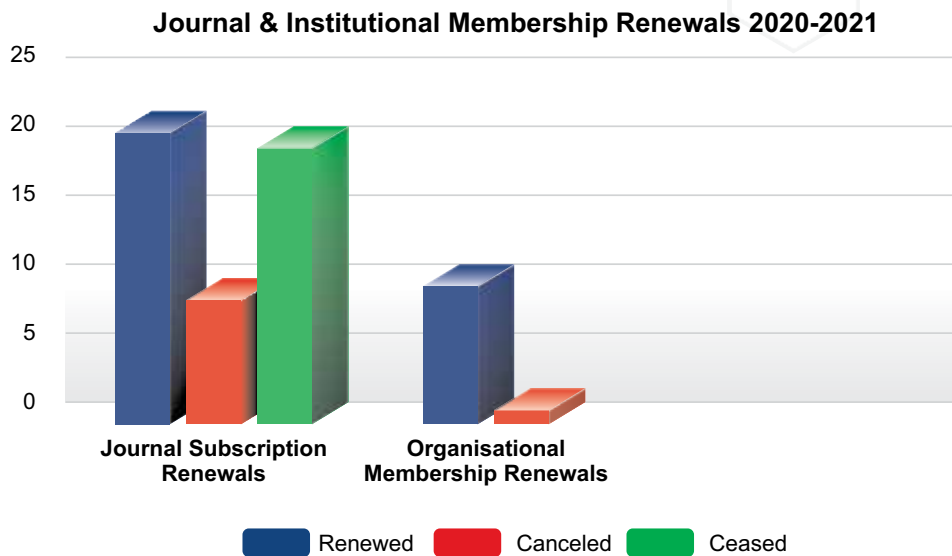
The Department consists of the following sub-units:

1. ACQUISITIONS

The Acquisitions sub-programme, as captured in the National Library of South Africa Act, No. 92 of 1998 (4)(a)(ii)), maintains and extends any other collections of published and unpublished documents with the emphasis on documents emanating from and relating to southern Africa.

The Board approved the Collections Development and Management, Cataloguing, Acquisitions, Weeding, and Gifts and Donations policies during the year under review. A total of 8 521 IOP microfiche were sorted, and 343 holdings were added to WMS for IOP microfiche.

Memberships and Journals renewals



2. LEGAL DEPOSIT RECEIPTS

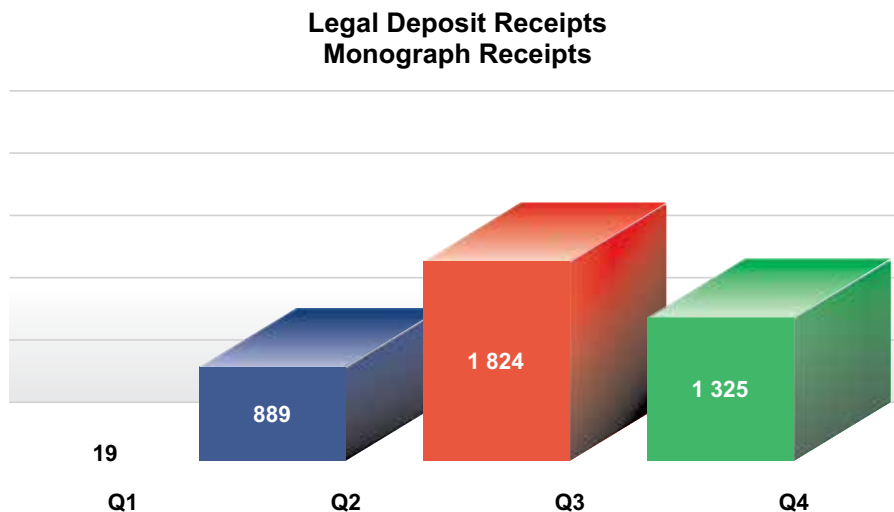
The sub-programme builds a complete collection through the legal deposit of all serial and non-serial publications published in South Africa.

The NLSA is one of five statutory legal deposit libraries, so designated under the Legal Deposit Act 54 of 1997, whose mandate is to receive one copy of every item published in South Africa, be it a book, map, chart, poster, official publication, conference proceeding, audiobook etc., in the format, be it printed or electronic, in which it was made available for sale to the public. Further, legal deposit material must be preserved and conserved in perpetuity and made available for both national and international users.

Over the financial year, the Legal Deposit sub-programme was affected, like so many other institutions, by the COVID-19 pandemic. Staff working remotely and the inability to collect or receive material in the traditional manner of post, courier or hand delivery were exacerbated by the devastation wrought upon the publishing industry that saw the closing of publishing houses that had been in existence for decades as well as the ceasing of existing titles and the drop in the publication of new titles.

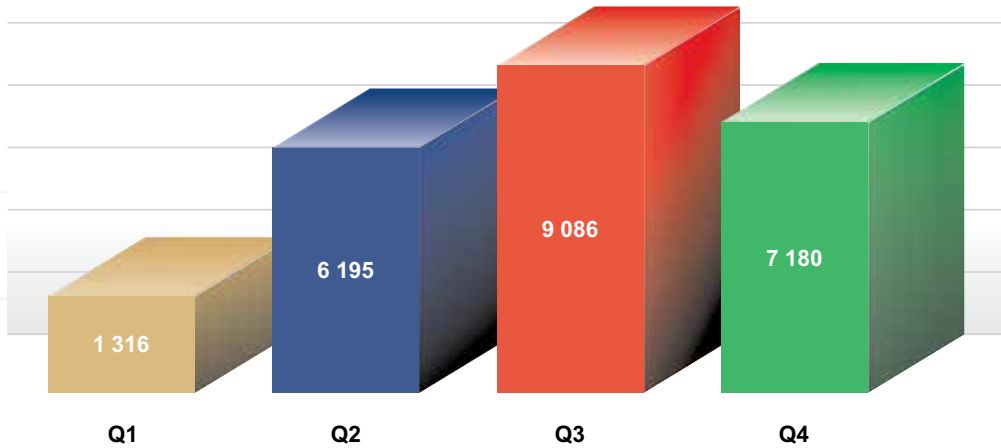
Despite the unforeseen challenges experienced during the year, the NLSA collected 5 758 non-serial publications and 23 777 serial publications. This allowed the NLSA to add 29 535 publications to the collections, thereby showcasing the literary output of our South African authors.

LEGAL DEPOSIT AND MONOGRAPH RECEIPTS FROM APRIL 2020 to MARCH 2021



LEGAL DEPOSIT SERIAL RECEIPTS FROM APRIL 2020 to MARCH 2021

Legal Deposit Serial Receipts



In the leadership role that the NLSA plays in the sector, the NLSA received 14 students from the University of Western Cape to complete fieldwork training at the NLSA between November and December 2020.

3. SOUTH AFRICAN NATIONAL BIBLIOGRAPHIC (SANB)

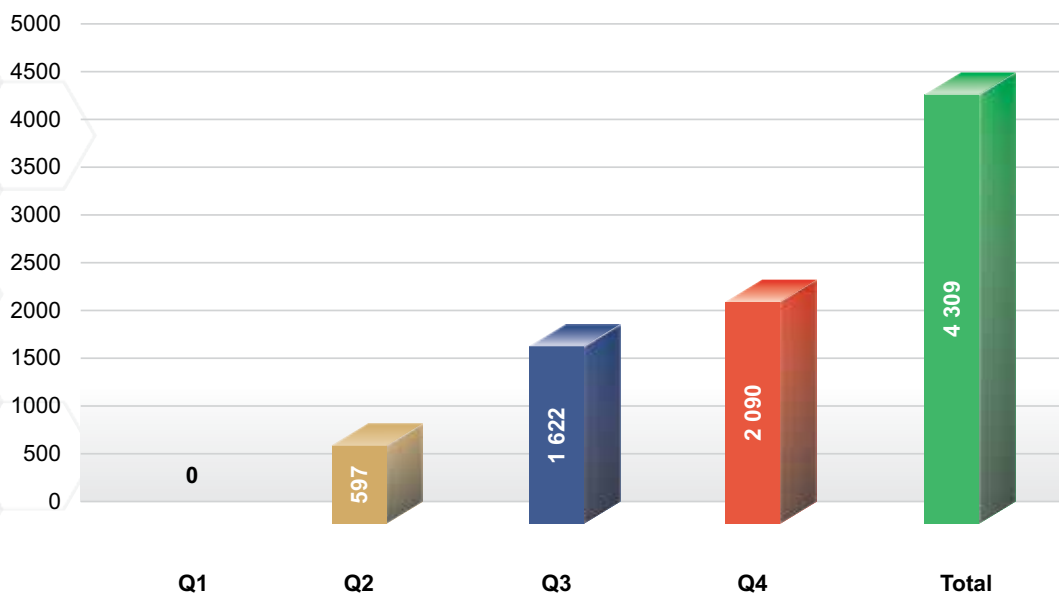
The NLSA is a leading institution of cataloguing in South Africa.

According to the National Library of South Africa Act, No. 92 of 1998, the SANB sub-unit exists to:

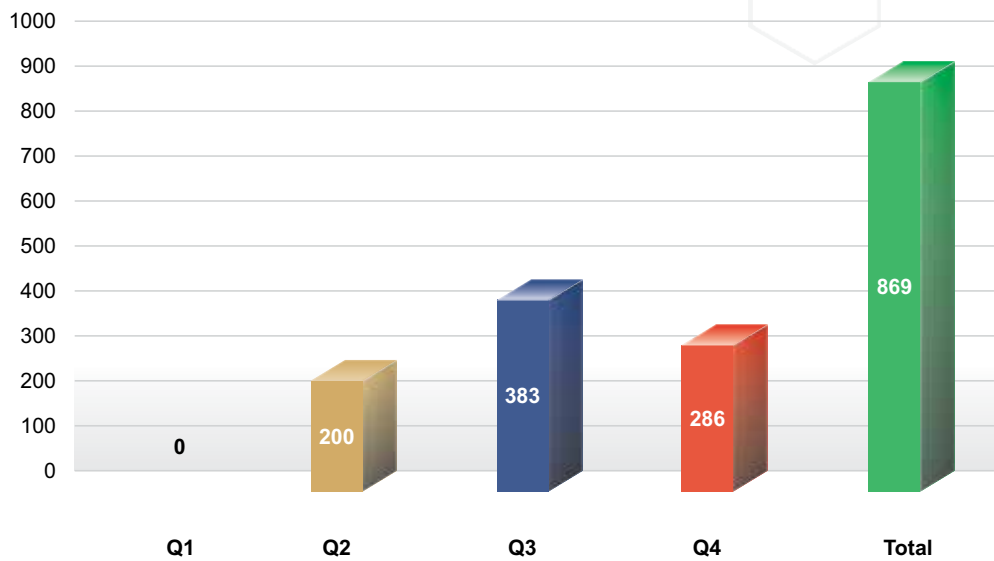
- Render a national bibliographic service
- Create bibliographic records to international standards thereby promoting Universal Bibliographic Control (UBC) by adding our records to OCLC's WorldShare Management Services (WMS) database, thereby providing access to the NLSA's collections

In the year under review, 54 534 records were updated in the staging file and 5 178 were catalogued. As a Name Authority Cooperative (NACO) participant, the sub-unit added 865 personal names, 158 corporate names, 106 uniform titles and 33 series records to the WMS database.

Original cataloguing of legal deposit material



Copy cataloguing of legal deposit material



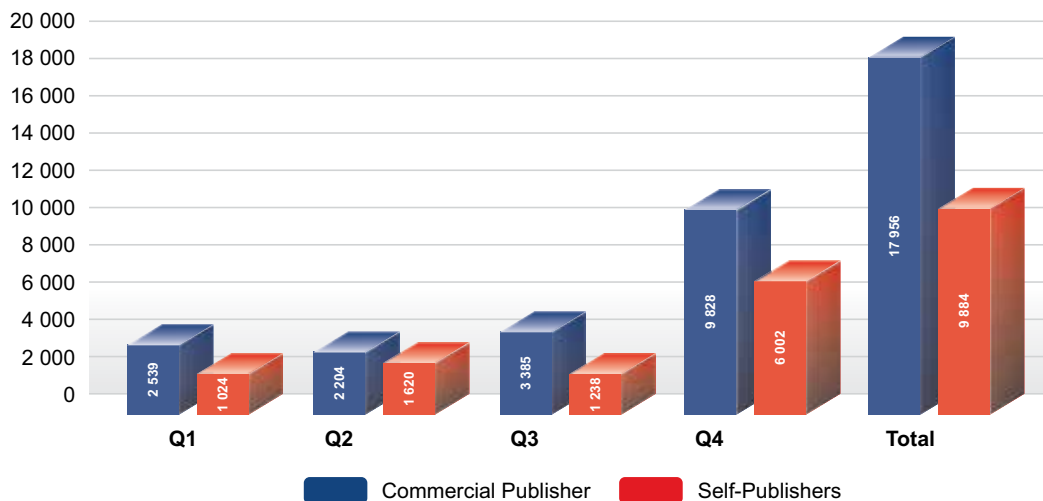
4. RESOURCE DESCRIPTION ACCESS (RDA)

RDA training was offered via Zoom to delegates from different libraries in the Limpopo Province. Delegates represent the following districts: Waterberg, Capricorn, Tzaneen and Vhembe. A total of 93 delegates attended the RDA training in the year under review. The training shared cataloguing standards AACR2, RDA and RDA Toolkit demonstrations with delegates.

5. INTERNATIONAL STANDARD NUMBER (ISN) AGENCY

The South African ISN Agency is located at the NLSA's Pretoria Campus. It serves as the national point for the provision of International Standard Numbers. The Agency serves both the commercial and self-publishing industry. Of the 27 840 ISBNs allocated, 17 956 ISBNs were allocated to commercial publishers, and 9884 were allocated to self-publishers.

ISBN Issued



6. PERIODICALS

Challenges were experienced in the publishing industry during the year under review leading to titles including *Move*, *Bona*, *Men's Health*, *Women's Health*, *Bicycling*, and *Runner's World* being discontinued and Drum magazine migrating to a digital format. In advancing access to information, the NLSA subscribed to Pressreader to provide users with access to serial publications.

WORKSHOPS AND EXHIBITIONS

During the year under review, workshops and exhibitions were held to promote legal deposit material on the Pretoria and/or Cape Town Campuses.

PRESERVATION AND CONSERVATION SERVICES

The National Library of South Africa acts as the national preservation library and, as such plays a leadership role in the South African Library and Information sector. The Preservation and Conservation Services sub-programme preserves and optimally maintains the NLSA's collections, to secure current and long-term survival and accessibility of the physical form and informational content of collections.

The task of Preservation and Conservation Services is to ensure that the NLSA maintains and develops world-class in-house Preservation Policies and Practices, and a national preservation function capable of providing preservation and conservation services on a national level. Preservation Policy formulation includes preservation awareness, the physical environment, physical care of collections, guidelines for conservation, disaster planning and recovery.

Preservation and Conservation Services consists of four units represented on the Pretoria and Cape Town Campuses, namely: Conservation, Digitisation, De-Acidification and Stack Management. The NLSA's De-Acidification plant is situated at the Pretoria Campus.

Book Binding and Repairs

One of the ways of preserving our documentary heritage is through book bindery. This consists of repairing books and other documents that are slightly damaged, fragile or brittle; strengthening paperbacks to increase their life span.

Conservation and Maintenance of Collections

To safeguard the collections in the library, materials are continuously disinfected and deacidified using preservation techniques. During the year under review, 5878 books and other library items were conserved using different conservation and repair techniques. In addition, 7908 items were deacidified.

Digitisation

The NLSA has also embarked on digitising the collection for the purpose of preservation and to enable digital access. Digitisation protects against losing the documentary heritage due to the physical collection becoming brittle and deteriorating.

Digitised material allows users to access the documentary heritage from anywhere, at any time and on any device. This enables the NLSA to expand access to the collection and to reach users remotely.

The NLSA had the privilege of receiving a grant through the Presidential Employment Stimulus Package (PESP) late in 2020. The grant allowed the NLSA to implement a digitisation project, enabling the creation of 164 short term employment opportunities. Through the Project, the NLSA was able to advance the digitisation of collections namely, the Black Press newspapers (Black-owned and authored newspapers in indigenous languages), posters and postcard collections.

Interns recruited through the Project were trained to scan the collection, insert metadata and to upload the content, and binding of NLSA collections which assists in organising, ordering and preventing the loss of the periodical collections.

PROGRAMME 3:*Public Engagement***DEPARTMENT:
INFORMATION ACCESS
SERVICES****PURPOSE**

Information Access Services (IAS) ensures universal access to information. IAS ensures that documentary resources of national significance relating to South Africa and South African people, and significant non-South African material collected and preserved, are made accessible to the public. This is achieved through access at the NLSA's Campuses or collaborative arrangements with other libraries and information providers.

The Department promotes a strong national focus in all that is done by co-operating with those who share the NLSA's goals in support of learning, creative and intellectual endeavours and contributing to the continuing vitality of South Africa's diverse culture and heritage.

STRATEGIC PRIORITIES

- Promote optimal access to published documents, nationally and internationally.
- To provide comprehensive reference and research information services to users nationally and internationally.
- To provide adequate access to collections through retrieval and reproduction within the bounds of copyright.
- To promote awareness and appreciation of the nationally published documentary heritage.
- To promote information awareness and information literacy.

REFERENCE AND READER SERVICES

The NLSA's Reading Rooms are central for users who need access to a physical library as researchers and library users frequent daily the Reading Rooms.. The unprecedented Coronavirus pandemic and the resurgence thereof directly impacted the NLSA's operations reliant on physical access to the NLSA's

Campuses. This invariably meant that the numbers for visitors and users who use the computer facilities, Reading and Reference Rooms had significantly dropped in response to the National Lockdown. However, the NLSA continued to provide remote assistance to users through e-services, telephone, WhatsApp and email.

The Reading Rooms are manned by Librarians who ensure that the Library users gain access to deposited and other information resources. During the year under review, the Reading Rooms were visited by 13 817 visitors. While the need for online, or digital material is growing, the NLSA's collections are not all available online, and COVID-19 has impacted physical access to the NLSA and the printing of materials. The NLSA has therefore, during the year under review implemented a Fast-Pick-Up service allowing users to request information, the Librarians prepare it and the user is notified when to collect the material.

Albeit the scourge of COVID-19, the Librarians continued to offer optimum services to our users through our Ask-A-Librarian chat service. The NLSA's Librarians have been available to engage with users about their research queries. Over the past year, the Reading Rooms division had resolved over 3 300 reference queries and over 21 860 items were consulted and accessed on-site by visitors consisting of researchers from higher education institutions, post graduate students, undergraduate students, journalists, and readers. The widely used collections include periodicals, special collections and government publications.

Over the past year, the volume of interlibrary loan services rendered had decreased. A decrease of just under 60%, as compared to the previous year, was experienced. This can be attributed to COVID-19 and the inaccessibility of institutions during the peak of the pandemic.

To provide information as widely as possible, the NLSA promoted links to databases that could be accessed remotely, cognisant of copyright and licensed electronic content.

SPECIAL COLLECTIONS

The Special Collections section of the IAS Department is one of the treasure chests of the NLSA. This section facilitates access to the invaluable documentary heritage resources held at the NLSA. The section works closely with the Preservation and Conservation Services Department to ensure access to and enhanced usage of the collections. This closed access unit with a Reading Room provides a much needed and ideal study area for anyone wanting to

consult the immense richness of the NLSA's special collections, particularly its rare books, manuscripts, iconographic material, and maps.

The NLSA acquired the 15 original slave certificates and one other document from the funding made available by the Rowland and Leta Hill Trust. The NLSA submitted an application to the Trust to purchase these certificates.

CENTRE FOR THE BOOK

The purpose and mandate of the NLSA's outreach unit, the Centre for the Book at the National Library, is to promote, develop and advance a culture of reading, writing, and publishing in all official languages and encourage easy access to books for all.

This mandate is achieved through four sub-programmes, namely:



The NLSA, through its outreach unit Centre for the Book, is committed to deepening engagement with the public we serve and continues to work collaboratively with public libraries and other institutions. The Centre for the Book is the NLSA's outreach programme with

the objective to encourage reading, writing, and publishing in South Africa. During the year under review, community engagement was mainly virtual following COVID-19 national lockdown regulations.

To mark World Book Day on 23 April, the NLSA issued an online statement from the National Librarian and CEO. He articulated the renewal for the love of books in the time of a global pandemic. The National Librarian and CEO was interviewed on national television news stations, to reignite the passion to read books.

We celebrated Youth Month in June by showcasing recipients of the Community Publishing Grant (CPG). Young people who are beneficiaries of this grant were given an opportunity to explain the journey to self-publish their works on the NLSA's social media platforms and promote the books that they have written. The CPG is a grant awarded to aspiring writers to support them to self-publish. The NLSA awarded 10 grants for the financial year 2019/2021. Among the recipients of the grant is a visually impaired author.

In partnership with the Department of Correctional Services, Provincial Libraries and Language Services and George Municipality, the NLSA commemorated the Funda Mzantsi Championship virtually in September. This popular championship was not held in its original format due to the advent of COVID-19. The Funda Mzantsi Championship is a significant event that attracts over 100 book clubs that compete in the official South African languages into four categories: impromptu reading, book reviews, debate, and spelling-bee. Moreover, the championship is geared towards elevating the use of indigenous languages.

On 24 November 2020, the NLSA, under the auspices of the Provincial Department of Culture, Sport, and Recreation in Mpumalanga, hosted a Living Legends

Celebration to honour Dr G.A. Malindzisa (posthumously), Dr J.J. Thwala, Mr A.T. Fakude, Mrs E.S Mathunjwa and Prof J.P. Shongwe for their contribution to South African literature. These legends have left an indelible mark on the NLSA, insomuch that their books are part of the Reprint of South African Classics Project. Timeless classics such as Hawu Babe by Dr Malindzisa, Prof Shongwe's Bangani, Lidvume Laphangalala written by Mrs Mathunjwa, Umkhunsu by Dr Thwala and Mr Fakude's Labhoboka Litfumba, are among the titles reprinted to elevate reading and writing in indigenous languages.

Linking Performance with Budgets

It is a pleasure to report that the financial resources allocated to NLSA during the 2020/21 financial year have been spent as initially intended. The reported adverse variances between budget and the actuals under administration result from under-allocation of municipal services. This variance remains outstanding as of year-end due to the unavailability of funding for this expense.

Programme/Activity/ Objective	2020/2021			2019/2020		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	64 830	68 369	(3 539)	62 898	61 804	1 094
Business Development	26 638	24 787	1 851	27 126	26 532	593
Public Engagements	17 280	18 394	(1 114)	18 345	17 414	932
Total	108 748	111 550	(2 802)	108 369	105 751	2 618

Revenue collection

The Other Income and Investment Revenue are approximately 3% of the total revenue. NLSA puts some efforts in supplementing the subsidy received from the Department of Arts & Culture through self-generated income and interest earned from bank accounts.

Sources of Revenue	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Other Income	890	3 849	(2 959)	2500	2 423	77
Investment Income	-	1 004	(1 004)	-	1490	(1 490)
Total	890	4 853	3 963	2 500	4 063	(1 413)

Capital Investment

Capital Works

NLSA had a budget of R54.7 million for Facilities Management Projects. A total of R6.4 million was spent during the 2020/21 financial year on maintenance projects at the Pretoria Campus. The NLSA has concluded the development of the facilities implementation plan based on the condition assessment done. The available funds will be used to fund the implementation.

Infrastructure Projects	2020/2021			2019/20		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Capital Works Project	54 705	6 424	48 281	48 554	6 200	42 354
Total	54 705	6 424	48 281	48 554	6 200	42 354

ANNUAL PERFORMANCE INFORMATION 2020/21

Prior to Adjustments

ANNUAL PERFORMANCE INFORMATION BY PROGRAMME

1. PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 until date of re-tabling	Deviation from Planned target to Actual Achievement 2020/21	Reasons for deviations	Reason for revisions to the Outputs/Output indicators/Annual Targets
Improved level of corporate governance and well-governed institution	Revenue strategy	% Increase in revenue and/or sponsorship generated	New target	New target	5%	0%	(5%)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	The impact of the COVID- 19 pandemic on South Africa's economy to date has been devastating. The full effect of the pandemic on the economy of the country can presently not be fully comprehended. This situation is further exacerbated by South Africa downgraded to junk bond status. The decrease in the repo rate will affect the interest earned through investments. These events will affect the NLSA's fundraising and revenue generation initiatives and therefore, the fundraising and revenue generation targets have been revised for the MTEF period. The 2020/21 target of 2.5% amounts to R2 325 150. We expect business to cut their Corporate Social Responsibility due to lower GDP projections as per National Treasury and Reserve Bank projections.
Effective decision making processes aligned to modernisation of practices, processes and systems	Updated Policy Register	Number of policies developed, reviewed and/or updated	New target	New target	23 Policies developed, reviewed and/or updated	15	(8)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	The NLSA has a large number of policies needing to be developed and/or reviewed which has resulted in Audit Findings. The emphasis has been placed on eliminating the backlog in the 2020/21 financial year. This has led to an increase in the number of policies developed and/or reviewed in each Quarter being revised/ adjusted upwards to address the backlog.

2. PROGRAMME 2: BUSINESS DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement until date of re-tabling 2020/2021	Deviation from Planned target to 2020/21	Reasons for deviations	Reason for revisions to the Outputs/Output indicators/Annual Targets
Updated and complete register of the national documentary heritage collection	Compliance with GRAP 103 Standard	Number of publications received through legal deposit	30 135	54 083	30 000	1 335	(28 665)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets.	The target for the first half of the year has been affected by the NLSA not receiving legal deposit material. While e-publications are being received, they account for a small percentage of legal deposit receipts. The publishing sector has been negatively affected by the current economic situation with publishing houses closing or discontinuing their publications.
	Pre-served and conserved documentary heritage collection	Number of items repaired and bound	4 109	5 900	15 000	0	(15 000)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	The Preservation and Conservation Services department requires staff to be physically on-site. The restrictions
		Number of items de-acidified	3 995	0	12 000	0	(12 000)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	Services in Preservation and Conservation Services require staff to be on-site. The restrictions during the national lockdown prevented utilising staff to their full potential. Rendering of de-acidification services have been hampered by imported chemicals which are currently held by customs.
	Improved digital access to the documentary heritage collection	Number of heritage items digitised	37 855	32 989	39 000	29	(38 971)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	Services in Preservation and Conservation Services require staff to be on-site. The restrictions during the national lockdown prevented utilising staff to their full potential during the first and second quarter. Extension of the lockdown made this target not to be achieved as planned in the current financial year.

3. PROGRAMME 3: PUBLIC ENGAGEMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 until date of re-tabling	Deviation from Planned target to 2020/21	Reasons for deviations	Reason for revisions to the Outputs/Output indicators/Annual Targets
Increased level of knowledge through accessing the documentary heritage collection	Increased levels of reading, writing and publishing in all official languages	Number of reading promotion events organised nationally	15	14	15	2	(13)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	The annual target was revised due to the impact of COVID-19 on the performance environment of the NLSA. The Funda Mzansi Championship was deferred to 2021/22. The Championship is held annually during the September school holidays. With the disruption in the school year and revision of the school calendar, it will not be feasible to host the Championship in the current financial year.
		Number of books published through the Community Publishing Grant	New target	New target	10	0	(10)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	The Centre for the Book has a backlog of manuscripts to be printed from awardees of the Community Publishing Grant. Emphasis has been placed on eliminating this backlog in the 2020/21 financial year. The additional budget needed for this has been confirmed from the Conditional Grant for Public Libraries. The targets for 2020/21 have been revised to accommodate the manuscripts in the backlog.
Skilled information literate users	Skilled information literate users	Number of Information Literacy Training Sessions conducted (on demand/planned)	New target	New target	16	3	(13)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	Information Literacy training is traditionally conducted with users physically in the NLSA. The Programme has, however, initiated on-line information literacy training in Quarter One. A combination of online and physical training will be used to meet the adjusted target during 2020/21.
		Number of information items retrieved	New target	New target	100 000	6	(994 000)	Target was not achieved due to re-tabling of the Annual Performance Plan with the adjusted annual targets	This target is dependent on users physically visiting the NLSA. During the first half of the year, during the National Lockdown, while users were able to request information online, only material that has been digitised and which was within Copyright, could be provided. This target has therefore been adjusted downwards.

ANNUAL PERFORMANCE INFORMATION 2020/21

Post Adjustments

ANNUAL PERFORMANCE INFORMATION BY PROGRAMME

1. PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
Improved level of corporate governance and well governed institution	Revenue strategy	% Increase in revenue and/ or sponsorship generated	New target	New target	2.5%	5%	2.5%	Target exceeded due to the income raised from the R3 million administration fee charged for the Presidential Employment Stimulus Project and interests earned from investment accounts to the value of R915 000.
	Declaration of interests	% Compliance of financial disclosures by all members of staff and Board of Directors	New target	New target	100% Compliance	99% Compliance	(1%)	Target not achieved as all NLSA staff members declared their interests and 8 of the 9 Board members declared their financial interests.
	Implemented internal audit plan	% Completion of the approved Internal Audit Plan	New target	New target	100% Completion of the approved Internal Audit Plan	67% Of the planned internal audits were completed	(33%)	Target not achieved due to the delay in completing the following remaining audits on the approved internal audit plan: <ul style="list-style-type: none"> • HR Audit • Supply Chain Management audit
	Compliance with National Treasury laws and regulations	Number of valid invoices not paid within 30 days	New target	New target	100% Compliance	100% Compliance	0	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
	Completed and updated Fixed Asset and heritage Asset registers	Number of Asset (fixed and/or heritage) Verification Reviews conducted and completed	New target	New target	Annual physical assets verification reports	Interim and Annual physical assets verification reports finalised	0	N/A
Effective decision making processes aligned to modernisation of practices, processes and systems	Updated Policy Register	Number of policies developed, reviewed and/or updated	New target	New target	49 Policies developed, reviewed and/or updated	57 Policies developed, reviewed and/or updated	8	Target exceeded due to the review of outdated policies highlighted by the AGSA and the development of new policies that were not in place.
Increased assets life span through preventative management and maintenance of NLSA facilities	Approved maintenance plan implemented	% Of planned maintenance projects completed	New target	New target	95%	0%	(95%)	Target not achieved due to the late completion of the Condition Assessment in November 2020; this delayed the finalisation of the maintenance plan and the implementation thereof.
Improved compliance with OHSA framework and reporting requirements	100% compliance with OHSA	% of Compliance with OHSA requirements	New target	New target	95% Compliance	75% Compliance	(25% Compliance)	Target not achieved due to the delay in the appointment of Health and Safety representatives and the establishment of the Health and Safety Committee.
Improved performance of Conditional Grant against the budget	Implementation and monitoring of conditional grant business plans	% Targets achieved as per approved Conditional Grants Business Plans (Financial and Non-Financial)	New target	New target	100%	40%	(60%)	Target not achieved due to the following: <ul style="list-style-type: none"> • Appointment of a pool of publishers was deferred to the 2021/22 financial year. • The re-stocking of the Classics and the Community Publishing Programme were delayed due to publishers sorting out copyright

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
Technologic-ally advanced institution maintained through modern increased reliability and availability of ICT services and systems to staff, clients and stakeholders	Modernised, reliable and available ICT services and equipment	% Reliability of network systems	97.5%	100%	95%	98.9%	3.9%	<ul style="list-style-type: none"> The implementation of the ICT plan pending consultations with the provinces. Delaying in filling Conditional Grant funded posts.
Improved visibility and well informed clients and stakeholders	A visible institution and well informed clients and stakeholders	Number of NLSA brand visibility interventions and/or events, activities and engagements	New target	New target	25	25	0	Target exceeded due to regular monitoring of the network systems.
Effective HR management processes, practice development, implemented and maintained to position the NLSA as high performing, people-centred organisation and an employer of choice	Certified employer of choice	% of Approved HR Strategy implemented	New target	New target	50%	50%	0	N/A

2. PROGRAMME 2: BUSINESS DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
Updated and complete register of the national documentary heritage collection	Compliance with GRAP 103 Standard	Number of publications received through legal deposit	30 135	54 083	15 000	29 535	14 535	Target exceeded due to materials that were held up by the Post Office and courier services were delivered; as a result, the revised target was exceeded.
		Number of workshops held to promote Legal Deposit of monograph and serial publications	New target	New target	4	11	7	Target exceeded due to the increased demand for on-line workshops.
	Preserved and conserved documentary heritage collection	Number of exhibitions held to promote Legal Deposit of monograph and serial publications	New target	New target	12	9	(3)	Target not achieved as most of the exhibitions planned were physical displays.
		Number of items repaired and bound	4 109	5 900	3 250	5 102	1 852	Target exceeded due to the additional assistance received from the appointed book-binding contract workers through the Presidential Employment Stimulus Project.
Improved digital access to the documentary heritage collection	Number of items de-acidified	Number of items de-acidified	3 995	0	7 500	7 908	408	Target exceeded due to the utilisation of the hand spray method to de-acidify collections.
		Number of heritage items digitised	37 855	32 989	6 000	6 677	677	Target exceeded due to the Lockdown restrictions being lifted and normal operations resuming.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
Research, innovation and knowledge management	Increased visibility of the NLSA, research output and new knowledge sharing	Number of articles, papers and posters presented and/or published	New target	New target	10	10	0	N/A
	Capacitated Research and Innovation Unit	Establishment of a functional Research and Innovation Unit	New target	New target	Unit established	Functional Research and Innovation Unit established	0	N/A
	Capacitated Research and Innovation Unit	Number of editions of the NLSA's accredited journal published	New target	New target	2	2	0	N/A
	Capacitated Research and Innovation Unit	Number of innovation services initiated and implemented	New target	New target	1	2	1	The target was exceeded due to the development of the on-line COVID-19 registration form for NLSA users and staff.

3. PROGRAMME 3: PUBLIC ENGAGEMENT


Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
Increased level of knowledge through accessing the documentary heritage collection	Increased levels of reading, writing and publishing in all official languages	Number of reading promotion events organised nationally	15	14	14	15	1	Target exceeded due to the invitation for the NLSA to collaborate with the DSAC in the hosting of the International Mother Language Day at Ditsong Museum on 19 February 2021.
		Number of National Reading Summits	New target	New target	1	1	0	N/A
Increased level of knowledge through accessing the documentary heritage collection	Skilled information literate users	Number of books published through the Community Publishing Grant	New target	New target	69	33	(36)	Target not achieved due to the delays in the appointment of a panel of publishers. Centre for the Book used the RFQ process to appoint editors, designers, and printers to publish the manuscripts. This process is lengthy and allowed for the production of 33 of the 69 manuscripts during the financial year.
		Number of Book Club Establishment Workshops hosted	New target	New target	9	9	0	N/A
Inter-lending Guides	Inter-lending Guides	Number of Information Literacy Training Sessions conducted (on demand/ planned)	New target	New target	15	18	3	Target exceeded, due to the demand for training, support, and guidance by the NLSA to provincial Libraries and the Department of Basic Education libraries in response to the Pandemic. The training was on the Guidelines of Reopening Libraries during the Pandemic.
		Number of Guides distributed to libraries	New target	New target	4	4	0	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned target to Actual Achievement	Reasons for deviations
		Number of information items retrieved	New target	New target	20 000	21 860	1 860	Target exceeded due to lockdown regulations being lifted and the subsequent reopening of the NLSA and its services to the public. The reopening of the NLSA had a positive impact on the number of items retrieved for users.





PART C: GOVERNANCE



The NLSA offers a professional service to the Department of Sport, Arts and Culture to enhance service delivery in public and community libraries and to build capacity through training and development. The Grant aims to ensure improved co-operation, collaboration and active participation within the Library and Information Services (LIS) sector in terms of resource sharing and access to knowledge and information resources.

Capacity development programmes 1

- Disaster management training
- Resource Description Access (RDA) workshops
- Promotion of legal deposit and ISBNs
- ICT support to libraries
- Research mentorship
- Promotion of reading, writing and publishing

Partnerships 2

- Department of Basic Education for the roll out of CAPs to 27 schools
- UKS to train librarians and library assistants in 6 provinces
- Telkom Foundation to host internship programmes in Gauteng and Mpumalanga



**CONDITIONAL
GRANT FOR
COMMUNITY
LIBRARIES**

Corporate Governance

The NLSA Board of Directors provides strategic oversight in terms of Section 4(1), read with 4(3) of the NLSA Act 82 of 1998 to ensure that the NLSA fulfills its organisational objectives through adoption and implementation of leading governance principles. The NLSA Board's governance is premised on transparency, accountability, responsiveness, openness and, more importantly, within the principles of ethical leadership conferred to the Board in terms of the enabling legislation and public policy. The Board provides strategic oversight and ensures that the entity is both operationally sound and financially stable.

Furthermore, the Board also assures all services concerning legislative compliance and best practices, including accountable leadership within the NLSA. Management is accountable to the Executive Authority through quarterly Management meetings mandated by the Board and Committee Charters. Moreover, the entity discharges its responsibilities assigned to it in terms of enabling statute, policies, rules, regulations and public policy prescripts. The NLSA's Board successfully carried out its functions as outlined in the NLSA Act during the year under review. The Board's most substantial influence in the NLSA's corporate governance derived from the King IV Report with due emphasis on ethical leadership, integrated thinking and integrated reporting was evident during the year under review.

The NLSA's Philosophy of Board and its sub-committees

The Board operates intimately through its five sub-committees which reports to the Board quarterly. These sub-committees are:

- Human Resource and Remuneration Committee (HRREMCO) presiding over all Human Capital matters.
- Research and Knowledge Management Committee (RKMC) advising the Board on the functions of the Core Programmes as articulated in the NLSA Act.
- Finance, Fundraising and Marketing Committee (FFMC) assists the Board in fulfilling its oversight responsibilities relating to fiscal management, fundraising, and marketing initiatives.
- Information, Communications and Technology Strategy (ICTS) Committee assists the Board in discharging its duty to oversee the establishment of appropriate ICT policies and strategies that provide the organisation with the capability to achieve its short and long-term business objectives within the technology ambit.
- Audit and Risk Committee (ARC) operates independently to safeguard the NLSA's assets and ensure that adequate systems and control processes are in place and that accurate and timely financial reports and statements are prepared by Management in compliance with all applicable legal requirements and accounting standards.

The NLSA's Accounting Authority

The NLSA's accounting authority is vested in its Board of Directors as appointed by the Minister of Sport, Arts and Culture for a five-year fixed term. The duties and responsibilities of the NLSA Board are encompassed in the enabling legislation being the NLSA Act, No. 82 of 1998. In summary, the responsibilities of the Board are listed as follows:

- Provide oversight for all activities that advance the NLSA's effectiveness and sustainability
- Ensure prudent use of all assets, including facilities and human resources
- Ensure that the NLSA obeys applicable laws and following ethical practices
- Develop annual performance plans as per strategic positions undertaken
- Approve policies in the best interests of the NLSA with due regard to the interests of stakeholders, laws and public policy directives
- Approve and monitor the budget
- Ensure sound financial management by the Executive

The Board and Committee Charters

The Board and Committees are strictly governed by its charters developed and reviewed annually or as-and-when legislative changes, or legislative alignment, arise. The Charters of the Board and Committees are

in accordance with the King Reports on Corporate Governance. The Charters stipulate meeting procedures, the board secretary's role, remuneration of board members and the establishment of Sub-committees. The Charters as revised are also guides to the Board's strategic focus and its Sub-committees which includes, but is not limited to, the annual Board and Committee evaluations.

Board Sub-Committees

The Board Sub-Committees ensure that the Board fulfils its duties and functions efficiently without renouncing its responsibilities. Membership of Committees is in terms of expertise skills required for each Committee. The Chairpersons of each Committee prepares Committee Reports for consideration by the Board at its quarterly meetings.

The Board is therefore required to make informed decisions based on the recommendations made by respective Committees.

The Board has the following Sub-Committee, as detailed above:

- Audit and Risk Committee
- Research, Management and Knowledge Committee
- Information Communications and Technology Strategy Committee
- Finance, Fundraising and Marketing Committee
- Human Resources and Remuneration Committee

2020/2021 Board/Sub-Committee meeting attendance

Name	Date appointed	Expiry of Board Term	Board	ARC	RKMC	ICTS	HR and REMCO	FFMC
Mr TTC Dlamini (Board Chairperson)	1 Oct 2018 (Re-appointed)	30 Sept 2021	6/6	-	6/6	5/6	4/5	3/5
Dr B Mbambo-Thata (Chairperson: RKMC)	1 Oct 2018 (Re-appointed)	30 Sept 2021	5/6	-	6/6	5/6	1/5	-
Ms Lethogonolo Noge-Tungamirai	1 Oct 2018	Resigned	4/6	-	-	4/6	3/5	-
Ms Thuli Mokgele (Chairperson: FFMC)	1 Oct 2018	30 Sept 2021	4/6	4/6	-	-	-	5/5
Mr Trevor Mokeyane	1 Oct 2018	30 Sept 2021	5/6	-	5/6	4/6	-	-
Ms Keke Maudi	1 Oct 2018	30 Sept 2021	6/6	-	4/6	5/6	-	-
Ms Leah Khumalo	1 June 2020	30 Sept 2021	3/6	-	-	4/6	4/5	4/5
Ms Berenice Lue-Marais	1 Oct 2018	30 Sept 2021	5/6	5/6	-	-	-	5/5
Mr Lufuno Nematswerani (Chairperson: HR & REMCO)	1 Oct 2018	30 Sept 2021	4/6	-	-	-	4/5	-
Mr Jimmy Morakile (Independent Chairperson: ICTS)	7 Dec 2018	30 Sept 2021	6/6	-	-	6/6	-	-
Mr Kepi Madumo (CEO Ex-Officio)	1 Dec 2019	30 Nov 2024	6/6	6/6	6/6	6/6	5/5	5/5

Remuneration of Board Members

Preparation and attendance fees payable to Board members are determined by the Minister of Sport, Arts and Culture as promoted by the National Treasury. Employees of National, Provincial and Local Government, or agencies and entities of government, are not entitled to additional remuneration. The staff of the NLSA are not entitled to additional remuneration for participation in the Board and or Board Sub-Committee meetings.

The remuneration of Board members is stipulated in Section 27(3) A of the National Treasury scales classified in the Gazette. However, the rates for independent Audit and Risk Committee members differ from those of other Committee members and/or the Board. The preparation and sitting fees are paid to all members unless no preparation work was required and/or conducted for a meeting.



PART D:
HUMAN RESOURCES
MANAGEMENT

NATIONAL READING SUMMIT

The National Library of South Africa in collaboration with the National Department of Sport, Arts and Culture and UNISA hosted an inaugural National Reading Summit from 24 to 26 March 2021. The virtual Summit under the theme, *Strengthening the Reading Ecosystem* deliberated on inculcating a culture of reading in South Africa



Stats



434

Registered delegates



15

Exhibitors



119

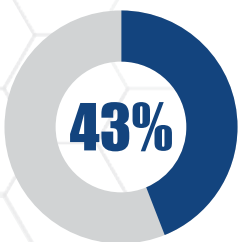
Visitors to the virtual exhibition



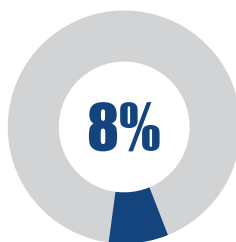
39

Presenters

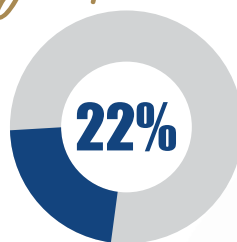
Delegates joined



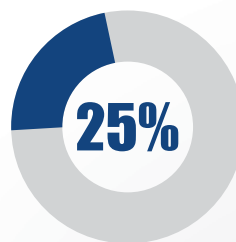
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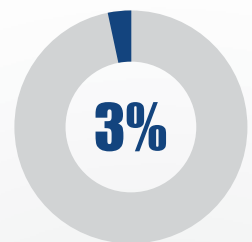
Institution



Library



Office



On the road

*65 delegates completed the survey

802



Website Visitors

105



App downloaded

Several thematic areas emerged during the Summit:

- Disruptive change and the need to ensure continued access to information during times of change.
- National initiatives and the need to ensure that children have access to, and own books and reading material according to their preference
- Capacity building and the need to ensure enhanced collaboration between role players and stakeholders
- The need to build capacity through the adoption of strategies addressing the Fourth Industrial Revolution
- Reading ecosystem initiatives and the need for closer co-operation between the reading ecosystem and academic institutions to ensure the improved academic performance of students
- Reading ecosystem innovations and the need to incorporate novel approaches towards enhancing literacy such as social media platforms

Major DISCUSSION POINTS



Introduction

The Human Resources Management Department works towards developing a high performing culture by implementing policies and procedures that support organisational effectiveness and compliance with all legislative requirements.

The achievement of the NLSA's strategic objectives set out for the next five years, require a different Human Capital Management Division with service offerings targeted at adding value and enabling the NLSA to increase its value through people. While progress has been made in many areas in the year under review, particularly in policy development, the work of HRM needs to shift further along the continuum from administrative processing to being a trusted strategic partner to Management, employees and the Board.

Performance Management

Management moved to the Balanced Scorecard Performance Management System.

Human Resources Management will improve the Performance Management System by rolling out the Balanced Scorecard System to levels below that of Management.

Migration from the Manual Performance Management System to an Online System will be implemented in the next financial year.

Policy Development

The NLSA's Human Resources policies and procedures are reviewed every three years or as-and-when needed to align them with legislative and regulatory changes, environmental changes and the NLSA's Strategic Plan.

The NLSA's policy reviews provide a continued and improved framework within which Human Resources Management practices are managed.

The NLSA policy reviews are driven by achieving organisational excellence through exemplary Human Resource Management best practices concerning organisational corporate governance and strategic Human Resources Management.

Recognition

The average term of employment at the NLSA is 17 years. Three employees have been in the employ of the NLSA for 30 years. The NLSA paid R 91 000.00 in Long Services Awards to employees in recognition of their dedication and commitment in the year under review.

Employee Wellbeing

The year under review was a challenging year due to COVID-19 disruptions and employees working remotely. Human Resources Management developed a Remote Working Framework to ensure business continuity and employee productivity during remote working.

The NLSA was also affected by the pandemic, with 8 employees contracting COVID-19 during the financial year. Our wellness partner was able to assist in managing the well-being of our employees during this difficult period.

Organisational Design

The organisational redesign is critical to ensure that the NLSA has the correct structure and capabilities to achieve its strategic objectives. The organisational structure review will determine whether the NLSA is adequately structured for optimisation, lean business processes and the required human capital needs.

This project will ensure that the NLSA has an optimised organisational structure for its management and business units' functions based on best practices and benchmarking geared towards achieving strategic goals.

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)
Administration	89 098	28 776	32	50	535.52
Business Development	24 787	21 019	85	57	368.75
Community Engagement	18 394	17 799	96	40	444.97
TOTAL	132 279	67 594	51	147	459.82

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	4 290	6.3	5	1072
Senior Management	9 888	14.62	8	1236
Professional Qualified	24 768	36.64	51	485.65
Skilled	9 899	14.64	22	449.95
Semi-skilled	18 010	26.64	57	315.96
Unskilled	739	1.09	4	184.75
TOTAL	67 594	100	147	459.82

Performance Rewards

Programme/Activity/Objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost
Top Management	-	-	-
Senior Management	-	-	-
Professional Qualified	-	-	-
Skilled	-	-	-
Semi-skilled	-	-	-
Unskilled	-	-	-
TOTAL	-	-	-

Training Costs

Programme/Activity/Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg. Training Cost per Employee
Administration	28 776	229 437	39.4	19	12 075
Business Development	21 019	9615	14.22	3	3 205
Public Engagement	17 799	30 047	44.45	5	889

Employment and Vacancies

The recruitment and selection process aims to attract staff with the necessary competencies to enable the organisation to deliver on its strategic and operational priorities. The NLSA has embarked on an organisation design initiative to review the organisational structure to ensure that the NLSA is structured to optimise the functioning of its management and business units to achieve strategic goals. The organisational design process, which will be based on best practices and benchmarking, will assist in addressing the high vacancy rate.

Programme	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Administration	47	46	43	3	2.09
Business Development	58	53	52	7	4.89
Public Engagement	42	44	36	2	1.39
TOTAL	147	143	131	12	8.39

Level	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Top Management	4	3	2	2	1.39
Senior Management	7	8	6	2	1.39
Professional Qualified	31	52	46	5	3.49
Skilled	21	19	19	1	0.69
Semi-skilled	59	57	54	2	1.39
Unskilled	5	4	4	0	0
TOTAL	147	143	131	12	8.39

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	2	3	3	2
Senior Management	7	1	2	6
Professional Qualified	47	3	4	46
Skilled and Academically Qualified	20	3	4	19
Semi-skilled	55	2	3	54
Unskilled	4	0	0	4
Total	135	12	16	131

Reasons for Staff Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	3	18.37
Resignation	8	50
Dismissal	-	-
Retirement	3	18.75
Ill Health	-	-
Expiry of Contract	1	6.25
Other	1	6.25
Total	16	100

Labour Relations: Misconduct and Disciplinary Action

Employee relation is a critical component of Human Resources Management, as it ensures stability within the organisation. No formal corrective action that took place in the year under review.

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	0
TOTAL	0

Equity Target and Employment Equity Status

The NLSA will endeavour to fill the vacant positions to address the gaps identified in the Employment Equity Plan. The NLSA employed two employees living with disabilities in the year under review.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	1	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional Qualified	12	3	0	0	0	0	1	0
Skilled	5	0	1	1	0	0	3	0
Semi-skilled	21	0	7	0	0	0	1	0
Unskilled	3	0	0	0	0	0	0	0
TOTAL	46	3	8	1	1	0	5	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	0	0	0	0
Senior Management	4	0	1	0	0	0	0	0
Professional Qualified	23	0	4	6	0	0	11	0
Skilled	10	0	4	0	0	0	0	0
Semi-skilled	22	0	5	2	0	0	0	0
Unskilled	1	0	0	0	0	0	0	0
TOTAL	62	1	14	2	0	0	11	0

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	1	0	0
Senior Management	0	0	0	0
Professional Qualified	0	0	3	3
Skilled	0	2	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	2	3	3





PART E: FINANCIAL INFORMATION

Audit Committee Report

The Committee presents its report for the year ended 31 March 2021. The Audit Committee has been established in terms of section 77 of the Public Finance Management Act (PFMA), Treasury Regulation 27.1 and The Audit and Risk Committee Charter. The Committee is constituted to review the control, governance and risk management within the NLSA.

Audit Committee Responsibilities

The Audit and Risk Committee reports that it has regulated its affairs in compliance with its Charter and has discharged all its responsibilities as contained therein.

The mandate of the Audit and Risk Committee requires it to adhere to high-quality standards of

accountability, to ensure the quality of the financial reporting process, control systems and risk management, compliance with laws and regulations as well as to maintain a high degree of integrity in both external and internal audit processes.

Membership and Meeting Attendance

The Committee consisting of the members listed below should meet at least four times per annum per its approved Charter, although additional meetings may be called as the need arises. During the year under review, five Audit and Risk Committee meetings were held. The attendance of meetings is listed as follows:

Name	Audit Committee	Qualifications	Date Appointed	No. of Meetings Attended	End of Term
* Ms N Mona-Dick (Chairperson)	Independent Member	CA (SA)	Re-appointed 21 November 2018	3/6	31 March 2021 (resignation date)
Ms B Lue Marais	Board Member	MBA	21 November 2018	3/6	30 September 2021
Mr P Zonke	Independent Member	CA (SA)	21 November 2018	3/6	15 April 2021 (resignation date)
Ms T Mokgele	Board Member	CA (SA)	21 November 2018	4/6	30 September 2021
** Mr L Monama (Chairperson)	Independent	CA (SA)	1 April 2021	1/6	31 March 2024
Dr T Sethibe	Independent	PhD (IT)	1 April 2021	1/6	31 March 2024
Ms A Cilliers	Independent	CA (SA)	1 April 2021	1/6	31 March 2021

*Chairperson until 31 March 2021 **Chairperson from 1 April 2021

Effectiveness of Internal Control

The Audit and Risk Committee has reviewed the internal controls for effectiveness and adequacy. The Committee is satisfied that a system of internal controls has been put in place and that these controls have functioned effectively during the period under review.

The Committee considers the system of internal controls appropriate in all material respects to:

- reduce risks to an acceptable level;
- meet the business objectives;
- ensure assets are adequately safeguarded; and
- ensure that transactions undertaken are recorded in the accounting records.

Our assessment of internal controls is that they are adequate and effective without detracting from a

need to make improvements, taking into account the findings raised by internal and external auditors. The Committee is concerned that the matters reported in prior years were not fully and satisfactorily addressed in certain instances. There remains significant work to be finalised in the accounting for the Heritage Assets, which are still a subject of the qualification raised by the external auditors

Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the Committee will monitor these going forward.

The Committee reported no other significant or material non-compliance with prescribed policies and procedures except as reported in the audit report. Accordingly, we can report that the system of internal controls for the period under review was effective and efficient with room for improvement.

In-Year Management Quarterly Reports

The Audit and Risk Committee received and reviewed quarterly financial and performance reports. Where performances were below the Annual Performance Plan targets, management provided reasons for such under-performance and implemented plans to improve identified performance deficiencies.

Risk and Compliance Management

The Board assigned the oversight of the risk management function to the Audit and Risk Committee. The NLSA has implemented a risk management strategy, which includes the fraud prevention plan. An internal Risk Management Committee has been established and meets quarterly to consider the progress made in addressing identified risks.

The Committee has monitored the significant risks faced by the entity through reviewing risk reporting and discussions with management. The Committee received, and has evaluated in detail, the progress made in the mitigation of the top ten strategic risks.

The Committee notes the progress made towards appropriate management of risks, however areas still exist where effective mitigation should be explored, especially in the management of the Heritage Collections and the impact of the post-employment medical benefit obligation.

The Committee notes the regulatory compliance universe and the compliance assessment performed by management. There were instances of non-compliance raised by the Auditor General, these pertain to Irregular Expenditure and Heritage Assets.

Evaluation of the Financial Statements for the 2020/21 financial year

The Audit and Risk Committee reviewed the annual financial statements of the NLSA to be included in the annual report. The Committee is satisfied that the annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the PFMA.

Consequently, the Committee has:

- Confirmed, based on management's review and reasons provided, that the Annual Financial Statements were prepared on a going concern basis.

The Committee is satisfied that the NLSA will maintain its ability to continue as a going concern, for the foreseeable future.

- Reviewed and discussed the audited financial statements with the external auditors, the Chief Executive Officer and the Chief Financial Officer.
- Reviewed the external auditor's audit report and considered the accounting treatments, significant unusual transactions, the summary of uncorrected misstatements and accounting judgements contained therein.
- Met separately with the internal and external auditors without management present and considered any representations and confirmed that no material control weaknesses existed.

Internal Audit

The Committee considered and approved the internal audit charter and approved the annual work plan for the internal audit function. The internal audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across the NLSA's operations. The progress of the internal audit work against the agreed audit plan is reported to the Committee quarterly.

The internal auditors have direct access to the Committee. The Committee is also responsible for the assessment of the performance of the internal audit function.

The internal audit function is independent and has the necessary resources, budget, standing and authority within the organisation to enable it to discharge its functions. The Committee is satisfied that the

internal audit function is operating effectively, and that it has addressed the risks pertinent to the NLSA in its audits and accordingly believes that internal audit has contributed to the improvement of internal controls within the entity.

External Audit

The external audit function is performed by the Auditor-General of South Africa. The Committee has satisfied itself that the external auditor is independent of the entity. The Committee has satisfied itself that the Auditor-General of South Africa exercised its duties independently and objectively throughout the duration of the audit.

The Committee, after consultation with executive management, agreed to the engagement letter, terms, nature and scope of the external audit plan presented by the AGSA. The Committee recommended the AGSA's Audit Strategy for the 2020/21 financial year and the proposed audit fees to the Board for approval.

The AGSA has issued a qualified audit opinion based on their inability to confirm the appropriate recognition and measurement of Heritage Collections in accordance with GRAP 103. This qualification, together with the underlying reasons, were discussed with the auditors and management and the reasons were accepted by the Committee.

The Committee encourages management to put further emphasis on the implementation plans to fully comply with GRAP 103 on Heritage Assets. Management is further tasked by the Committee to address the root causes of all findings in the Auditor-General's management report.

There are no material unresolved issues raised by the AGSA. The Committee accepts the report of the Auditor-General of South Africa and recommends that it be read together with the annual financial statements.

Appreciation

The Committee acknowledges the work performed by the internal and external auditors, the executive and broad management team of the NLSA, the finance team, and the Board. The Committee wishes to thank everyone for their commitment and dedication to the task at hand and I thank my fellow committee members for their contribution.

PP 

Mr Lesetja Monama CA (SA) RA
Chairperson: Audit and Risk Committee

Report of the Auditor General

to Parliament on the National Library of South Africa

PERFORMANCE INFORMATION 2020/21

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the National Library of South Africa set out on pages 61 to 112, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the National Library of South Africa as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Heritage assets

3. I was unable to obtain sufficient appropriate audit evidence for heritage assets as required by GRAP 103, as the entity did not maintain adequate records of the heritage assets acquired prior to 1 April 2012. I was unable to confirm these heritage assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to heritage assets stated at R21 055 534 (2020: R20 374 743) as disclosed in note 9 to the financial statements.

Context for the opinion

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

Responsibilities of the accounting authority for the financial statements

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

Auditor General's responsibilities for the audit of the financial statements

9. 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.
10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
12. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

13. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2: Business Development	20 - 24

14. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Business development

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. Refer to the annual performance report on pages 28 to 37 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements and annual performance report

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 55(1)(a) and (b) of the PFMA.
21. Material misstatements of heritage assets identified by the auditors in the submitted financial statements were not corrected, which resulted in the financial statements receiving a qualified opinion.

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
27. Leadership did not ensure that action plans were adequately monitored and implemented to resolve prior year qualifications.
28. The entity was not able to produce a credible and reliable asset register to record and account for heritage assets.

Auditor - General

Pretoria

27 August 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile

South Africa

Members

Mr Themba T.C Dlamini
Mr Trevor Mokeyane
Dr Buhle Mbambo-Thata
Ms Lethlogonolo Noge-Tungamirai
Ms Thuli Mokgele
Ms Leah Khumalo
Mr Lufuno Nematswerani
Ms Keke Maudi
Ms Berenice Lue Marais
Mr Kepi Madumo (Ex Officio)

Bankers

Standard Bank of South Africa and ABSA Bank

Auditor

Auditor-General of South Africa

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the ISAE 3000

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Index

These reports and statements set indexed hereunder are presented in compliance with the requirements of South African Statements of Generally Recognised Accounting Practices (GRAP) and comprise the annual financial statements presented to the Parliament:

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National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Accounting Authority's Responsibilities and Approval

The Board of the National Library of South Africa (NLSA) 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 Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period ended. The external auditor was engaged to express an independent opinion on the annual financial statements and has unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives of such Statements issued by the Accounting Standards Board.

The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The Board is of the opinion, based on the information and explanations given by management, that the systems of internal controls provide reasonable assurance that the financial records may be relied on to prepare the annual financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute assurance against material misstatement or deficit.

The Board has reviewed the NLSA's budget forecast and, in the light of this review and the current financial position, it is satisfied that the NLSA has access to adequate resources to continue in operation for the foreseeable future.

The NLSA is primarily dependent on vote allocation and conditional grants for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Board has neither the intention nor the need to liquidate or curtail the scale of operations of the entity materially.

The annual financial statements set out on pages 61 to 112, which have been prepared on the going concern basis, were approved by the Board on 25 August 2021 and are signed on its behalf by:



Mr Kepi Madumo
National Librarian and CEO



Mr Themba T.C Dlamini
Board Chairperson

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Current Assets			
Receivables from exchange transactions	5	169 587	671 809
Prepayments	4	249 447	565 323
Cash and cash equivalents	6	150 974 070	87 495 149
		151 393 104	88 732 281
Non-Current Assets			
Property, plant and equipment	7	41 342 882	45 728 268
Intangible assets	8	3 145 254	3 145 254
Heritage assets	9	21 055 534	20 374 743
Other financial assets	10	7 200 000	6 060 000
Bequest related investments	3	2 500	2 100
		72 746 170	75 310 365
Non-Current Assets		72 746 170	75 310 365
Current Assets		151 393 104	88 732 281
Total Assets		224 139 274	164 042 646
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	19 721 168	12 195 827
Employee Benefit obligation	13	2 048 197	1 902 609
Conditional grant obligation	14	109 862 930	75 750 055
Provisions	16	4 140 466	3 759 891
Principal funds obligation	15	24 601 182	-
		160 373 943	93 608 382
Non-Current Liabilities			
Operating lease liability	12	1 315 655	1 294 870
Employee benefit obligation	13	34 069 580	30 013 980
		35 385 235	31 308 850
Non-Current Liabilities		35 385 235	31 308 850
Current Liabilities		160 373 943	93 608 382
Total Liabilities		195 759 178	124 917 232
Assets		224 139 274	164 042 646
Liabilities		(195 759 178)	(124 917 232)
Net Assets		28 380 096	39 125 414
Reserves			
Non distributable reserves		12 522 025	11 841 234
Accumulated surplus		15 858 069	27 284 176
Total Net Assets		28 380 094	39 125 410

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020
Revenue			
Revenue from exchange transactions			
Other income	19	3 848 952	2 422 868
Interest received - investment	24	1 003 799	1 489 893
Fair value adjustments		1 140 400	-
Actuarial gains		-	5 960 115
Total revenue from exchange transactions		5 993 151	9 872 876
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	20	102 747 000	104 869 000
Gains from legal deposits	18	680 791	1 410 969
Service in-kind income	29	16 025 402	18 067 798
Donations		-	160 000
Conditional grant income realised	19	28 058 296	33 826 517
Total revenue from non-exchange transactions		147 511 489	158 334 284
		5 993 151	9 872 876
		147 511 489	158 334 284
Total revenue	17	153 504 640	168 207 160
Expenditure			
Employee costs	23	(80 194 666)	(74 966 139)
Depreciation and amortisation	7	(5 476 623)	(5 271 411)
Finance costs		(3 423 443)	(3 370 088)
Rentals	28	(27 768 234)	(30 203 290)
Debt Impairment(Bad debt recovered)		-	6 679
Loss on disposal of assets		(88 746)	(187 234)
Loss on foreign exchange		(24 273)	(3 311)
Fair value adjustments		-	(769 500)
Actuarial losses		(2 051 596)	-
General expenses	21	(19 584 110)	(23 348 459)
Audit fees	25	(2 613 389)	(2 980 192)
Contracts and consulting and professional services	26	(12 198 285)	(14 996 421)
Subscriptions and licenses	27	(6 847 036)	(5 192 247)
Repairs and maintenance		(3 979 557)	(4 034 650)
Total expenditure		(164 249 958)	(165 316 263)
Total revenue		153 504 640	168 207 160
Total expenditure		(164 249 958)	(165 316 263)
Operating surplus/deficit		-	-
(Deficit) surplus before taxation		(10 745 318)	2 890 897
Taxation		-	-
(Deficit) surplus for the year		(10 745 318)	2 890 897

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Net Assets

Figures in Rand	Non distributable reserve	Accumulated surplus	Total net assets
Balance at 01 April 2019	10 430 265	25 804 248	36 234 513
Changes in net assets			
Restated surplus/(deficit) for the year	-	2 890 897	2 890 897
Transfer of gains from legal deposit	1 410 969	(1 410 969)	-
Total changes	1 410 969	1 479 928	2 890 897
Balance at 01 April 2020	11 841 234	27 284 178	39 125 412
Changes in net assets			
(Deficit)Surplus for period	-	(10 745 318)	(10 745 318)
Transfer of gains from legal deposit	680 791	(680 791)	-
Total changes	680 791	(11 426 109)	(10 745 318)
Balance at 31 March 2020	12 522 025	15 858 069	28 380 094

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Cash Flow Statements

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Receipts			
Grants		196 396 742	138 537 344
Interest income		970 050	1 452 281
Donations		-	160 000
Other receipts		4 082 988	2 396 991
		201 449 780	142 546 616
Payments			
Employee costs		(78 512 866)	(74 134 497)
Suppliers		(58 278 009)	(62 629 080)
		(136 790 875)	(136 763 577)
Total receipts		201 449 780	142 546 616
Total payments		(136 790 875)	(136 763 577)
Net cash flows from operating activities	30	64 658 905	5 783 039
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1 192 234)	(1 578 656)
Proceeds from sale of property, plant and equipment	7	12 250	-
Net cash flows from investing activities		(1 179 984)	(1 578 656)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		87 495 149	83 290 767
Cash and cash equivalents at the end of the year	6	150 974 070	87 495 150

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of Actual to Final Budget
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Administration and management fees received (2.1.8)	2 790 000	(1 900 000)	890 000	3 848 952	2 958 952	432%
Interest received - investment (2.1.7)	-	-	-	1 003 799	1 003 799	100%
Total revenue from exchange transactions	2 790 000	(1 900 000)	890 000	4 852 751	3 962 751	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies (2.1.1)	108 460 000	(3 000 000)	105 460 000	102 747 000	(2 713 000)	97%
Conditional Grant Mzansi Libraries On-Line (2.1.2)	-	5 261 894	5 261 894	847 073	(4 414 821)	16%
Conditional Grant income realised - GRAP 103 implementation (2.1.3)	-	18 757 399	18 757 399	4 977 362	(13 780 037)	27%
Service in-kind income donations	-	-	-	16 025 402	16 025 402	100%
Conditional Grant income realized - Presidential Employment Stimulus Package (2,1,6)	-	30 000 000	30 000 000	6 780 493	(23 219 507)	23%
Conditional Grant - Community Libraries (2.1.5)	20 585 000	5 712 728	26 297 728	10 529 298	(15 768 430)	40%
Conditional Grant income-Facilities Management (2.1.4)	34 687 000	20 017 813	54 704 813	6 424 069	(48 280 744)	12%
Total revenue from non-exchange transactions	163 732 000	76 749 834	240 481 834	148 330 697	(92 151 137)	
Total revenue from exchange transactions	2 790 000	(1 900 000)	890 000	4 852 751	3 962 751	
Total revenue from non-exchange transactions	163 732 000	76 749 834	240 481 834	148 330 697	(92 151 137)	
Total revenue	166 522 000	74 849 834	241 371 834	153 183 448	(88 188 386)	
Expenditure						
Employee costs	(71 899 463)	(7 500 000)	(79 399 463)	(80 194 666)	(795 203)	101%
General expenses (2.1.9)	(81 789 537)	(67 349 834)	(149 139 371)	(45 533 464)	103 605 907	30%
Depreciation	-	-	-	(5 476 623)	(5 476 623)	100%
Finance cost	-	-	-	(3 423 443)	(3 423 443)	100%
Rentals	(12 833 000)	-	(12 833 000)	(27 768 234)	(14 935 234)	216%
Loss on sale of assets	-	-	-	(88 746)	(88 746)	100%
Total expenditure	(166 522 000)	(74 849 834)	(241 371 834)	(162 485 176)	78 886 658	
	166 522 000	74 849 834	241 371 834	153 183 448	(88 188 386)	
	(166 522 000)	(74 849 834)	(241 371 834)	(162 485 176)	78 886 658	
Operating deficit	-	-	-	(9 301 728)	(9 301 728)	
Gain/(loss) on foreign exchange	-	-	-	(24 273)	(24 273)	100%

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of Actual to Final Budget
Figures in Rand						
Gains/(loss) Fair value adjustments	-	-	-	1 140 400	1 140 400	100%
Actuarial gains	-	-	-	(2 051 596)	(2 051 596)	100%
Gain on legal deposit	-	-	-	680 791	680 791	
Total other gains	-	-	-	(254 678)	(254 678)	
	-	-	-	(9 301 728)	(9 301 728)	
Deficit	-	-	-	(9 556 406)	(9 556 406)	
Net deficit for the year	-	-	-	(9 556 406)	(9 556 406)	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(9 556 406)	(9 556 406)	
Reconciliation						
Assets bought on Conditional Grant				(1 188 912)		
Actual Amount in the Statement of Financial Performance				(10 745 318)		

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

The approved budget is prepared on accrual basis and covers the fiscal period 1 April 2020 to 31 March 2021.

2. Material differences between approved budget and final budget.

2.1 Approved budget represents the budget approved by the Minister of the Department of Sport, Arts and Culture in January 2020 with the Annual Performance Plan. Adjustments made to the approved budget relates to surpluses rolled forward due to incomplete Conditional Grant projects.

2.1.1 Government grants

- A total budget cut of R5.7 million was effected on the approved budget figures as at January 2020 as a result of Government's decision to reprioritise allocations in the efforts to fight the pandemic and providing relief to those affected.

2.1.2 Mzansi Libraries On-Line project

- Surpluses of R5.26 million brought forward from the previous year are presented as adjustments for the year. The remaining project team funds are earmarked for the continued monitoring of equipment delivered to various Libraries through processed asset verifications and counts.

2.1.3 GRAP 103 project

- The NLSA received the total R32 million in 2016/17 financial year for a multi-year project. Cash balances of R18.7 million brought forward from the previous year is presented as adjustments for the year. The delays in the spending on the project were due to the service provider assisting with compliance with the accounting standard filling for liquidation. The NLSA has decided to continue with the project internally with the updated project plan approved for implementation in 2021/22.

2.1.4 Facilities Management project

- Cash balances of R44 million brought forward from the previous year is presented as adjustments for the year. Implementation of projects could not commence without a condition assessment audit to determine the critical projects for implementation. The NLSA managed to conclude the condition assessment with the service provider and key projects were identified however, the implementation plan is yet to be approved. The implementation of projects is now expected to commence in the 2021/22 financial year.

2.1.5 Community Libraries Grant project

- Cash balances of R5.7 million brought forward from the previous year is presented as adjustments for the year. Delays were experienced in the receipt of the tranche from the Department of Sport, Arts and Culture. A significant amount held at the end of the financial year is meant to reprint of classics in the 2022 financial year.

2.1.6 Presidential Employment Stimulus Package

- Following the COVID-19 pandemic, a project was initiated through the Presidential Employment Stimulus Package. The NLSA received an allocation of R30m for the digitisation of the identified collection within the organisation. The majority of the spending on the project to date was on the salaries of the interns. The procurement of the digitisation equipment will be finalised in Quarter 1 of the 2020/21 financial period. A rollover of the project funds was granted, with the estimated date of closing the project being 30 July 2021.

2.1.7 Interest earned

- Interest earned from short term investments initially not budgeted for during the budgeting period.

2.1.8 Administration and Management fee

- The NLSA recognised as revenue R3m administration fees implementing the Presidential Employment Stimulus Package as all the conditions in the contract in relation to the project were met.

2.1.9 General Expenditure

- The underspending in the general expenditure is a result of under spending on Conditional Grant allocations in the year.

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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand rounded to the nearest R1.

A summary of the significant accounting policies, which have been consistently applied in preparing these annual financial statements, is disclosed below.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for the next 12 months. The assessment was done taking into consideration, amongst others, the following factors.

- The operations of the NLSA are funded through the 2021 MTEF, i.e. Vote 37 for the Department of Sport, Arts and Culture.
- The NLSA is a schedule 3A Public Entity under the Department of Sport, Arts and Culture (DSAC) and is funded through the Division of Revenue Act.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgments approved by the Board include:

Impairment testing

The NLSA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. There was no indication that impairment has occurred in the current financial period.

Provisions

Provisions were raised, and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16 - Provisions.

Useful lives of assets

The entity's management determines the estimated useful lives and related depreciation charges for all assets. This estimate is based on industry norms.

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1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of post-retirement obligations.

The NLSA determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the NLSA considers the interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for medical aid obligations are based on current market conditions. Additional information is disclosed in Note 13.

Service in-kind

The amounts recognised are as provided by the Department of Public Works and Infrastructure based on how much would have been expected to be paid for the buildings used by the NLSA.

Principal-Agent agreement

The NLSA is an agent of the Department of Sport, Arts and Culture in relation to transactions with third parties as:

1. It does not have the power to determine the transaction's significant terms and conditions.
2. It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its benefit.
3. It is not exposed to the variability in the results of the transaction.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes. They are expected to be used during more than one period.

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to operate in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to operate in the manner intended by management.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual values.

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Accounting Policies

1.3 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	50 years
Furniture and fixtures	Straight line	15-25 years
Motor vehicles	Straight line	5-10 years
Office equipment	Straight line	5-10 years
Computer equipment	Straight line	5-10 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a significant cost in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date. If there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

The entity discloses relevant information relating to assets under construction or development in the notes to the financial statements. Assets under construction are recognised as work in progress when risks and rewards have been transferred to the NLSA and recognition criteria has been met (see note 7).

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1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets with an indefinite useful life are carried at cost less impairment.

All intangible assets at NLSA are determined to have an indefinite useful life.

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Accounting Policies

1.5 Heritage assets

Scope

The NLSA is the primary resource and custodian of South African documentary heritage and promotes creative, efficient and universal access to information. The NLSA collects, records, preserves and promotes access to the National documentary heritage, both locally and internationally. The NLSA is one of the Legal deposit institutions in South Africa, and complies with the Legal Deposit Act, 1997 (Act 54 of 1997).

Definition and classification

The library's collection includes books, records, journals, serials, newspapers, magazines, manuscripts, maps, prints, sound and music recordings, digital items, patents, prints and others. The collection of the National Library is unique in its breadth, depth and scope in the Republic of South Africa. A significant number of items in collection are priceless and irreplaceable due to the age and lack of an active market.

The NLSA classifies its collection as Heritage Assets with historical, cultural, educational, artistic, scientific, technological or natural significance. It is the mission of the NLSA to be the primary resource and custodian of South Africa's documentary heritage. The NLSA acts as the national preservation library in terms of the National Library of South Africa Act, Act No. 92 of 1998, and the collections are held indefinitely. It is the purpose of the NLSA to preserve all its collections for posterity and use by future generations. Ancillary to the mission of the NLSA is the provision of access to the library collections to a variety of users, primarily the South African public, free of charge.

Initial Recognition

An item acquired either through legal deposit, purchase, bequests or donations is recognised as heritage assets if, and only if:

- It is probable that future economic benefits or service potential associated with the item are expected to flow to the NLSA; and
- The cost or fair value of the item can be measured reliably.

Reasonable judgments are made by management in the assessment of the degree of certainty attached to the flow of future economic benefits or the service potential that are attributable to the heritage asset based on the evidence available at initial recognition.

If in possession of an asset that might be regarded as a heritage asset that meets the definition, but does not meet the recognition criteria for a heritage asset because it cannot be reliably measured, relevant and useful information about the asset is disclosed in the notes to the financial statements.

The date of recognition shall be the date when all the recognition criteria above are met.

Initial measurement

A Heritage asset acquired via an exchange transaction and that qualifies for recognition as an asset, shall be initially measured at its costs at the date of recognition.

The cost of the heritage asset comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, and
- b) Any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Heritage assets acquired through non-exchange transactions, such as legal deposits and donations shall be initially measured at a deemed cost. The deemed cost shall be the fair value at the date of acquisition. If it is impractical to ascertain the fair value at acquisition, the facts supporting the impracticability shall be disclosed.

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1.5 Heritage assets (continued)

The cost of an item of heritage assets acquired in exchange for non-monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the assets given up, unless the fair value of the asset received is clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

If payment for the acquisition of a heritage asset is deferred beyond normal credit terms, the difference between the cash price equivalent at acquisition date and the total payment, is recognised as interest over the period of credit unless such interest is recognised in the carrying amount of the heritage asset in accordance with the GRAP standard on Borrowing costs.

Subsequent measurement

The NLSA accounts for its heritage assets using the cost model, a class of heritage assets are subsequently measured at its costs less any accumulated impairment losses.

Heritage assets are not depreciated but the NLSA assesses whether there is an indication that the assets may be impaired at each reporting date. If any such indication exists, the NLSA estimates the recoverable amount or the recoverable service amount of the heritage asset in accordance with the GRAP standard on Impairment of Non-cash generating Assets.

Subsequent expenditure incurred on a heritage asset is only capitalised when it is incurred to enhance or restore the heritage asset to preserve its indefinite useful life and if and only if, the recognition criteria are met. Costs of day-to-day servicing of the heritage assets are classified as repairs and maintenance costs.

Transfers

The NLSA transfers items from the heritage assets, at their carrying amounts, only when such items no longer meet the definition of the heritage asset.

Assets that subsequently meet the definition and recognition of heritage assets are transferred from the relevant classification to the heritage assets at their reclassification date carrying amounts.

The NLSA derecognises the carrying amount of the heritage assets:

- On disposal (including disposal through non-exchange transactions); or
- When no future economic benefits or service potential are expected from its use.

The gain or loss arising from the derecognition of an item of heritage assets is included in the surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of heritage is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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Accounting Policies

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

See note 40 for the categories of financial assets and liabilities at the NLSA.

Initial measurement of financial assets and financial liabilities

The NLSA measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The NLSA measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

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Accounting Policies

1.6 Financial instruments (continued)

Fair value measurement considerations

The NLSA considers best evidence of fair value as quoted prices in an active market. Where the market for a financial instrument is not active, the NLSA considers audited financial statements in determination of fair value of its residual interest in another entity.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Recognition

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only off set and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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1.6 Financial instruments (continued)

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

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1.7 Tax

No provision for income tax was made since the NLSA is incorporated as an entity not for gain and listed as a schedule 3A public entity according to the Public Finance Management Act, Act 1 of 1999, as amended by Act 29 of 1999. The entity is exempted from tax, in terms of section 10(1)(cA)(i)(bb) of the Income Tax Act 58 of 1962, as amended

1.8 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 (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Payments received under operating leases are recognised in surplus or deficit within other income on a straight-line basis over the period of the lease.

1.9 Non Distributable reserves

The non-exchange transactions gains recognised on receipt of legal deposit collections are transferred from accumulated surplus to non-distributable reserves in the Statement of Changes in net Assets. The reserves represent the recognised gains on library collections deposited at no fee in terms of the Legal Deposit Act.

1.10 Prepayments

A prepaid expense is an expenditure paid for in one accounting period, but for which the underlying asset will not be consumed until a future period. When the asset is eventually consumed, it is charged to expense. If consumed over multiple periods, there may be a series of corresponding charges to expense.

Expenditures are recorded as prepaid expenses in order to closely match their recognition as expenses with the periods in which they are actually consumed. Prepaid expenses are initially measured at their actual cash paid as at the date of recognition, and are amortised in surplus and deficit statement as and when the NLSA incurs the expenses.

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1.11 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance-related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

When an employee has rendered service to the NLSA during a reporting period, the NLSA recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the NLSA recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The NLSA measure the expected cost of accumulating compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The NLSA recognise the expected cost of bonus, incentive and performance-related payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the NLSA has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

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Accounting Policies

1.11 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the NLSA pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the NLSA during a reporting period, the NLSA recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on the basis that reflects:

- estimated future salary increases;
- the benefits set out in terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take into account estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

1.13 Provisions and contingencies

Provisions are recognised when:

- the NLSA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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Accounting Policies

1.13 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

1.14 Revenue from exchange transactions

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

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue from letting out of equipment and space is recognised when the service has taken place. In the case of space letting, revenue is recognised when it is earned.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or their equivalents, are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, representing an increase in net assets, other than increases relating to contributions from owners.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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1.15 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as expenses and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

1.16 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the NLSA is a party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an NLSA is a principal or an agent requires the NLSA to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The NLSA, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The NLSA recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

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Accounting Policies

1.17 Comparative figures

When the presentation or classification of items in the financial statements is amended due to better presentation and/or better understandability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are reclassified. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.18 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined in section 1 of the PFMA as expenditure that was made in vain and would have been avoided had reasonable care been exercised.

The words in vain as contained in the definition of fruitless and wasteful refer to a transaction, event or condition undertaken without value or substance and did not yield any desired results or outcome. Reasonable care means applying due diligence (careful application, attentiveness, caution) to ensure that the probability of a transaction, event or condition not being achieved as planned is being managed to an acceptable level.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and when recovered, it is subsequently accounted for a reduction in the related expenses in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.20 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification in the Statement of Comparison Between Budget and Actual Amounts.

The approved budget covers the fiscal period from 01 Apr 2020 to 31 Mar 2021.

National Library of South Africa

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Accounting Policies

1.20 Budget information (continued)

Comparative information is not reported.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

The NLSA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management of those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

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

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

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	01 April 2009	Unlikely there will be a material impact
• Directive 7 (revised): The Application of Deemed Cost	01 April 2021	Impact is currently being assessed
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2021	Unlikely there will be a material impact
• GRAP 108: Statutory Receivables	01 April 2021	Unlikely there will be a material impact
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2021	Impact is currently being assessed

3. Bequest related investments

200 shares at South African Reserve Bank as at 31 March 2021 at R12.50 (2020: R10.50) per share	2 500	2 100
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4. Prepayments

Prepayments (Annual subscriptions and Memberships)	249 447	565 323
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5. Receivables from exchange transactions

Trade debtors	512	80 088
Accrued interest	130 731	459 865
Personnel debtors	38 344	131 856
	169 587	671 809

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2021, R 0 (2020: R 56 648) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	-	26 639
3 months past due	-	56 648

6. Cash and cash equivalents

Cash and cash equivalents consist of:

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Figures in Rand	2021	2020
6. Cash and cash equivalents (continued)		
Cash on hand	4 028	2 362
Bank balances	3 072 297	20 188 344
Short-term fixed deposits	121 165 844	60 602 946
Call deposits	21 445 645	1 033 162
Bank Balance-Mzansi Libraries On-Line (note 32)	5 286 256	5 668 335
	150 974 070	87 495 149

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7. Property, plant and equipment

	2021		2020			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation		
Plant and machinery	15 581 642	(3 550 243)	12 031 399	15 581 642		
Furniture and fixtures	18 899 716	(7 010 217)	11 889 499	18 905 787		
Motor vehicles	689 419	(450 731)	238 688	689 419		
Office equipment	13 745 623	(8 245 213)	5 500 410	13 629 225		
Computer equipment	23 257 436	(11 574 550)	11 682 886	23 449 268		
Total	72 173 836	(30 830 954)	41 342 882	72 255 341		
				(26 527 073)		
				45 728 268		
Reconciliation of property, plant and equipment - 2021						
	Opening balance	Additions	Transfer from Work in progress	Depreciation	Disposal	Total
Plant and machinery	12 343 015	-	-	(311 616)	-	12 031 399
Furniture and fixtures	12 895 296	8 404 862	(8 404 862)	(1 004 344)	(1 453)	11 889 499
Motor vehicles	285 043	-	-	(46 355)	-	238 688
Office equipment	6 728 705	230 688	-	(1 428 824)	(30 159)	5 500 410
Computer equipment	13 476 209	961 546	-	(2 685 485)	(69 384)	11 682 886
	45 728 268	9 597 096	(8 404 862)	(5 476 624)	(100 996)	41 342 882

Figures in Rand

7. Property, plant and equipment (continued)
Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Work in progress	Depreciation	Disposal	Total
Plant and machinery	12 654 633	-	-	(311 618)	-	12 343 015
Furniture and fixtures	13 301 252	-	239 772	(640 648)	(5 080)	12 895 296
Motor vehicles	357 811	-	-	(62 768)	(10 000)	285 043
Office equipment	8 361 990	14 488	-	(1 634 473)	(13 300)	6 728 705
Computer equipment	14 932 572	1 324 396	-	(2 621 904)	(158 855)	13 476 209
	49 608 258	1 338 884	239 772	(5 271 411)	(187 235)	45 728 268

Compensation received for losses on property, plant and equipment – included in operating surplus.

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7. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2021

	Included within	Total
Opening balance	Other PPE 8 404 862	8 404 862
Transferred to completed items	(8 404 862)	(8 404 862)
	-	-

The work in progress refers to the GAS suppression system that was under construction on the Cape Town Campus.

Reconciliation of Work-in-Progress 2020

	Included within	Total
Opening balance	Other PPE 8 165 090	2 108 205
Additions/capital expenditure	239 772	8 165 090
Transfer to Completed items	-	(2 108 205)
	8 404 862	8 165 090

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

General expenses	92 037	-
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The NLSA does not have any property plant and equipment pledged for security.

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8. Intangible assets

	2021		2020	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation
			and accumulated impairment	Accumulated Carrying value amortisation and accumulated impairment
Computer software	3 145 254	-	3 145 254	-
				3 145 254

Reconciliation of intangible assets - 2021

	Opening balance	Total
Computer software	3 145 254	3 145 254

Reconciliation of intangible assets - 2020

	Opening balance	Total
Computer software	3 145 254	3 145 254

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9. Heritage assets

	2021		2020	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation
			Accumulated Carrying value impairment losses	
Paintings and artworks	379 559	-	379 559	379 559
Library collections - Purchased	8 153 950	-	8 153 950	8 153 950
Legal deposit	12 522 025	-	12 522 025	11 841 234
Total	21 055 534	-	21 055 534	20 374 743

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Figures in Rand	2021	2020	
9. Heritage assets (continued)			
Reconciliation of heritage assets 2021			
	Opening balance	Additions	Total
Paintings and artworks	379 559	-	379 559
Library collections - Purchased	8 153 950	-	8 153 950
Legal deposits	11 841 234	680 791	12 522 025
	20 374 743	680 791	21 055 534
Reconciliation of heritage assets 2020			
	Opening balance	Additions	Total
Paintings and artworks	379 559	-	379 559
Library collections - Purchased	8 153 950	-	8 153 950
Legal deposits	10 430 265	1 410 969	11 841 234
	18 963 774	1 410 969	20 374 743

Heritage assets collections includes books, newspapers, serial publications, official publications, rare books, manuscripts, iconographic material like maps, atlases, painting art, postcards, photographic negatives, statutes, press clippings and engravings. Other than the purchased material, the NLSA's collection cannot be reliably measured due to its uniqueness. Measurement of these items were not a requirement before 01 April 2012 and the NLSA holds collections dating back 200 years. Majority of these items have no replacement value and the NLSA is holding them for posterity. The NLSA is still in the process of creating a heritage assets register through the GRAP 103 Conditional Grant received from the Department of Sport, Arts and Culture.

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10. Other financial assets		
Designated at fair value		
Unlisted shares held at Sabinet Ltd	7 200 000	6 060 000
Terms and conditions		
	7 200 000	6 060 000
	-	-
	-	-
Non-current assets		
At fair value	7 200 000	6 060 000

Financial assets at fair value**Information**

The fair value of the financial assets was determined as follows:

- The fair value of the share investment with Sabinet is based on valuation performed by an independent valuer.

The valuation was based on level 3: unobservable inputs. Fair values are determined annually at statement of financial position date.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels:

Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Reconciliation of financial assets measured in level 3- Non-market observable inputs.**Reconciliation of financial assets at fair value through surplus or deficit measured in level 3 - 2021**

	Opening balance	Gains or losses in surplus or deficit	Closing balance
Unlisted Shares	6 060 000	1 140 000	7 200 000

Reconciliation of financial assets at fair value through surplus or deficit measured in level 3 - 2020

	Opening balance	Gains or losses in surplus or deficit	Closing balance
Unlisted Shares	6 830 000	(770 000)	6 060 000

11. Payables from exchange transactions

Trade payables	18 514 543	11 634 376
Other payables	678 834	35 487
Sundry creditors	408 805	408 805
Accruals	118 986	117 159
	19 721 168	12 195 827

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11. Payables from exchange transactions (continued)

Creditors and accruals principally comprises of amounts outstanding for trade purchases and on-going costs. The average credit period taken is less than 60 days.

12. Operating lease Liability

Operating lease accrual	1 315 655	1 294 870
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Operating lease obligation result from the equalisation of the operating lease expense.

13. Employee benefit obligations

Defined Benefit Plan

Post-Retirement Medical Aid Plan

The Healthcare benefits that the National Library of South Africa gives to its employees are provided by three medical schemes namely, Discovery Health, Bonitas and Bestmed. On 31 March 2021 the aggregate membership of the fund was 52 (2020:55). In-service employees were 43 (2020:44) retired employees, a total of 95 (2020:99) employees. QDI Consult conducted a valuation of the post-retirement liability as at 31 March 2021, taking into consideration the current services cost, interest costs and benefits paid.

Discount rate basis

The discount rate was based on the yield of long-term government bonds, converted to annual effective rates, given that the high quality corporate bond market in South Africa is not very deep.

Medical cost trend

Given past trends, medical aid contribution inflation is expected to exceed general price inflation. A margin of 1.50% above price inflation has been applied for future medical aid contribution increase. A long-term medical aid contribution increase rate of 8.37% per annum was therefore assumed at current at the current valuation date.

Long service award

The National Library of South Africa pays long services award to employee who are in service for the following period: 10 years, 20 years, 30 years, 40 years. On 31 March 2020 the aggregate membership used for valuation was 131 (2020:134). QDI consult conducted a valuation of the long services award liability as at 31 March 2021, taking into consideration the current service cost, interest cost, and benefits paid.

The amounts recognised in the statement of financial position are as follows:

Carrying value	2021	2020
Present value of the defined benefit obligation-wholly unfunded	(35 669 200)	(31 451 659)
Present value of the defined benefit obligation-partly or wholly funded	(448 578)	(464 931)
	(36 117 778)	(31 916 590)
Non-current liabilities	(34 069 580)	(30 013 980)
Current liabilities	(2 048 197)	(1 902 609)
	(36 117 777)	(31 916 589)

The fair value of plan assets includes:

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13. Employee benefit obligations (continued)		
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	31 451 659	34 993 656
Current service cost	609 566	786 167
Interest cost	3 393 866	3 339 152
Benefits paid	(1 828 078)	(1 687 952)
Actuarial loss	2 042 187	(5 979 364)
	35 669 200	31 451 659
Changes in the present value of the long service award obligation are as follows:		
Opening balance	464 931	447 270
Current service cost	35 661	35 249
Actual benefits paid	(91 000)	(80 000)
Interest cost	29 577	30 937
Actuarial loss	9 409	19 249
Past service cost	-	12 226
	448 578	464 931
Net expense recognised in the statement of financial performance (Post employment benefit)		
Current service cost	609 566	786 167
Interest cost	3 393 866	3 339 151
Actuarial (gains) losses	2 042 187	(5 979 364)
	6 045 619	(1 854 046)
Net expense recognised in the statement of financial performance (Long service award)		
Current Service cost	35 661	35 249
Past service cost	-	12 226
Interest cost	29 577	30 937
Actuarial gains (losses)	9 409	19 249
	74 647	97 661

The NLSA expects to contribute R 2 037 095 to its defined benefit plans in the following financial year.

Key assumptions used (Post employment medical obligation)

Assumptions used at the reporting date:

Discount rates used	11,42 %	11,15 %
Healthcare cost inflation	8,37 %	7,46 %
Net discount rate	2,81 %	3,43 %
Percentage married	80,00 %	80,00 %
Continuance assumption	100,00 %	100,00 %

Key assumptions (Long service award)

Discount rate	7 %	7 %
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13. Employee benefit obligations (continued)

Assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect of change in discount rate	(3 481 615)	(3 053 956)
Effect of change in medical inflation	4 654 262	3 962 909
Effect of change in retirement age	(1 164 063)	(430 888)

Amounts for the current and previous four years are as follows:

	2021	2020	2019	2018	2017
Defined benefit obligation	35 669 200	31 451 659	34 993 657	35 967 760	35 056 3
Experience adjustments on plan liabilities	(4 217 541)	3 541 998	974 103	(1 514 718)	(1 516 3

14. Conditional Grant obligation

Unspent Conditional Grants and receipts comprises of:

Unspent Conditional Grants and receipts

Income related grants	109 862 930	75 750 055
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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 20 for reconciliation of grants from Department of Sport, Arts and Culture.

15. Principal Funds Obligation

The funds held by the NLSA on behalf of the Principal.

Unspent principal funds

Principal fund obligation	24 601 182	-
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16. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Leave provision	2 595 616	1 832 871	(1 460 815)	2 967 672
Service Bonus	1 164 275	2 698 649	(2 690 130)	1 172 794
	3 759 891	4 531 520	(4 150 945)	4 140 466

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Leave provision	3 219 800	4 858 896	(5 483 080)	2 595 616
Service bonus	1 127 467	2 716 184	(2 679 376)	1 164 275
	4 347 267	7 575 080	(8 162 456)	3 759 891

A provision is made for the estimated liability for annual leave and service bonus due as a result of service rendered by the employees.

A provision for Bonus is made for the service bonus contribution made by employees during the financial period.

There is a level of uncertainty with regards to the timing of the payment that may be required with regards to both provisions.

17. Revenue

Other income	3 848 952	2 422 868
Actuarial gain	-	5 960 115
Fair value adjustments	1 140 400	-
Interest income-Investments	1 003 799	1 489 893
Government Grant (Annual Appropriation)	102 747 000	104 869 000
Gains from legal deposits	680 791	1 410 969
Service in-kind income	16 025 402	18 067 798
Donations	-	160 000
Conditional grant income realised	28 058 296	33 826 517
	153 504 640	168 207 160

The amount included in revenue arising from exchanges of goods or services are as follows:

Fair value adjustments	1 140 400	309 602
Actuarial gain	-	5 960 115
Other income	3 848 952	2 422 868
Interest received - investment	1 003 799	1 489 893
	5 993 151	10 182 478

The amount included in revenue arising from non-exchange transactions is as follows:

Government grant (Annual Appropriation)	102 747 000	104 869 000
Gains from legal deposits	680 791	1 410 969
Service in-kind income	16 025 402	18 067 798
Donations	-	160 000
Conditional grant income realised	28 058 296	33 826 517
	147 511 489	158 334 284

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18. Gains from legal deposits		
Gains from legal deposits	680 791	1 410 969
Gains realised on receipt of Heritage assets through legal deposit collection represents the fair value equivalent determined by the publisher or writers upon depositing.		
19. Other income		
Royalties received	365 763	403 984
Parking and venue hire	256 347	874 847
Salaries and bursaries recoveries	269	143 052
Dividends received	32 000	220 047
Bibliographic records uploads	-	258 304
Interlending income	35 326	157 159
Printing, copies, and other sales	3 159 247	365 475
	3 848 952	2 422 868
Conditional grant income realised		
DSAC Conditional Grant	16 953 368	22 045 826
Mzansi Libraries On-Line	847 073	5 009 212
Digitisation project	5 280 493	-
GRAP 103 implementation	4 977 362	6 771 131
	28 058 296	33 826 169

National Library of South Africa

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
20. Grants and Subsidies		
Operating grants		
Government grant (Annual appropriation)	102 747 000	104 869 000
	102 747 000	104 869 000
	-	-
Mzansi Libraries Online		
Balance unspent at beginning of year	5 261 945	10 271 157
Conditions met - transferred to revenue	(847 123)	(5 009 212)
	4 414 822	5 261 945
DSAC Conditional Grant		
Balance unspent at beginning of year	50 389 984	39 071 692
Current-year receipts	31 272 000	30 811 000
Interest capitalised	1 464 245	2 553 292
Conditions met - transferred to revenue (Expense)	(15 833 695)	(20 528 124)
Conditions met - transferred to revenue (Assets)	(1 119 672)	(1 517 876)
	66 172 862	50 389 984
Presidential Employment Stimulus Package (Digitisation project)		
Current-year receipts	30 000 000	-
Conditions met - transferred to revenue	(6 780 493)	-
Interest capitalised	59 746	-
	23 279 253	-
Conditions still to be met - remain liabilities (see note 14).		
Provide explanations of conditions still to be met and other relevant information.		
National Lotteries Commission - Digitisation Project grant		
Balance unspent at beginning of year	1 340 685	1 209 233
Interest earned	82 684	131 452
	1 423 369	1 340 685
GRAP 103 Implementation Grant		
Balance unspent at beginning of year	18 757 400	23 802 531
Interest capitalised	792 495	1 726 000
Conditions met - transferred to revenue	(4 977 362)	(6 771 131)
	14 572 533	18 757 400

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Figures in Rand	2021	2020
21. General expenses		
Advertising	661 507	812 614
Bank charges	117 717	104 780
Consumables	-	9 200
Insurance	21 714	119 669
Conferences and seminars	57 161	590 929
Hosting of events	831 801	596 456
Computer expenses	114 901	-
Periodicals and serials	33 951	118 625
Motor vehicle expenses	34 858	58 045
Postage and courier	110 893	281 351
Printing and stationery	1 909 653	1 034 520
Protective clothing	875 294	-
Stationery	340 356	356 387
Telephone expenses	676 011	1 059 160
Training	15 749	2 913 539
Travel - local	521 142	5 131 671
Travel - overseas	9 250	451 586
Water & electricity	9 598 230	4 437 092
Other general expenses	3 653 922	5 195 027
	19 584 110	23 270 651
22. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Rental of premises	11 742 832	11 742 830
Equipment		
• Rental of copiers	-	392 662
	11 742 832	12 135 492
Deficit on sale of property, plant and equipment	(88 746)	(187 234)
Gain/(Loss) on exchange differences	24 273	3 311
Depreciation on property, plant and equipment	5 476 623	5 271 411
23. Employee related costs		
Salaries	63 383 920	59 564 447
Service bonus	2 681 611	3 512 254
Medical aid contributions	2 075 916	2 138 043
Unemployment insurance fund	315 667	309 241
Service costs as a result of employment benefit obligation	1 309 743	831 642
Travel and car allowances	451 642	433 624
Overtime	22 155	250 263
Cellphones	604 357	248 263
Housing allowance	1 451 500	1 526 200
Staff development	269 100	313 535
Bursaries	36 729	52 901
Provident fund contributions	6 248 453	5 968 073
Provision for leave and leave payout	1 343 873	(182 347)
	80 194 666	74 966 139

National Library of South Africa

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Interest received - Investment		
Interest revenue		
Short term Bank deposits	1 003 799	1 489 893
25. Auditor's remuneration		
External audit fees	1 884 528	2 179 371
Internal audit fees	728 861	800 821
	2 613 389	2 980 192
26. Contracts, consulting and professional fees		
Cleaning	3 353 702	2 748 962
Security	4 783 455	4 449 730
Consulting and professional fees	1 428 695	5 463 029
Board, audit comm fees and travel expenses	911 762	1 419 640
Network maintenance and service providers	1 720 671	915 060
	12 198 285	14 996 421
27. Subscriptions and licenses		
Software licenses	2 176 479	1 496 612
Subscriptions and memberships	4 670 557	3 695 635
	6 847 036	5 192 247
28. Rentals		
Operating lease expenses	11 742 832	12 135 492
Service in kind-state owned properties	16 025 402	18 067 798
	27 768 234	30 203 290
The NLSA occupies the following properties:		
1. 228 Johannes Ramokhoase Street, Pretoria Campus		
2.5 Queen Victoria Street, Cape Town Campus		
3. 62 Queen Victoria Street, Centre for the Book		
3. Matrix House, Cape Town		
29. Service in-kind income		
Rentals state owned properties	16 025 402	18 067 798

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
30. Cash (used in) / generated from operations		
Surplus (Deficit) for the year	(10 745 318)	2 890 897
Adjustments for:		
Depreciation and amortisation	5 476 623	5 271 411
Deficit on disposal of assets	88 746	187 234
Fair value adjustments	(1 140 400)	769 500
Increase in operating lease assets and accruals	20 785	252 722
Decrease in retirement benefit assets and liabilities	4 201 188	(3 524 337)
Decrease in provisions	380 575	(587 376)
Gains from legal deposits	(680 791)	(1 410 969)
Changes in working capital:		
Receivables from exchange transactions	502 222	(337 454)
Prepayments	315 876	(64 519)
Payables from exchange transactions	7 525 341	940 703
Conditional grant obligation - Grants received	34 112 876	1 395 227
Principal Funds obligation	24 601 182	-
	64 658 905	5 783 039
31. Commitments		
Authorised capital expenditure		
Contracted		
• Capital Expenditure: Intangible Assets	506 547	643 005
• Capital expenditure: Property Plant and Equipment	124 726	270 061
	631 273	913 066
Total capital commitments		
Already contracted for but not provided for	631 273	913 066
Authorised operational expenditure		
Already contracted for but not provided for		
• Special project(Conditional Grants)	17 326 651	9 924 156
• Security and cleaning	-	7 660 946
• Auditors remuneration	-	277 151
• General expenses	1 185 579	402 851
• Consulting and professional fees	217 985	572 460
	18 730 215	18 837 564
Total operational commitments		
Already contracted for but not provided for	18 730 215	18 837 564
Total commitments		
Total commitments		
Authorised capital expenditure	631 273	913 066
Authorised operational expenditure	18 730 215	18 837 564
	19 361 488	19 750 630

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
31. Commitments (continued)		
Operating leases - as lessee (expense)		
At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:		
- within one year	11 742 830	11 742 830
- in second to fifth year inclusive	10 764 261	22 507 091
	22 507 091	34 249 921

A devolution of budget regarding the lease of private property was effected by the DSAC in 2018/19. This led to NLSA taking over the lease agreement of the Matrix House.

National Library of South Africa

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Figures in Rand

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32. Related parties

Relationships

Controlling Entity

Entities under common control

Department of Sport, Arts and Culture (DSAC) by virtue of the fact that NLSA is a National Public Entity controlled by DSAC, it is considered related to other entities which are under the common control of DSAC.

The transactions between the entities are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. This will include any transaction that may occur during the period under review recognised in the statement of financial performance, any balance outstanding at the reporting period recorded the statement of financial position as well as any committed balance at reporting date.

Where there have been transactions between the NLSA and related entities during the reporting period, these have been disclosed in detail under section 32.2 of this note.

Amazwi South African Museum of Literature, Artscape, Blind SA, Boxing South Africa, Die Afrikaanse Taalmuseum en-monument, Ditsong Museum of South Africa, Freedom Park, IZiko Museums of South Africa, KwaZulu-Natal Museum, Luthuli Museum, Market Theatre Foundation, National Archives and Records Service of South Africa (NARSSA), National Arts Council of South Africa (NAC), National Film and Video Foundation (NFVF), National Heritage Council South Africa (NHC), National Library of South Africa (NLSA), National Museum, Bloemfontein, Nelson Mandela Museum, Performing Arts Centre of the FreeState (PACOFs), Robben Island Museum, South African Heritage Resources Agency (SAHRA), South African Institute for Drug-Free Sport (SAIDS), South African Library for the Blind (SALB), South African National Council for the Blind, South African State Theatre, uMsunduzi Museum, War Museum of the Boer Republics, and William Humphreys Art Gallery.

Other Shareholding by the NLSA

1 000 000 number of shares in Sabinet Online Ltd Refer to 32.1

Members of Accounting Authority

Mr TTC Dlamini
Dr B Mbambo-Thata
Ms Letlhogonolo Noge-Tungamirai
Ms Thuli Mokgele
Mr Trevor Mokeyane
Ms Berenice Lue Marais
Ms Leah Khumalo
Ms Keke Maida
Mr Lufuno Nematswerani. Refer to 32.3

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32. Related parties (continued)

Members of key management

Mr K Madumo (CEO)
 Mr A Ismail (CFO)
 Dr E Maepa (Executive Director: Core Programmes)
 Ms NP Musa (Executive Director: Core Programmes)
 Ms J Kenyane (Executive Director: Corporate Services)
 Dr K Marumo (Director: Bibliographic Services and Collections Management)
 Mr M Matyumza (Director: Centre for the Book)
 Ms S Moleme (Director: Information Access Services)
 Ms Z Adegboyega (Director: Finance and Supply Chain Management)
 Ms M Masipa (Director: Human Resources Manager)
 Ms J Shirley (Director: Communications, Marketing and Stakeholder Engagement)
 Mr T Nemusimbori (Director: Information Communications Technology) Refer to 32.3

32.1 Related party balances

Financial Assets

SABINET Ltd

7 200 000 6 060 000

32.2 Related party transactions

Annual Appropriation from DSAC

102 747 000 104 869 000

Administration fee on project implementation (DSAC)

3 000 000 -

Dividends and other income received from SABINET Ltd

32 000 583 730

Subscription and other expenses paid to SABINET Ltd

3 461 864 (3 496 729)

Transfer to South African Library for the Blind

- (3 500 000)

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Notes to the Annual Financial Statements

Figures in Rand

32. Related parties (continued)

32.3 Remuneration of management

Management class: Board members

2021

Name	Member's fees	Total
Mr TTC Dlamini	217 376	217 376
Dr B Mbambo-Thata	81 756	81 756
Ms Lethogonolo Noge-Tungamirai	86 382	86 382
Ms Thuli Mokgele	91 758	91 758
Mr Trevor Mokeyane	59 550	59 550
Ms Berenice Lue Marais	47 640	47 640
Ms Leah Khumalo	78 606	78 606
Ms Keke Maidu	78 606	78 606
Mr Lufuno Nematswerani	-	-
	741 674	741 674

2020

Name	Member's fees	Travel claims	Total
Mr TTC Dlamini	151 632	2 619	154 251
Ms SA Kunene	38 112	-	38 112
Dr B Mbambo-Thata	75 732	422	76 154
Ms Lethogonolo Noge-Tungamirai	237 428	16 910	254 338
Ms Thuli Mokgele	119 136	11 654	130 790
Mr Trevor Mokeyane	62 065	14 847	76 912
Ms Berenice Lue Marais	82 410	504	82 914
Ms Keke Maidu	66 696	6 739	73 435
Mr Lufuno Nematswerani	-	5 761	5 761
	833 211	59 456	892 667

Notes to the Annual Financial Statements

Figures in Rand

32. Related parties (continued)

Management class: Executive management

2021

Name	Basic salary	Service Bonuses and performance related payments	Pension Fund contributions	Termination benefits	Other benefits	Acting allowance	Total
K Madumo - Chief Executive Officer	1 815 208	-	184 800	-	200 392	-	2 200 400
I Abdoola - Chief Financial Officer (Resigned)	545 848	-	50 056	47 809	-	-	643 713
E Maepa - Executive Director: Core Programmes (Expiry of fixed-term contract)	567 770	-	17 555	120 461	24 224	-	730 010
N Musa - Executive Director: Core Programmes	536 549	-	52 550	-	400	-	589 499
J Kenyane - Executive Director: Corporate Services (Resigned)	406 678	-	40 045	38 153	30 000	-	514 876
M Matiyumza – Director: Centre for the Book	567 386	47 888	84 540	1 871 535	97 650	-	2 668 999
K Marumo - Director: Bibliographic Services and Collections Management	865 162	-	74 031	-	112 000	19 568	1 070 761
S Moleme - Director: Information Access Services	783 411	43 644	104 144	-	29 689	-	960 888
M Masipa - Director: Human Resources Management	802 134	54 482	79 369	-	29 921	-	965 906
J Shirley - Director: Communications, Marketing and Stakeholder Relations	868 279	-	68 030	-	26 396	191 359	1 154 064
Z Adegboyega - Director: Finance and Supply Chain Management (Acting CFO)	850 631	43 643	68 030	57 782	4 200	181 615	1 205 901
T Nemusimbori - Director: Information Communications Technology	1 002 716	55 411	80 535	-	4 200	-	1 142 862
	9 611 772	245 068	903 685	2 135 740	559 072	392 542	13 847 879

2020

Name	Basic salary	Service Bonuses and performance related payments	Pension Fund contributions	Termination benefits	Other benefits*	Acting allowance	Other Settlements#	Total
K Madumo - Chief Executive Officer	605 069	-	61 600	-	67 259	-	-	733 928

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

34. Risk management

Financial risk management

The NLSA is exposed to a variety of financial risks which includes market risk (i.e. currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk that the NLSA would not be able to meet its financial obligations as they fall due. The NLSA manages liquidity risk through the compilation and monitoring of cash flow forecasts as well as ensuring that there are adequate banking facilities. The maturity profiles of the financial instruments are summarised as follows:

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	19 721 168	-	-	-
At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	12 195 827	-	-	-

Interest rate risk

The NLSA's interest rate risk arises from borrowings and cash held in the bank. Borrowings and cash at variable rates expose the NLSA to cash flow interest rate risk. Borrowings and cash at fixed rates expose the NLSA to fair value interest rate risk.

The Entity's Interest rate profile of interest-bearing financial instruments at 31 March 2021 was:

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Total
Short term fixed deposits	6,50 %	121 165 844	-	-	-	121 165 844

The Entity's interest rate profile of interest-bearing financial instruments at 31 March 2020 was:

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due after three years	Total
Short term fixed deposits	7,59 %	60 602 946	-	-	-	60 602 946

Credit risk

At year end, the NLSA considers if there is any significant concentration of credit risk which had not been insured or adequately provided for.

Potential concentrations of credit risk consist mainly of cash and cash equivalents and trade receivables.

The NLSA limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high-quality credit standing. The credit exposure to any one counterparty is managed by monitoring transactions.

Trade and other receivables are shown net of impairment. In the current year no impairment occurred on trade receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at year end were as follows:

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34. Risk management (continued)

	NLSA - 2021 0 - 12 months R	NLSA - 2020 0 - 12 months R
Trade and other receivables	169 587	671 809
Cash and cash equivalents	150 974 070	87 495 149

Fair value of financial instruments

In the opinion of Management, the carrying value of financial instruments approximates their fair values.

Financial instruments traded in an active market

Financial instruments traded in an organised financial market are measured at the current quoted market price, adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

Foreign exchange risk

Foreign currency exposures arise from the purchase of books. Forward exchange contracts are not utilised to manage exposures relating to confirmed commitments.

Forward exchange contracts - recognised transactions

No forward exchange contracts were entered into during the financial year ended 31 March 2019

Uncovered foreign exchange exposure

At year end the NLSA was not exposed to any material fluctuations in foreign currency denominated assets and liabilities for which no forward cover had been taken out.

Sensitivity analysis

As the NLSA has no significant foreign currency exposure at year end, the effect of a 1% strengthening or weakening of the Rand against the foreign currencies at balance sheet date is not considered material.

35. Going concern

We draw attention to the fact that at 31 March 2021, the entity had a deficit for the year of R 10 745 318 and total assets exceeding liabilities by R 28 380 094. We highlight that following the unforeseen COVID-19 pandemic, Government has had to reprioritise some of its budget allocations in its efforts to fight the pandemic. NLSA has received a budget cut amounting to R5.7m and has reprioritised accordingly to achieve the mandate with the available resources.

In light of the current challenges posed by the COVID-19 pandemic, the NLSA does not underestimate the long-term impact that the pandemic will have on its operations, mandate and future financial ability. Despite this, the pandemic offers an opportunity to be innovative with new ways of providing services. This will require additional investment in Information and Communication Technology and ensuring that our employees and library users are safe at all times.

These annual financial statements have been prepared on the bases that the entity will continue to operate as a going concern for at least the next 12 months despite the current circumstances.

36. Irregular expenditure

Opening balance as previously reported	4 473 181	4 473 181
Net opening balance	4 473 181	4 473 181
Add: Irregular Expenditure - current	-	-
Less: Amount written off - current	-	-
Closing balance	4 473 181	4 473 181

National Library of South Africa

Annual Financial Statements for the year ended 31 March 2021

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36. Irregular expenditure (continued)

Details of irregular expenditure

For the incidences of irregular expenditure identified and reported below, action was taken in implementing consequence management through suspensions, written warnings, signing of declarations by officials that they have read and understand the SCM policy. In the case where an employee is deceased or has resigned, we are unable to implement consequence management.

Procurement without inviting the minimum number of quotations	1 084 716	1 084 716
Procurement without obtaining SBD 4, tax clearance certificates, BBBEE certificates	399 087	399 087
Procurement without inviting competitive bids	1 249 384	1 249 384
Procurement from second lowest quote without approval	26 239	26 239
Procurement without prior approval of deviation by National Treasury	1 713 755	1 713 755
	4 473 181	4 473 181

37. Fruitless and wasteful expenditure

Opening balance as previously reported	158 662	158 662
Opening balance as restated	158 662	158 662
Add: Expenditure identified - current	-	-
Less: Amount written off - current	-	-
Closing balance	158 662	158 662

There were no new incidents of irregular fruitless and wasteful expenditure identified in the 2020/21 financial year.

Details of fruitless expenditure awaiting approval for write off

Good acquired never utilised	109 910	109 910
Private use of NLSA data	35 666	35 666
Unauthorised travel and/or changes to travel arrangements	13 056	13 056
	158 632	158 632

38. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The Department of Sport, Arts and Culture granted the NLSA funding of R30 million for the benefit of National Archives and Records Services of the South Africa as part of the Presidential Employment Stimulus Package on digitisation of archival records. The NLSA undertook the process of employing staff for the project and the procurement of goods and services as required by the National Archives and Records Services of the South Africa.

The entity is the agent. Refer to note 1.2 for significant judgements applied in making this assessment.

The NLSA is expected to refund any allocation which has not been utilised for the project or which cannot be accounted for, to the satisfaction of the DSAC or which was paid in error, within 30 (thirty) days from the date of demand by the DSAC.

A project management administration fee being a maximum of 10% may be levied on the total allocation.

National Library of South Africa

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Notes to the Annual Financial Statements

38. Accounting by principals and agents (continued)

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R1 500 000 (2020: R-).

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal that have been recognised by the entity are as detailed in the reconciliation below.

There are no corresponding rights of reimbursement that have been recognised as assets.

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Consumables
Administration expenses
Compensation of employees

Amount of expenses paid on behalf of the principal during the reporting period

Administration expenses	406 046	-
Compensation of employees	3 555 555	-
	3 961 601	-

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of payables

Trade and other payables		
Expenses incurred on behalf of the principal	3 961 601	-
Cash paid on behalf of the principal	(3 873 961)	-
	87 640	-

All categories

Expenses incurred on behalf of the principal	3 961 601	-
Cash paid on behalf of the principal	(3 873 961)	-
	87 640	-

39. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

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39. Financial instruments by category (continued)

2021

	At Amortised cost	At fair value	Total
Receivables from exchange transactions	169 587	-	169 587
Bequest related investments	-	2 500	2 500
Cash and cash equivalents	150 974 070	-	150 974 070
Other financial assets (SABINET Ltd shares)	-	7 200 000	7 200 000
Payables from exchange transactions	19 721 168	-	19 721 168
	-	-	-

2020

	At Amortised cost	At fair value	Total
Receivables from exchange transactions	671 809	-	671 809
Bequest related investments	-	2 100	2 100
Cash and cash equivalents	87 495 149	-	87 495 149
Other financial assets (Sabinet shares)	-	6 060 000	6 060 000
Payables from exchange transactions	12 195 827	-	12 195 827
	-	-	-

40. Contingent Liabilities

Labour and employment related matters

1. A claim against the NLSA by a former employee to the value of R10 Million.

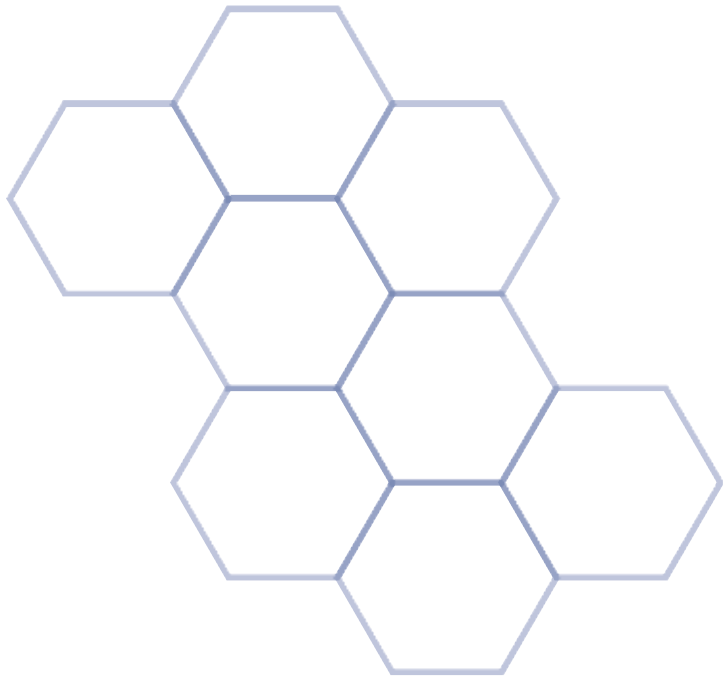
Management has assessed and has considered that there exists a possible obligation for the NLSA arising from the legal action instituted against the entity. The entity has been served with court papers by a former employee who is making financial demands for damages suffered as a result of defamatory statements made.

The NLSA's legal representative and Management have considered the likelihood of the action against the entity being less than likely, though it will be the Court that will make the final determination based on the merits of the case.

However, should the NLSA be unsuccessful in defending the case, the entity could be liable for an amount of R10 Million which is the best estimate available as at reporting date based on what has been rightfully claimed by the applicant as detailed on the Court pleadings.

41. Events after the reporting date

Subsequent to year end, SABINET (PTY) LTD concluded the valuation of the share held as at 31 March 2021. The share value was confirmed at R7.20 and an adjustment of R 1 140 000 was posted to account for the adjustment.



Pretoria Campus

228 Johannes Ramokhoase Street
(Proes Street), Pretoria
Private Bag X990, Pretoria, 0001
Tel: +27 (0) 12 401 9700
Fax: +27 (0) 12 326 7642

Centre for the Book

62 Queen Victoria Street, Cape Town
P O Box 15254, Vlaeberg, Cape Town, 8000
Tel: +27 (0) 21 423 2669
Fax: +27 (0) 21 424 1484

Cape Town Campus

5 Queen Victoria Street, Cape Town
P O Box 496, Vlaeberg, Cape Town, 8000
Tel: +27 (0) 21 423 6320
Fax: +27 (0) 21 423 3359

