ANNUAL REPORT
2022-2023

NLSA
National Library of South Africa
an agency of the
Department of Sport, Arts and Culture

National Library of South Africa
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.

Table of *Contents*

PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION **4**
2. LIST OF ABBREVIATIONS **5**
3. FOREWORD BY THE CHAIRPERSON **7**
4. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER **9**
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT **11**
6. STRATEGIC OVERVIEW **11**
6.1. Vision 11
6.2. Mission 11
6.3. Values 11
7. LEGISLATIVE AND OTHER MANDATES 12
8. ORGANISATIONAL STRUCTURE 13

PART B: PERFORMANCE INFORMATION

PERFORMANCE INFORMATION: PREDETERMINED OBJECTIVES **15**
1. Auditor's Report 15
2. Situational Analysis 15
2.1. Performance Environment 15
2.2. Organisational Environment 17
2.3. Strategic Outcome Oriented Goals of the NLSA 18

PERFORMANCE INFORMATION BY PROGRAMME **19**
PROGRAMME 1: ADMINISTRATION 19
- Office of the National Librarian and CEO 19
- Finance and Supply Chain Management 19
- Human Resources Management 19
- Communications, Marketing and Stakeholder Relations 20
- Information and Communication Technology (ICT) 20

PROGRAMME 2: BUSINESS DEVELOPMENT **21**
- Bibliographic Services and Collections Management 21
- Preservation and Conservation Services 26

PROGRAMME 3: PUBLIC ENGAGEMENT **27**
- Information Access Services 33
- Centre for the Book

3. PERFORMANCE INFORMATION BY SUB-PROGRAMME **36**

PROGRAMME 1: ADMINISTRATION **36**

PROGRAMME 2: BUSINESS DEVELOPMENT **41**

PROGRAMME 3: PUBLIC ENGAGEMENT **45**

PART C: GOVERNANCE
About the National Library of South Africa's corporate governance 46
The NLSA's Philosophy of Board and its sub-commitees 46
THe NLSA's Accounting Authority 46
The Board and Committee Charters 46
Board Sub-Committees 46
2022/2023 Board/Sub Commitee meeting attendance of members 47
Renumeration of Board Members 47
Risk Management 47
Our Top Priority-level Risks 47

PART D: HUMAN RESOURCES MANAGEMENT **54**

PART E: PFMA COMPLIANCE REPORT **61**
1.1 Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses 62
1.2 Information on late and / or non-payment of suppliers 63
1.3 Information on Supply Chain Management 64

PART F: FINANCIAL INFORMATION **65**
Report of the Auditor General 66
Report on the annual performance report 67
Annual financial statements 74

Drawn from oral lore and written in seSotho Chaka by Thomas Mofolo. First published in in 1925, it is a mythic retelling of the story of the rise and fall of the great Zulu King Shaka. It was named one of the twelve best works of African literature of the 20th century and has been translated in several languages including English (1931), German (1953) and Afrikaans (1974).

Chaka / by Thomas Mofolo (1876-1948). Publisher: Morija: Sesuto Book Depot, 1925

PART A

GENERAL INFORMATION

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:	Mr. Andile Present (from 1 September 2022)

Abbreviations and *Acronyms*

4IR	Fourth Industrial Revolution
AfLIA	African Library and Information Associations and Institutions
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit, Risk and Performance Committee
BSCM	Bibliographic Services and Collections Management
CEO	Chief Executive Officer
CFB	Centre for the Book
CFO	Chief Financial Officer
DSAC	Department of Sport, Arts and Culture
DoE	Department of Education
EAP	Employee Assistance Programme
ENE	Estimates of National Expenditure
ERDM	Emergency Readiness and Disaster Management
GSSA	Genealogical Society of South Africa
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRM	Human Resources Management
HRREMCO	Human Resource and Remuneration Committee
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
NACO	Name Authority Control ?
NARSSA	National Archive and Records Services of South Africa
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
RKMC	Research and Knowledge Management Committee
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
UBC	Universal Bibliographic Control
UCT	University of Cape Town
WLIC	World Library and Information Congress
WMS	WorldShare Management Services

Foreword by the *Chairperson*

Ms Refiloe Mabaso
Chairperson of the Board

It is with great pride and enthusiasm that I present the National Library of South Africa's 2022/23 Annual Report. As the Chairperson of the Board, I am deeply honored to be part of an institution that plays a pivotal role in preserving our nation's rich cultural heritage, advancing knowledge, and fostering intellectual growth.

Over the past year, the National Library of South Africa has continued to evolve, adapt, and excel in its mission to provide access to information, promote literacy, and champion the importance of learning in our society. Our commitment to being a beacon of knowledge for all South Africans has never been stronger, as we continuously strive to bridge the digital divide and reach even the most remote corners of our country.

As we take stock, at the end of the 2022/23 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. 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, to collect, preserve and makes available the country's documentary heritage.

The foundation of the NLSA's strategic vision for 2020 to 2025 is anchored on the themes of enhanced services; research, knowledge management and Innovation; stakeholder relations and communication; Human Resources; technology and finance.

Throughout the year, we actively engaged with communities and collaborated with various educational institutions, fostering partnerships that not only enriched our offerings but also contributed to the overall social and educational development of South Africa. Our commitment to inclusivity and diversity was underscored through a range of initiatives that sought to amplify marginalized voices, preserve oral traditions, and make our library an inclusive space for all.

Furthermore, the National Library of South Africa continued its efforts to digitise historical materials, ensuring their preservation for future generations while making them more accessible to researchers and learners worldwide. Our commitment to preserving the past while embracing the future remains at the core of our mandate, and we shall continue to embrace technology to enhance our services and outreach.

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 sector. The NLSA will continue to engage stakeholders to this end.

The NLSA understands that visibility of the organisation is vital for the implementation of strategic initiatives that will have impact in our country. The NLSA is deliberate in creating awareness by publicising the good work that is done. In this way, the footprint of the NLSA is grown and 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 2022/23, the NLSA was the implementing agent on behalf of the Department of Sport, Arts and Culture to organise South Africa's participation in the 2022 Gothenburg Book Fair. This platform allowed South Africa to showcase its literature, authors and storytellers to the Scandinavian community and further strengthen the ties between our county and Sweden. South Africa participated under the theme Ubuntu – the ties that bind us to a better and brighter future.

GRAP 103

We acknowledge that our heritage assets are our primary resources and the irreplaceable national historical, cultural, and informational heritage amassed over, more than, 200 years. As a result, the NLSA must ensure that its heritage assets register complies with GRAP 103 in its entirety with the aim of maintaining a trustworthy asset management system. The ultimate result is a complaint heritage asset register.

The Board and Management pledged to make significant changes to the ongoing issue of accounting for our heritage collections, which had a significant impact on the audit's unfavourable results due to non-compliance with the GRAP103 Standard. In order to considerably reduce the backlog and fully adhere to the AGSA obligation to GRAP standards, more resources, both financial and human, have been deployed.

Acknowledgements

As we look towards the future, we are excited by the opportunities and challenges that lie ahead. Our vision for the National Library of South Africa is one of continual growth, expansion, and modernization, as we adapt to the evolving needs of our society and the dynamic nature of information management.

I extend my sincere gratitude to the Department of Sport, Arts and Culture; my fellow Board members; the NLSA's Management and staff; partners; and all stakeholders for their dedication, collaboration, and unwavering support. Together, we shall continue to ensure that the National Library of South Africa remains a beacon of knowledge, a custodian of our heritage, and a catalyst for progress.

Thank you for your continued belief in our mission and for joining us on this inspiring journey of promoting a culture of learning and discovery in South Africa.

Ms Refiloe Mabaso

Chairperson of the Board

Chief Executive Officer's *Overview*

Kepi Madumo
National Librarian & CEO

I am delighted to present the 2022/2023 Annual Report of the National Library of South Africa (NLSA), reflecting another year of progress, innovation, and dedication in our pursuit of unlocking knowledge and preserving the nation's cultural heritage.

I am immensely proud of the significant strides we have made towards achieving our vision of becoming a world-class, inclusive, and accessible national library.

Embracing Digital Transformation: In this fast-paced digital age, we have committed ourselves to embrace technology and foster digital transformation across all our services. The year 2022/2023 saw the successful completion of the digitisation of rare manuscripts, historical documents, and a vast collection of indigenous knowledge. These efforts have not only ensured the preservation of invaluable cultural treasures but have also enhanced access for researchers, scholars, and the general public through our on-line platforms.

Strengthening Knowledge Partnerships: Collaboration remains at the core of our strategic objectives, and during this reporting period, we forged strategic partnerships with various academic institutions; national libraries; government departments; and local and international organisations. These collaborations have facilitated the exchange of ideas, resources, and expertise, enabling us to expand our reach and impact within the global knowledge community.

Enhancing Inclusivity and Accessibility: As the custodian of South Africa's documentary heritage, we believe in promoting inclusivity and accessibility for all citizens. To this end, we have taken significant steps to improve services for people with disabilities through the Conditional Grant for Community Libraries. Assistive technologies were implemented in identified community libraries across our county, and specialised programmes catering to diverse communities were hosted by the NLSA's outreach unit, Centre for the Book. Our regional outreach initiatives have reached underserved areas, ensuring that knowledge knows no boundaries.

Empowering the Youth: Recognising that the youth are the torchbearers of our nation's future, we have developed an internship programme to engage and empower Library and Information Services (LIS) graduates. Through this programme, LIS graduates are trained and able to amass vital on the job training and experience while working on the NLSA's GRAP 103 project.

Advocating for Copyright and Intellectual Property Rights: The NLSA has taken an active role in advocating for the protection of copyright and intellectual property rights. We believe that safeguarding the rights of creators and content owners is essential to foster creativity, innovation, and the sustainable growth of our creative industries.

Financial Sustainability: We have remained committed to prudent financial management, ensuring the responsible stewardship of public resources. Thanks to the support of our stakeholders and government funding, we have continued to invest in technologies, infrastructure, and human capital to better serve our patrons.

The NLSA declared a surplus of funds as at 31 March 2023, to the National Treasury for retention. The surplus funds are intended to partially fund the completion of the GRAP 103 project. A roll over application was made to the DSAC to approve the retention of unspent funds of the Conditional Grant for Community Libraries of R6 696 279. The retained funds will fund commitments and delayed projects.

As we look back on the accomplishments of the past year, we are inspired to continue our journey towards a more informed, enlightened, and united South Africa. The NSLA remains dedicated to its mission of unlocking knowledge, preserving our heritage, and building a brighter future for all. I extend my heartfelt gratitude to our committed staff, valued partners, and esteemed stakeholders for their unwavering support in making this vision a reality.

Kepi Madumo

National Librarian & 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.

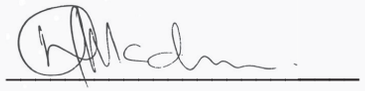
The annual report has been prepared following the guidelines on the annual report as issued by the National Treasury.

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

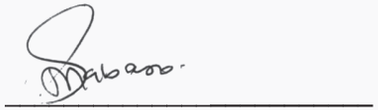
The accounting authority is responsible for preparing the annual financial statements and the judgements made in this information. The accounting authority is responsible for establishing and implementing a system of internal controls which is designed to provide reasonable assurance on the integrity 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 2023.



Mr Kepi Madumo
National Librarian and CEO



Dr. Refiloe Mabaso
Board Chairperson

Strategic *Overview*

VISION

A world-class African national library and information hub.

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.

VALUES

The National Library of South Africa (NSLA) espouses the following shared and unifying values:

Integrity

We uphold the virtues of integrity in the affairs of the organisation.

Excellence

We drive a culture of excellence in all that we do.

Innovation

We remain committed to creativity and innovation.

Collaboration

We work with like-minded organisations.

Accountability

We are an ethical and transparent organisation. We remain accountable to the Executive Authority while being conscious of serving our end-users.

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.

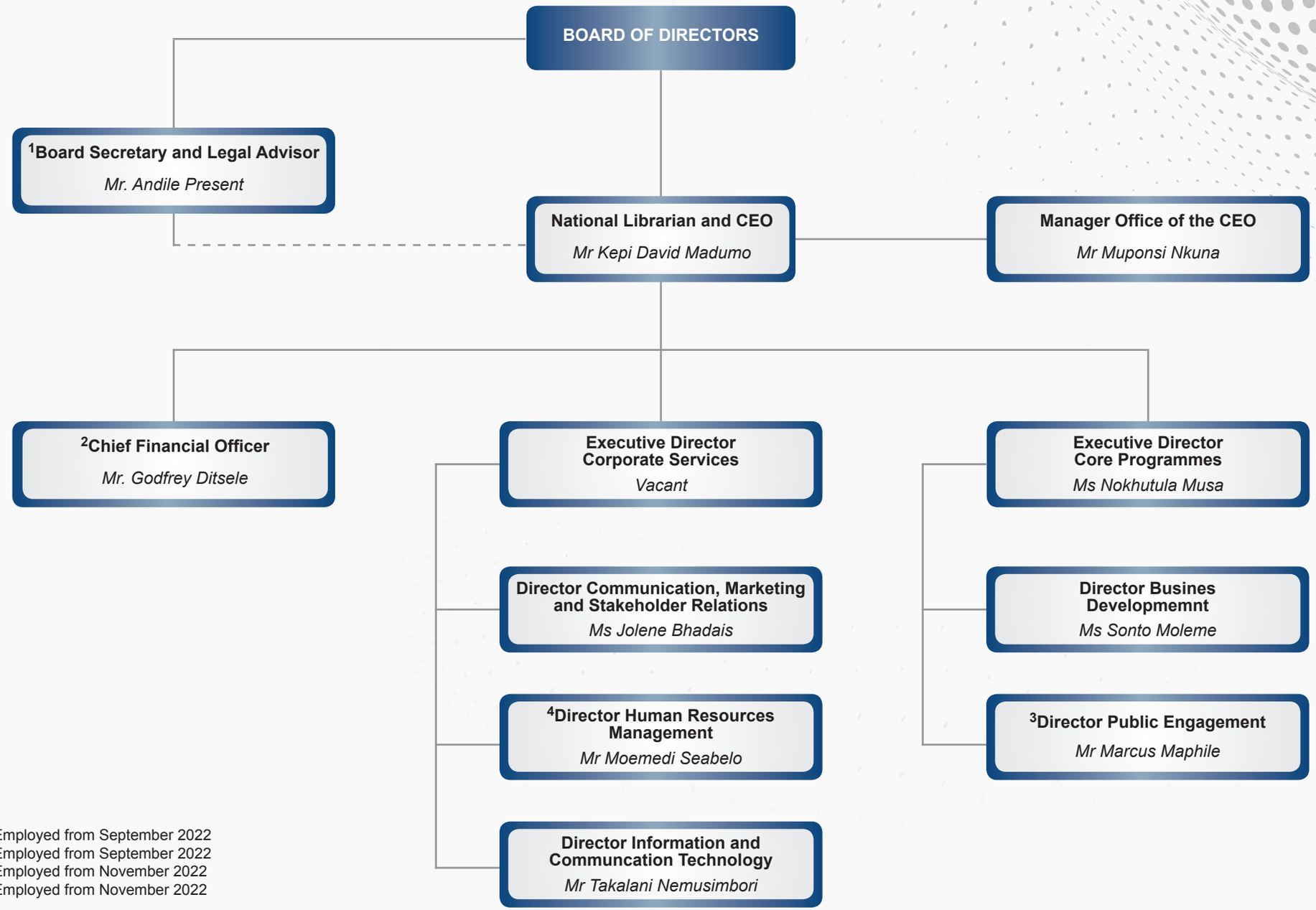
(1) The functions of the NLSA are to:

- (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
- (c) or relating to Southern Africa;
- (d) Promote optimal management of collections of published documents held in South African libraries as a national resource;
- (e) Supplement the national resource contemplated in subparagraph (i) with selected documents;
- (f) Record the documents contemplated in paragraph (a);
- (g) Render a national bibliographic service and to act as the national bibliographic agency;
- (h) Promote optimal access to published documents, nationally and internationally;
- (i) Provide reference and information services, nationally and internationally;
- (j) Act as the national preservation library and to provide conservation services on a national basis; and
- (k) 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 September 2022
2. Employed from September 2022
3. Employed from November 2022
4. Employed from November 2022

The Outspan was a South African weekly magazine (1927–1957), continued as the fortnightly Personality (6 June 1957 – 23 December 1965). R. Hale described The Outspan in Brown's South Africa as, "The most widely read magazine published in Southern Africa." It became one of South Africa's longest-lasting magazines - only the Huisgenoot proved more durable.

The Outspan, July 1st, 1927.

SOUTH-AFRICAN PUBLIC LIBRARY
1 JUL 1927

Registered at the G.P.O. as a Newspaper.

THE OUTSPAN

South Africa's Weekly for Everybody

Vol. I.—No. 18 FRIDAY, JULY 1st, 1927 Price 3d.

Which is S. Africa's Most Sociable Town?

Round the World on £300—By One Who Has Done It.

Women I Have Shingled —By A South African Hairdresser.

The Outspan : South Africa's weekly for everybody. 1927-1965

PART B

PERFORMANCE INFORMATION

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 F 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 makeaccessible 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 otherinstitutions 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.

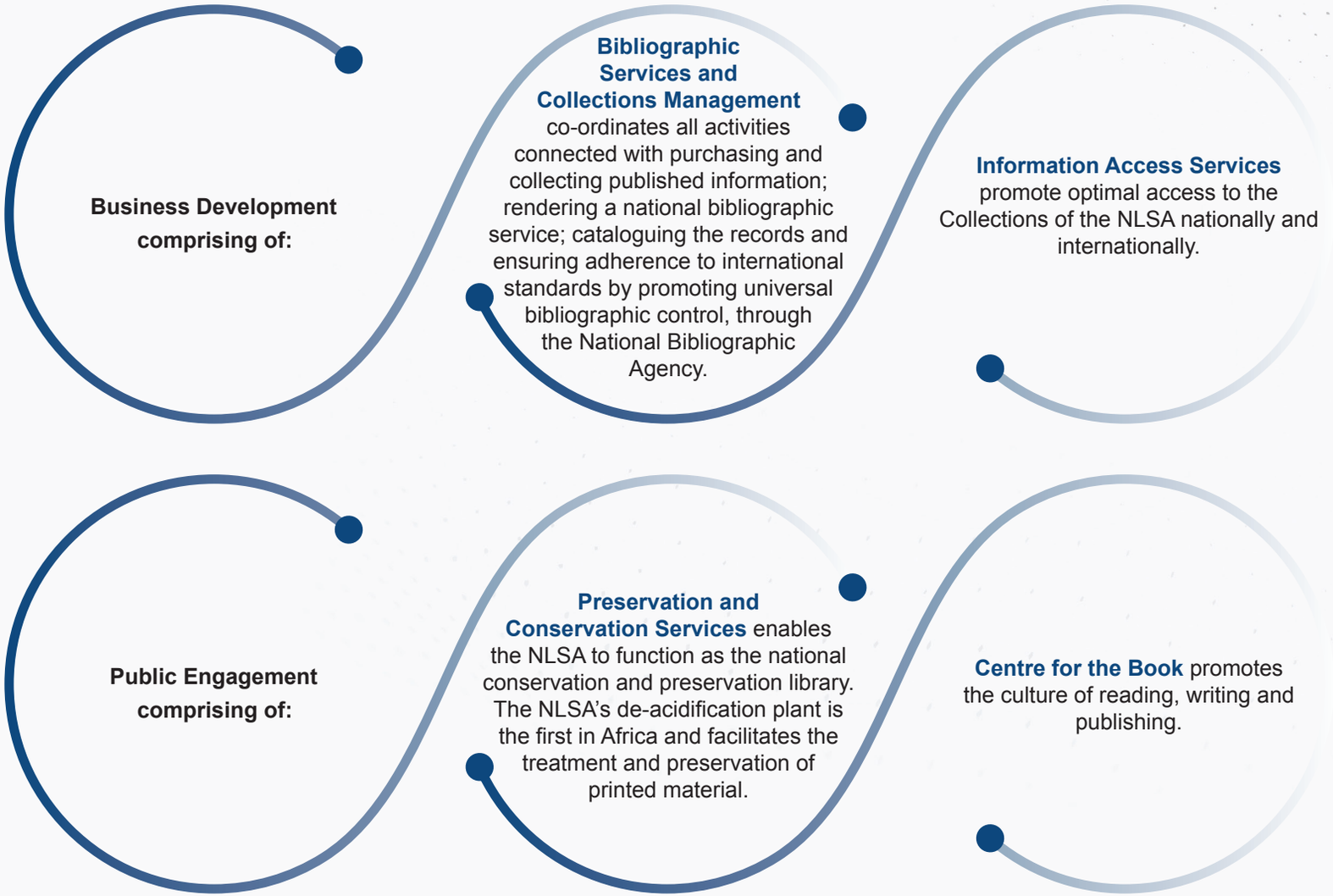
The third site is the Centre for the Book which also functions as the NLSA outreach unit to promote reading, writing and publishing in South Africa.

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 two 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.



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 (HRM) 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 Department Sport, Arts and Culture (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.

Outcome 14: Social cohesion and nation building.

The NLSA, through ts outreach unit, ensures social integration and inclusion of communities and society at large in the implementation of reading promotion and publishing initiatives. The NLSA promotes participation, regardless of origins histories, languages, cultures and religions, across its platforms.

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 (APP), 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 30.

FINANCE AND SUPPLY CHAIN MANAGEMENT

Refer to performance information on page 31.

HUMAN RESOURCE MANAGEMENT

Refer to performance information on page 32.

DEPARTMENT: COMMUNICATIONS, MARKETING AND STAKEHOLDER RELATIONS

The NLSA occupies a strategic space in the Library and Information Services (LIS) sector both nationally and internationally. The NLSA maintains its visibility through strategic marketing and active stakeholder engagement.

During the year under review the NLSA hosted the Standing Conference of African National and University Librarians in Eastern, Central and Southern Africa (SCANUL-ECS) on Monday, 30 October 2022.

The SCANUL-ECS conference was followed by a business meeting. South Africa is the permanent secretariate for SCANUL-ECS and was also mandated to revise the SCANUL-ECS constitution. The revised draft constitution was presented by NLSA at the business meeting.

SCANUL-ECS Conference was attended by 28 in-person delegates and 7 delegates virtually.

The NLSA was appointed by the DSAC, as the implementing agent for South Africa's participation in the Gothenburg Book Fair which took place from 22 to 25 September 2022. South Africa had the honour of being the focus country at the 2022 Gothenburg Book Fair and participated under the theme: Ubuntu – the ties that bind us to a better and brighter future.

South Africa's delegation of 30 was led by the Deputy Minister of Sport, Arts and Culture, Ms Nocawe Mafu. The NLSA collaborated with Amazwi South African Museum of Literature to curate South Africa's stand programme at the Gothenburg Book Fair.

South Africa's participation included:

- Seminar programme with 12 seminars.
- Stand programme of roughly 25 activities over the four days.
- Exhibition stand was designed, built, and manned over the four days.
- -South Africa hosted the opening and closing ceremonies, which both took place at the South African exhibition stand.
- South Africa launched the late Ambassador Lindiwe Mabuza's legacy book project, So Far, So Close on the Global Square on 22 September 2022.
- South Africa's ambassador to Sweden, HE Ms B Mabandla hosted a cocktail reception on 22 September 2022.

The CMSR Department 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. The NLSA enjoys active social media platforms which are used to inform and engage with stakeholders. During the year under review, the NLSA hosted numerous digital exhibitions to promote the NLSA's rich collections and celebrate South Africa's national days.

The NLSA pioritises engagement with local and international stakeholders. During the year under review the NLSA confirmed agreements with, among others, the British Library, and the Thabo Mbeki Foundation. Both agreements will see vital collaboration in areas of expertise exchanges, digitisation, and collection enhancement.

Stemming from the agreement with the Thabo Mbeki Foundation, the NLSA hosted two American visiting professors who are studying the Kwame Krumah Archives. Their visit culminated in a round table discussion around the importance of the archive in shaping African thought leadership.

During the year under review, the NLSA collaborated with Library and Archives Canada to host a dialogue series around areas of mutual interest. The dialogues brought together experts from each entity engaging and sharing experiences. Topics included engagement with indigenous and local communities and OCLA and public libraries.

DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The primary objective of the ICT department is to ensure the provision of reliable ICT services to both the public and internal stakeholders.

In today's ever-changing technology-driven world, the NLSA is continuously evolving and adopting innovative solutions to meet the demands of its users.

In the past year, the focus of the NLSA's ICT efforts was on implementing its Digital Transformation ICT Strategy. Special attention was given to automating certain library front-desk services by employing artificial intelligence and

robotics. The humanoid robots deployed at the NLSA's front desk primarily serve as dispensers of library knowledge and information. This robotics project is a collaborative endeavour between the NLSA and public libraries in South Africa.

Additionally, ensuring the availability and accessibility of information systems, including both back-end productivity systems and customer-focused front-end systems, was a major area of concern. The ICT department made sure that these information systems remained consistently available and accessible to support the NLSA's targeted business efficiency. Some of the front-end information systems directly provided to library patrons include free internet computers, Wi-Fi access, as well as printing, scanning, and photocopying services.

Plans are also in place to acquire and implement data exfiltration solutions and to upgrade all related security systems to strengthen the mitigation of cybersecurity threats. To mitigate cybersecurity threats, the ICT unit developed proactive risk mitigation strategies, such as regular system updates, patches, and maintenance. The ICT continues to perform vulnerability assessments as part of controls to mitigate any security penetrations and unauthorized access to NLSA systems and data. Security policies and procedures were implemented, and staff members were trained to be aware of cybersecurity issues. The NLSA's ICT operations are designed to be cost-effective and fit for purpose, but due to funding constraints, certain components could not be upgraded.

PROGRAMME 2: BUSINESS DEVELOPMENT

DEPARTMENT: BIBLIOGRAPHIC SERVICES AND COLLECTIONS MANAGEMENT

The NLSA is the custodian and provider of the nation's key knowledge resources. It is mandated by an Act of Parliament to collect, preserve, and make the library's published documents publicly available and accessible. The library's role is to ensure that documentary heritage knowledge is not lost to prosperity and that information is available for research. Documentary heritage comprises those single and group documents of significant and enduring value to a community, a culture, a country or to humanity in general, and whose deterioration or loss would be a harmful impoverishment. The collections provide the means for understanding the South African social, political, collective as well as personal history. The Business Development programmes plays a crucial role in ensuring that the above is realised. There are two sub units within Business Development, they are Bibliographic Services and Collections Management (BSCM) and Preservation and Conservation services.

BSCM purpose 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 either by South African authors or that relates directly to South Africa via purchase, gift, or donation; 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 a national bibliography and adhere and promote international standards.
- Enhance the Library's ability to exploit its collection to deliver its strategic priorities, portfolios and programmes.
- Ensure the collection of all legal deposit material.
- Enable and encourage publishers to adhere to the Legal Deposit Act, 54 of 1997 and to promote wider community awareness through training and workshops on the importance of legal deposit.
- Hosting of International Standard Number (ISN) Agency and the allocation of the International Standard Book Number (ISBN) and ISMN.
- Creation of Index to South African Periodicals (ISAP) records
- Extend the NLSA collection through gifts and donations to close the collection gap.

The Department consists of the following sub-units:

1. ACQUISITIONS

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

The object of the sub-programme is to expand and maintain existing collections; and acquire material published abroad either by South African authors or that relates directly to South Africa, via purchase, gift or donation.

During the year under review, the target for renewals of annual journal subscriptions and institutional memberships was achieved.

Target Journals Renewed	Actual Journals Renewed	Journals Ceased	Target Membership Renewed	Actual Membership Renewed
16	16	0	11	10

2. LEGAL DEPOSIT RECEIPTS

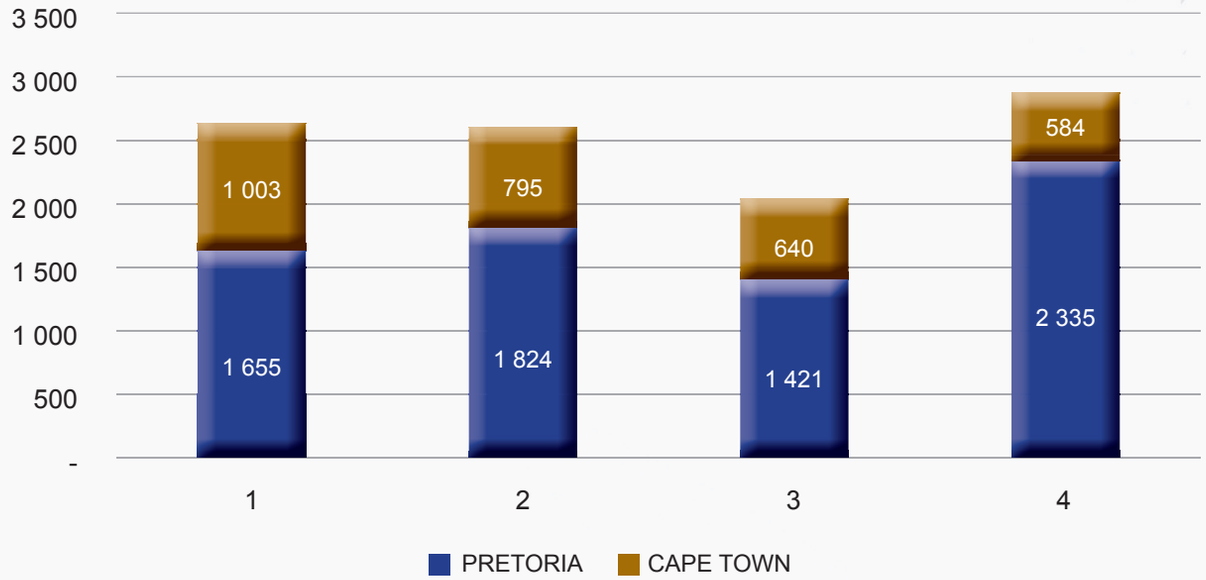
The sub-unit builds a complete collection, through legal deposit, of all serial and monograph documents published in South Africa.

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, audio book etc., in the format, be it printed

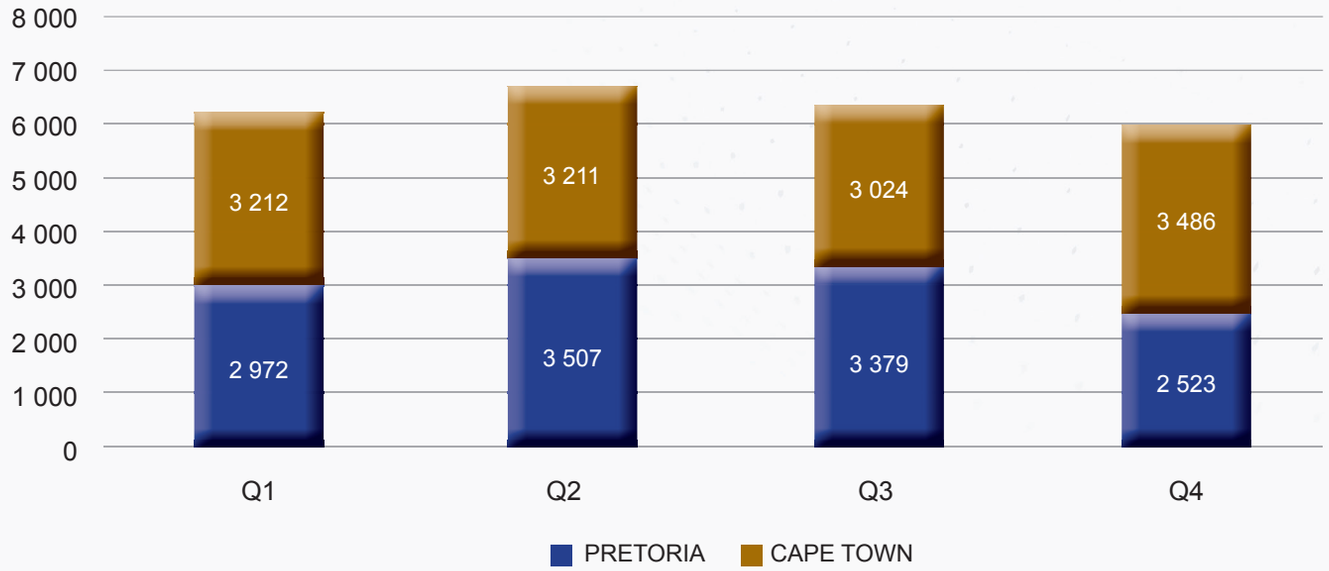
or electronic, in which it was made available for sale to the public. Further, legal deposit material is to be preserved and conserved in perpetuity and made available for use to both national and international users.

The NLSA collected 10 257 non-serial publications and 25 314 serial publications. This allowed the NLSA to add 35 571 publications to the collections, thereby showcasing the literary output of our South African authors.

Legal Deposit Non-Serial Receipts from April 2022 Tto March 2023



Legal Deposit Serial Receipts from April 2022 to March 2023



3. SOUTH AFRICAN NATIONAL BIBLIOGRAPHIC (SANB)

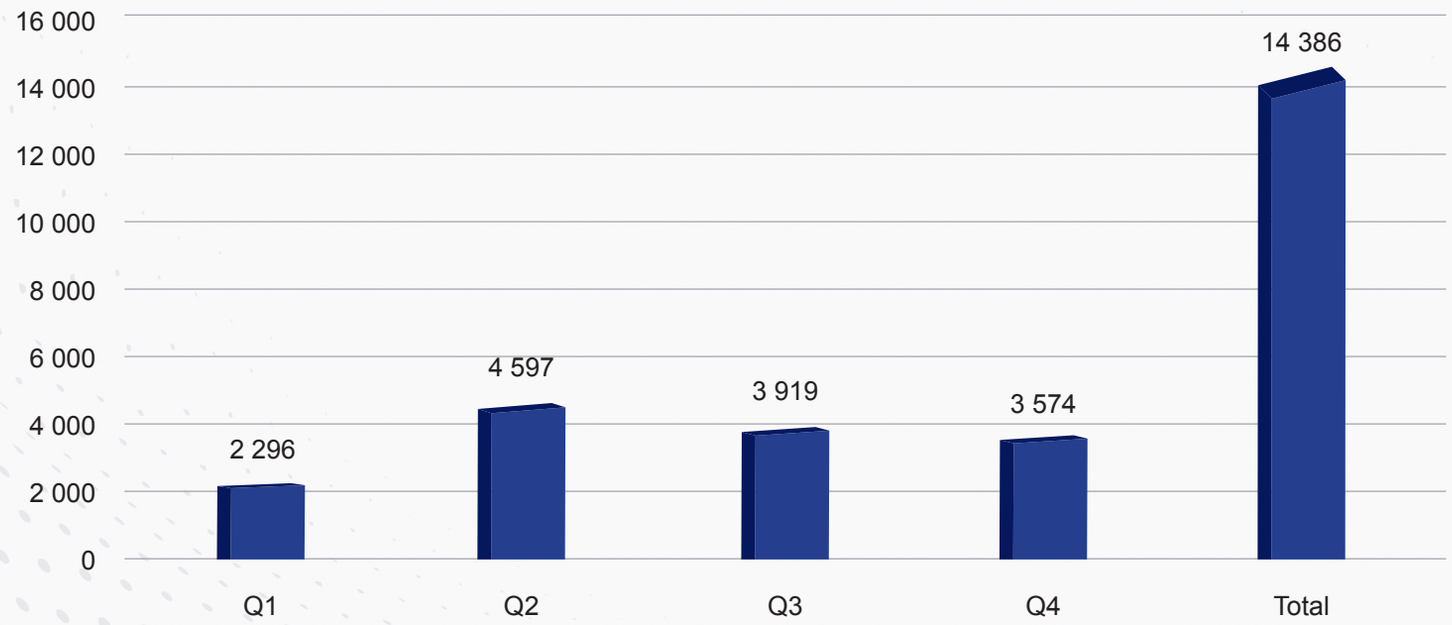
The NLSA is a leading institution of cataloguing in South Africa.

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

- Ensure universal bibliographic control of acquired material, by creating the national bibliography.
- 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.

14 386 items were catalogued. As a NACO participant, the sub-unit added 2 174 personal names, 186 corporate names, 521 uniform titles and 284 series records to the LC authority database.

Cataloguing of Legal Deposit Material



4. RESOURCE DESCRIPTION ACCESS (RDA)

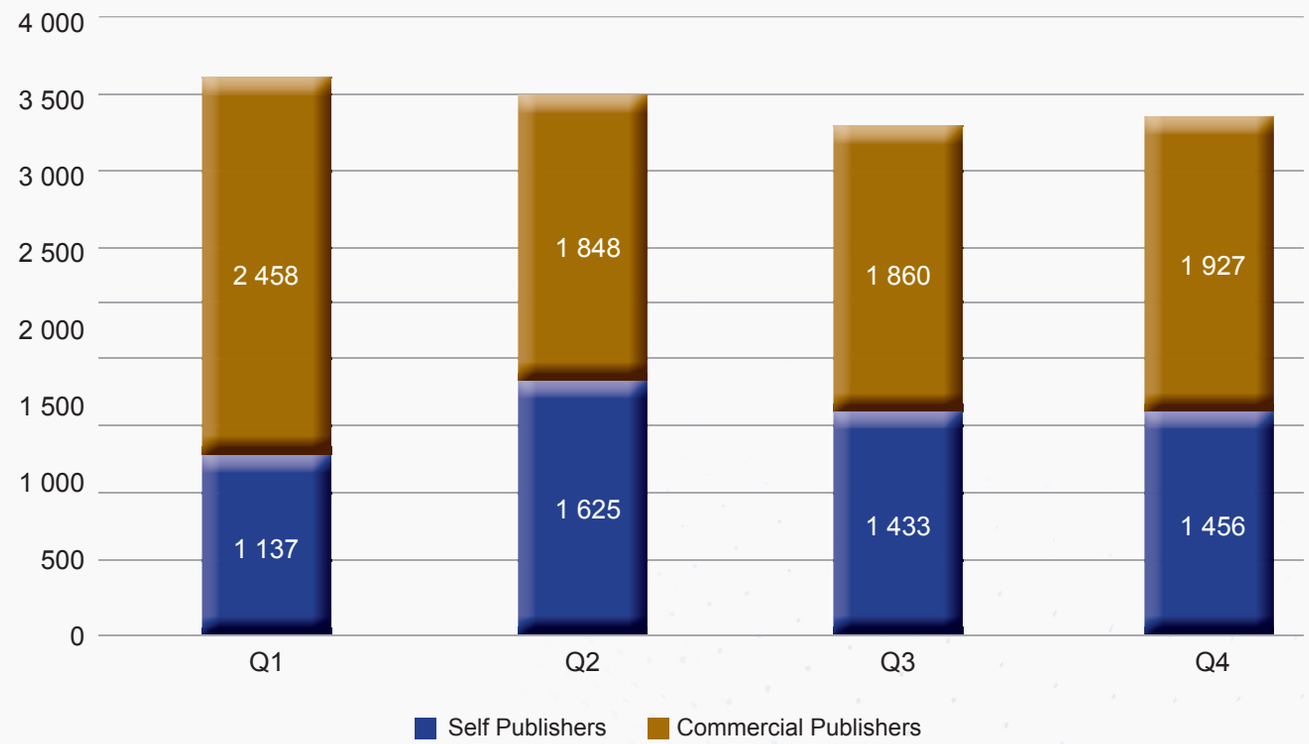
Six RDA training workshops were conducted during the reporting period. The following RDA training workshops were conducted:

- Two workshops in Witbank – 20 to 21 and 22 to 23 June 2022, attended by 20 delegates per day.
- One workshop in Pretoria – 15 to16 September 2022, attended by 30 delegates.
- Two workshops in Rustenburg – 20 to 21 and 22 to 23 February 2023, attended by 64 delegates over the four days.
- One workshop in Polokwane – 28 to 29 March 2023, attended by 22 delegates per day.

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 13 749 ISBNs allocated, 8 093 ISBNs were allocated to commercial publishers and 5 656 were allocated to self-publishers.

ISBNs Issued



Promotion of the Legal Deposit

The NLSA organises various events to promote its collection received through the Legal Deposit. In particular, the BSCM programme organises exhibitions to highlight and raise awareness of the richness and diversity of the collections.

A total of 12 displays of legal deposit material were hosted on the Pretoria and/or Cape Town Campuses.

Legal Deposit Capacity Building Workshops

During the year under review, a total of four capacity building workshops were conducted to create awareness on the importance of the Legal Deposit Act.

DEPARTMENT: PRESERVATION AND CONSERVATION SERVICES

The purpose of the Preservation and Conservation Services is to preserve and optimally maintain the NLSA's Collections with the aim of securing current and long-term survival and accessibility of the physical form and informational content of Collections. The NLSA acts as the national preservation library for the country and as such plays a leadership role in the South African Library and Information Sector. Preservation and Conservation Services consists of four units that are 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 Pretoria Campus.

Conservation and Maintenance of Collections

To safeguard the collections in the library we continuously disinfect and deacidify materials using preservation techniques. During the year under review, 6055 books and other library items were conserved using different conservation and repair techniques. Unfortunately, the annual target under the indicator number of items repaired and bound was not achieved. In addition, we deacidified 9351 items during the year under review. The target was achieved.

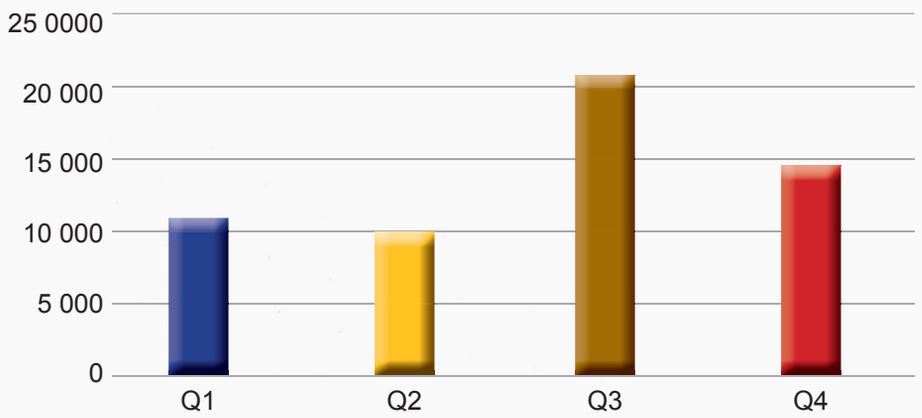
Digitisation

The NLSA, as a custodian of South Africa's rich documentary heritage, has in its collections rare and irreplaceable items ranging from maps, manuscripts, periodicals, and newspapers. The NLSA plays a pivotal role in preserving these items while also making them accessible to users, including scholars, researchers, and enthusiasts both local and international.

World-wide institutions are increasingly digitising their items of significant historical and cultural value, and/or unique, fragile, or frequently used to make them accessible via the internet to users from all over the world. Through digitization, for the first time in human history, institutions now have the means to provide access for large numbers of users to unique or special collections' material that would normally be viewed only on-site by a limited number of researchers.

The performance indicator for the Digitisation sub-unit is the number of images digitised. During the year under review 56 179 images were digitised and published on the ContentDM platform.

Number of Items Digitised 2022/2023



The Emergency Readiness and Disaster Management Workshops for Community and Public Libraries.

Although no evidence from current academic research is available, stake holder engagement has confirmed that skills development in Emergency Readiness and Disaster Management (ERDM) is direly needed in the public library sector of South Africa. Courses conducted by private companies are available but costly and/or located only in larger centra. Lack of funding, lack of management support, and geographic distances contribute to the scarcity of these skills amongst library workers.

As contribution to the visibility of the NLSA in its role as leader in the Library and Information Sector (LIS) sector nationally and internationally, the NLSA Preservation and Conservation unit conducted disaster management workshops prior to 2020. The workshop content has been updated and is mandated by the national DSAC Conditional Grant for improved staff capacity at public and community libraries, with the purpose of creating awareness and sharing appropriate skills enabling library workers to preserve library and heritage material. The target group for the ERDM for libraries training workshops is community and provincial library staff. The target group includes Archives, and Museums services, nominated for participation by their leadership.

PROGRAMME 3:
PUBLIC ENGAGEMENT

DEPARTMENT: INFORMATION ACCESS SERVICES

The Information Access Services (IAS) Programmes is an entry point to facilitate access to the unique heritage and knowledge resources and collections held at the NLSA. Access to the vast collections of books, newspapers, periodicals, manuscripts, maps and the iconographic collections housed at the NLSA is through the reading rooms housed at the Pretoria and Cape Town Campuses. Access is provided nationally and internationally.

As per the National Library of South Africa Act, No. 92 of 1998, the functions of the Information Access Services department include:

- To promote optimal access to published documents, nationally and internationally.
- To provide reference and information services, nationally and internationally.
- To promote awareness and appreciation of the nationally published documentary heritage.
- To promote information awareness and literacy.

The Information Access Services department consist of Reference, Reader Services, Special Collections, Text Retrieval and Document Supply.

Library Guides are prepared and distributed to library users and libraries that are members of the Southern African Inter-lending Scheme (SAIS). During the period under review, Guides were produced on the following topics.

- SAIS online database.
- Access information sources
- Tracking of inter-lending requests and parcels
- Physical handling of the collections of the NLSA
- Requesting library items manually via e-mail

Reference and Reader Services

The number of users accessing our reading rooms was 137 113 during 2022/23. This resulted in an increase in the number of physical and electronic retrievals. The number of users that accessed the NLSA's free Internet connectivity was 55 087. A total of 16 053 reference queries were processed.

Document Supply

Document Supply services ensure remote access to the resources held in the NLSA for all users in South Africa, Africa and the world. The three sub-programmes in Document Supply are the South African Inter-Lending Scheme (SAIS), National and International Interlending and the Gauteng Regional Courier Service.

The objectives to Document Supply are as follows:

- To provide users in South Africa with access to documents held in the NLSA Collections.
- To provide access to internationally published documents by sourcing material for SAIS member libraries from international supplying libraries.
- To facilitate access to users of International libraries to collections in NLSA and other libraries.
- Maintain an online system called SAIS Online that supports resource sharing, and interlibrary loans among South African libraries (SAIS).

The National Library is the main link between 589 Southern African Interlending Scheme libraries in the region that agree to share their information resource. The National Library of South Africa is the administrator and co-ordinator of this resource-sharing network.

Information Literacy

Information literacy is the ability to find, evaluate, organise, use, and communicate information in all its various formats; most notably in situations requiring decision-making, problem-solving, or the acquisition of knowledge. The NLSA hosted over 25 information literary sessions for the Cape Town Heritage Foundation and various secondary schools in the Western Cape. As a highly specialised library the NLSA has a duty to advise South Africans on curating and finding rare collections and information hidden within our literary heritage.

Exhibitions

The NLSA's exhibitions are designed with the intention to showcase the South African rich heritage by weaving together literature, science, art, and sound across cultures and time to deliver a range of experiences that will inspire and surprise audiences of all ages. Featuring artworks, manuscripts, sound recordings, and printed publications, our exhibitions explore the South African political landscape and people evolved since the dawn of democracy. As an African National Library, the NLSA will from time-to-time focus on material relating to African culture, sports, music, cuisine and travel.

During 2022/23, exhibitions were hosted to commemorate the National Days, including Freedom Day, where an exhibition of books, photographs, posters and newspaper headlines from newspapers across South Africa was erected to commemorate the first democratic elections held in 1994. For Africa Month, an exhibition of rare travel books with a focus on Leo Africanus (c. 1494 – c. 1554), an Arab diplomat and author who is best known for his book *Descrittione dell'Africa* (Description of Africa) first published in 1550. The exhibition further showcased one of the first books in African languages on the history of black people *Abantu Abamnyama Lapa Bavela Ngakona* (The Black People and Whence They Came). For Youth Day, Mandela Day and Women's Month, exhibitions were hosted consisting of books, newspapers, and photographs vividly telling the story behind the 1976 student uprisings, women in positions of leadership, in politics, the economy, sports, the arts, the performing arts, writers, and issues women are experiencing.

Apart from exhibitions celebrating and commemorating national and international days the NLSA hosted special exhibitions on *The Communist Party Collection,* one of the unique manuscript collections of the NLSA. The exhibition reflects the political struggles and labour movements pre-1960 using a variety of ephemera. Items included in the exhibition: SA Communist Party pamphlets, flyers denouncing the Colour bar which was formally established under the Mines and Works Act of 1911, the "pencil test" which was a method of assessing whether a person has Afro-textured hair. Other Exhibitions were at the Gertrude Shope Annual Dialogue Forum held by the Department of International Relations, Minister of International Relations and Ministerial Sectoral Imbizo in the Alfred Nzo District Municipality in the Eastern Cape,

Mobile exhibitions, to showcase the national heritage across the country, were prepared by the NLSA and hosted at the provincial libraries of Limpopo, Gauteng Western Cape, Eastern Cape Northern Cape and Free State. The exhibitions displayed previously banned publications and children's literature.

PROGRAMME: CENTRE FOR THE BOOK

The National Library of South Africa through its outreach unit, Centre for the Book, has made strides in addressing the challenge of a poor reading culture in the country. The Centre for the Book's existence emanates from the strategic mandate of promoting the culture of reading, writing and publishing. The Centre for the Book further provides access to books in all languages. The NLSA held 15 reading promotion programmes during 2022/23 to encourage reading habits among citizens.

The NLSA's reading programmes are complemented with book donations to guests aimed at encouraging reading in indigenous languages. The 2022 World Book and Copyrights Day was held in Barkley West in the Northern Cape. The formal celebration was officiated by the Northern Cape Department of Sport, Arts and Culture MEC, Ms Desery Fienies and the celebration was proceeded by a door-to-door book donation campaign where 4 000 books were donated to 14 schools and a local youth centre.

The 2022 National Funda Mzantsi Championship attracted over 270 book clubs from across the nine provinces to compete in impromptu reading, book review, spelling bee and debating in the 11 South African official languages. Funda Mzantsi Championship is a collaboration between the NLSA, Department of Correctional Services and the George Municipality. In strengthening the establishment of book clubs across the country's public libraries, the NLSA, in partnership with the Provincial Library Services, conducted 11 book club support workshops to librarians.

The NLSA supported budding authors by conducting creative workshops and offering self-publishing grants to author of fictional works in all languages. In December 2022, the book *Now you see me*, an anthology of poems and shorts stories written by blind and partially sighted authors, was launched in Kimberley, Northern Cape as part of celebrating Disability Rights Awareness Month.

ANNUAL PERFORMANCE INFORMATION BY PROGRAMME: 2022/2023

1. PROGRAMME 01: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved level of corporate governance and well governed institution.	Implemented revenue and Fundraising strategy.	% Revenue generation or sponsorship strategy implemented.	New target	5%	2.86%	100%	35.3%	- 64.7%	More income received from interest, venue and parking hire. No revenue generated from fundraising.
	Implemented Audit improvement Plan.	% of Audit	-	-	New target	100%	53%	- 47%	Review of SCM Policy took longer than expected and the approval of the SCM Policy will address most of the findings that are yet to be addressed.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved level of corporate governance and well governed institution.	Implemented Risk Management Plan.	% of Risk Management Plan implemented	-	-	New target	100%	88%	-12%	Two activities were due in Quarter Four were not achieved due to the non-responsive bids.
	100% Compliance with NLSA Regulation Universe.	100% Compliance with NLSA Regulation Universe.	New target	75%	90%	100%	50%	-50%	Delays in the completion of GRAP 103 Project affected PFMA compliance. BBBEE submission was delayed due to the late appointment of the service provider.
Increased assets life span through preventative management and maintenance of NLSA facilities.	Approved maintenance plan implemented.	% of planned maintenance projects completed.	New target	0%	23%	100%	83.74%	16.26%	Maintenance projects for Cape Town was delayed due to the challenge of appointing contractors. The bid process yields unresponsive bids.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
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	40%	62%	95%	98.28%	+3.28%	The implementation of the Business Plan was aligned with the available funds.
Technologically 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.	% Availability of network systems.	100%	98.9%	98%	96%	96%	N/A	N/A
	Modernised ICT services and equipment through implementation of the ICT strategy.	% Implementation of ICT strategy	-	-	New target	100%	66%	-34%	The planned projects of the strategy were not completed due to non-responsive of bids.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved visibility and well-informed clients and stakeholders.	NLSA brand visibility interbentions, activities and stakeholder engagements implemented.	Number of NLSA brand visibility interventions, activities and stakeholder engagements implemented as per the Communica-tions Implemen-ation Plan.	New target	25	27	17	17	N/A	N/A
Effective HR management. processes and practice development, implemented and maintained.	Approved HR strategy Implemented.	% of Approved HR Strategy implemented as per the HR Implemen-tation Plan	New target	50%	41.5%	80%	55%	-25%	The implementation of the HR strategy was impacted by the extension of the OD project, bids for training were delayed and there were changes to the SmartHR system.

2. PROGRAMME 02: BUSINESS DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Updated and completed register of the National Documentary Heritage collection.	Compliance with Legal Deposit Act.	Number of publications collected and recorded through Legal Deposit.	-	New target	37 671	25 000	35 571	+10 571	Target was exceeded due to claiming of non-deposited items of both serial and non-serial. Legal Deposit awareness programmes contributed to Legal Deposit compliance.
		Number of initiatives held to promote Legal Deposit of monograph and serial publications.	New target	11	19	16	16	N/A	N/A
	Preserved and conserved documentary heritage collection.	Number of items repaired and bound.	5 900	5 102	7 527	7 200	6 055	-1 145	The target was not achieved due to the unavailability of specialised preservation stationery in South Africa.
		Number of items de-acidified.	0	7 908	6 477	7 500	9 351	+1 851	Target was exceeded due to repairs and maintenance being cpompleted on the Deacidification plant.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Updated and completed register of the National Documentary Heritage collection.	Improved digital access to the documentary heritage collection.	Number of heritage items digitised.	32 989	6 677	50 841	35 000	56 179	+21 179	Target exceed due to acquisition of additional equipment which resulted in operational efficiencies.
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	10	13	12	18	+6	More papers were accepted for presentation at conferences including National Reading Summit, LIASA Conference and Children's Literature Conference.
	Capacitated Research and Innovation Unit.	Number of editions of the NLSA's accredited journal published.	New target	2	2	2	2	N/A	N/A
	Innovation unit	Number of capacity development sessions in the LIS sector	-	-	New target	16	17	+1	Target was exceeded due to additional requests for training from stakeholders.
		Number of innovation services initiated and implemented.	New target	2	0	1	1	N/A	N/A

3. PROGRAMME 03: PUBLIC ENGAGEMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/22	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 campaigns organised nationally.	14	15	16	15	15	N/A	N/A
		National Reading Summits hosted (Biennial).	New target	1	N/A	1	1	N/A	N/A
		Number of books published through the Community Publishing Grant.	New target	33	23	10	11	+1	Target was exceeded due to more books published from the prior years backlog.
		Number of Book Club support Workshops conducted.	New target	9	9	9	11	+2	The target was exceeded due to additional request for workshops from Stakeholders.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	Inter-lending Guides.	Number of Library Guides distributed to library users and the South African Inter-lending Scheme (SAIS).	New target	4	4	6	6	N/A	N/A
	Information resources retrieved and accessed.	Number of electronic information resources retrieved and accessed.	-	-	New target	190 903	162 866	+62 866	Information literacy sessions contributed in raising awareness enabled Users to ndependently retrieve electronic resources.
		Number of physical items retrieved and accessed.	-	-	New target	10 000	41 227	+31 227	Increased awarenss of the NLSA's Collections resulted in more queries that require retrieval of printed publications.

Linking Performance with Budgets

It is pleasure to report that the financial resources allocated to NLSA during the 2022/23 financial year have been spent as initially intended. The below spending includes roll forwarded conditional grant unspent funds which were utilised on the current financial year. The reported adverse variances between budget and the actuals under Administration and Business Development is due to the unspent conditional grants which are rolled forwarded in the current financial year. Namely the facilities management, PESP and GRAP 103 projects.

Programme/Activity/ Objective	2022/23			2021/22		
	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	67 615	96 853	(29 238)	90 408	131 984	(41 576)
Business Development	26 252	37 598	(11 346)	24 666	25 187	(521)
Public Engagement	44 395	40 867	3 528	37 947	17 857	20 090
Total	**138 262**	**175 318**	**(37 056)**	**153 021**	**175 028**	**(22 007)**

Revenue Collection

The Other Income and Investment Revenue are approximately 2,24% of the total revenue. NLSA attempts to supplement the subsidy received from DSAC through self-generated income and interest earned from bank accounts.

Sources of Revenue	2022/23			2021/22		
	Estimate	Actual Amount earned	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Other Income	1 900	1 952	52	1 900	1 553	(347)
Investment Income	600	2 513	1 913	600	925	325
Total	**2 500**	**4 465**	**1 965**	**2 500**	**2 479**	**(21)**

Capital Investment

Facilities Management Projects

NLSA had a budget of R66.5 million for Facilities Management Projects including the balances brought forward from the previous year and interest earned from short term deposits on these particular Conditional Grants. This is funded through the Infrastructure Development Unit from the DSAC.

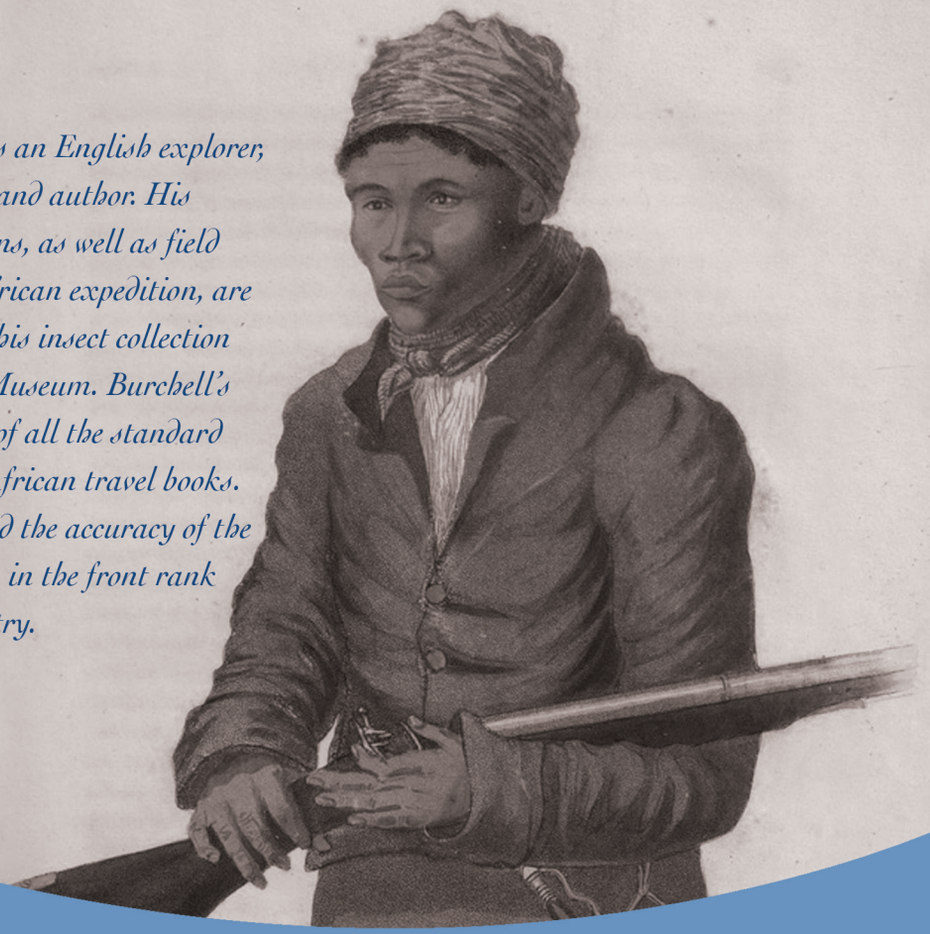
A total of R6 million was spent during the 2022/23 financial year on maintenance projects at both Campuses. The NLSA further received approval to utilise R10.4 million for the clearing of long outstanding municipal bills owed to DPWI for the devolution. The total spending then amounts to R16.4 million. Furthermore, the fund has accumulated interest of R2.5 million in the current financial year, which in not included in the balance remaining. The NLSA is in the process of conducting a condition assessment on all its building, the available funds will then be used for the identified projects over the next three years.

Infrastructure Projects	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Facilities Management Projects	66 554	16 467	50 087	74 731	8 177	66 554
Total	**6 554**	**16 467**	**50 087**	**74 731**	**8 177**	**66 554**

B-BBEE Verification Status

The NLSA generates its funding through non–exchange activities like subsidies and grants from the Department of Arts and Culture. Approximately 4% is generated through exchange activities which is way below R10 million. Nonetheless, with regards NLSA compliance status with the B-BBEE Act, we in the process of resolving the non-complaint status of the organization.

William John Burchell was an English explorer, naturalist, traveler, artist, and author. His thousands of plant specimens, as well as field journals from his South African expedition, are held by Kew Gardens, and his insect collection by the Oxford University Museum. Burchell's travels are the best-known of all the standard nineteenth century South African travel books. The beauty of the plates and the accuracy of the descriptions place this work in the front rank of travel books of any country.



Travels in the interior of Southern Africa / by William John Burchell (1781-1863). Publisher: London: Longman, 1822-24.

PART C
GOVERNANCE

About the National Library of South Africa's 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 on 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 report 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) advises the Board on the functions of the Core Programmes as articulated in the NLSA Act as well as marketing initiatives and facilities management.
- Audit, Risk and Performance Committee (ARPC) 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 ensuring compliance with all applicable legal requirements and accounting standards as well as 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.

Portolio Committee

The National Library of South Africa presented to the Portfolio Committee on Sport, Arts and Culture on 30 May 2022.

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 follows 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 are 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.

Board Information

BOARD INFORMATION								
NAME	**DESIGNATION**	**DATE OF APPOINTMENT**	**DATE RESIGNED**	**QUALIFICATIONS**	**AREA OF EXPERTISE**	**BOARD DIRECTORSHIP**	**OTHER COMMITTEES**	**NO. OF MEETINGS ATTENDED**
Dr Refiloe Mabaso	Chairperson	01 October 2021	N/A	-PhD in Information Science -Master's in Business Administration -Postgraduate Diploma in Knowledge & Information Systems -Postgraduate Certificate in Knowledge Management -B Tech. Library and Information Studies	-Library Management -Knowledge Management -Information Governance -Data and Information Management	-Chairperson of the Board: Kitso Lesedi (Non-Government Organisation) -Chairperson of Knowledge Management South Africa – KMSA (Professional Association) -Council member of National Heritage Council of South Africa (Department of Sport, Arts and Culture) -Interim Chairperson of Committee on Data of the International Science Council - National Research Council -Board member of Knowledge Management Global Network (Professional Association)	N/A	7/7
Dr/Adv Mphalane Makhura	Member	06 March 2023	N/A	-PhD in Information Science -Bachelor of Law (LLB)		-Council member: National Council of Libraries and Information Services (NCLIS), -Council member: Limpopo Advisory Council on Library and Information Services	Chairperson: SABS Technical Committee (TC) 46	0/0

BOARD INFORMATION								
NAME	DESIGNATION	DATE OF APPOINTMENT	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Mr Archibald Ramawa	Member	01 October 2021	N/A	-B Comm (Accounting) - PGD in Accounting (CTA)	Financial Management, Risk Management, Auditing, Governance, Consulting	N/A	- Audit Committee Member: City of Johannesburg Metropolitan Municipality -Audit Committee Member: Companie Tribunal -Risk Management Committee Chairperson: Polokwane Municipality	3/3
Ms Khanyisiwe Dubazana	Member	01 October 2021	N/A	- Master of Education Degree - Further Diploma in Education Management - BEd Honours -BEd Degree	Librarianship and Education	South African Library for the Blind (SALB)	N/A	7/7
Ms Thembisa Jimana	Member	01 October 2021	N/A	-PGD in Business Management -BTech Internal Auditing -ND in Internal Auditing	Governance, Audit and Risk	National Museum of South Africa South African Council for Social Service Profession	N/A	7/7
Mr Trevor Mokeyane	Member	28 September 2018	N/A	-Bachelor of Arts (English) -Advanced Certificate in Labour Law	Public Library Management	N/A	N/A	7/7

BOARD INFORMATION								
NAME	DESIGNATION	DATE OF APPOINTMENT	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Mr Phuti Phukubje	Member	01 October 2021	N/A	B Com, B Com (Hons), Adv Diploma in Accounting, RGA (SA), SAIT	Finance, audit, investigation, forensic, tax	DSAC MQA Department of Social Development William Humprey Art Gallery FPB	N/A	6/7
Ms Keke Maidi	Member	28 September 2018	15 February 2023	-BTech: Library and Information Studies -ND: Library and Information Studies -Executive Secretarial	Library and Information Management	N/A	N/A	7/7
Dr Clarence Tshitereke	Member	01 October 2021	04 May 2023	-Doctor of Philosophy -Master of Philosophy (Political Management)	Political Scientist	N/A	N/A	7/7
Mr Khathutshelo Nethavhani	Member	01 October 2021	08 May 2023	-LLM – Banking Law - LLM – Corporate Law -LLB -ND Administrative Management: General	Governance, Corporate Law, Banking Law	N/A	N/A	7/7

BOARD INFORMATION								
NAME	DESIGNATION	DATE OF APPOINTMENT	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Mr Lesetja Monama	ARPC Chairperson	1 April 2021	N/A	-Chartered Accountant (SA), RA	External and Internal Auditing, Financial Reporting, Financial Accounting, Governance	N/A	South African State Theatre (SAST), South African Cities Network (SACN), Construction Industry Development Agency (CIDB);(ALL ARCs)	6/6

Board Committees

BOARD COMMITTEES			
COMMITTEE	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS	NAME OF MEMBERS
RKMC	4	3	Ms Keke Maidi (Chairperson)
			Ms Khanyisiwe Dubazana
			Mr Archibald Ramawa
			Dr Refiloe Mabaso (Ex-Officio)
HR&REMCO	5	4	Dr Clarence Tshitereke (Chairperson)
			Ms Thembisa Jimana
			Mr Trevor Mokeyane
			Mr Khathutshelo Nethavhani
			Dr Refiloe Mabaso (Ex-Officio)
ARPC	8	4	Mr Lesetja Monama (Chairperson)
			Dr Tebogo Sethibe
			Ms Annelise Cilliers
			Mr Phuti Phukubje

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

- Audit, Risk and Performance Committee
- Research and Knowledge Management Committee
- Human Resources and Remuneration Committee

2022/2023 Board/Sub-Committee meeting attendance of members

BOARD									
Dr Refiloe Mabaso (Chairperson)	**Dr Clarence Tshitereke**	**Mr Khathutshelo Nethavhani**	**Mr Archibald Ramawa (Acting CFO)**	**Ms Khanyisiwe Dubazana**	**Ms Thembisa Jimana**	**Mr Trevor Mokeyane**	**Ms Keke Maidi**	**Mr Phuti Phukubje**	**Mr Lesetja Monama (ARPC Chairperson)**
7/7	7/7	7/7	3/3	7/7	7/7	7/7	7/7	6/7	6/6

Human Resources and Remuneration Committee (HRRCO)				
Dr Clarence Tshitereke (Chairperson)	**Mr Khathutshelo Nethavhani**	**Ms Thembisa Jimana**	**Mr Trevor Mokeyane**	**Dr Refiloe Mabaso (Ex-Officio)**
5/5	5/5	5/5	5/5	3/5

Research Knowledge Management Committee (RKMC)				
Ms Keke Maidi (Chairperson)	**Ms Khanyisiwe Dubazana**	**Mr Archibald Ramawa (Acting CFO)**	**Dr Clarence Tshitereke (Co-opted Member)**	**Dr Refiloe Mabaso (Ex-Officio)**
4/4	4/4	2/2	2/2	4/4

Audit, Risk and Performance Committee (ARPC)			
Mr Lesetja Monama (Chairperson)	**Ms Annelise Cilliers**	**Dr Tebogo Sethibe**	**Mr Phuti Phukubje (Board Member)**
8/8	8/8	5/8	8/8

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.

Remuneration of Board and Sub-Committee members is outlined in Note 35.2.3 of the Annual Financial Statement.

RISK MANAGEMENT

Effective risk management entails continuous and proactive identification and assessment of risk factors affecting the NLSA's mandate. As of 01 April 2022, NLSA had 09 strategic risks on the Risk Register and as at end March 2023, two (2) strategic risks were addressed by management during the year. NLSA Management is responsible for implementing risk action plans and for ensuring that controls are effective and continuously enhanced. The "risk owners" report on the status of the particular risk they manage, they must also outline the mitigating actions taken. Progress against risk action plans is monitored and reported in quarterly reports. During 2022/23 a Risk Policy was reviewed and is in place, a risk register was compiled and was reviewed and monitored by the NLSA Executives, ARPC and Board.

Our key risks continue to relate to our ability to sustain operations and our financial position. We face critical challenges regarding inadequate funding and the accounting standard on Heritage Assets GRAP 103 is still the significant risk inherent to our library collections management and the effectiveness of our operations to enable us to account on the mandate of the National Library of South Africa.

Minimising Conflict of Interest

The NLSA has adopted a process of regulating issues of conflict of interest. As such the Board, Committee Members and all NLSA employees are required on an annual basis to complete and submit their declaration of interest.

Furthermore, any person who is conflicted on a matter before consideration by the Board/ Committee is required to always declare their interest and be recused from participating in such deliberations. All suppliers of goods and services to NLSA are required to complete standardised National Treasury documentation (SBD4 Declaration of Interest).

In view of possible allegations of favouritism, should the resulting bid or part thereof be awarded to persons employed by NLSA or to persons connected with or related to them. It is required that the bidder or his/her authorised representative declare his/her position to the evaluation/adjudication authority. In addition, staff members of NLSA involved in the Bid Evaluation and Adjudication Committee are required to complete a declaration and non-disclosure form at each meeting.

Fraud and Corruption

The Anti-Fraud and Corruption Prevention Plan has been developed within the context of the Risk Management Framework with the aim to reduce fraud and corruption to an absolute minimum and effect policies and procedure to maintain the risk of fraud within tolerable levels, and preferably zero, at all times. Various measures have been implemented to prevent fraud and corruption. These include authorisation, custody of assets, detection controls, physical supervision, management information, and segregation of duties, physical security, and information security. The Anti-Fraud and Corruption Prevention Policy includes the response mechanisms in place to report, investigate and resolve incidents of fraud impacting on the NLSA. National Fraud hotline maintains a fraud reporting hotline, where employees report incidents of corruption, fraud, and unethical practices within the workplace. During the 2022/23 financial year, NLSA had no reported incidents of fraud and corruption.

Health, Safety and Environmental Issues

The NLSA has security measures and equipment implemented at the Pretoria and Cape Town Campuses to ensure the safety of personnel, assets and visitors to the premises. Security measures include:

- Security control rooms
- Access control system installed on doors
- Fire alarm upgraded with links to the relevant Municipality's Fire Emergency Response
- CCTV system

The NLSA appointed SHE representatives on all three of its premises. During the year under review the Reps were trained as Fire Marshals.

BBBEE Status

The NLSA generates its funding through non – exchange activities like subsidies and grants from the Department of Sport, Arts and Culture. Approximately 4% of the NLSA's revenue is generated through exchange activities; this is far below R10 million. There were delays in the submission of the BBBEE documents in 2022/23. The NLSA is in the process of verifying its BBBEE standing through the engagement of a service provider.

Social Responsibility

The National Library of South Africa through its outreach unit, Centre for the Book donated approximately 13 000 books during the year under review. The donated books include the reprinted classics in indigenous languages of South Africa. During the 2022 World Book Day celebration in Barkley West in the Northern Cape, 4 000 books were donated to 14 schools and a local youth centre.

The NLSA has active Internship Programmes that empower, upskill and develop unemployed youth in South Africa. Youth employment is achieved as the recruitment is targeted at young graduates with little or no work-experience. This supports skills development and the advancement of libraries as partners of economic development and emancipation. Social capital is achieved through lifelong learning opportunities and an investment in building a knowledge economy. This supports the Global Sustainable Development Goals, specifically Goals 4.4, 4.7, 8.5, 8.6, 8.B, 10.2 on quality education and promotion of lifelong learning opportunities; promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; and reduce inequality within and among countries.

The NLSA, during the year under review, employed 134 unemployed LIS graduates who were employed on the Pretoria and Cape Town Campuses. The graduates were exposed to intense on-the-job training and mentorship which enables them to gain key competencies needed to work in various environments.

INTERNAL AUDIT AND AUDIT COMMITTEE

Internal Audit

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the NLSA. This function helps the NLSA to accomplish its objectives and translate operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and employees of the NLSA and the Audit, Risk and Performance Committee. Adequate resources to the three-year plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the National Librarian/Chief Executive Officer and functionally to the Audit, Risk and Performance Committee (ARPC).

The Internal Audit division of the NLSA is fully outsourced to Abacwaningi Business Solution. The Internal Audit was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter, based on Treasury Regulation 3.2 and the Standards for the Professional Practice of Internal Auditing. The scope of Internal Audit's work was derived from the approved annual operational plan, approved by the ARPC.

The audit approach combines two types of audit engagements, that is, assurance and consulting (advisory) services. Internal Audit is always, when conducting their work or any other tasks assigned to them, guided by the International Standards for the Professional Practice of Internal Auditing (SPPIA) and the Code of Ethics, as published by the Institute of Internal Auditors (IIA), and complies with the relevant sections in the PFMA and related Treasury Regulations.

Audit, Risk and Performance Committee (ARPC)

The NLSA's ARPC is an independent committee, appointed in terms of section 51 (a) (ii) of the PFMA Act, Act No. 1 of 1999 (as amended), the Treasury Regulation 27.1, as well as its Board approved ARPC Charter.

The primary purpose of the ARPC is to assist the Accounting Authority in fulfilling her responsibilities to ensure that the NLSA has and maintains effective, efficient and transparent systems of financial, risk management, governance, compliance and internal control by providing oversight on the following:

- financial reporting, systems of internal control and performance against predetermined objectives.
- ensuring and enhancing the independence of the Internal Audit unit and external auditors.
- reviewing the strategic and operational risk areas of the NLSA to be covered in the scope of internal and external audits.
- ensuring the proper functioning of both the internal and external audit processes and other assurance services, including fraud and corruption investigation activities; and
- monitoring compliance with laws and regulations.

The ARPC is also responsible for reviewing the annual financial statements and performance information reports, as required by the PFMA and the related Treasury Regulations. The ARPC does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Authority for her approval or final decision.

Overall, the ARPC executed its responsibilities through close liaison and communication with management, internal and external auditors and where it deems it necessary and engages with the Executive Authority. However, in the current year under review, there were no matters that necessitated an engagement with the Executive Authority.

Audit, Risk and Performance Committee members and attendance

The ARPC consists of members listed below, of which three (3) are independent members in line with good corporate governance practice and one (1) delegated member of the Board of the NLSA. The Committee meets at least four times per annum as per its approved terms of reference, with special meeting where such a need arises. During the financial year under review, the ARPC held four (4) ordinary meetings and four (4) special meetings.

The table below discloses relevant information on the ARPC members and their attendance of the Committee meetings:

Name and Surname	Qualifications	Designation	Date of Appointment	Date of Resignation	Number of Meetings Attended
Mr L Monama	Chartered Accountant (SA), RA	Independent Committee Member	1 April 2021	N/A	8/8
Ms A Cilliers	Chartered Accountant (SA), RA	Independent Committee Member	1 April 2021	N/A	8/8
Dr T Sethibe	Doctor of Business Leadership (DBL)	Independent Committee Member	1 April 2021	N/A	5/8
Mr P Phukubje	BCom Acc/CTA BCom (Accounting) Diploma in Accounting	NLSA Board Member	1 October 2021	N/A	8/8

AUDIT, RISK AND PERFORMANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit, Risk and Performance Committee Responsibility

The Audit, Risk and Performance Committee (“the Committee”) is established as an independent statutory committee in terms of the PFMA. The Committee functions within approved terms of reference and complies with relevant legislation, regulation and governance codes. The Committee submits this report for the financial year ended 31 March 2023, as required by the Treasury Regulations 27.1.7, as issued in terms of sections 51 (1)(a)(ii) and 76(4)(d) of the PFMA.

Evaluation of the Effectiveness of Internal Controls

The PFMA requires the Accounting Authority to ensure that the NLSA has and maintains effective, efficient and transparent systems of financial, risk management and internal control, whilst it is the Committee’s role to review the effectiveness of internal controls and oversee risk management. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessment.

In line with the PFMA, Internal Audit provides the Committee and management with reasonable assurance regarding the effectiveness and appropriateness of the internal controls. 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 safeguarded and
- ensure that transactions undertaken are recorded in the accounting records.

Our assessment of internal controls is that they are adequate and effective, except for processes relating to the accounting for the heritage assets in terms of GRAP 103. We consider the internal controls within the collections management and accounting of Heritage Assets in terms of GRAP 103 neither adequate nor effective, as the NLSA continues to be unable to prepare a credible Heritage Asset register and to correctly account for the heritage collection in their possession at both the Pretoria and Cape Town Campuses. This has resulted in the entity receiving a repeat qualification on heritage assets from the AGSA.

Management has given the Committee assurance that effective corrective actions are in the process of being implemented in respect of creation and preparation of a credible heritage assets register. Furthermore, as at the date of this report, the Committee noted with concerns the budgetary constraints being experienced on the implementation of the GRAP 103 project, which if not adequately and speedily addressed, could have an implication on the conclusion and finalisation on the project. The Committee further noted that significant strides have been implemented on the project, with the last leg of the project, being the valuation and fair valuing of the collection still outstanding. The Committee will continue to monitor the implementation of the GRAP 103 project on a quarterly basis.

Quality of In-Year Management of the Monthly/Quarterly Report

The Committee has reviewed the quarterly management reports and is satisfied with the quality thereof. Where performances were below the annual performance plan targets, management provided reasons for such under-performance and implemented plans to improve identified performance deficiencies.

Evaluation of the 2022/2023 Annual Financial Statements and Annual Performance Report

The Committee reviewed the annual financial statements of the NLSA and is satisfied that they comply with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and that the accounting policies used are appropriate, with the exception of Heritage Assets that is accounted for in terms of GRAP 103, which is yet to be resolved. However, the implementation of the GRAP 103 project seeks to ensure that the NLSA's heritage collection complies with the said Standard.

Through this review, 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 annual financial statements with the external auditors, the Chief Executive Officer, and the Chief Financial Officer.
- noted that there were no significant changes in accounting policies and practice.
- 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.
- noted the adjustments arising from the external audit process and the Committee agrees with the said adjustments.

The review of the annual financial statements and the annual performance report for the period ended 31 March 2023 was done at the Committee's meeting held on 25 May 2023.

Furthermore, the Committee reviewed the annual performance report for the period ended 31 March 2023. Through this review, the Committee has:
- reviewed the report on the pre-determined objectives to be included in the annual reports.
- noted that there were no adjustments arising from the external audit process.

Risk Management

The Board assigned the oversight responsibility for risk management function to the Audit, Risk and Performance Committee. The NLSA has implemented a risk management strategy, which includes the fraud prevention plan.

The Committee has monitored the significant risks faced by the NLSA through the review of quarterly risk assessment, risk reporting and discussions with management. The Committee received, and has evaluated in detail, the progress made in the mitigation of the strategic risks during the year under review. The Committee notes the progress made towards appropriate management of risks, however improvement areas still exist where effective mitigation should be explored, especially in the management of the heritage collections.

Evaluation of Compliance with Laws and Legislations

During the financial year under review, the Committee considered and evaluated:
- the systems and processes the NLSA uses to ensure compliance with laws and regulations.
- monitored compliance with laws and regulations.
- reviewed both the internal and external audit reports to identify any instances of non-compliance with laws and regulations.

The Committee noted that there were no material non-compliance with the procurement and contract management processes during the year under review. However, the repeat qualification on Heritage Assets, is a non-compliance with the requirements of the section 51(a) and (b) of the PFMA. The Committee has noted progress made on the implementation of the GRAP 103 project which seeks to address this non-compliance. The Committee will continue tracking and monitoring compliance with laws and regulations on a quarterly basis.

Evaluation of the Effectiveness of Internal Audit

Internal Audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the NLSA and its operations.

The Committee is responsible for ensuring that the organisation's internal audit function is independent and has the necessary resources, skills, standing and authority within NLSA to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee, management and all records of the NLSA.

The Committee reviews and approves the Internal Audit Plan annually. Internal audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports at the Committee's quarterly meetings.

During the year under review, the Internal Audit developed and implemented a risk based strategic and operational coverage plan in accordance with the Institute of Internal Auditors (IIA) standards and the Internal Audit Methodology.

Though the Audit, Risk and Performance Committee is satisfied with the activities of the Internal Audit function including its annual work programme, coordination with external auditors and follow-up on management corrective action plans, there is however room for improvement in areas where material control deficiencies still exist within the NLSA, including collections management and accounting of Heritage Assets in terms of GRAP 103.

External Audit: Auditor-General of South Africa

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 NLSA. 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, in consultation with the Accounting Authority, noted and agreed to the terms of the Auditor-General of South Africa's engagement letter, audit strategy and audit fees in respect of the 2022/23 financial year.

The Committee also monitored the implementation of the action plans to address matters arising from the management report issued by the Auditor-General of South Africa for the 2021/22 financial year. The Committee noted that, with the exception on heritage assets qualification matter, a significant number of action plans arising from the 2021/2022 were implemented and no repeat audit findings were noted in the 2022/2023 management report of the Auditor-General of South Africa.

The AGSA has issued a qualified audit opinion based on the entity's inability to accurately confirm the appropriate recognition and measurement of heritage collections in accordance with GRAP 103. The Committee concurs and accepts the conclusion of the Auditor-General of South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General of South Africa.

Appreciation

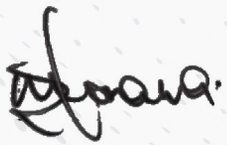
The Committee acknowledges the work performed by internal and external auditors, CEO and his executive team and broad management team of the NLSA, the finance team and the Board for the continued support. The Committee wishes to thank everyone for their commitment and dedication to the task at hand and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

In-Conclusion

The repeat qualified opinion on heritage assets from the Auditor-General of South Africa is concerning and management is in the process of implementing adequate processes to ensure that heritage assets collections are correctly accounted for in terms of the requirements of GRAP 103 to achieve an unqualified audit opinion. The Committee will continue to monitor progress on the GRAP 103 implementation plan on a quarterly basis to ensure that all measures and initiatives as per the plan are implemented.

The Committee has reviewed the Auditor-General of South Africa's management and audit reports for the financial year ended 31 March 2023 and concurs with their conclusions. The Committee therefore accepts the audit opinion and conclusion expressed by the Auditor- General of South Africa on the annual financial statements and annual performance report.

Signed on behalf of the Audit, Risk and Performance Committee by:



Mr Lesetja Monama (CA) RA

Chairperson: Audit, Risk and Performance Committee National Library of South Africa (NLSA)

Date: 31 July 2023

Sir John Herschel came to the Cape in 1834 and stayed until 1838. During his time in Cape Town he made systematic observations of the nebulae and star clusters in the southern sky, erecting his own large telescope for the purpose. He brought with him a new invention, the camera lucida, which enabled him to make intricate sketches.

Sir JFW Herschel Portfolios.
[Containing loose original mounted sketches and prints of the Cape, 1834-1838]

PART D

HUMAN RESOURCE MANAGEMENT

Overview of Human Resources (HR) matters at the public entity.

The Human Resources Management (HRM) 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.

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

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

Employee performance management framework

Performance Management allows management to sign performance agreement at the beginning of the financial year. The performance evaluations are conducted annually.

Due to budgetary constraints and National Treasury instructions to public entities in relation to the containment of the salary bill, no performance bonuses were awarded. The HRM department is looking into introducing non-financial recognition awards as a form of celebrating and motivating high performers in the organisation.

Employee Wellness Programmes

The NLSA's Employee Assistance Programme (EAP) wellness provider contract reached its full term. A new agreement was signed to ensure continuity towards employee assistance.

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 HRM practices are managed. The NLSA policy reviews are driven by achieving organisational excellence through exemplary HRM best practices concerning organisational corporate governance and strategic HRM. There were no policies that were due for review during the financial years in review.

Highlight achievements.

Approval of the employment Equity plan by Department of Employment and Labour Management developmental training.

Appointment of new Wellness management service provider

A bursary holder completed his Post Graduate Diploma in Library and Information Science

Challenges faced by the public entity.

The main challenges faced by the NLSA were:

- Organisational Design project taking longer than planned.
- Limited training budget.
- The period taken to reach 2022/2023 wage agreement.
- The impact of non-payment of performance bonuses on staff morale.
- Loss of key/critical skills in both support and core business due to non-competitive remuneration packages.
- Delays in signing a recognition agreement with Organised Labour.
- A moratorium placed on the National Treasury around new tenders or Request for Quote (RFQ) above R30 000,00.

Future HR plans /goals

Our focus in 2023/204

- Finalize the completion of the organisational design project.
- Conduct culture survey.

- Monitor APP targets which is mainly to ensure the implementation of the HR strategy initiative Targets are as follows.
  - Design Managers Pipeline Framework for all Management positions.
  - Assess Managers competencies using 360° assessments and other assessment tools.
  - Implement Management Development Programme.
  - Implement Executive Coaching and mentoring programme and develop managers to be coaches and mentors.
  - Develop Skills Transfer Plan.
  - Develop Career Management Plan.
  - Develop and implement NLSA learning and development strategy for internal employees i.e., engagements strategy.
  - Develop and Review HR Policies.

Human Resources Oversight Statistics

Personnel Cost by Programme

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp. (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Administration	96 853	26 723	28%	43	621
Business Development	37 598	22 459	60%	53	424
Community Engagement	40 867	24 820	61%	39	636
TOTAL	**175 318**	**74 003**	**42%**	**135**	**548**

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	4 925	6.65	3	1 642
Senior Management	5 992	8.1	8	749
Professional Qualified	32 953	44.52	51	646
Skilled	9 814	13.28	19	517
Semi-skilled	19 910	26.9	52	383
Unskilled	409	0.55	2	205
TOTAL	74 003	100	135	548

Performance Rewards

Programme / Activity / Objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost
Top Management	0	5 928	0.00%
Senior Management	0	5 992	0.00%
Professional Qualified	0	32 953	0.00%
Skilled	0	9 814	0.00%
Semi-skilled	0	19 910	0.00%
Unskilled	0	409	0.00%
TOTAL	**0**	**74 003**	**0.00%**

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	26 723	85 496	0.31%	23	3 717
Business Development	22 459	5 119	0.02%	4	1 279
Public Engagement	24 820	33 400	0.13%	15	2 226

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.

Programme	2021/2022No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of Vacancies
Administration	43	47	43	4	2.96%
Business Development	52	56	53	0	0.00%
Public Engagement	36	37	39	1	0.74%
TOTAL	**131**	**140**	**135**	**5**	**3.70%**

Level	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of Vacancies
Top Management	2	4	3	1	0.74%
Senior Management	6	7	8	1	0.74%
Professional Qualified	46	54	51	2	1.48%
Skilled	19	21	19	1	0.74%
Semi-skilled	54	52	52	0	0.00%
Unskilled	4	2	2	0	0.00%
TOTAL	**131**	**140**	**135**	**5**	**3.70%**

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	2	1	0	3
Senior Management	5	3	4	4
Professional Qualified	60	2	5	57
Skilled and Academically Qualified	18	0	0	18
Semi-skilled	39	3	3	39
Unskilled	2	0	0	2
Total	**126**	**9**	**12**	**123**

Reasons for Staff Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	0	0%
Resignation	2	40%
Dismissal	1	20%
Retirement	2	40%
Ill Health	0	0%
Expiry of Contract	0	0%
Other	0	0%
Total	**5**	**100.00%**

Labour Relations: Misconduct and Disciplinary Action

Employee relation is a critical component of HRM, as it ensures stability within the organisation.

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written Warning	1
Dismissal	1
TOTAL	**4**

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's employment equity plan was approved for five years effective from 1 October 2022 to 30 September 2027.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional Qualified	11	0	1	0	0	0	1	0
Skilled	3	0	1	0	0	0	1	0
Semi-skilled	22	0	5	0	0	0	1	0
Unskilled	1	0	0	0	0	0	0	0
TOTAL	42	0	7	0	0	0	3	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	1	0	1	0	0	0	0	0
Professional Qualified	20	0	2	0	0	0	11	0
Skilled	9	0	4	0	0	0	0	0
Semi-skilled	18	0	4	0	0	0	0	0
Unskilled	1	0	0	0	0	0	0	0
TOTAL	**50**	**0**	**11**	**0**	**0**	**0**	**11**	**0**

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

During Livingstone's travels between Luanda and the Zambezi, he came across the great Zambezi waterfalls which he named Victoria Falls. Thomas Baines' painting of the Victoria Falls, forms the frontispiece. The book was Livingstone's major literary accomplishment and served as his primary public statement of both his personal objectives as a missionary and explorer as well as his theories about the future prospects of south-central Africa.

Missionary travels and researches in South Africa: including a sketch of sixteen years' residence in the interior of Africa, and a journey from the Cape of Good Hope to Loanda on the west coast; then across the continent, down the River Zambesi, to the eastern ocean / by David Livingstone (1813-1873). Publisher: London: John Murray, 1857

PART E

PFMA COMPLIANCE REPORT

PFMA Compliance Report

1.1. Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

IRREGULAR EXPENDITURE	2022/23	2021/22
Reconciliation of Irregular Expenditure		
Opening balance	1 973 643	4 473 181
Add: Irregular expenditure confirmed	288 719	1 256 472
Less: Irregular expenditure condoned	-	(146 278)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recovered	-	-
Less: Irregular expenditure not recovered and written off	-	(3 609 732)
Closing balance	**2 262 362**	**1 973 643**
Reconciling notes to the annual financial statement disclosure		
Irregular expenditure that was under assessment in 2021/2022	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	178 004	1 402 750
Irregular expenditure that related to multi contracts that was not condoned or written off	110 715	-
	288 719	**1 402 750**
Details of current and previous irregular expenditure condoned		
Irregular expenditure condoned		-146 278

Fruitless and wasteful expenditure		
Reconciliation of Fruitless and Wasteful Expenditure		
Opening balance	291 811	158 662
Add: Fruitless and wasteful expenditure confirmed	19 800	3 692 871
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	(30 341)	(3 559 722)
Closing balance	**281 270**	**291 811**

Reconciling notes to the annual financial statement disclosure		
Fruitless and wasteful expenditure that was under assessment in the 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	19 800	3 692 871
	19 800	**3 692 871**
Details of current and previous year fruitless and wasteful expenditure recovered		
Fruitless and wasteful expenditure for current year recovered	19 800	3 692 871
Fruitless and wasteful expenditure for previous year recovered	10 541	
	30 341	**3 692 871**

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) and (iii)

No material losses incurred and recovered for current and previous years.

1.2. Information on late and / or non-payment of suppliers

Description	Number of Invoices	Consolidated Value (R)
Valid invoices received Invoices paid within 30 days or agreed period	1 749	76 057 863,38
Invoices paid after 30 days or agreed period	1	102 550,56
Invoices older than 30 days or agreed period (unpaid and without dispute)	1	10 313 174,90
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoice paid after 30 days

Due to a lack of oversight, one invoice was submitted late for payment. Management has since implemented an invoice tracking register in November 2022. Responsible officials are held accountable for non-compliance.

Invoices older than 30 days or agreed period (unpaid and in dispute)

An invoice of R10 313 174,90 for the NLSA's water and electricity account has been outstanding for over three years. The NLSA has requested funding for this debt from the DSAC. A portion of the debt has been funded in the 2022/23 financial year by the DSAC which will be paid once the verification process of the debt by Internal Audit has been finalised. The verification of the invoice is expected to be finalised by August 2023.

1.3. Information on Supply Chain Management

No.	Project Description	Name of Supplier	Contract Number	Reason For Procurement By Other Means	Value of Contract
1	Digiscan mobile licenses	Odiumba Business Solution	N/A	Sole Supplier	283 850.00
2	CaseWare for annual license renewal	Adapt IT	N/A	Sole Supplier	106 570.09
3	Internet access	TENET	N/A	Impracticable to follow SCM process	78 670.35
4	Restocking of the reprinted classic: Go sa boari	Via Africa	N/A	Sole Supplier	69 972.00
5	Restocking of the reprinted classic: Ngaka Mosadi Mooka	Via Africa	N/A	Sole Supplier	53 172.00
6	Restocking of the reprinted classic: Maphindisanganga	Macmillan South Africa	N/A	Sole Supplier	63 702.18
7	Restocking of the reprinted classic: Ngwana magaga go botswa	Nev Productions	N/A	Sole Supplier	90 000.00
8	Appointment of service provider for book Indodana yenong for Southern Ndebele	Sharp Shoot Print Publish and Stationery	N/A	Sole Supplier	357 750.00
9	Appointment of service provider for book Malaetsa for Sesotho	Shutter and Shooter Publisher	N/A	Sole Supplier	220 501.58
10	Appointment of service provider for book Bonoko jwa dintsa for Setswana	Oxford University Press	N/A	Sole Supplier	293 940.00
11	Appointment of service provider for book Peo ena e jetsoe ke mang	Shutter and Shooter Publisher	N/A	Sole Supplier	37 529.10
12	Appointment of service provider for book Swa yila	Limpopo Face	N/A	Sole Supplier	159 000.00
13	Appointment of service provider for book Umandiswa	Limpopo Face	N/A	Sole Supplier	91 140.00
14	Membership July 2022-June 2023	PASA	N/A	Sole Supplier	6 742.05
15	Cataloguers desktop	Library of Congress	N/A	Sole Supplier	20 548.68
16	Butterworths forms and precedents	LexisNexis	N/A	Sole Supplier	9 885.40
17	Renewal of ISSN portal	ISSN	N/A	Sole Supplier	18 341.54
18	Membership renewal	IFLA	N/A	Sole Supplier	25 977.02
REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS					
None					

The book contains a collection of letters describing a leisurely journey by the author and three companions from Cape Town by train to Kimberley and then by wagon for 1,200 miles through Matabeleland and Mashonaland in the early 1890s. Alice Balfour was a sister of James Balfour who later became prime minister of England.

She was an accomplished amateur naturalist, who made two short tours, one to North America in 1889, and her more well known tour largely by ox-wagon in southern Africa in 1895. In addition to making pencil sketches of landscapes, flora and native peoples, she also painted panoramic scenes in water-colour. Her paintings are now housed in the National Archives of Zimbabwe.

Twelve hundred miles in a waggon, with illustrations by the author / by Alice Blanche Balfour (1850-1936). Publisher: London: E. Arnold, 1895.

PART F

FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on the National Library of South Africa

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 xx to xx, which comprise the statement of financial position as at 31 March 2023, 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 auditor's report, the financial statements present fairly, in all material respects, the financial position of the National Library of South Africa as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (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 evidence that the public entity had properly accounted for heritage assets as the public entity did not maintain adequate records of the heritage assets. I was unable to confirm the heritage assets by alternative means. Consequently, I was unable to determine whether any adjustments relating to heritage assets stated at R 24 976 417 (2022: R22 998 122) in note 10 were necessary.

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

Other matter

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

National Treasury Instruction Note 4 of 2022-23: PFMA compliance and reporting framework

8. On 23 December 2022, the National Treasury issued Instruction No. 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in notes 39 and 40 to the financial statements of the public entity. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the public entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the South African 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.

10. In preparing financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

11. 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.

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

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected the following material performance indicators related to programme 2: Business development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of publications collected and recorded through legal deposit
- Number of initiatives held to promote legal deposit of non-serial and serial publications
- Number of items repaired and bound
- Number of items de-acidified
- Number of heritage images digitised
- Number of articles, papers or posters presented or published.

15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the public entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

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

for the reasons provided for any over- or underachievement of targets.

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

18. I did not raise any material findings on the reported performance information for the selected material performance indicators.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

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

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

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

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

Annual financial statements, performance and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.

26. Material misstatements of receivables, cash flow statements and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements in heritage assets resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. 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

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.

33. The accounting authority did not ensure that action plans are adequately designed, monitored and implemented to resolve prior year's qualifications.

34. The management did not have a proper record management system to maintain accurate and complete information supported by credible, GRAP 103 compliant and reliable asset register to record and account for heritage assets and did not prepare and adequately review the financial statements as numerous material misstatements were identified that resulted in the modification of the auditor's opinion.

Auditor General

Pretoria

30 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Annexure to the auditor's report

The annexure includes:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56(1); 56(2); Section 57(b); Section 66(3)(c); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulations 8.2.1; 8.2.2 Regulations 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A8.3(d); 16A 8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(ii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulations 31.1.2(c'); 31.2.5; 31.2.7(a) Regulations 32.1.1(a); 32.1.1(b); 32.1.1(c') Regulations 33.1.1; 33.1.3
Public Service Regulations (PSR)	PSR 18; 18(1) and (2);
PRECCA	Section 34(1)
CIDB Act	Section 18(1)
CIDB Regulations	CIDB regulations 17 & 25(7A)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5.7 Paragraphs 6.1; 6.2; 6.3; 6.5; 6.6 Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6 Paragraphs 8.2; 8.5 Paragraphs 9.1; 9.2 Paragraph 11.2 Paragraphs 12.1 and 12.2
PPR 2022	Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021-22	Paragraphs 4.3; 4.4 (a); 4.4(c); 4.4(d);
NT SCM Instruction Note 11 2020-21	Paragraph 3.1; Paragraph 3.4(b) Paragraph 3.9
NT SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1; Paragraphs 3.2.1; 3.2.4(a); 3.3.1;
NT Instruction Note 4 of 2015-16	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Erratum NTI 5 of 202/0-1	Paragraph 1
Erratum NTI 5 of 2020-21	Paragraph 2
Practice Note 7 of 2009-10	Paragraph 4.1.2
NT Instruction Note 1 of 2021-22	Paragraph 4.1

National Library of South Africa

Audited Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Members	Dr Refiloe Mabaso (Board Chairperson) Dr Nyelisani Clarence Tshitereke Dr Adv Mphalane Moses Makhura Ms Faith Khanyisiwe Dubazana Mr Trevor Mokeyane Mr Khathutshelo Nethavhani Mr Thilivhali Ramawa Mr Phuti Phukubje Ms Thembisa Jimana Ms Keke Maidi Mr Kepi Madumo (National Librarian and CEO) Mr Godfrey Ditsele (Chief Financial Officer)
Registered office	228 Johannes Ramokhoase Street Pretoria 0001
Business address	228 Johannes Ramokhoase Street Pretoria 0001
Bankers	Standard Bank
Auditor	Auditor-General of South Africa

*Refer to note 35.3 for details of appointments

National Library of South Africa

Audited Annual Financial Statements for the year ended 31 March 2023

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 audited annual financial statements presented to the parliament:

	Page
Accounting Authority's Responsibilities and Approval	76
Statement of Financial Position	78
Statement of Financial Performance	79
Statement of Changes in Net Assets	80
Cash Flow Statement	81
Statement of Comparison of Budget and Actual Amounts	82
Accounting Policies	83
Notes to the Audited Annual Financial Statements	111 - 158

Accounting Authority's Responsibilities and Approval

The Accounting Authority 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 audited annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the audited 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 audited annual financial statements and has unrestricted access to all financial records and related data.

The audited 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 audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing, and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The audited annual financial statements are prepared on the basis that the entity is a going concern, and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditor is responsible for independently reviewing and reporting on the entity's audited annual financial statements. The audited annual financial statements have been examined by the entity's external auditor and their report is presented on page 67-73.

The audited annual financial statements set out on page 78, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2023 and were signed on its behalf by:

Mr Kepi Madumo
National Librarian and CEO

Dr. Refiloe Mabaso
Board Chairperson

Statement of Financial Position as at 31 March 2023

Figures in Rand	Notes	2023	2022 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	5	434 582	310 273
Receivables from non-exchange transactions	6	6 358 750	-
Prepayments	4	1 198 192	228 659
Cash and cash equivalents	7	106 048 593	144 382 079
		114 040 117	**144 921 011**
Non-Current Assets			
Property, plant, and equipment	8	47 003 831	46 093 966
Intangible assets	9	3 137 474	3 137 474
Heritage assets	10	24 976 417	22 998 122
Other financial assets	11	7 040 000	7 200 000
Bequest Related Investments	3	2 400	2 200
		82 160 122	**79 431 762**
Total Assets		**196 200 239**	**224 352 773**
Liabilities			
Current Liabilities			
Operating lease liability		-	2 842 909
Payables from exchange transactions	12	15 529 249	16 717 104
Employee benefit obligation	14	1 879 988	1 896 575
Unspent conditional grants and receipts	15	74 512 791	108 905 268
Provisions	17	3 372 694	3 605 983
Principal funds obligation	16	95 937	13 478 856
		95 390 659	**147 446 695**
Non-Current Liabilities			
Employee benefit obligation	14	32 828 445	33 054 857
Total Liabilities		**128 219 104**	**180 501 552**

Net Assets		**67 981 135**	**43 851 221**
Reserves			
Revaluation reserve		16 442 908	14 464 613
Accumulated surplus		51 538 227	29 386 608
Total Net Assets		**67 981 135**	**43 851 221**

Statement of Financial Performance for the year ended 31 March 2023

Figures in Rand	Notes	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Other Income	20	1 951 659	1 552 581
Interest received - investment	26	2 512 523	925 429
Actuarial gains	14	2 578 000	3 989 950
Dividends received	26	310 016	239
Total revenue from exchange transactions		**7 352 198**	**6 468 199**
Revenue from non-exchange transactions			
Government grants and subsidies	22	110 327 000	114 084 000
Gains from legal deposits	19	1 978 295	1 942 588
Service in-kind income	32	25 819 354	18 285 662
Conditional grant realised income	21	53 971 633	52 055 517
Total revenue from non-exchange transactions		**192 096 282**	**186 367 767**
Total revenue	**18**	**199 448 480**	**192 835 966**
Expenditure			
Employee related costs	25	(74 981 551)	(83 720 756)
Depreciation and amortisation	8	(6 237 774)	(5 571 925)
Finance costs	14	(3 571 000)	(3 981 896)
Lease rentals on operating lease	31	(36 459 140)	(29 399 346)
Loss on disposal of assets and liabilities	8	(85 180)	(132 483)
Loss on foreign exchange		(53 425)	(5 453)
Fair value adjustments		(159 800)	(300)
General Expenses	23	(27 964 057)	(27 866 306)
Audit Fees	27	(2 088 008)	(1 941 167)
Contracts, consultants, and professional fees	28	(12 395 506)	(8 420 997)
Subscriptions and licenses	29	(6 692 054)	(7 031 669)
Repairs and maintenance	30	(4 630 422)	(5 585 958)
Total expenditure		**(175 317 917)**	**(173 658 256)**
Surplus for the year		**24 130 563**	**19 177 710**

Statement of Changes in Net Assets for the year ended 31 March 2023

Figures in Rand			
	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	12 522 025	15 857 857	28 379 882
Adjustments			
Prior year adjustments	-	(3 706 371)	(3 706 371)
Balance at 01 April 2021 as restated	**12 522 025**	**12 151 486**	**24 673 511**
Changes in net assets			
(Surplus for the year)	-	19 177 710	19 177 710
Transfer of gains from legal deposit	1 942 588	(1 942 588)	-
Total changes	**1 942 588**	**17 235 122**	**19 177 710**
Restated Balance at 01 April 2022 *	**14 464 613**	**29 385 959**	**43 850 572**
Changes in net assets (Surplus for the year)	-	24 130 563	24 130 563
Transfer of gains from legal deposit	1 978 295	(1 978 295)	-
Total changes	**1 978 295**	**22 152 268**	**24 130 563**
Balance at 31 March 2023	**16 442 908**	**51 538 227**	**67 981 135**

* Prior year's figures have been reinstated. Please see note 44

Cash Flow Statement for the year ended 31 March 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Grants		123 979 387	165 163 949
Interest income		2 352 976	891 680
Dividends received		310 016	239
Other receipts		1 678 423	982 741
		128 320 802	**167 038 609**
Payments			
Employee costs		(80 406 467)	(92 768 108)
Suppliers		(75 144 359)	(70 414 780)
Other cash item*		(3 870 643)	-
		(159 420 469)	**(163 182 888)**
Net cash flows from operating activities	**33**	**(31 100 667)**	**3 855 721**
Cash flows from investing activities			
Purchase of property, plant, and equipment	8	(7 232 820)	(10 486 016)
Proceeds from sale of property, plant, and equipment	8	1	30 524
Proceeds from sale of other intangible assets	9	-	7 780
Net cash flows from investing activities		**(7 232 819)**	**(10 447 712)**
Net increase/(decrease) in cash and cash equivalents		**(38 333 486)**	**(6 591 991)**
Cash and cash equivalents at the beginning of the year		144 382 079	150 974 070
Cash and cash equivalents at the end of the year	**7**	**106 048 593**	**144 382 079**

*Other cash items included under operating activities relates to the transfer made to the department for the unspent fund relating to NARSSA.

Statement of Comparison of Budget and Accrual Amounts

Budget on Accrual Basis

Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Administration and management fees received	1 900 000	-	**1 900 000**	1 951 659	**51 659**	2.1.1
Interest received - investment	600 000	-	**600 000**	2 512 523	**1 912 523**	2.1.2
Dividends received	-	-	**-**	310 016	**310 016**	2.1.3
Total revenue from exchange transactions	**2 500 000**	**-**	**2 500 000**	**4 774 198**	**2 274 198**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	110 326 000	-	**110 326 000**	110 327 000	**1 000**	2.1.4
Conditional grant income- realised - GRAP 103 implementation	-	-	**-**	6 680 875	**6 680 875**	2.1.5
Service in-kind income	-	-	**-**	25 819 354	**25 819 354**	2.1.6
Conditional grant income - realised - PESP	-	-	**-**	6 413 804	**6 413 804**	2.1.7
Conditional grant - Community libraries and facilities management	25 435 000	-	**25 435 000**	39 788 574	**14 353 574**	2.1.8
Conditional grant income- Gothenburg	-	-	**-**	1 066 999	**1 066 999**	2.1.9
Total revenue from non-exchange transactions	**135 761 000**	**-**	**135 761 000**	**190 096 606**	**54 335 606**	
Total revenue	**138 261 000**	**-**	**138 261 000**	**194 870 804**	**56 609 804**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Expenditure						
Employee costs	(68 948 554)	-	**(68 948 554)**	(74 981 551)	**(6 032 997)**	2.1.10
Depreciation	-	-	-	(6 237 774)	**(6 237 774)**	2.1.11
Finance cost	-	-	-	(3 571 000)	**(3 571 000)**	2.1.12
Rentals	(14 041 000)	-	**(14 041 000)**	(36 459 140)	**(22 418 140)**	2.1.13
Loss on sale of assets	-	-	-	(85 180)	**(85 180)**	
General Expenses	(29 839 000)	-	**(29 839 000)**	(53 770 047)	**(23 931 047)**	2.1.14
Total expenditure	**(112 828 554)**	-	**(112 828 554)**	**(175 104 692)**	**(62 276 138)**	
Operating surplus	**25 432 446**	-	**25 432 446**	**19 766 112**	**(5 666 334)**	
Gain/(loss) on foreign exchange	-	-	-	(53 425)	**(53 425)**	
Gains/(loss) Fair value adjustments	-	-	-	(159 800)	**(159 800)**	
Actuarial gains	-	-	-	2 578 000	**2 578 000**	2.1.12
Gain on legal deposit	-	-	-	1 978 295	**1 978 295**	
Total other gains	-	-	-	**4 343 070**	**4 343 070**	
Surplus/(Deficit) for the year	**25 432 446**	-	**25 432 446**	**24 109 182**	**(1 323 264)**	
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	**25 432 446**	-	**25 432 446**	**24 109 182**	**(1 323 264)**	
Reconciliation						
Assets bought on conditional grant				(7 182 684)		2.1.15
Actual amount in the Statement of Financial Performance				**16 926 498**		

1. Disclosure

The approved budget is prepared on accrual basis and covers the fiscal period 1 April 2022 to 31 March 2023

2. Material differences between approved budget and final Budget.

2.1. Approved budget represents the budget approved by the Minister of the Department of Sports Arts and Culture with the annual performance plan. No adjustments made to the approved budget in the reporting period under review.

2.1.1. Administration and Management fee

Own revenue collection for the year exceeds the budgeted revenue by R51 thousand, due to high income generated from Cape Town parking space and venue hire receipts.

2.1.2. Interest earned

The NLSA managed to exceed its interest income target by R1.9 million. The increase in the repo rate in the financial year, impacted positively on the interest rate earned on positive bank balance.

2.1.3. Dividends received

The NLSA received dividends from its unlisted share SABINET (PTY) Ltd.

2.1.4. Government grants

The government grants received is based on the tranches received from the department.

2.1.5. Conditional grant - GRAP 103

The NLSA received the full R32 million in 2016/17 financial year for a multi-year project. The income is due to the realisation of the spending of the conditional grant in relation to GRAP 103. To-date there is R2.4 million to spend in the new financial year.

2.1.6. Service in Kind income

This is non-cash income due to the free letting for the premises of the NLSA offices.

2.1.7. Conditional grants - Presidential Employment Stimulus Programme (PESP)

The conditional grants received is based on the tranches received. The variance is due to the roll-over of the previous unspent funds. This relates to the income realised for the spending in the current year under review.

2.1.8. Conditional grants - Community Libraries, Facilities management, and Gothenburg

The conditional grants received is based on the tranches received. The variance is due to the roll-over of the previous unspent funds. This relates to the income realised for the spending in the current year under review.

2.1.9. Conditional grants - Gothenburg

The NLSA was an implementing agent for DSAC for the participation in the 2022 Gothenburg Book fair which took place in September 2022.

2.1.10. Employee cost

Included in the employee cost is remuneration paid to conditional grant employees, which is not disclosed separately.

2.1.11. Depreciation

Depreciation was not budgeted for. This is normal wear and tear recognition for assets of the NLSA.

2.1.12. Finance Cost and Actuarial Gains

Finance cost and actuarial gain is not budgeted for. The amount spent wholly relates to the employment benefit obligation.

2.1.13. Rentals

Included in the actual spending is the in-kind rental charge for the free use of the NLSA premises.

2.1.14. General Expenditure

The overspending in the general expenditure includes the increase in conditional grants spending, of which is shown as a realisation of income. However, the spending increased from the prior year due to improved controls.

2.1.15. Assets bought on Conditional grant

This relates to assets bought on conditional grant budget, which is included in the realisation income of grants.

Accounting Policies

1. Presentation of Audited Annual Financial Statements

The audited 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 audited 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 the preparation of these audited annual financial statements, are disclosed below.

1.1. Going concern assumption

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

- The operations of the NLSA are funded through the 2022 MTEF, i.e., Vote 37 for the Department of Sports, 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 audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. 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 audited annual financial statements. Significant judgments include:

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

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 are included in note 17 - Provisions.

Useful lives of assets

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

Post retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are 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 on 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 that are 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 14.

Service in kind

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

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Principal-Agent agreement

The NSA is an agent of the DSAC in relation to transactions with third parties as;

(i) It does not have the power to determine the significant terms and conditions of the transaction.
(ii) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
(iii) 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, and 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 is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating 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, it's deemed cost is the carrying amount of the asset(s) given up.

Accounting Policies

1.3 Property plant and equipment (continued)

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 be capable of operating in the manner intended by management.

Property, plant, and equipment is 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.

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 cost that is significant 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 and, 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.

Accounting Policies

1.3 Property plant and equipment (continued)

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 8).

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 8).

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.

Accounting Policies

1.4 Intangible Assets (continued)

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.

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 NLSA 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 for an indefinite period. 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.

Accounting Policies

1.5 Heritage Assets (continued)

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 on the basis of the evidence available at initial recognition.

If in possession of an asset that might be regarded as a heritage asset which 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.

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.

Accounting Policies

1.5 Heritage Assets (continued)

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 at each reporting date whether there is an indication that the assets may be impaired. 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 a non-exchange transactions) or
- When no future economic benefits or service potential are expected from its use.

The gain or loss arising from the de-recognition 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.

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.

Accounting Policies

1.6 Financial instruments (continued)

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.

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.

Accounting Policies

1.6 Financial instruments (continued)

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).

Accounting Policies

1.6 Financial instruments (continued)

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 offset, 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.

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.

Accounting Policies

1.6 Financial instruments (continued)

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.

Accounting Policies

1.6 Financial instruments (continued)

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.

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 - lessor

Leases of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

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 recognized 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 represents the recognised gains on library collections deposited at no fee in terms of the Legal Deposit Act.

Accounting Policies

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 more 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 amortized in surplus and deficit statement as and when the NLSA incurs the expenses.

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.

Accounting Policies

1.11 Employee benefits (continued)

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.

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 recognises 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 is consistent with the currency and estimated term of the obligation.

Accounting Policies

1.11 Employee benefits (continued)

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 a basis that reflects:

- estimated future salary increases;
- the benefits set out in the 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 takes 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.

Accounting Policies

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.

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 43.

1.14. Revenue from exchange transactions

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

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

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. This includes revenue listed as part Other Income, namely, parking and venue hire.

Accounting Policies

1.14 Revenue from exchange transactions(continued)

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, which represents 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.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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.

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 recognise 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 disclose the nature and type of services in-kind received during the reporting period.

Accounting Policies

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

Recognition

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

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.

Accounting Policies

1.18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined in section 1 of the PFMA as expenditure which 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 refers to a transaction, event or condition which was undertaken without value or substance, and which 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 as 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.

Accounting Policies

1.19 Irregular expenditure (continued)

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 2022/04/01 to 2023/03/31.

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.

Accounting Policies

1.21 Related parties (continued)

Management are 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 audited 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.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

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 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised 2021): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• iGRAP 7 (as revised 2021): Limit on defined benefit asset, minimum funding requirements and their interaction	To be determined	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	To be determined	Unlikely there will be a material impact
• GRAP 104 (amended): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Impact is currently being assessed
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
• GRAP 103: Heritage Assets (revised)	To be determined	Unlikely there will be a material impact

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

3. Bequest related investments

Two hundred shares at South African Reserve Bank as at 31 March 2023 at R12.00 (2022:R11) per share	2 400	2 200

4. Prepayments

Prepayments	1 198 192	228 659

5. Receivables from exchange transactions

Trade debtors	65 524	75 007
Accrued Interest	195 622	41 860
Personnel debtors	173 436	193 406
	434 582	**310 273**

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:

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

5. Receivables from exchange transactions (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2023 434 582 (2022: 310 273) were past due but not impaired.

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

1 month past due	202 279	45 134
3 months past due	232 304	241 933

6. Receivables from non-exchange transactions

Conditional grant receivable	6 358 750	-

Included in receivables from non-exchange is money that relates to the Community Library conditional grant that was due to be received by 31 March 2023, however the actual cash was received in April 2023.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 401	3 278
Bank balances	28 461 154	55 984 511
Short-term fixed deposits	70 464 137	81 370 770
Call deposits	1 845 306	1 743 487
Bank Balance-Mzansi Libraries Online (note 36)	5 273 595	5 280 033
	106 048 593	**144 382 079**

Notes to the Audited Financial Statements

Figures in Rand

8. Property, plant, and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Plant and machinery	16 370 452	(4 181 365)	12 189 087	16 370 452	(3 861 859)	12 508 593
Furniture and fixtures	18 986 060	(9 370 059)	9 616 001	18 887 186	(8 190 077)	10 697 109
Motor vehicles	689 419	(530 219)	159 200	689 419	(490 475)	198 944
Office equipment	26 433 704	(10 833 495)	15 600 209	19 561 945	(9 037 772)	10 524 173
Computer equipment	25 645 894	(16 206 560)	9 439 334	25 745 102	(13 579 955)	12 165 147
Total	**88 125 529**	**(41 121 698)**	**47 003 831**	**81 254 104**	**(35 160 138)**	**46 093 966**

Reconciliation of property, plant, and equipment - 2023

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	12 508 593	-	-	(319 506)	12 189 087
Furniture and fixtures	10 697 109	116 486	(3 376)	(1 194 218)	9 616 001
Motor vehicles	198 944	-	-	(39 744)	159 200
Office equipment	10 524 173	6 899 580	(11 735)	(1 811 809)	15 600 209
Computer equipment	12 165 147	216 754	(70 070)	(2 872 497)	9 439 334
Total	**46 093 966**	**7 232 820**	**(85 181)**	**(6 237 774)**	**47 003 831**

Notes to the Audited Financial Statements

Figures in Rand

Property plant and equipment (continued)

Reconciliation of property, plant, and equipment - 2022

	Opening balance	Additions	Work in Progress	Disposals	Depreciation	Total
Plant and machinery	12 031 399	-	788 810	-	(311 616)	12 508 593
Furniture and fixtures	11 889 499	-	-	(3 251)	(1 189 139)	10 697 109
Motor vehicles	238 688	-	-	-	(39 744)	198 944
Office equipment	5 500 410	6 257 825	-	(28 274)	(1 205 788)	10 524 173
Computer equipment	11 682 886	3 439 381	-	(131 482)	(2 825 638)	12 165 147
Total	**41 342 882**	**9 697 206**	**788 810**	**(163 007)**	**(5 571 925)**	**46 093 966**

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

No assets have been pledged as security.

Reconciliation work in progress 2023

	Included within PPE	Total
Opening balance	788 810	788 810
Other movements - Property, plant and equipment	(788 810)	(788 810)
	-	-

Notes to the Audited Financial Statements

Figures in Rand

Property plant and equipment (continued)

Reconciliation of Work-in-Progress 2022

	Included within PPE	Total
Opening balance	-	-
Additions / capital expenditure	788 810	788 810
	788 810	**788 810**

Expenditure incurred to repair and maintain property, plant, and equipment.

The NLSA does not have any property plant and equipment pledged for security.

9. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	**3 137 474**	-	**3 137 474**	**3 137 474**	-	**3 137 474**

Reconciliation of intangible assets - 2023

	Opening Balance	Total
Computer software	**3 137 474**	**3 137 474**

Notes to the Audited Financial Statements

Figures in Rand

Property plant and equipment (continued)

Reconciliation of intangible assets - 2022

	Opening Balance	Disposals	Total
Computer software	3 145 254	(7 780)	3 137 474

10. Heritage assets

	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Paintings and artworks	379 559	-	379 559	379 559	-	379 559
Library collections - Purchased	8 153 950	-	8 153 950	8 153 950	-	8 153 950
Legal deposit	16 442 908	-	16 442 908	14 464 613	-	14 464 613
Total	**24 976 417**	**-**	**24 976 417**	**22 998 122**	**-**	**22 998 122**

Reconciliation of heritage assets 2023

	Opening Balance	Additions	Total
Paintings and artworks	379 559	-	379 559
Library collections - Purchased	8 153 950	-	8 153 950
Legal deposit	14 464 613	1 978 295	16 442 908
	22 998 122	**1 978 295**	**24 976 417**

Notes to the Audited Financial Statements

Figures in Rand

Heritage Assets (continued)

Reconciliation of heritage assets 2022

	Opening Balance	Additions	Total
Paintings and artworks	379 559	-	379 559
Library collections - Purchased	8 153 950	-	8 153 950
Legal deposit	12 522 025	1 942 588	14 464 613
	21 055 534	**1 942 588**	**22 998 122**

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, NLSA collection cannot be reliably measured due to its uniqueness. Measurement of these items were not a requirement before 01 April 2012 and NLSA holds collections dating back 200 years ago. Majority of these items have no replacement values and 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 Sports, Arts and Culture.

11. Other financial assets

Designated at fair value		
Unlisted shares 1,000,000 held at Sabinet Online Ltd	7 040 000	7 200 000

Non-current assets		
At fair value	7 040 000	7 200 000

Notes to the Audited Financial Statements

Figures in Rand

Other financial assets (continued)

Financial assets at fair value

Information

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

- The fair value of the share investment with SABINET (PTY) Ltd 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 - 2023

	Opening Balance	Gains or losses in surplus or deficit	Closing Balance
Unlisted shares	7 200 000	(160 000)	7 040 000

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

Reconciliation of financial assets at fair value through surplus or deficit measured in level 3 - 2022

	Opening Balance	Closing Balance
Unlisted shares	7 200 000	7 200 000

12. Payables from exchange transactions

Trade payables	13 934 697	16 017 307
Other payables	1 190 397	283 192
Sundry creditors	404 155	408 805
Accruals	-	7 800
	15 529 249	**16 717 104**

Creditors and accruals principally comprise of amounts outstanding for trade purchases and on-going costs. The average credit period taken is less than 30 days.

13. Operating lease Liability

Property rental lease	-	2 842 909

Operating lease obligation result from the equalisation of the operating lease expense. National Library of South Africa
Audited Annual Financial Statements for the year ended 31 March 2023

Notes to the Audited Financial Statements

14. Employee benefit obligations

Defined Benefit Plan

Post Retirement Medical Aid Plan

The Healthcare benefits that the NLSA gives to its employees are provided by three medical schemes namely Discovery Health, Bonitas and Bestmed. On 31 March 2023, the aggregate membership of the fund was 49 (2022:49). In service employees were 37 (2022:41) retired employees, a total of 86 (2022:90) employees. One

Employee benefit obligations (continued)

Consulting Actuaries conducted a valuation of the post-retirement liability as at 31 March 2023. 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 8.70% per annum was therefore assumed at current at the current valuation date.

Long service award

The NLSA pays long services award to employee who are in service for the following period: 10 years, 20 years, 30 years, 40 years. As 31 March 2023 the aggregate membership used for valuation was 123 (2022:126). 3One Valuators conducted a valuation of the long services award liability as at 31 March 2023, taking into consideration the current service cost, interest cost, and benefits paid.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

14. Employee benefit obligations (continued)

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

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(34 318 433)	(34 569 145)
Present value of the defined benefit obligation-partly or wholly funded	(390 000)	(382 287)
	(34 708 433)	**(34 951 432)**
Non-current liabilities	(32 828 445)	(33 054 857)
Current liabilities	(1 879 988)	(1 896 575
	(34 708 433)	**(34 951 432)**

The fair value of plan assets includes:

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	34 569 146	35 669 200
Current service costs	696 000	706 784
Interest cost	3 543 000	3 952 435
Actual benefits paid	(1 902 000)	(1 772 798)
Acturial (gain) / loss	(2 588 000)	(3 986 475)
	34 318 146	**34 569 146**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated
14. Employee benefit obligations (continued)		
Changes in the present value of the long service award obligation are as follows:		
Opening balance	382 287	448 578
Current service costs	23 000	27 723
Actual benefits paid	(53 000)	(120 000)
Interest costs	28 000	29 461
Actuarial (gain) / loss	10 000	(3 475)
	390 287	**382 287**
Net expense recognised in the statement of financial performance (Post employment benefit)		
Current service costs	696 000	706 784
Interest costs	3 543 000	3 952 435
Actuarial (gain) / loss	(2 588 000)	(3 986 475)
	1 651 000	**672 744**
Net expense recognised in the statement of financial performance (Long service award)		
Current service costs	23 000	74 647
Interest costs	28 000	29 461
Actuarial (gain) / loss	10 000	(3 475)
	61 000	**100 633**

The entity expects to contribute - to its defined benefit plans in the following financial year.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

14. Employee benefit obligations (continued)

Key assumptions used (Post employment medical obligation)

Assumptions used at the reporting date:

Discount rates used	12,20%	10,55%
Healthcare cost inflation	8,70%	7,54%
Net discount rate	3,22%	2,80%
Percentage married	80,00%	80,00%
Continuance assumption	100,00%	100,00%

Key assumptions (Long service award)

Actual return on plan assets	8,86%	8,34%

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 on change of discount rate	(3 619 394)	4 394 250
Effect on change in medical inflation	4 412 985	(3 680 231)
Effect on change in retirement age	(600 809)	937 218

Notes to the Audited Financial Statements

Figures in Rand

14. Employee benefit obligations (continued)

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

	2023	2022	2021	2020	2019
Defined benefit obligation	34 708 008	34 569 146	35 669 200	31 451 659	34 993 657
Experience adjustments on plan liabilities	4 290 570	4 796 654	(4 217 541)	3 541 998	974 103

15. Conditional Grant obligation

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Income related grants	74 512 791	108 905 268

The nature and extent of government grants recognised in the audited 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 22 for reconciliation of grants from DSAC.

16. Principal Funds Obligation

Unspent Principal Funds		
Principal fund obligation - NARSSA	95 937	13 478 856

NARSSA - NLSA has ceased implementing the project since expiry of the Memorandum of Association (MOA) in September 2022. The unspent funds were transferred to DSAC on 30 March 2023, and only remaining with interest accrued for the month of March 2023, which will be paid in the new financial year.

Notes to the Audited Financial Statements

Figures in Rand

17. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Leave provision	2 529 218	19 118	(273 275)	2 275 061
Service bonus	1 076 765	2 682 130	(2 661 262)	1 097 633
	3 605 983	**2 701 248**	**(2 934 537)**	**3 372 694**

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Leave provision	2 967 672	362 678	(801 132)	2 529 218
Service bonus	1 172 794	1 641 714	(1 737 743)	1 076 765
	4 140 466	**2 004 392**	**(2 538 875)**	**3 605 983**

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.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

18. Revenue

Other income	1 951 659	1 552 581
Actuarial gain	2 578 000	3 989 950
Interest income-Investments	2 512 523	925 429
Dividends	310 016	239
Government Grant (Annual Appropriation)	110 327 000	114 084 000
Gains from legal deposits	1 978 295	1 942 588
Service in-kind income	25 819 354	18 285 662
Conditional grant income realised	53 971 633	52 055 517
	199 448 480	**192 835 966**

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

Other income	1 951 659	1 552 581
Interest received	2 512 523	925 429
Dividends received	310 016	239
	4 774 198	**2 478 249**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

18. Revenue (continued)

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

Transfer revenue		
Government grant (Annual Appropriation)	110 327 000	114 084 000
Gains from legal deposits	1 978 295	1 942 588
Service in-kind income	25 819 354	18 285 662
Conditional grant income realised	53 971 633	52 055 517
	192 096 282	**186 367 767**

19. Gains from legal deposits

Gains from legal deposits	1 978 295	1 942 588

Gains realised on receipt of Heritage assets through legal deposit collection represents the fair value equivalent determined by the publisher or writers upon depositing.

20. Other income

Operating income	**1 951 659**	**1 552 581**
Other income	**1 951 659**	**1 552 581**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

21. Conditional grant income realised

DSAC Conditional Grant	39 804 198	31 725 852
Digitization Project - PESP	6 413 804	13 525 446
GRAP 103 Implementation	6 686 632	6 804 219
Gothenburg bookfair project	1 066 999	-
	53 971 633	**52 055 517**

22. Grants and Subsidies

Operating grants		
Government grant (Annual appropriation)	110 327 000	114 084 000
Mzansi Libraries Online		
Balance unspent at beginning of year	4 414 821	4 414 821
Current-year receipts	700 000	-
	5 114 821	**4 414 821**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

22. Grants and subsidies (continued)

DSAC Conditional Grant		
Balance unspent at beginning of year	84 474 142	66 228 458
Current-year receipts	15 289 077	48 627 973
Interest Capitalised	2 550 238	1 399 068
Conditions met - transferred to revenue (Expense)	(39 724 593)	(29 284 291)
Conditions met - transferred to revenue (Assets)	(1 146 604)	(2 497 066)
	61 442 260	**84 474 142**

Conditions still to be met - remain liabilities (see note 15).
Included in transferred to revenue is R10.4 million granted to be transferred to NLSA for the payment of Municipal bills that are outstanding.

Presidential Employment Stimulus Package (Digitisation project)		
Balance unspent at beginning of year Current-year receipts	10 216 117	23 279 253
Conditions met - transferred to revenue	(377 724)	(13 525 446)
Conditions met - transferred to revenue (Assets)	(6 036 080)	-
Interest capitalised	82 122	462 310
	3 884 435	**10 216 117**

Conditions still to be met - remaining liabilities (see note 15).

National Lottery Commission - Digitisation project grant		
Balance unspent at beginning of year	1 493 810	1 423 371
Interest capitalised	126 165	70 439
	1 619 975	**1 493 810**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

22. Grants and subsidies (continued)

All conditions are met, account is to be closed and the remaining funds are transferred to NLSA. (see note 15).

GRAP 103 Implementation Grant		
Balance unspent at beginning of year	8 306 379	14 572 533
Interest capitalised	831 555	538 065
Conditions met - transferred to revenue	(6 686 632)	(6 804 219)
	2 451 302	**8 306 379**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

23. General expenses

Advertising	185 334	252 211
Bank charges	131 030	130 736
Insurance	25 677	28 970
Conferences and seminars	366 957	234 216
Hosting of events	1 602 830	1 522 577
Computer expenses	-	5 562
Periodicals and serials	60 369	63 386
Motor vehicle expenses	62 643	112 228
Postage and courier	125 487	256 781
Printing and stationery	1 540 466	5 961 811
Protective clothing	2 583	358 214
Stationery	474 255	991 732
Telephone expenses	1 165 320	859 511
Training	10 746	27 195
Travel - local	5 545 849	4 032 362
Travel - overseas	693 021	82 646
Water & Electricity	10 347 012	9 277 309
Other general expenses	5 624 478	3 668 858
	27 964 057	**27 866 305**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

24. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Rental of premises	10 829 687	10 480 694
Deficit on sale of property, plant, and equipment	(85 150)	(132 483)
Gain/(Loss) on exchange differences	53 425	5 453
Depreciation on property, plant, and equipment	6 237 774	5 571 925

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

25. Employee related costs

Salaries	61 459 194	68 973 684
Service bonus	2 661 262	2 842 290
Medical aid contributions	1 787 373	1 779 087
Unemployment insurance fund	329 560	362 083
Service costs as a result of employment benefit obligation	887 400	877 511
Travel and car allowances	199 992	244 992
Overtime	73 081	92 359
Cellphones	300	451 375
Housing allowance	1 258 600	1 311 800
Staff development	124 015	390 372
Bursaries	118 006	59 973
Provident fund contributions	5 809 493	5 998 070
Provision for leave & Leave payout	273 275	337 160
	74 981 551	**83 720 756**

26. Interest received Investment

Dividend revenue		
Unlisted financial assets	310 016	239
Interest revenue		
Short term Bank deposits	2 512 523	925 429

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

27. Auditor's remuneration

External audit fees	1 597 621	1 678 883
Internal audit fees	490 387	262 284
	2 088 008	**1 941 167**

Out of the total R1,5 million external fees, R1.1 million was paid using the conditional grant as part of project management fee.

28. Contracts, Consulting, and professional fees

Cleaning	2 252 539	2 698 378
Security	2 826 841	2 935 652
Consulting and professional fees	5 231 769	1 411 978
Board, audit committee fees and travel expenses	1 477 598	878 737
Network maintenance and service providers	606 760	496 252
	12 395 507	**8 420 997**

Consulting and professional fees includes legal services and other.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

29. Subscriptions and licenses

Software licenses	2 043 416	2 947 448
Subscriptions and memberships	4 648 638	4 084 221
	6 692 054	**7 031 669**

30. Repairs and Maintenance

Repairs and maintenance	4 630 422	5 585 958

Relates to repair and maintenance for immoveable property. This is excluded from note 9.

31. Lease rentals on operating lease

Operating lease expenses	10 639 786	11 113 685
Service in-kind state-owned properties	25 819 354	18 285 662
	36 459 140	**29 399 347**

The NLSA occupies the following properties:

1. 228 Johannes Ramokgoase Street. Pretoria Campus
2. 5 Queen Victoria street. Cape Town Campus
3. 62 Queen Victoria street. Centre for the Book
4. Matrix house Cape Town. This property has been leased from the Department of Public Works and Infrastructure. Lease term ended 28 Feb 2023. Currently NLSA is on a 12 month contract with the department.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

32. Service in-kind income

Rentals state owned properties	25 819 354	18 291 662

33. Cash (used in) / generated from operations

Surplus(Deficit) for the year	24 130 563	19 177 710
Adjustments for:		
Depreciation and amortisation	6 237 774	5 571 925
Deficit on disposal of assets	85 180	132 483
Fair value adjustments	159 800	300
Increase in operating lease assets and accruals	(2 843 508)	(2 179 117)
Decrease in retirement benefit assets and liabilities	(242 999)	(1 166 345)
Decrease in provisions	(233 289)	(534 483)
Gains from legal deposits	(1 978 295)	(1 942 588)
Other non-cash items	(51)	(213)
Changes in working capital:		
Receivables from exchange transactions	(124 309)	(140 686)
Other receivables from non-exchange transactions	(6 358 750)	-
Prepayments	(969 533)	20 788
Payables from exchange transactions	(1 187 854)	(3 004 065)
Conditional grant obligation - Grants received	(34 392 477)	(957 662)
Principal Funds obligation	(13 382 919)	(11 122 326)
	(31 100 667)	**3 855 721**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

34. Commitments

Authorised capital expenditure

Contracted

Capital expenditure: Property Plant & Equipment	-	7 031 545

Total capital commitments

Already contracted for but not provided for	-	7 031 545

Authorised operational expenditure

Already contracted for but not provided for

• Special Projects (Conditional grants)	-	8 044 606
• Security and cleaning	7 282 347	12 101 115
• General Expenses	17 635 942	18 359 991
• Consulting and Professional fees	14 534 360	3 649 504
	39 452 649	**42 155 216**

Total operational commitments

Already contracted for but not provided for	39 452 649	43 802 916

Accounting Policies

Figures in Rand	2023	2022 Restated
22. Commitments (continued)		
Total commitments		
Total commitments		
Authorised capital expenditure	-	7 031 545
Authorised operational expenditure	39 452 649	43 802 916
	39 452 649	**50 834 461**

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	13 446 228	12 450 211

A devolution of budget regarding the lease of private property was affected by the DSAC in 2018/19.This led to NLSA taking over the lease agreement of the Matrix house. This lease agreement came to an end on 28 February 2023. NLSA has a 12 month contract with DPWI for a period of 12 months, ending 29 February 2024.

35. Related parties

Relationships	
Controlling entity	Department of Sports, Arts and Culture (DSAC)
Entities under common control	National Archives and Records Service of South Africa (NARSSA)
Other Shareholding by the NLSA	1 000 000 number of shares in Sabinet Online Ltd (Refer to 35.1)
Members of Accounting Authority	Refer to members' report note 35.3
Members of Key Management	Refer to members' report note 35.3

Accounting Policies

Figures in Rand	2023	2022 Restated

35. Related partieses (continued)

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 35.2 of this note.

35.1. Related party balances

Amounts included in Receivables from non-exchange transactions		
DSAC Conditional grant	6 358 750	-
Financial Assets		
SABINET (PTY) Ltd	7 040 000	7 200 000
Grant Obligations		
Conditional grant obligation	(67 777 995)	(102 996 637)
Principal grant obligation - NARSSA	(95 937)	(13 478 856)

35.2. Related party transactions

Income Received		
Annual Appropriation from DSAC	110 327 000	114 084 000
Dividends and other income received from SABINET (PTY) Ltd	626 914	-
Expenses paid		
Subscriptions and other expenses paid to SABINET (PTY) Ltd	(3 380 463)	(3 491 077)

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

35. Related partieses (continued)

Conditional grants income received, refer to note 22.

Conditional grants realised income, refer to note 21.

Further details regarding expenses paid on behalf of NARSSA, refer to note 41. Unspent funds of R 3 870 643 was refunded back to NARSSA.

35.3. Remuneration of management

Management class: Board members

2023

Name	Member's Fees	Total
Dr Refiloe Mabaso (Board Chairperson)	202 168	202 168
Dr Nyelisani Clarence Tshitereke	133 422	133 422
Ms Faith Khanyisiwe Dubazana	59 550	59 550
Mr Khathutshelo Nethavhani	83 370	83 370
Mr Phuti Phukubje	64 314	64 314
Ms Thembisa Jimana	66 696	66 696
Mr Thilivhali Ramawa*	33 348	33 348
Ms Keke Maidi (Reappointed)**	66 834	66 834
Mr Trevor Mokeyane (Reappointed)	66 696	66 696
Mr TTC Dlamini (Former Board Chairperson)	27 216	27 216
Dr Adv. Mphalane Makhura***	-	-
	803 614	**803 614**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

2022

Name	Member's Fees	Total
Dr Refiloe Mabaso (Board Chairperson)	34 992	34 992
Dr Nyelisani Clarence Tshitereke	55 730	55 730
Mr Khathutshelo Nethavhani	33 348	33 348
Mr Phuti Phukubje	38 112	38 112
Ms Thembisa Jimana	30 966	30 966
Mr Thilivhali Ramawa	26 202	26 202
Ms Faith Khanyisiwe Dubazana	30 966	30 966
Mr Trevor Mokeyane (Reappointed)	71 468	71 468
Ms Keke Maidi (Re-appointed)	72 090	72 090
Mr TTC Dlamini (Former Board Chairperson)	151 336	151 336
Dr B Mbambo-Thata	78 114	78 114
Ms Letlhogonolo Noge-Tungamirai	11 910	11 910
Ms Berenice Lue Marais	71 934	71 934
Ms Leah Khumalo	56 676	56 676
	763 844	**763 844**

* Resumed his role as Board member on 17 September 2022.

** Resigned 15 February 2023.

*** Appointed 6 March 2023.

Notes to the Audited Financial Statements

Figures in Rand

Name	Basic Salary	Pension Fund Contribution	Travel Allowance	Termination benefits	Acting Allowance	Other benefits received	Total
Mr KD Madumo (National Librarian and CEO)	1 783 800	226 104	199 992	-	-	-	2 209 896
Mr GG Ditsele (Chief Financial Officer)	751 164	62 408	-	-	-	9 100	822 672
Mr T Ramawa (Former Interim CFO)	676 392	-	-	26 021	-	-	702 413
Mrs NP Musa (Executive Director Core Programmes)	1 074 656	106 943	-	-	-	15 600	1 197 199
Mrs J Bhadais (Acting Executive Director Corporate Service)	792 472	70 341	-	-	296 159	43 596	1 202 568
Ms B Moleme (Director Business Development)	859 538	125 771	-	-	-	47 870	1 033 179
Mr M Rannzwa (Director Finance and SCM)	76 073	6 545	-	27 357	-	3 372	113 347
Mr WM Seabelo (Director Human Resources Management)	458 285	39 272	-	-	-	16 200	513 757
Mr LM Maphile (Director Public Engagement)	349 404	30 251	-	-	-	13 500	393 155
Mr T Nemusimbori (Director Information Communications Technology)	772 848	62 297	-	87 919	-	11 700	934 764
Ms MM Masipa (Director Human Resources Management)	78 054	13 643	-	107 750	-	4 647	204 094
Mr WA Present (Board Secretary)	503 857	43 487	-	-	-	18 900	566 244
Ms L Lobelo (Acting Director Finance and SCM)	-	-	-	-	159 769	-	159 769
Mr SD Segalabutla (Acting Director Information Communications Technology)	-	-	-	-	83 421	-	83 421
Ms N Nodada (Acting Director: Conditional Grant and Special Projects)	-	-	-	-	239 264	-	239 264

Notes to the Audited Financial Statements

Figures in Rand

Name	Basic Salary	Pension Fund Contribution	Travel Allowance	Termination benefits	Acting Allowance	Other benefits received	Total
Mrs N Hendrickse (Acting Director Information Access Service)	-	-	-	-	39 508	-	39 508
Ms M Modiba (Acting Director Information Access Service)	-	-	-	-	93 250	-	93 250
Mr M Nkuna (Acting Board Secretary)					75 470	-	75 470
Dr T Chauke (Acting Director: Conditional Grant and Special Projects)					65 984	-	65 984
	8 176 543	**787 062**	**199 992**	**249 047**	**1 052 825**	**184 485**	**10 649 954**

Notes to the Audited Financial Statements

Figures in Rand

2022

Name	Basic salary	Bonuses and performance related payments	Pension Fund Contributions	Travel Allowance	Termination benefits	Acting Allowance	Other benefits received	Total
Mr K.D. Madumo National Librarian and CEO	2 068 746	200 000	200 862	199 992	-	-	-	2 669 600
Mr T. Ramawa Interim Chief Financial Officer	237 419	-	-	-	-	-	-	237 419
Ms Dick N Former Chief Financial Officer	696 575	44 567	-	-	50 506	-	5 600	797 248
Ms N.P. Musa Executive Director: Core Programmes	1 183 884	42 575	106 150	-	-	-	-	1 332 609
Ms B. Moleme Director: Business Development	864 169	47 763	106 883	-	-	-	30 598	1 049 413
Marumo K Former Director: Bibliographic Services and Collections Management	437 236	-	31 439	45 000	49 927	-	-	563 602
Mr M. Rannzwa Director: Finance and SCM	1 017 176	-	74 197	-	-	125 210	12 432	1 229 015
Ms J. Bhadais Director: Marketing Communications and Stakeholder	953 149	-	69 820	-	-	171 965	27 168	1 222 102
Mr T. Nemusimbori Director: Information Communications Technology	1 100 234	57 114	82 653	-	-	-	-	1 240 001
Mr M.M. Masipa Director: Human Resources Management	886 161	54 754	81 457	-	-	-	27 491	1 049 863
	9 444 749	**446 773**	**753 461**	**244 992**	**100 433**	**297 175**	**103 289**	**11 390 872**

Notes to the Audited Financial Statements

Figures in Rand

Management class: Key advisors/Sub committees

2023

Name	Member's Fees	Total
Mr L. Monama (ARP Independent Committee Chairperson)	133 827	133 827
Ms A. Cilliers (ARP Independent Committee member)	39 285	39 285
Dr T. Sethibe (ARP Independent Committee member)	26 190	26 190
	199 302	**199 302**

2022

Name	Member's Fees	Total
Mr L. Monama (ARP Independent Committee Chairperson)	133 827	133 827
Ms A. Cilliers (ARP Independent Committee member)	36 666	36 666
Dr T. Sethibe (ARP Independent Committee member)	31 428	31 428
Mr J. Morakile	25 080	25 080
	227 001	**227 001**

36. Mzansi Libraries Online (Cash balance)

Mzansi Libraries On-Line Project		
Opening balance	5 280 033	5 280 033
Less expenses paid	(6 867)	(8 223)
	5 273 166	**5 280 033**

Notes to the Audited Financial Statements

Figures in Rand

The cash balance disclosed represents the cash available to the NLSA as at year end for the discharge of its obligations on the grant received from the Bill and Melinda Gates foundation, which is funding the Mzansi Libraries On-line Project administered by the NLSA.

37. 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 is adequate banking facilities. The maturity profiles of the financial instruments are summarised as follows:

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and oher payables	15 529 371	-	-	-
A 31 March 2022	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Trade and other payables	16 717 104	-	-	-

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.

Notes to the Audited Financial Statements

Figures in Rand

The Entity's Interest rate profile of interest-bearing financial instruments at 31 March 2023 was:

	Current interest rate	Due in less than a year	Due in one to two years	Due in two o three years	Due in three to four years	Total
Short term fixed deposits	6,50%	70 464 137	-	-	-	81 370 765

The Entity's interest rate profile of interest-bearing financial instruments at 31 March 2022 was:

	Current interest rate	Due in less than a year	Due in one to two years	Due in two o three years	Due in three to four years	Total
Short term fixed deposits	6,50%	81 370 765	-	-	-	81 370 765

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 NLSA is exposed to credit related losses in the event of non-performance by counterparties. The NLSA continually monitors its positions and the credit rating of its counterparties and limits the extent to which it enters into transactions with any one party.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at year end were as follows:

	NLSA - 2023 0-12 months R	NLSA - 2022 0-12 months R
Trade and other receivables	6 793 332	310 273
Cash and cash equivalents	106 048 593	144 382 079

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 2023.

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.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

38. Going concern

We draw attention to the fact that at 31 March 2023, the entity had a surplus for the year of R24 130 563 and total assets exceeding liabilities by R67 981 135. 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 ICT 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.

39. Irregular expenditure

Net opening balance	**-**	**-**
Irregular expenditure incurred in the current year	178 004	1 110 194
Less: Amount written off - current	-	-
Irregular expenditure payments relating to multi-year contracts that was not condoned or removed	110 715	-
Closing balance	**288 719**	**1 110 194**

40. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure incurred in the current year and erroneously recorded as recovered	-	133 149
Balance	**-**	**133 149**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

41. 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 Sports ,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 procurement of goods and services as required by NARSSA.

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 Department or which was paid in error, within 30 (thirty) days from the date of demand by the DSAC.

A project management administration fee was charged at a maximum of 10%, at inception of the project. No project management fee was charged in the current financial year.

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 Nil (2022: -).

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal(s) that have been recognised by the entity are detailed in the reconciliation below. There are no corresponding rights of reimbursement that have been recognised as assets.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

Additional information

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		
Opening balance	167 802	87 640
Expenses incurred on behalf of the principal	9 980 332	11 682 026
Cash paid on behalf of the principal	(10 148 134)	(11 601 864)
	-	**167 802**

All categories		
Opening balance	167 802	87 640
Expenses incurred on behalf of the principal	9 980 332	11 682 026
cash paid on behalf of the principal	(10 148 134)	(11 601 864)
	-	**167 802**

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

42. Financial instruments by category

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

2023

Figures in Rand	At Amortised Cost	At fair value	Total
Receivables from exchange transactions	434 582	-	434 582
Receivables from non-exchange transactions	6 358 750	-	6 358 750
Bequest related investments	-	2 400	2 400
Cash and cash equivalents	106 048 593	-	106 048 593
Other financial assets (SABINET Online Ltd shares)	-	7 040 000	7 040 000
Payables from exchange transactions	-	15 529 249	15 529 249
	-	-	-

2022

	At Amortised Cost	At fair value	Total
Receivables from exchange transactions	310 273	-	310 273
Bequest related investments	-	2 200	2 200
Cash and cash equivalents	144 382 079	-	144 382 079
Other financial assets (SABINET Online Ltd shares)	-	7 200 000	7 200 000
Payables from exchange transactions	-	16 717 104	16 717 104
	-	-	-

Notes to the Audited Financial Statements

Figures in Rand

43. Contingent Liabilities

Service Provider vs NLSA

The applicant (service provider) sought out and obtained judgement against the NLSA for the return of equipment installed in Libraries in Eastern Cape. The matter was finalised, and judgment handed down in 2021. A cost order was made against the NLSA. The applicant is yet to submit their final costs to the NLSA for processing. Our attorneys on the matter have followed up with them and the service provider attorneys have confirmed that they are processing the Bill of Costs in this matter.

Former employee's vs NLSA

Former Employee 1: This was an arbitration matter heard in the CCMA in 2019. The CCMA found in favour of the former employee and NLSA was ordered to pay the legal costs. HR has previously followed up with the former employee on this and it was only recently that the former employee reached out to NLSA. We have advised the former employee to attend to the CCMA and tax the costs order and provide us with the final taxed amount. Awaiting feedback on this.

Former Employee 2: Issued summons against the NLSA to the amount of R10 million. The NLSA is defending the matter and have appointed external attorneys to assist on this. Management is still in the process of confirming all records regarding exchanges that took place on this and whether this was previously settled. As it stands, parties are in the process of possibly having a Pre-Trial Conference to determine if the matter is ready to go to court for a trial.

Accumulated Surplus

Accumulated Surplus is subject to National Treasury approval in response to the NLSA appropriate application for such fund retention. The accumulated surplus is determined in terms of the National Treasury Instruction No 12 of 2020/2021. The NLSA will apply to retain the unspent funds which have remained un-expensed at year end.

Accumulated Surplus	17 451 266	-

Notes to the Audited Financial Statements

Figures in Rand

44. Prior period errors

Office Equipment was incorrectly classified as work-in-progress, which then resulted in the depreciation not being calculated.

Operating lease liability and its impact in the operating lease expense was incorrectly calculated in prior years was due to VAT rate change. The VAT changed in 14% to 15 % in April 2018. The lease smoothing was incorrectly calculated at the incorrect VAT rate. The misstatement amounting to R3,7 million was corrected in the 2021 financial year as depicted in the Statement of Changes in Equity. The misstatement for the 2022 financial year is shown below.

Receivables were understated which incorrectly processed in expenses.

Payables from exchange were understated with invoices that related to prior year were not recognised.

The cashflow errors are due incorrect calculations in the prior period which related to the other income and employee cost incorrectly classified in suppliers, the effects are indicated below. Further there was a reclassification in the bank balance, other income and dividends shown in note 45.

The conditional grant obligation in the related party note has been corrected to exclude the Mzansi Libraries On-line and National Lottery Commission Digitization Project. Refer to note 22 and note 35 for the amounts.

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Accumulated Surplus 1 April 2021		3 706 370
Property, plant, and equipment	-	(2 335)
Receivable from exchange transaction	-	113 676
Operating Lease Liability	-	(2 444 234)
Payables from exchange transaction	-	(4 297)
Accumulated Surplus or Deficit	**-**	**1 369 174**

Statement of financial performance		
Employee Cost		111 260
Depreciation	-	(2 335)
Lease rentals on operating lease	-	1 262 136
General expenses	-	(1 216)
Other income	-	(670)
Surplus/(Deficit)	**-**	**1 369 174**

Cash flow statement		
Cash flow from operating activities		
Other income	-	(2 792 345)
Employee costs	-	(8 401 608)
Suppliers	-	11 193 720
	-	(233)

Notes to the Audited Financial Statements

Figures in Rand	2023	2022 Restated

45. Re-classification of Financial statement items

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

	Note	As previously reported	Re- classification
Payables from exchange transaction		(16 712 796)	(5)
Office Equipment @ cost		19 456 950	104 995
Office Equipment @ WIP		104 995	(104 995)
Cash and cash equivalents		144 382 074	5
		147 231 223	**-**

Statement of financial performance

2022

	Note	As previously reported	Re- classification
Other income		1 553 490	(239)
Dividends received		-	239
Surplus for the year		**1 553 490**	**-**

Notes to the Audited Financial Statements

46. Events after the reporting date

Subsequent to year end, SABINET (PTY) Ltd concluded the valuation of the shares held as at 31 March 2023. The share value was confirmed at R7.04 and adjustments were made appropriately.

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) 21 424 6320
Fax: +27 (0) 21 423 3359

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

ISBN: 978-0-621-51317-2
PR: 225/2023