ANNUAL REPORT

2017-18

"One nation many languages"

PanSALB
PAN SOUTH AFRICAN LANGUAGE BOARD

LETTER TO THE SPEAKER OF PARLIAMENT

Honourable Baleka Mbete
Speaker of the National Assembly

It gives me great pleasure to submit the Annual Report of the Pan South African Language Board (PanSALB) for the period 1 April 2017 to 31 March 2018.

The report has been prepared in terms of section 40(1) of the PFMA, 1999 and the Treasury Regulations paragraph 18.2, that the accounting officer must submit an annual report with audited financial statements and the Auditor-General's report, to Parliament for tabling in Parliament.

Yours faithfully

Ms SA Netshiheni
Acting Chief Executive Officer

PanSALB Annual Report 2017-18

CONTENTS

PART A
General Information

GENERAL INFORMATION

REGISTERED NAME:	Pan South African Language Board (PanSALB)
REGISTRATION NUMBER:	N/A
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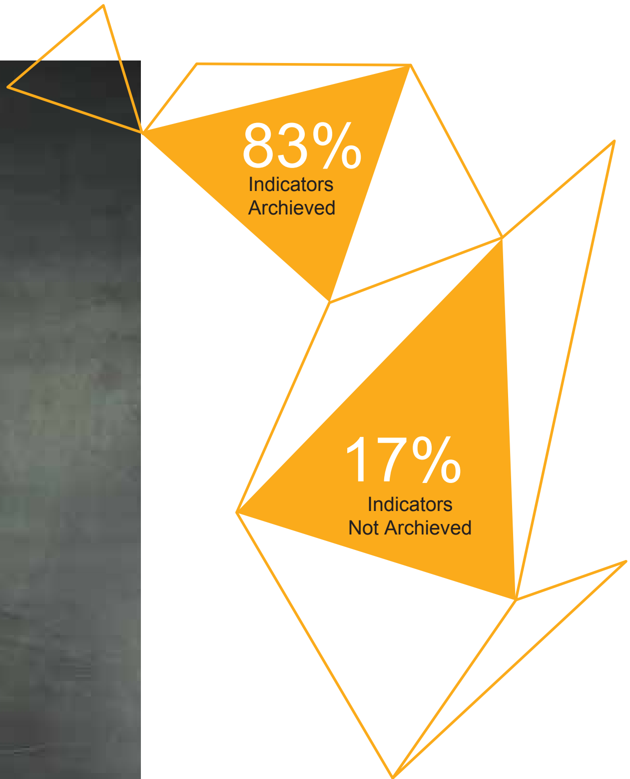
EXTERNAL AUDITORS:	Auditor-General South Africa (AGSA) Address: 300 Middel Street, New Muckleneuk, Pretoria
BANKERS:	ABSA Address: 230 Lilian Ngoyi Street, Pretoria, 0002

LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor-General of South Africa
CAPS	Curriculum Assessment Policy Statement
CEO	Chief Executive Officer
COSAT	Centre of Science and Technology
DAC	Department of Arts and Culture
DCAS	Department of Cultural Affairs and Sport
DCATA	Department of Culture, Arts and Traditional Affairs
DoBE	Department of Basic Education
DSAC	Department of Sport, Arts and Culture
FSPLC	Free State PLC
GPLC	Gauteng PLC
HR	Human Resources
ICT	Information and Communications Technology
IEC	Independent Electoral Commission
KZNPLC	KwaZulu-Natal PLC
LPLC	Limpopo PLC
MEC	Member of the Executive Council
NCPLC	Northern Cape PLC
NLB	National Language Body
NLU	National Lexicography Unit
NWPLC	North West PLC
PFMA	Public Finance Management Act
PLC	Provincial Language Committee
PLF	Provincial Language Forum
SABC	South African Broadcasting Company
SAHRC	South African Human Rights Commission
SASL	South African Sign Language
SNLB	Sesotho National Language Body
WCED	Western Cape Education Department
WCPLC	Western Cape PLC

OVERVIEW
BY THE ACTING CHIEF EXECUTIVE OFFICER

Mrs SA Netshiheni - Acting Chief Executive Officer



INTRODUCTION

This Annual Report covers the performance of PanSALB over the past financial year in terms of financial management and predetermined objectives. The report provides detailed information on performance, governance, human resources and financial management, categorised in different sections.

OVERVIEW OF THE OPERATIONS

During the year under review PanSALB reported on 57 indicators: 47 (83%) indicators were achieved and 10 (17%)

were not achieved. The performance improved by 1% compared to the previous year. Core business, which is Programme 2: Language use, development and equitability, reported on 36 indicators, of which 28 (77%) were achieved and eight (22%) were not achieved. This include the achieved indicators of language promotion.

Key in the PanSALB mandate is the promotion of multilingualism, which is one area which PanSALB focussed on by engaging different stakeholders in different provinces and providing advice on matters related to language equitability. Such stakeholders include among others, the South African Broadcasting Corporation (SABC), the State Security Agency, the Department of Higher Education and Training (DHET), the Nelson Mandela Museum, Isolezwe LesiXhosa, the Free State National District Hospital, and the North West Department of Finance, Economy and Enterprise Development.

The expenditure of PanSALB at a consolidated level increased from R99.6 MILLION TO R101 MILLION in the 2017/18 financial year

In an endeavour to promote language equitability, PanSALB monitored the implementation of the Use of Official Languages Act (Act 12 of 2012) as mandated by the same Act and the PanSALB Act (Act 59 of 1995 as amended). In the same spirit, the institution also reviewed its language policy and revised the Guidelines on the Development of a Language Policy. Based on the latter document, PanSALB conducted a Language Policy Workshop for national departments, national public entities and national public enterprises.
PanSALB developed a Case Management Tool, which is currently used in capturing and monitoring Linguistic Human Rights cases. Twenty-four cases were received by PanSALB during the financial year under review and of these, eight were concluded within three months of receipt.

The nine NLBs for former marginalised official languages conducted consultative meetings with a view to finalising the revision of Spelling and Orthography Rules (2008) and eight of these delivered the revised draft documents.

The Khoe and San NLB through the Nama Language Technical Committee (a subcommittee of the NLB) was able to adapt the Khoekhoegowab Orthography and Spelling Rules (from Namibia) to Nama Spelling and Orthography Rules. The NLB will present the document in its draft form to the NLB for consideration before finalising it and taking it through the consultative process.

The South African Sign Language National Language Body (SASL NLB) developed the SASL Communication Charter and was able to take this through the consultative process in different provinces.

Different NLBs verified and authenticated all terminology lists that were submitted to PanSALB for such processes. The different terminology lists are specified in Part B (Performance Information – Language Development and Use).

The Literature and Media Monitoring Tool was developed and piloted by some of the NLBs.

LANGUAGE RESEARCH

After a number of years without addressing language research, PanSALB collected research data from some of the South African universities on the development of former marginalised languages, Khoe and San languages and South African Sign Language with the aim of classifying research that has been conducted and to identify gaps that exists in research on languages mentioned above. The research was also aimed at showcasing languages used in research reports, theses, etc.

Plans to collaborate with the National Research Foundation (NRF) and the Sol Plaatje University on language research have been initiated.

For the 2017/2018 financial year, each of the eleven (11) NLUs provided status reports on the compilation of dictionaries (status of dictionary development). However, some of the NLUs struggled with the compilation of the value-for-money and compliance reports. In order to address this shortcoming, PanSALB provided in-house training on the reporting templates on 10 April 2018 as an intervention (though) this was after the reporting date, but the desired impact was still not achieved as can be seen in the section on Performance Information in this report. On the whole, capacity building and skills development are necessary for some of the Editors-in-Chief whilst some members of the Boards of Directors need training in governance.

Four national language promotion events were implemented, namely: The Indigenous Peoples Language Conference (promoting the development and use of Khoe and San languages), the Deaf Awareness Campaign, the Celebration of Dictionary Day, Translation Day and International Mother Language Day.

The Norms and Rules for Provincial Languages Committees (Board Notice 92 of 2005) and National Language Bodies (Board Notice 94 of 2005) were revised to improve on the regulations governing PanSALB structures. However there are sections in these documents that still need further revision.

The process of reconstituting PanSALB structures was initiated. However, the response on nominations was disappointing and as a result none of the structures were reconstituted. During 2017/2018, PanSALB will finalise this process.

CAPACITY CONSTRAINTS AND CHALLENGES

ORGANISATIONAL ENVIRONMENT

Capacity within PanSALB has been turbulent over the period. Although there was a no high turnover in critical positions, the position of the Executive Head of Languages became vacant and was filled temporarily by appointing one of provincial managers on an acting basis, while the position of a Senior Manager: Linguistic Human Rights also remained vacant for over 12 months due to on-going litigations. The institution did not have a Board for more than 24 months and this has had a knock-on effect on compliance and effectiveness of its governance processes and reconstitution of structures including the Audit and Risk committee.

It must be noted that, despite the 20% vacancy rate, PanSALB continued to experience capacity challenges in the areas of planning, monitoring and evaluation and contract management across the institution. Deliberate capacity building strategies will have to be devised to ensure that current staff and NLUs are capacitated adequately in order to carry out the mandate of PanSALB.

SECTOR CHALLENGES

The public service sector and Institutions of Higher Education are critical partners in the implementation of PanSALB's language development, use, promotion and equitability programmes. It is therefore crucial to continuously strengthen relations with these stakeholders.

> PanSALB received an unqualified audit opinion for the 2016/17 financial year; however, it has regressed to a qualified audit opinion for 2017/18 financial year

Delays in the reviewing of Memoranda of Agreement and partnership agreements by stakeholders impacted negatively on the effectiveness of the NLUs.

Partnering with Institutions Supporting Democracy (ISDs) is crucial in delivering quality services to South Africans.PanSALB has to strengthern such relationships.

GENERAL FINANCIAL OVERVIEW

For the financial year ended 31 March 2018, PanSALB's primary source of funding came through the transfer of R108 million disbursed from a budget vote of the Department of Arts and Culture. Investment income worth R4.3 million was realised and an additional R3.7 million was received in the form of donations. Sale of dictionaries by the NLU accounted for revenue of only R0.4 million, while other income received accounted for R0.5 million.

SPENDING TRENDS

The expenditure of PanSALB at a consolidated level increased from R99.6 million to R101 million in the 2017/18 financial year. In 2017, PanSALB reported employee cost of R63 million. This has slightly increased to R64 million for the 2017/18 financial year. Administration expenditure for the 2017/18 financial year compared to the 2016/17 financial year was reduced from R13 million to R10.9 million. The only substantial increase in the spending patterns is noticeable operating expenditure, which increased from R14.7 million posted for the 2016/17 financial year to R17.8 million for the financial year under review.

ROLLOVER OF FUNDS

PanSALB's expenditure for the current financial year resulted in a surplus of R13 million. This surplus could have been reduced to a deficit of the same value had PanSALB accounted for its contingent liabilities (R24 million) as provisions, in which case PanSALB would not be able to continue to operate as a going concern. A rollover application of the accumulated cash reserves has been submitted to the National Treasury through the Department of Arts and Culture. The entire R57 million of cash reserves is committed.

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Policy is in place and is being implemented to ensure compliance with legislation and regulations. We continued to strengthen the internal controls within the Supply Chain Management Unit. During the 2017/18 financial year, the incidences of irregular, fruitless and wasteful expenditure were reduced and most of irregular expenditure incurred relates to contracts entered into in 2014/5 and 2015/16. Ongoing monitoring of controls for identification and prevention of irregular expenditure is necessary.

AUDIT FINDINGS

PanSALB received an unqualified audit opinion for the 2016/17 financial year; however, it has regressed to a qualified audit opinion for the 2017/18 financial year due to deviations in procurement of a media partnership concluded in February 2017. The Auditor-General of South Africa (AGSA) assessed the reasons for deviating from procuring the services through a formal tender process and found the grounds presented by management as unjustifiable (poor planning).

Management will in future ensure that there is a project plan for its key activities or projects that is aligned with the procurement plan in order to avoid deviation and irregular expenditure.

AGSA conducted an audit of the performance information for the financial year ended 31 March 2018. It was the second time PanSALB was audited on performance information. The Annual Performance Plan (APP) for 2017/18 was aligned to the National Treasury Framework on Strategic Plans and Annual Performance Plans. The APP for 2017/18 showed great improvement as compared to the 2016/17 APP with improved technical indicator descriptors. PanSALB reported improved performance compared to the previous year.

12 out of 36 indicators were materially misstated due to lack of evidence resulting in the disclaimer of opinion for Programme 2: Language Use, Development and Equitability. The disclaimer was due to a lack of clear business processes; targets not having been predetermined meaning that it could not be confirmed whether targets were achieved as well as lack of proper monitoring. Programme 3: Public Engagement and Stakeholder Relations received a qualification opinion on performance information. Management will develop an action plan to address all the findings on performance information.

EVENTS AFTER REPORTING DATE

PanSALB entered into a settlement agreement with one of the employees previously dismissed by the Board in 2014. The payment was however made in June 2018.

The CEO was placed on suspension by the Minister of Arts and Culture following an investigation into allegations of maladministration and Acting CEO was appointed.

ECONOMIC VIABILITY

PanSALB operated as a going concern for the 2017/18 financial year and the assessment made by management is that it will continue as a going concern into the next 12 months.

It is worth noting that the Task Team on Budget Delinking and Amalgamation of the ISDs has concluded its work. Parliament is yet to decide on the matter, which in our view may affect the form in which all ISDs will operate in future.

THE YEAR AHEAD

As we look ahead, our plans will be put in place to address the challenges and deficiencies experienced during the year under review. In order to ensure that performance targets for the 2018/19 financial year are achieved, PanSALB will expedite filling the vacancy of the Senior Manager: Linguistic Human Rights and strengthen the in-year monitoring of performance and irregular expenditure. We also aim to address some of the operational challenges to ensure the fulfilment of the legislative mandate through the implementation of an organisational re-engineering exercise.

ACKNOWLEDGEMENTS AND APPRECIATION

I would like to extend my sincere gratitude to the Minister of Arts and Culture and the Portfolio Committee on Arts and Culture, as well as members of the three PanSALB structures for their dedication, unwavering support and leadership provided. The co-operation from stakeholders and our strategic partners who continue to play a pivotal role in ensuring that we realise our goals is really appreciated. Let me also commend the CEO, the executive, the management team and the entire PanSALB staff for all the efforts and work done during the financial year. Their contributions cannot go unnoticed as they are key to the day-to-day functioning of PanSALB. However, more still needs to be done at different levels to ensure that we do not only restore PanSALB to positive service delivery, but also that we are seen to be delivering on our mandate.

Ms SA Netshiheni
Acting Chief Executive Officer
31 July 2018

STATEMENT OF RESPONSIBILITY

FOR AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

The external auditors have been engaged to express an independent opinion on the financial statements. The Annual Report is complete, accurate and free from any omissions.

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

The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the constitutional institution.

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

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

The external auditors were engaged to express an independent opinion on the annual financial statements.
In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the constitutional institution for the financial year ended 31 March 2018.

Yours faithfully

Ms SA Netshiheni
Acting Chief Executive Officer
31 July 2018

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STRATEGIC OVERVIEW

5.1 VISION

To be the pre-eminent promoter and enabler of multilingualism and language rights in South Africa.

5.2 MISSION

In pursuance of its vision, the PanSALB mission is to:

- promote multilingualism
- create conditions for the development and use of all official South African languages, including the Khoi, Nama and San languages and South African Sign Language
- promote respect and recognition for all languages, including previously marginalised languages and all other languages commonly used by South African communities
- promote the development of previously marginalised languages
- advocate for rights relating to language and the status of language
- initiate, enable and conduct research in accordance with the PanSALB mandate

5.3 VALUES

PanSALB subscribes to the following values:

Values	Operating principles
Respect	Respect for all the languages used in South Africa. Treating each other with dignity and respect.
Equality	Equitable treatment of all official languages in South Africa.
Quality	Ensuring quality of language products and language use for all formerly marginalised official languages, as well as the Khoi, Nama and San languages and South African Sign Language
Accountability	Accountable for actions towards clients, stakeholders and one another.
Integrity	Open, honest and transparent in all our operations and activities.
Accessibility	Ensuring increased access to information about services to citizens in the language of their choice, with the focus on all formerly marginalised official languages, as well as the Khoi, Nama, San languages and South African Sign Language.
Service orientation	Setting of and adherence to service standards. Be courteous. Ensure promptness. Execute with efficiency and effectiveness.

5.3 STRATEGIC OUTCOME-ORIENTED GOALS

The formulation of these goals is informed by the National Treasury Framework. The goals capture the essence of both the PanSALB Act and the constitutional mandate of PanSALB.

Strategic outcome-oriented goal 1	Creation of conditions for the development and use of the South African languages
Goal statement	Create conducive settings that nurture language development, use and discourse within the multilingual interplay and symbiotic coexistence of South African official languages, Khoi, San and Nama, South African Sign Language and their associate varieties
Strategic outcome-oriented goal 2	Equitable use of all South African languages
Goal statement	Support the establishment of platforms that advance the equitable use of the languages cited in the strategic outcome-oriented goal 1 with a meaningful leaning towards the previously marginalised indigenous South African languages
Strategic outcome-oriented goal 3	Establishment of a linguistic human rights ethos
Goal statement	Establish platforms to address linguistic human rights matters
Strategic outcome-oriented goal 4	Establishment of research capacity
Goal statement	Initiate, facilitate and support research into a range of topics relevant to PanSALB's mandate
Strategic outcome-oriented goal 5	Promotion of PanSALB's mandated deliverables
Goal statement	Promote the institution's performance and activities with regard tolanguage development, language useand discourse and linguistic human rights to an array of stakeholders
Strategic outcome-oriented goal 6	Creation of the organisation's sustainable institutional ability to deliver on the core business and comply with legislation, regulations and prescripts
Goal statement	Create a solid institutional and administrative base for PanSALB to carry out its mandate inrelation to finance, information technology, human resources, institutional planning and performance and risk management

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LEGISLATIVE & OTHER MANDATES

PanSALB derives its mandate primarily from the Constitution and the PanSALB Act. It also derives other aspects of its mandate from additional pieces of legislation as well as policies, directives and prescripts.

6.1 CONSTITUTIONAL MANDATE

Sections 6(5) (a) and (b) of the Constitution of the Republic of South Africa (Act 108 of 1996) provide for the establishment of a Pan South African Language Board as follows:
A Pan South African Language Board established by national legislation must:

(a) promote and create conditions for the development and use of
- (i) all official languages;
- (ii) the Khoi, Nama and San languages; and
- (iii) sign language; and

(b) promote and ensure respect for
- (i) all languages commonly used by communities in South Africa, including German, Greek, Gujarati, Hindi, Portuguese, Tamil, Telegu and Urdu; and
- (ii) Arabic, Hebrew, Sanskrit and other languages used for religious purposes in South Africa.

Section 181 of the Constitution states the following about the rights of constitutional entities:

- These institutions are independent and subject only to the Constitution and the law, and they must be impartial and must exercise their powers and perform their functions without fear, favour or prejudice.
- Other organs of state, through legislative and other measures, must assist and protect these institutions to ensure the independence, impartiality, dignity and effectiveness of these institutions.
- No person or organ of state may interfere with the functioning of these institutions.

6.2 LEGISLATIVE MANDATES

In addition to the Constitution, the following pieces of legislation also have either a direct or indirect bearing on PanSALB's mandate:

- The PanSALB Act (Act 59 of 1995 as amended)
- The Use of Official Languages Act (Act 12 of 2012)
- The Public Services Act (Act 103 of 1994 as amended)
- The Public Finance Management Act (Act 29 of 1999)
- The Companies Act (Act 71 of 2008)
- The Intergovernmental Relations Framework Act (Act 13 of 2005)
- The Promotion of Access to Information Act (Act 2 of 2000)
- The Labour Relations Act (Act 66 of 1996)
- The Basic Conditions of Employment Act (Act 75 of 1995)
- The Employment Equity Act (Act 55 of 1998)
- The Skills Development Act (Act 97 of 1998)

6.2.1 THE PanSALB ACT (ACT 59 OF 1995 AS AMENDED)

In terms of Section 8 of the Pan South African Language Board Act 59 of 1995 (as amended), the organisation is mandated to:

- make recommendations with regard to any proposed or existing legislation, practice or policy dealing directly or indirectly with language matters at any level of government, and with regard to any proposed amendments to or the repeal or replacement of such legislation, practice or policy
- make recommendations to organs of state at all levels of government where it considers such action advisable for adopting performance measures aimed at promoting multilingualism within the framework of the Constitution
- actively promote an awareness of multilingualism as a national resource
- actively promote the development of previously marginalised languages
- initiate studies and research aimed at promoting and creating conditions for the development and use of (i) all the official languages of South Africa, (ii) the Khoi and San languages and (iii) South African Sign Language
- promote and ensure respect for all other languages commonly used by communities in South Africa
- advise on the coordination of language planning in South Africa
- facilitate cooperation with language-planning agencies outside South Africa
- establish provincial language committees and national language boards to advise it on any language matter affecting a province or a specific language
- establish national lexicography units to operate as companies limited by guarantee under Section 21 of the Companies Act (Act 61 of 1973) and allocate funds to these units for the fulfilment of their functions

In terms of Section 4 of the Act, PanSALB is an independent organ of state subject only to the Constitution and its founding legislation, and it must perform its duties without fear, favour or prejudice. All organs of state are enjoined to cooperate with PanSALB and may not interfere with its functioning in the execution of its mandate.

The primary objective of PanSALB is to promote multilingualism in South Africa by:

- creating conditions for the development and equitable use of all official languages
- fostering respect for and encouraging the use of other languages in the country
- encouraging the best use of the country's linguistic resources to enable South Africans to free themselves from all forms of linguistic discrimination, domination and division and to enable them to exercise appropriate linguistic choices for their own wellbeing as well as for national development

6.2.2 THE USE OF OFFICIAL LANGUAGES ACT (ACT 12 OF 2012)

The Use of Official Languages Act 12 of 2012 came into operation on 2 May 2013. The objectives of the Act are to

- regulate and monitor national government's use of official languages for government purposes
- promote parity of esteem and equitable treatment of official languages of the Republic
- facilitate equitable access to services and information of national government
- promote good language management by national government for efficient public service administration and to meet the needs of the public
- require the adoption of a language policy by every national department, national public entity and national public enterprise
- provide for the establishment and functions of a national language unit and the establishment and functions of language units by every national department, national public entity and national public enterprise
- provide for the monitoring of and reporting on the use of official languages by national government
- facilitate intergovernmental coordination of language units
- provide for matters connected therewith

6.2.3 THE PUBLIC SERVICE ACT (ACT 103 OF 1994 AS AMENDED)

This Act regulates and guides the functioning of national and provincial office bearers in the public service of the Republic of South Africa. Its purpose is to regulate the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.

PanSALB, being a public entity established through the PanSALB Act, is therefore subject to the rules, regulations and prescripts of the Public Service Act in the management of its employees and the work environment.

6.2.4 THE PUBLIC FINANCE MANAGEMENT ACT (PFMA) (ACT 1 OF 1999)

This Act regulates financial management in the national and provincial governments. It aims to ensure that all revenue, expenditure, assets and liabilities of national and provincial departments and public entities are managed effectively and efficiently. The key objectives of the PFMA may be summarised as being to:

- modernise the system of financial management in the public sector
- enable public sector managers to manage but at the same time to be held more accountable
- ensure the timely provision of quality information
- eliminate waste and corruption in the use of public assets

It also sets out the responsibilities of persons entrusted with financial management in public sector institutions. PanSALB will therefore strive to ensure adherence to the Act and all its concomitant regulations.

6.2.5 THE COMPANIES ACT (ACT 71 OF 2008)

This Act regulates the establishment and administration of all companies. These include both private sector companies as well as public entities. The objectives of the Act are inter alia to:

- provide for the incorporation, registration, organisation and management of companies
- define the relationships between companies and their respective shareholders

In general, these provisions of the Act apply to PanSALB, although these provisions have to be considered in the context of the PanSALB Act and other relevant legislation.

6.2.6 THE INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT (ACT 13 OF 2005)

This Act was passed to ensure that the principles of cooperative government as espoused in Chapter 3 of the Constitution are implemented. Hence, the Act seeks to set up mechanisms to coordinate the work of all spheres of government in providing services, alleviating poverty and promoting development. The Act thus provides for an institutional framework in order to facilitate coherent government, effective provision of services, monitoring and implementation of policy and legislation and the realisation of developmental goals as a whole. The objectives of the Act are the promotion of the following principles of cooperative government:

- coherent government (cohesiveness and cooperation)
- effective provision of services
- monitoring and implementation of policy and legislation
- realisation of national priorities

The implication is, therefore, that to ensure that PanSALB can carry out its mandate, it will have to cooperate with relevant national and provincial departments as well as municipalities on issues of mutual relevance and interest.

6.2.7 THE PROMOTION OF ACCESS TO INFORMATION ACT (ACT 2 OF 2000)

This Act gives effect to the constitutional right of access to any information held by the State and any information that is held by another person that is required for the exercise or protection of any rights. As such, this act is a 'freedom of information law'. This Act is enforced by the South African Human Rights Commission (SAHRC). Its objectives are to:

- give effect to the constitutional right of access to information held by the State
- give effect to this right, subject to justifiable limitations, in a manner that balances this right with other rights
- give effect to the practice of a human rights culture and social justice
- provide transparency, accountability and effective governance of public bodies

All public institutions, PanSALB included, have a critical role to play in ensuring the implementation of this Act by:

- receiving and responding to Promotion of Access to Information Act requests
- compiling and submitting a Section 14 manual to the Commission
- compiling and submitting Section 15 notices to the Minister of Justice

It is therefore imperative for PanSALB to regard these obligations in a serious light. PanSALB should therefore put in place the requisite information management systems (including records management policies and file plans).

6.2.8 THE LABOUR RELATIONS ACT (ACT 66 OF 1995)

This Act was passed in 1995 and was subsequently amended in 1996 and 2015.

Its key objectives are to:

- give effect to and regulate the fundamental rights conferred by Section 23 of the Constitution
- give effect to obligations incurred by the Republic as a member state of the International Labour Organization
- provide a framework within which employees and their trade unions, employers and employers' organisations can collectively bargain and formulate industrial and labour policy
- promote orderly collective bargaining at sector level and employee participation in decision making in the workplace in order to effectively resolve labour disputes

As is the case with any other employer in the country, PanSALB is subject to this Act in conducting its relations with employees.

6.2.9 THE BASIC CONDITIONS OF EMPLOYMENT ACT (ACT 75 OF 1997)

The purpose of this Act is to advance economic development and social justice by:

- giving effect to and regulating the rights to fair labour practices as conferred by Section 23(1) of the Constitution
- establishing and enforcing basic conditions of employment
- giving effect to obligations incurred by the country as a member state of the International Labour Organization

The obvious implication of this Act for PanSALB is that it must adhere to the provisions of the Act in order to uphold at least the minimum requirements for fair working conditions.

6.2.10 THE EMPLOYMENT EQUITY ACT (ACT 55 OF 1998)

The purpose of the Act is to achieve equity in the workplace by:

- promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination
- implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups in order to ensure their equitable representation in all occupational categories and levels in the workplace

As PanSALB implements its process of filling its organisational structure, the provisions of this Act should be borne in mind.

6.2.11 THE SKILLS DEVELOPMENT ACT (ACT 97 OF 1998)

The purpose of this Act is to:

- provide an institutional framework to devise and implement national, sector and workplace strategies
- develop and improve the skills of the South African workforce
- integrate those strategies within the National Qualifications Framework
- provide for learnerships that lead to recognised occupational qualifications
- provide for the financing of skills development by means of a levy grant scheme and a National Skills Fund
- provide for and regulate employment services

This Act supports employees to ensure the development of human resources (HR) capacity in order to raise competency and competitive levels in the country. It thus has obvious implications for PanSALB.

6.3 POLICY MANDATES

A number of policy pronouncements have a bearing on the work of PanSALB.
Policy mandates are derived from supporting legislation and institutional, provincial and national policies. Examples are listed below:

- National Treasury regulations, prescripts and directives
- Public Service Regulations 2001 as amended
- Department of Labour's codes of good practice in the workplace
- Fraud prevention policies
- Applicable general public service policies on procurement/supply chain management, good governance and best practice
- King III Report on Corporate Governance
- Legal and regulatory imperatives for PanSALB functional areas
- Norms and rules for provincial language committees and national language boards, published in Government Gazettes: Board Notice 92 of 2005 and Board Notice 94 of 2005, respectively

6.4 RELEVANT COURT RULINGS

No recent court rulings have impacted on PanSALB's mandate or may necessitate a fundamental change to its strategic direction.

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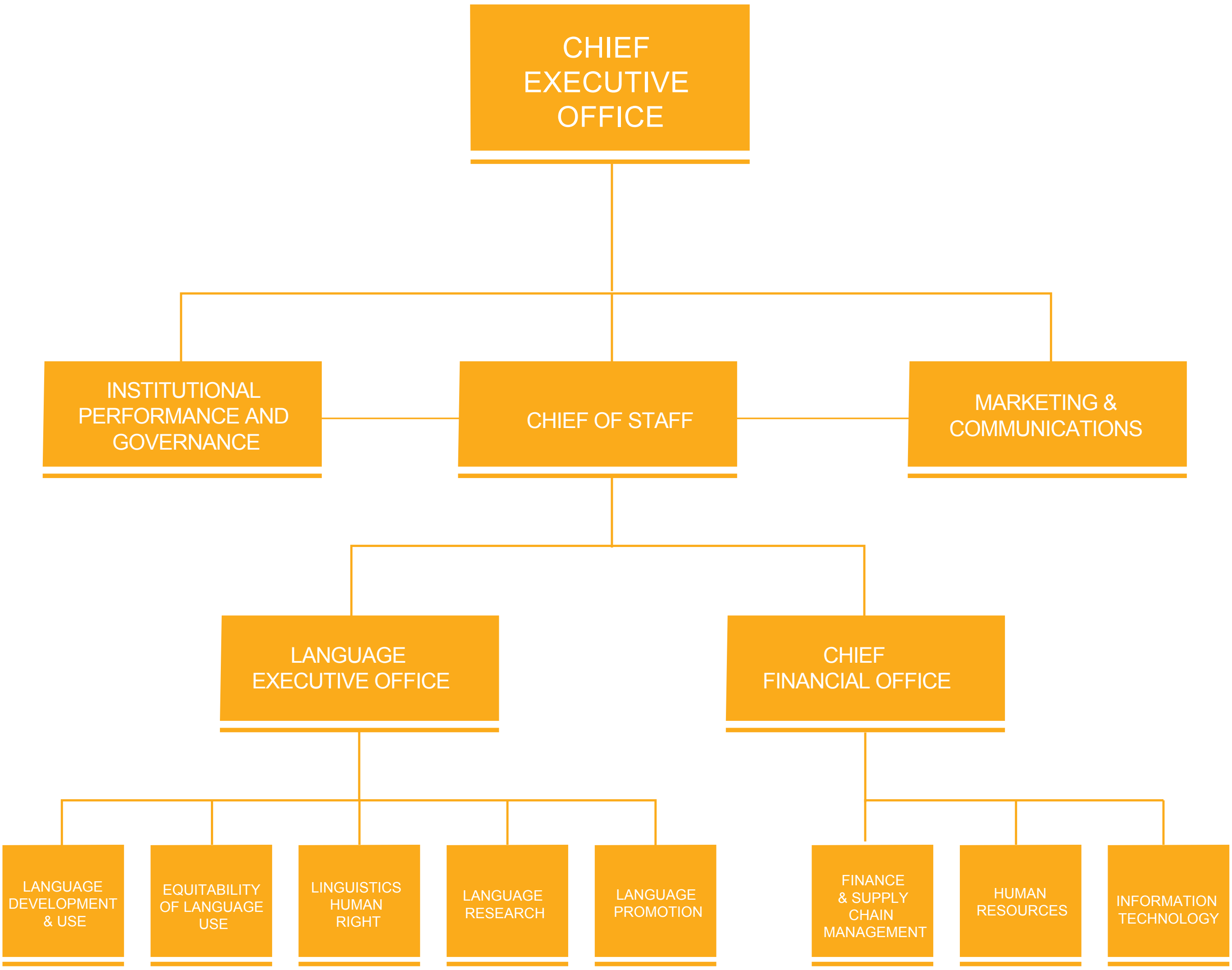
ORGANISATIONAL STRUCTURE



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EXECUTIVE MEMBERS

Dr RRM MONARENG
Chief Executive Officer

Mr T KHUBANA
Chief Financial Officer

Dr S MAEPA
Acting Executive Head of Languages

SENIOR MANAGERS ADMINISTRATION

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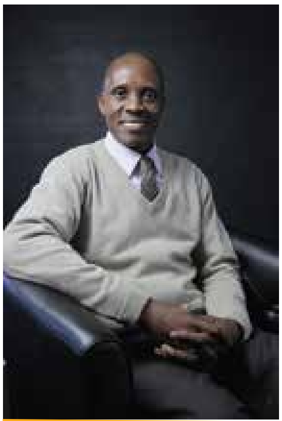
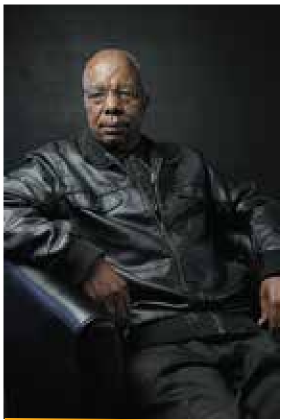
Ms MATSHEPO KHOSA
Chief Of Staff



Mr VUKILE MBILINI
Senior Manager: Finance

Ms SALOME TAU
Senior Manager: Institutional Performance & Governance



Mr ENOCH NKWE
Manager: Supply Chain Management

Ms ANGELINA NETSHIHENI
Senior Manager: National Language Bodies

Mr SIBUSISO NKOSI
Senior Manager: Marketing & Communications

Ms NOMADHLANGALA NDABEZITHA
Senior Manager: National Lexicography Units & Provincial Language Committees

Mr KAELO MAROPEFELA
Senior Manager: Human Resources Management

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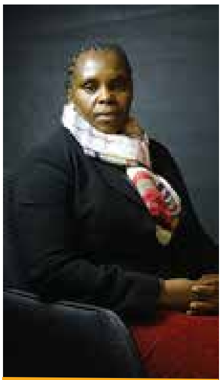
SENIOR LANGUAGE MANAGERS

Dr SALLY MAEPA
Gauteng Senior
Provincial Manager

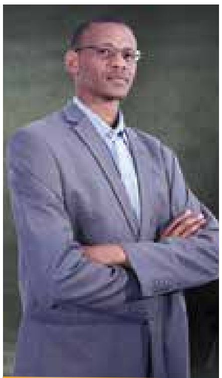
Mr LUFUNO NDLOVU
Mpumalanga Senior
Language Manager



Ms JOYCE MADIBA
Limpopo Senior
Language Manager

Mr BOICHOKO MOREMI
Northern Cape Senior
Language Manager

Mr JABULANI SIMELANE
KwaZulu-Natal Senior
Language Manager



Mr XOLISA TSHONGOLO
Eastern Cape Senior
Language Manager

Dr NOMFUNDO MALI
Western Cape Senior
Language Manager

Ms NIKIWE MATEBULA
Free State Senior
Language Manager

Mr WILLIAM MANANA
North West Senior
Language Manager

PART B
PERFORMANCE INFORMATION

11

OVERVIEW OF INSTITUTIONAL PERFORMANCE

11.1 SERVICE DELIVERY ENVIRONMENT

The language division falls under programme 2 of our organisational programmes. It is divided into five sub-programmes, namely:

1. Language Development and Use
2. Linguistic Human Rights and Advocacy
3. Equitability of Language Use
4. Language Research
5. Language Promotion

LANGUAGE DEVELOPMENT AND USE

DICTIONARY DEVELOPMENT BY NATIONAL LEXICOGRAPHY UNITS (NLUs)

National Lexicography Units are mandated to document, preserve, maintain and compile dictionaries in support of the creation of conditions for the development and use of languages. For the year under review their focus was to continue with the development and/or processes leading to the compilation of dictionaries in the eleven official languages of the country.

On the main, our NLUs have during the year under review, been on a pathway towards achieving the mandate of PanSALB, with the nine African indigenous languages publishing their first ever CAPS linked Foundation Phase bilingual dictionaries.

Editors-in-Chief from different NLUs participated in the Afritex Conference.

Sesiu sa Sesotho NLU
The Sesiu sa Sesotho NLU attended some workshops including the Macufe Wordfest as part of enhancing their dictionary development processes.The NLU has completed the English-Sesotho bilingual dictionary which still needs to be verified and authenticated by the Sesotho NLB. Currently the NLU is working on the Maths and Science Grade 4 to 9 dictionary and is on letter K.

Sefala sa Setswana NLU
This NLU embarked on the awareness and marketing of their dictionary products to language stakeholders who include but not limited to the curriculum advisors and most community members through radio in slots which featured the Editor-in-Chief.

Silulu Sesiswati NLU
Silulu Sesiswati NLU published and launched a Siswati Monolingual Dictionary. A book on birds titled “Tinyoni” was also published by this Unit. A further achievement by this Unit also included editing of about 463 words in a bilingual (English-Siswati) project.

Tshivenda NLU

The Tshivenda NLU succeeded to exceptionally achieve linguistic cooperation without borders with its dictionaries products made available even in Zimbabwe. In association with the SABC current affairs, the Unit actively took part in the commemoration of International Mother Language Day.

Ngula ya Xitsonga NLU

The Unit has published the second edition of the Xitsonga monolingual dictionary titled *Dikixinari ya Xitsonga* (2017). The dictionary is published by Lingua Franca Publishers and is now available on the market.

The Unit also completed three (3) more other dictionaries, namely, the *English-Xitsonga Bilingual Children's Dictionary* (2018), the *English-Xitsonga Bilingual Dictionary* (2018) and the *Foundation Phase Picture Dictionary* (2018). The dictionaries were launched on 27 February 2018.

The Board of Directors informed PanSALB that these published dictionaries need a strong support in as far as marketing and popularization, adding that if the marketing of these can be carried out properly, it could ease the NLU's budgetary constraints.

Die Buro van die Woordeboek van die Afrikaanse Taal (Buro van die WAT)

During the year under review the Buro WAT completed 90% of the text for Volume 15 of the WAT; the launch project for the new Online WAT was demonstrated at the Elex Congress in Leiden in the Netherlands and Lexikos 27, the lexicographic journal published annually by the WAT, was released. Six training sessions were presented, including a training course of three days attended by the editorial staff of the Silulu Sesiswati NLU in Nelspruit. The Editor-in-Chief attended five PanSALB meetings in Pretoria as well as the meeting of the LexiEditors' Forum in Graham's Town. The Final Editor attended four meetings of the Spelling Commission for Afrikaans. The Editor-in-Chief presented Woord van die Week (Word of the Week) every Friday morning on Radio Sonder Grense and once a month the Editor-in-Chief and the Final Editor answered language enquiries of listeners on Sunday mornings on Radio Sonder Grense. Dr Gerda Odendaal, co-editor, published an article on the history of the WAT on LitNet on the Internet.

Dictionary Unit of South African English (DSAE)

During the year under review, the DSAE started with a collaboration on corpus development. This began with the provision of a 100 million-word corpus of South African English (SAE) newspapers by Ms Heike Stadler of the University of Hildesheim, who had collected sources from late 2015 to 2017. This unit also shared details of progress and outcomes of the lexicographic project with the academic community and the public. An abstract on a paper titled "Dictionary Production methods and research" was submitted by the Unit.

Iziko LesiHlathululi-mezwi SesiNdebele

For 2017-18, the NLU was finalizing the Intermediate Phase Pictorial Dictionary for primary school learners. The NLU also focussed on the revision of the Bilingual Dictionary.

The Unit is planning to use the funds aportioned by the Mpumalanga Department of Sport, Arts, Culture and Recreation to pay for illustrations in the pictorial dictionary and its launch during the next financial year.

Dr Axel Fischer from Finland together with his team visited the Unit to research about culture, dialects and historical background of the Southern amaNdebeLE. Students, researchers and scholars visit the Unit for research purposes and are at times assisted by staff members in the Unit.

Iziko LesiZwe Lochazo-magama LesiXhosa

The NLU celebrated the International Dictionary Day by way of crafting and publishing dictionary promotional titles in a newspaper. A workshop was also conducted by this unit in collaboration Isolezwe LesiXhosa during the language activism month.

Isikhungo Sesichazamazwi SesiZulu

During the year under review, Isikhungo Sesichazamazwi SesiZulu took part in the authentication of isiZulu spelling and orthography. This is an essential part in the process of dictionary development. The Unit also used the Thursday slot in uKhozi FM to provide lessons on how to use isiZulu as well as highlight the significance of isiZulu monolingual dictionaries.

The NLU is currenly revising the Zulu-English bilingual Dictionary by Doke and Vilakazi in collaboration with the Univrsity of the Witwatersrand.

REVISION OF NORMS AND RULES FOR PROVINCIAL LANGUAGE COMMITTEES (PLCs) AND NATIONAL LANGUAGE BODIES (NLBs)

Under Language Development and Use, the Norms and Rules for PLCs and NLBs were revised in this reporting cycle. PanSALB gathered inputs and comments from the three structures and office managers and subsequently held a consultative meeting. Though these Norms and Rules were revised, further revision needs to be done to align these with the PanSALB Act.

DRAFT REVISED SPELLING AND ORTHOGRAPHY RULES

Nine (9) NLBs (Sepedi/Sesotho sa Leboa, Sesotho, Setswana, Siswati, Tshivenda, Xitsonga, isiNdebele, isiXhosa and isiZulu) conducted consultative meetings with a view to developing draft revised Spelling and Orthography Rules for the respective languages they are responsible for. Of these, eight submitted their respective draft documents. The Siswati NLB could not finalise its draft document.

The Khoe and San NLB adapted the KhoeKhoegowab Orthography into Nama Spelling and Orthography Rules with the help of Nama language experts from Namibia. The project was enabled by the Twinning Agreement signed by the Northern Cape Department of Education, the Namibian government and PanSALB.

LITERATURE AND MEDIA MONITORING TOOL

The Literature and Media Monitoring Tool was developed and circulated for inputs and comments, whereafter it was piloted with five of the 13 NLBs and approved by the CEO.

VERIFICATION AND AUTHENTICATION OF TERMINOLOGY

PanSALB verified and authenticated all terminology lists submitted during 2017–2018. The following terminology lists were verified and/or authenticated:

The Sepedi/Sesotho sa Leboa NLB verified and authenticated a terminology list of 59 terms and short phrases from the Limpopo Provincial Hansard.

The Sesotho NLB verified terminology from the Department of Sport, Arts, Culture and Recreation comprising terms related to media, disability and gender equality. The terms are still to be authenticated by the NLB.

The NLB verified and authenticated geographical street names from Emalahleni Municipality. The NLB also verified and authenticated 350 general terms from Ligwalagwala FM. Further to that, the NLB authenticated the Conservation Terminology from the Mpumalanga Department of Culture, Sport and Recreation.

The Xitsonga NLB verified and authenticated a terminology list of 20 terms from the SABC’s Munghana Lonene FM.

The Afrikaans NLB recognised the need to create a terminology database and pointed out that different terminology lists exist in VivA (Virtuele Instituut vir Afrikaans) and the Departments of Arts and Culture and Science and Technology respectively. The Terminology Technical Committee was allocated the task of collecting information on terminology from different databases.

The NLB verified and authenticated geographical street names from the Emalahleni Local Municipality and authenticated conservation terminology from the Mpumalanga Department of Culture, Sport and Recreation.

The NLB authenticated the pharmaceutical terminology list, which consisted of 643 terms.

The NLB verified law terminology, and verified and authenticated disaster management terminology and social work terminology.

The SASL Communication Charter
With regard to the development, use and promotion of South African Sign Language, the SASL NLB drafted the SASL Communication Charter and held consultative workshops in all nine provinces to gather inputs and comments on the draft charter. The charter was then revised based on the inputs and comments gathered, and approved by the CEO.
Teaching and Learning Materials

We have received two requests in relation to the development of learning and teaching materials from the Department of Education and both requests have been attended to.

Reconstitution of Structures
We were not able to reconstitute the three structures (NLUs, NLBs and PLCs) because we did not received sufficient and qualifying nominees. PanSALBrequesed a surplus retention so that it can re-advertise the call for nominations and finalize the reconstitution.

Future Plans
The Siswati Language Practitioner together with Language Practitioners for Tshivenda and Sepedi/Sesotho sa Leboa will be appointed during the next financial year.

The draft revised spelling and orthography rules for the nine languages mentioned above will be formatted, typeset and printed as final spelling and orthography rules booklets. Each NLB will then conduct awareness campaigns to popularise the rules. Printed copies will be circulated and placed on the PanSALB website for use by stakeholders and the public as reference material.

We also intend to finalise the Nama spelling and orthography rules in the next financial year and to print and distribute the SASL Charter.

Linguistic Human Rights and Advocacy
The second sub-programme, Linguistic Human Rights and Advocacy, is aimed at facilitating investigations of linguistic human rights violations with the sole purpose of mediating and finding solutions aimed at solving complaints. The unit approached institutions, entities or individuals committing such violations with a view of assisting them regarding their practices and policies. In so doing, the unit provided mediation in Linguistic Rights Violations matters. The unit also intends to raise public awareness about issues relating to language imperatives in order to influence multilingualism in all organs of state.
Despite the absence of the staff complement and legal team for the LHR, the organisation managed to handle all linguistic human rights violations cases and kept records of all activities. The unit recorded a total of 24 cases, which were all attended to. A case management system was developed and approved and is currently in use by all provinces. Out of the 24 cases received only eight were concluded within three months from receipt.

We experienced challenges and it must be stated that there is a serious decline in linguistic human rights complaints lodged with the unit. Ineffective monitoring strategies are accompanied by less intervention or penalties; hence we are regarded as a toothless body. The absence of the Board to give direction and the resuscitation of the tribunal need to be attended to as soon as possible. We also do not have any standard penalty measures in place on LHR violations (remedies for non-compliance) and no research was conducted to establish why organs of state continue with violations and non-compliance. We have also encountered a lack of cooperation by perpetrators. In order for us to alleviate these challenges, we plan to conduct more public awareness campaigns in various platforms including marketing – billboards, flyers, pamphlets, posters, school visits, free slot on local radio stations, and sourcing language policies from schools and proposing a review. We also aim to name and shame the perpetrators by publishing reports, making public declarations or even holding press conferences.

Equitability of Language Use
PanSALB, among other things, participates in language events to monitor and promote multilingualism in the country, including the use of the Khoe, Nama and San languages and South African Sign Language (SASL). Based on the engagements, the SABC was advised to furnish PanSALB with the final draft of the Reviewed Editorial Policy for monitoring and endorsement before the policy can be circulated for implementation. PanSALB was still waiting for the draft policy at the time of reporting. The State Security Agency sent its draft language policy to PanSALB for comments and advice. PanSALB studied the draft language policy and forwarded comments to the agency. PanSALB further advised the agency to attend the language policy workshop on 23 March 2018, where common guidelines for drafting language policies were shared with national departments and national public entities.

The Department of Higher Education published its draft revised language policy for public comment in the Government Gazette No 41463 dated 23 February 2018. PanSALB observed that the policy only referred to institutions of higher learning, not to the department itself. The department was therefore alerted to the fact that the Use of South African Official Languages Act (Act 12 of 2012) requires national departments and/or national public entities to develop their own language policies. The Language Policy of the department published for public comments, as it stood, did not meet this provision of the Act. It did not make clear reference to how the department itself conducts its business with respect to use of the official languages of the country. The department was, however, advised that the document published for public comments was a good guideline for institutions of higher learning to draft their language PanSALB further advised the department to attend the language policy development workshop held on 23 March 2018 where a common guide would be shared with all the national departments and national public entities.

In realising PanSALB's mandate in accordance with the PanSALB Act (Act 59 of 1995 as amended), PanSALB has to monitor and promote equitable usage of all the official languages, including the Khoi, San and Nama languages and South African Sign Language (SASL). Provision is therefore made in the Annual Performance Plan for 2017/18 (Key Performance Indicators 8.1 and 8.2) for the realisation of this particular mandate.

The Eastern Cape Provincial Office has engaged the Nelson Mandela Museum on the use of isiXhosa in the museum's exhibitions. The museum has agreed to translate the most prominent exhibitions into isiXhosa. It will source funds or sponsorship for the translations, with the office assisting with authentication of the translations through the isiXhosa NLB. This office has also engaged the Isolezwe lesiXhosa newspaper on grammatical issues of isiXhosa. Furthermore, the office has engaged the SABC isiXhosa news section on proper usage of isiXhosa in news bulletins. It was proposed that the office facilitate a workshop for the broadcaster's isiXhosa news section on the proper use of isiXhosa. The Amathole District Municipality was also engaged on its planned language projects and it was agreed that the municipality and the PanSALB Eastern Cape office collaborate on language projects that are in line with the organisation's mandate.

The Eastern Cape office engaged Isolezwe lesiXhosa on proper usage of the language with special emphasis on grammatical issues. A workshop on isiXhosa spelling and orthography rules was held with the newspaper to facilitate the process. Following the established working relations with Umhlobo Wenene FM Radio Station, the news section has been continuously engaged on proper use of isiXhosa on air, especially for the news. In the same vein, the office also telephonically engaged True FM and SA FM on the proper use of isiXhosa, and Mdantsane FM on the promotion of SASL. The University of Fort Hare was engaged on isiXhosa science terminology in the form of a presentation on development of the language for proper equitable usage. The Eastern Cape Education Department was engaged on empowering school-going youth to be leaders of tomorrow through language. The Language in Education unit of the department was also engaged on the authentication of its isiXhosa and Sesotho foundation phase terminology. The Nelson Mandela Museum was engaged on the translation of the museum's exhibitions into isiXhosa, the language of the majority in the region. This translation project was officially launched at the museum in Mthatha as part of the Language Activism Month of 2018. A presentation on language policy development was made to the Great Kei Municipality Council to empower the council on development of the municipality's language policy. The council deliberated on the serous need to have the language policy as matter of urgency, and the office will monitor and advise them on the process going forward.

The Free State provincial office has engaged the National District Hospital on usage of the province's previously marginalised languages. It was agreed that the Sesotho language used on the hospital's signage shall be edited to ensure correct usage of the language. The office has further distributed questionnaires on equitable usage of the official languages to the 12 provincial departments, of which eight responded. It was found that most departments use only English for all their written communication, contrary to their language policies that promote multilingualism.

The North West office has engaged the provincial Department for Finance, Economy and Enterprise Development, the North West Development Cooperation, Ratlou Local Municipality, the communications division of the office of the premier and Taletso TVET College regarding their language policies and the establishment of language units. Presentations were made to communication sections of these departments, followed by engagements on the issues raised (see detailed report). The college sited special challenges with SASL. A generic observation was made that all the departments and entities engaged were not aware and/or not in full understanding of the Use of Official Languages Act.

Following the visit of Ratlou Local Municipality by the North West office during the last quarter, the office made a presentation on language policy development during the municipality's strategic planning session. This engagement was to facilitate promotion of the North West Provincial Languages Act of 2015 and the Use of Official Languages Act of 2012 within the municipality for betterment of service delivery. The need for engaging communities in their preferred language for the municipality, including SASL, was addressed as of paramount importance. The council of the municipality concluded that the municipality's Language Policy should be drafted, with PanSALB assisting in the process.

The Mpumalanga office has engaged the Mpumalanga Deaf organisations and communities, provincial Department of

Correctional Services, provincial Department of Arts and Culture, CRL, and Emalahleni Municipality on equitability of language usage, with special emphasis on SASL. All the stakeholders in attendance generally agreed that SASL needs to be promoted for equitable service delivery. In partnership with the Human Rights Commission, the Mpumalanga office made a presentation on the equitable usage of languages to maximise usage of the previously marginalised languages during the commemoration of Human Rights Day.

The Gauteng office engaged the following municipalities on the existence and implementation of their language policies: Sedibeng District Municipality, City of Johannesburg, Lesedi Local Municipality, Merafong Local Municipality, City of Ekurhuleni, Merafong Local Municipality and Emfuleni Local Municipality. Only the City of Johannesburg responded with its language policy, in terms of which isiZulu, Sesotho, English and Afrikaans are the official languages of the municipality. It was found that English solely enjoys the high status as the working language of the municipality; the other languages are only used in oral and/or internal engagements such as debates and public addresses. The municipality still needs to establish the language unit, which shall be inclusive of SASL, and address issues affecting proper implementation of its language policy. The office also met with the State Security Agency to advise the agency on its draft language policy. The agency's language policy has identified all the 11 official languages and SASL as its official languages. It has regionalised their usage based on dominancy in each region and on provincial language Acts, where they exist. The agency was advised on language policy aspects such as consultation processes, etc. Furthermore, the office engaged the National Department of Planning, Monitoring and Evaluation with regard to its essay-writing competition that practically marginalised all the other official languages of the country in favour of English. The department was advised on the importance of equal usage and treatment of all the official languages of the country.

The Northern Cape office engaged the Provincial Department of Environment and Nature Conservation on the use of isiXhosa, Afrikaans and Setswana in the service delivery activities of the department. This was to remove communication barriers between the department and its clients and to promote and improve access to information. The need to translate the service charter of the department into all the languages of the Province and the establishment of the language unit of the department were amongst the key isues covered during the engagement. The language policy development was discussed as a long-term strategy to address all the language issues of the department, with the NC PanSALB office assisting the process. The department was, in the interim, assisted with short and urgent translations with the assistance of the Western Cape office for Afrikaans and isiXhosa, while the NC PLC assisted with Setswana. However, the translations could not be delivered on time due to the fact that PanSALB has no internal translators and had to rely on mercy of others. The office also engaged the Basotho Language Activists Group known as Moeletsi wa Basotho to promote the equitable usage of Sesotho in the Province. It was discussed that the group should be on the lookout for any violations relating to the use of the language in the province and report such to the office to be properly addressed.

The Western Cape office made contributions to the engagement of the Department of Higher Education on its language policy that was published for public comments. Furthermore, following the engagements of the municipalities in the province during the last quarter, the office had a follow-up engagement with the Beaufort West Municipality on its language policy development and implementation. The office also engaged PASA on a possible partnership in promoting publishing in previously marginalised languages.

Language Research

The primary purpose of the sub-programme for Language Research is to give scientific, academic and contemporary rigour to PanSALB's practical execution of its language mandate. PanSALB's credibility as a transformative constitutional entity that commands authority is manifested through this programme. This programme also emanates from Section 6(5)(b) of the Constitution of the Republic of South Africa. The requirements are the promotion and creation of awareness of language use and language rights and the creation of conditions for language development. The programme is designed to promote PanSALB's mandated deliverables and to mobilise stakeholders for the purpose of supporting the entity. It is in essence the marketing space where PanSALB shares its output and shows the impact it has in advancing the multilingual mandate. Desktop research was conducted on the development, use and promotion of indigenous languages including SASL at universities all over the country. An initiative with the National Research Foundation to collaborate on language research has been explored and the signing of a MoU has been initiated with Sol Plaatje University.

Language Promotion

The last sub-programme, which is Language Promotion, focuses on the promotional activities to create awareness of different languages in order to promote and further language development, language use and language rights. During the 2017/18 financial year PanSALB hosted the Indigenous Peoples Conference at the University of the Free State. SASLNLB hosted consultative workshops on the SASL Communication Charter in order to promote South African Sign Language and also to give inputs from the language speakers on the draft charter.

In celebration of Dictionary Day and to encourage radio stations to use dictionaries when translating news and other documents, dictionaries were distributed to local radio stations, three SABC radio stations and two indigenous languages print media houses in Limpopo province.

The Khoekhoegowab Afrikaans Glossarium was distributed in the Western Cape and Northern Cape.

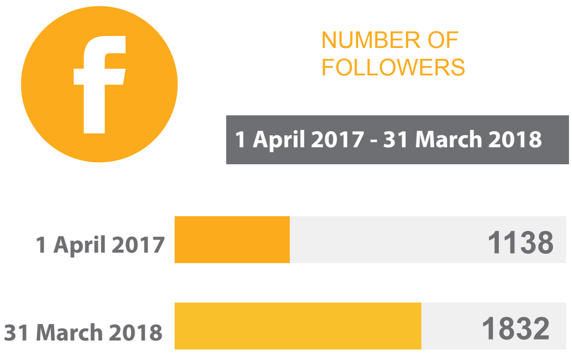
International Translation Day Celebrations were hosted in the Free State. The Gauteng province hosted a Deaf School Debate during September and October in order to promote SASL and encourage Deaf learners to be confident and know the importance of their language.

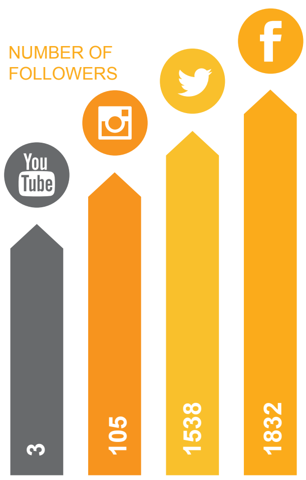
In encouraging the community to read, PanSALB conducted reading, writing and authorship workshops and competitions in the Mpumalanga, Limpopo and Gauteng provinces. The North West PLC hosted a *Setswana ka Setswana language seminar* with the aim of promoting indigenous languages, particularly Setswana, and also hosted a Matric Awards ceremony in collaboration with JB Marks and North-West University.

International Mother Tongue Day is observed every year on the 21st February to promote linguistic, cultural diversity and multilingualism. During the financial year 2017/18, as part of Language Activism month, PanSALB hosted various activities in all the provinces, namely the International Mother Tongue Day Celebration, as well as Linguistic Awareness Campaigns in Limpopo and Gauteng. The objectives of the Linguistic Awareness Campaigns were to create awareness about PanSALB and multilingualism, to make people aware of their language rights, to educate people on the procedures to follow when lodging linguistic human rights complaints at PanSALB and to encourage people to use their mother tongue.

Public Engagement and Stakeholder Relations

Media Exposure
During the period under review PanSALB has significantly expanded its reach through media engagements and activities:





11.2 ORGANISATIONAL ENVIRONMENT

PanSALB has been operating without a Board of Directors since the dissolution of the last Board in 2016. However, the Chief Executive Officer has played a significant role in improving the performance of the institution. A pressing challenge facing the institution is under-funding from National Treasury. Executive management conducted a meeting with all three PanSALB structures, namely PLCs, NLBs and NLUs, in order both to revive and rebuild relationships within the organisation and to deliver on PanSALB's mandate.

New computer equipment has been purchased through a SITA Transversal contract and in line with GRAP 17 old computers with a R1 value will be removed from the asset register. The Auditor-General South Africa (AGSA) reviewed the Continuous Improvement Plan (Audit Action Plan) and finalised the planning during the final quarter of the Financial Year 2017/18. Financial management demonstrated good levels of improvement as a result of the implementation of the additional internal controls developed.

The Supply Chain Management (SCM) division is aimed at ensuring that PanSALB establishes and maintains a procurement process and systems that are fair, transparent, equitable and competitive. The focus has been on asset management, demand management, acquisition, logistics and contract performance management. PanSALB has incurred irregular expenditure and fruitless and wasteful expenditure. The irregular expenditure comes from procurements made as far back as 2014, while fruitless and wasteful expenditure is being recovered from the responsible officials. To date 80% of this has been recovered. Procurement that would lead to irregular expenditure has been reported to the Accounting Officer as per the PFMA. The SCM officials have identified the areas of development for intervention purposes. The Advanced Procurement System has been implemented for optimal use; further training might be required in this area. Although there has been improvement, irregular expenditure incurred in the previous financial year as a result of deviations from the SCM processes continue to negatively affect the overall performance.

The IT division currently employs one staff member. The receptionist, who has an ICT background, has been earmarked for augmenting the ICT personnel for helpdesk purposes. ICT governance had improved after management developed the ICT Governance Policy Framework, Charter, Strategy and Business Continuity and Disaster Recovery Policy and Plan. Implementation of the ERP (SAGE) is not yet at a desired level due to delays in implementation of the HR Module and ESS. Users will have to be trained on the system. The video conferencing equipment has been distributed to all provinces and the rollout of current generation network to Metro-e or fibre is at an advanced stage. This will improve connectivity and communication from remote locations, and save both time and travel expenses.

The Human Resources Management division continues to grapple with legal matters that have beset the institution since 2014. Progress is being made on some matters, while other remaining litigations and claims are progressing at a snail's pace. The Human Resources Management division has recruited for all critical positions, except for the positions of Senior Manager – Linguistic Human Rights and the Executive Head of Languages, which remain vacant irrespective of numerous attempts at headhunting. PanSALB is yet to approve the Human Resources Plan and procure the service of a consultant to conduct the organisational design, job evaluation and review of the structure. This will be prioritised during the new financial year (2018/19). Due to allegations of maladministration the Chief Executive Officer (CEO) was placed on special leave by the Minister of Arts and Culture from 15 March 2018–14 May 2018 to allow the forensic investigation to take place without any obstruction.

The Institutional Performance and Governance division conducted the performance review meetings with management at the end of each quarter in 2017/18 to monitor and evaluate the institutional performance against the set targets in the Annual Performance Plan (APP) for 2017/18. Management attended the strategic planning session on the 17–18 August 2017 to develop the Annual Performance Plan for 2018/19. The Annual Performance Plan was tabled in Parliament on 6 May 2018. All four quarterly Performance Reports and Risk Management reports were submitted to National Treasury (NT) and the Department of Arts and Culture (DAC) as per the prescribed timeframe.

The Public Engagement and Stakeholder Relations unit endeavours to promote the activities of PanSALB. The Marketing and Communication sub-unit utilises a range of approaches in seeking to raise its profile and to position PanSALB as the linguistic human rights authority in the country. These include media engagements via interviews, queries, media statements, press briefings, social media postings, and advertorials. For the year under review until the 3rd quarter, PanSALB measured 849 media mentions, reaching half a billion people. Unfortunately, the last quarter could not be measured since PanSALB failed to complete its predetermined obligations to renew the media monitoring contract.

11.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Two regulatory documents, namely the Norms and Rules for National Language Bodies (NLBs) and Provincial Language Committees (PLCs), provide a framework within which NLBs and PLCs function.

The first Norms and Rules for the two structures of PanSALB (NLBs and PLCs) were published in 2000. In 2005, the Board published a revised version of both documents and also decided that PanSALB should review all policies and regulations every five years to ensure that these are aligned with changes within PanSALB and beyond the organisation. The next revision was to take place in 2010; however, this could not be done due to budgetary constraints. The process could not be implemented until during 2017/2018.

The purpose of revising the Norms and Rules is to improve on the regulations governing PanSALB structures in line with changes taking place within the institution, replacing elements that hamper progress with those that will fast track language promotion, maintenance and preservation.

The first Board of PanSALB developed a PanSALB language policy as one of its main projects during their term. This policy has never been reviewed. Since PanSALB is involved in monitoring the implementation of the Use of Official Languages Act in line with its mandate and the Use of Official Languages Act (Act 12 of 2012), PanSALB conducted a Language Policy Workshop during which it reviewed its language policy and drafted a revised Guidelines to Developing a Language Policy.

The purpose of the language policy is to serve as the basis of how languages are regarded by PanSALB and how these are used to enhance and promote multilingualism. Above all, the language policy must ensure that the linguistic rights of all internal and external stakeholders are observed at all times when they engage with PanSALB.

11.3.1 RELEVANT COURT RULINGS

There have been no recent court rulings that impacted on PanSALB's mandate or that may necessitate a fundamental change in its strategic direction.

11.3.2 PLANNED POLICY INITIATIVES

There have been no new policy shifts and initiatives. HR policies and conditions of service were reviewed and approved at EXCO level. There is compliance with Department of Public Service and Administration (DPSA) prescripts.

11.4. STRATEGIC OUTCOME-ORIENTED GOALS

The formulation of these goals is informed by the National Treasury Framework (NTF). The goals capture the core of both the PanSALB Act and the constitutional mandate of PanSALB.

Strategic outcome-oriented goal 1	Creation of conditions for the development and use of the South African languages
Goal statement	Create settings that are conducive to nurturing language development, use and discourse within the multilingual interplay among and symbiotic coexistence of the official South African languages, Khoi, San and Nama, South African Sign Language and their associated varieties.
Strategic outcome-oriented goal 2	Advancement of the equitable use of all South African languages
Goal statement	Support the establishment of platforms that advance the equitable use of the languages cited in strategic outcome-oriented goal 1 (above) with a meaningful leaning towards the previously marginalised indigenous South African languages.
Strategic outcome-oriented goal 3	Establishment of a linguistic human rights ethos
Goal statement	Establish platforms to address linguistic human rights matters.
Strategic outcome-oriented goal 4	Establishment of research capacity
Goal statement	Initiate, facilitate and support research into a range of topics relevant to PanSALB's mandate.
Strategic outcome-oriented goal 5	Promotion of PanSALB's mandated deliverables
Goal statement	Promote to an array of stakeholders the institution's performance and activities with regard to language development, language use/discourse and linguistic human rights.
Strategic outcome-oriented goal 6	Creation of the organisation's sustainable institutional ability to deliver on the core business and comply with legislation, regulations and prescripts
Goal statement	Create a solid institutional and administrative base for PanSALB to carry out its mandate in relation to finance, information technology, human resources, institutional planning, and performance and risk management.

12

12.1 PROGRAMME 01:

ADMINISTRATION AND INSTITUTIONAL SUPPORT

The purpose of this programme is mainly to provide administration and support services for the optimal functioning of PanSALB's core business. These services include the full array of corporate management services, namely:

- Finance and Supply Chain Management
- Human Resources Management
- Information Technology
- Institutional Performance and Governance

12.1.1 Sub-programme: Finance Management

The purpose of this sub-programme is to ensure timeous and compliant procurement and finance and management purposes. This is in line with a broader aim of ensuring that PanSALB puts in place sound financial management practices to promote good corporate governance.

Strategic Outcome-Oriented Goal 6: Creation of sustainable capacity to deliver on the core business of the organisation and comply with legislative and regulator prescripts.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme 1.1: Finance Management							
Strategic Objective: Deliver financial management services, supply chain management services, and management accounting and reporting services to PanSALB in compliance with PFMA prescripts and national treasury regulations.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Opinion of the AGSA	Disclaimer	Qualification	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	**0**	**Achieved** Unqualified Audit Opinion for 2016/17
Number of quarterly reports financial statements submitted to DAC and National Treasury	4	4	4	4	4	**0**	**Achieved** Quarterly reports financial statements were approved and submitted to NT and DAC
Percentage adherence to timelines for statutory submissions (to DAC, NT and AGSA), namely ENE, AFS, quarterly reports	100%	100%	100%	100%	100%	**0**	**Achieved** Statutory submission were submitted to DAC, NT and AGSA timely

12.1.2 Sub-programme 1.2: Supply Chain Management

The purpose of this sub-programme is to ensure timeous and compliant procurement and management processes. This is in line with the broader aim of ensuring that PanSALB puts in place sound financial management practices to promote good corporate governance.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme 1.2: Supply Chain Management							
Strategic Objective: Deliver financial management services, supply chain management services, and management accounting and reporting services to PanSALB in compliance with PFMA prescripts and national treasury regulations.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Percentage implementation of the Demand Management and Procurement Plan	n/a	n/a	n/a	90%	90%	**0**	**Achieved** Demand Management Plan developed to inform the Procurement Plan
Number of new incidences of deviations, irregular, fruitless and wasteful expenditure	n/a	n/a	72 incidents of irregular expenditure 47 incidents of fruitless and wasteful expenditure	0 incidents	4 incidents of Irregular expenditure 12 incidents of fruitless and wasteful expenditure	**-13% (16)**	**Not Achieved** New internal controls reduced the incidence of irregular, fruitless and wasteful expenditure by 13% (119 in 2016/17 to 16in 2017/18). Although the internal controls were put in place, they could not prevent a total of 16 incidences, most of which were outside the SCM. **Intervention** Consequence management, including training
Percentage adherence to timelines for submission of procurement report	n/a	n/a	New KPI	100%	100%	**0**	**Achieved** Procurement reports submitted to NT and DAC

12.1.3 Sub-programme 1.3: Information Technology Services

The primary purpose of this sub-programme is to ensure that PanSALB's core business is adequately supported by the provision of information technology services, platforms and reliable applications.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme1.3: Information Technology Services							
Strategic Objective: Deliver information technology services.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Approved IT governance framework and strategy in place	n/a	n/a	Not achieved	1	1	**0**	**Achieved** ICT strategy approved ICT governance charter approved ICT governance framework/policy approved Business continuity and disaster recovery plan approved
Percentage implementation of business continuity and disaster recovery plan	n/a	n/a	n/a	85%	90%	**0**	**Achieved** Continuity and disaster recovery plan in place PanSALB uses iCloud backup storage SAGE ERP Data is secure - Irontree double firewall and network security antivirus are active

12.1.4 Sub-programme 1.4: Human Resources

The primary purpose of this sub-programme is to ensure the recruitment, selection and placement of a suitable and competent workforce as well as the ongoing capacitation of PanSALB's workforce.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme1.4: Human Resources							
Strategic Objective: Deliver human resources management services.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of approved HR plan aligned to PanSALB strategy	n/a	n/a	n/a	1	0	-1	**Not Achieved** Draft HR plan in place **Intervention** The plan will be considered for approval during the first quarter of 2018/19 financial year.
Percentage vacancy rate against approved staff compliment	20%	20%	20%	20%	20% below	0	**Achieved** Critical vacancies were prioritised and filled
Percentage of reviewed and revised HR policies	n/a	n/a	100%	100%	100%	0	**Achieved** HR policies were revised and reviewed

12.1.5 Sub-programme 1.5 Institutional Performance and Governance

The primary purpose of this sub-programme is to ensure ethical conduct, corporate governance best practice and the monitoring of institutional performance in order to achieve the targets set in the APP.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme 1.5: Institutional Performance and Governance							
Strategic Objective: Deliver high quality institutional performance enhancement and corporate governance services.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of risk reports produced per King III requirements	n/a	n/a	4	4	4	0	**Achieved** Risk reports submitted as required
Number of submissions of Strategic Plan and APP	3	3	3	3	3	0	**Achieved** Strategic Plan and APP for 2018/19 submitted as required
Number of performance information reports submitted to relevant authorities	n/a	n/a	4	4	4	0	**Achieved** Quarterly performance reports submitted as required
Number of submissions of the annual report to relevant authorities	2	2	2	2	2	0	**Achieved** Annual Report for 2016/17 submitted as required

12.2 PROGRAMME 2:

LANGUAGE USE, DEVELOPMENT AND EQUITABILITY

PanSALB PROGRAMMES

PanSALB conducts its activity through three broad programme areas, namely:

- Language Use, Development and Equitability
- Administration and Institutional Support
- Public Engagement and Stakeholder Relations

The language use, development and equitability programme which constitutes PanSALB's core mandate is divided into the following sub-programmes:

- Language Development and Use, which focuses on dictionary development and the activities of the NLUs
- Equitability of Language Use, which focuses on placing previously marginalised indigenous languages in public and private institutions
- Linguistic Human Rights, which focuses on the investigation of linguistic rights violations and reporting on the status of language rights
- Language Research, which focuses on the conducting of relevant research into language-related issues in collaboration with reputable research institutions
- Language Promotion, which focuses on the promotion of programme 2

The basis of this programme are derived from first, Section 6(5) (a) of the Constitution of the Republic of South Africa, which provides for the promotion and creation of conditions for the development and use of all official languages, the Khoi, Nama and San languages and Sign Language; and second, Section 8 (8) (b) and (c) of the PanSALB Act, which calls for the establishment of the NLBs and NLUs. The NLBs are responsible for advising the Board on language matters and the NLUs are responsible for dictionary compilation. The prerequisites inherent within the two sections are enhanced in this programme by extending attention to all South African languages but with a strong leaning towards indigenous South African languages and their associate varieties. A further focus on matters of discourse/language use is included.

PROGRAMME 2: LANGUAGE USE, DEVELOPMENT AND EQUITABILITY

Sub-programme 2.1: Language Development and Use

First Section: Dictionary Development

The purpose of the first section of the sub-programme is to continue with the development of dictionaries in the 11 official languages and extend this activity further to the Khoi/San/Nama and Sign languages. The consequence is that two additional National Lexicography Units should be established, with the possibility for more on demand with the potential emergence of new languages.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Deliver oversight reports on the status of dictionary compilation by the 11 NLUs in order to assess progress identify gaps and make recommendations for improvement.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports prepared on status of NLUs' activities by each of the 11 NLUs	n/a	1	1	1	1	**0**	**Achieved** Consolidated reports prepared on status of NLUs' activities by each of the 11 NLUs IsiXonga POEs not reported
Number of reports prepared on status of dictionary development by each of the 11 NLUs	1	1	1	1	1	**0**	**Achieved** Reports prepared on status of dictionary develop-ment by each of the 11 NLUs
Number of NLU value-for-money reports submitted to the Board or delegated authority through the Accounting Officer	11	11	44	44	20	**-24**	**Not Achieved** Only 20 value-for-money reports were received. 11 financial statements were received. **Intervention** Training and development requested

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Deliver oversight reports on the status of dictionary compilation by the 11 NLUs in order to assess progress identify gaps and make recommendations for improvement.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of NLU compliance reports submitted to the Board through the Accounting Officer	n/a	n/a	12	44	22	**-22**	**Not Achieved** 22 compliance reports were received. **Intervention** Training and development requested
Number of NLU Board Meetings held within a financial year	n/a	n/a	22	22	10	**-12**	**Not Achieved** 10 Board meetings were held during the year. Board of Directors not fully constituted. **Intervention** Reconstitution of Board of Directors in 2018/19

Second Section: National Language Bodies

The emphasis of this section of sub-programme 2 is on the enhancement of the mandatory deliverables of 13 National Language Bodies (NLBs) with regard to quality control. It focuses on the following:

- language standardisation: developing rules and standards, spelling and orthography for the functioning of languages, and promoting these rules and standards in collaboration with the Departments of Arts and Culture, and Basic and Higher Education
- terminology development: creation of conditions for the development and use of terminology, verification, authentication and popularization of terminology including management of terminology in collaboration with the Departments of Arts and Culture, and Basic and Higher Education
- promotion of the development of literature: creating conditions for the preservation and promotion of South African literary heritage and media in previously marginalised languages including Khoi, Nama and San languages and Sign Language, ensuring accelerated production of literary and media products, inculcation of the culture of reading and provision of support to authors, media practitioners, their respective guilds/associations, internal and external stakeholders as well as other role players
- language in education: providing support to the development of teaching and learning (support) materials and curricula in mother tongue using historically marginalised (oral, written and sign) languages
- translation and interpreting: ensuring quality of services

The responsibility for implementing the abovementioned agenda lies with the 13 National Language Bodies and the Language Unit.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Report on initiatives by the NLBs for the promotion and creation of conditions for the development and use of official languages, with focus on formerly marginalised indigenous languages, Khoi, Nama and San languages, and Sign Language							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports on status of use and development of respective languages compiled	n/a	n/a	1	1	1	**0**	**Achieved** Consolidated report on status of use and development not submitted
Number of Norms and Rules for the NLBs revised	n/a	n/a	0	1	1	**0**	**Achieved** Revised Norms and Rules
Number of draft revised spelling and orthography rules for the previously marginalised official languages compiled	n/a	5	n/a	9	9	**0**	**Achieved** 9 NLBs conducted consultative meetings during this financial year and submitted nine revised draft spelling and orthography rules

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Report on initiatives by the NLBs for the promotion and creation of conditions for the development and use of official languages, with focus on formerly marginalised indigenous languages, Koi, Nama and San languages, and Sign Language.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of draft spelling and orthography rules for the previously marginalised non-official languages compiled (for example Khoi, Nama and San languages)	n/a	n/a	n/a	1	0	-1	**Not Achieved** Khoe and San language experts held a workshop from 12–17 March 2018 and adapted the KhoeKhoegowab Orthography Rules to Nama Report compiled **Intervention** The Khoe and San NLB to prepare the Rules for submission during the 1st Quarter of 2018/19
Number of communication charters compiled for Sign Language	n/a	0	n/a	1	1	0	**Achieved** Charter compiled for Sign Language
Number of literature and media monitoring and evaluation tools designed	n/a	n/a	n/a	1	1	0	Literature and media monitoring and evaluation tools designed
Percentage of terminology and lexicography lists verified and authenticated once received	n/a	n/a	n/a	50%	100% (10)	0	**Achieved** 10 terminology and lexicography lists verified and authenticated by the NLBs Consolidated report on all terminology and lexicography lists compiled
Percentage of support requests received relating to the development of learning and teaching materials attended to	n/a	n/a	n/a	100%	100% (2)	0	**Achieved** Two requests received from the Department of Education to assist with the development of learning and teaching material for African Languages Report compiled
Number of NLB-related compliance reports requested	n/a	13	13	26	26	0	**Achieved** 26 NLB-related compliance reports received

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Report on initiatives by the NLBs for the promotion and creation of conditions for the development and use of official languages, with focus on formerly marginalised indigenous languages, Koi, Nama and San languages, and Sign Language.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of documents for the establishment of a centre for standardisation and terminology compiled	n/a	n/a	n/a	1	1	**0**	**Achieved** Concept document compiled
Number of NLBs appointed	n/a	n/a	0	13	0	**-13**	**Not Achieved** Appointment not done due insufficient number of nominees received **Intervention** Refer back to the nomination list, check those who were disqualified due to technicalities to be reconsidered, do final submissions for appointed

Third Section: Provincial Language Committee

The emphasis of this section of sub-programme 2 is on PanSALB's conception of the Bill of Rights and the inculcation of a human rights culture in the form of linguistic human rights within a multilingual symbiosis of all the South African languages. Of key importance is an attempt to avoid monolingual pockets – a pseudo-multilingualism akin to the apartheid era. The quest for linguistic human rights is a mandatory responsibility that is constitutionally conferred on PanSALB. The respect required by Section 6(5)(b) of the Constitution of the Republic of South Africa is addressed from the rights perspective – the right of existence and fair treatment, for example. The programme addresses these by:

- monitoring the use of previously marginalised languages and the availability of language resources, with special emphasis on translation and interpreting resources
- resolving language rights violations
- proposing amendments to the existing legislation or by-laws and policies and procedures
- monitoring the development and promotion of multilingualism
- advising provincial MECs and legislatures as well as local government about proposed and existing legislation, by-laws, policies and procedures
- establishing and maintaining a database of language role players, organisations, equipment, translation and interpretation facilities and resources

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Provide status reports of PLCs on the initiatives by PanSALB, government and private institutions including individuals.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports on status of linguistic human rights in each of the provinces. Status reports of PLCs on the initiatives by PanSALB, government and private institutions and individuals	n/a	n/a	1	1	1	**0**	**Achieved** Consolidated report on status of linguistic human rights in each of the provinces
Number of Norms and Rules for the PLCs revised	n/a	n/a	0	1	1	**0**	**Achieved** Revised Norms and Rules
Number of PLC-related compliance reports requested	n/a	18	18	18	18	**0**	**Achieved** 18 PLC-related compliance reports received
Percentage of	n/a	n/a	100%	70%	100%	0	**Achieved**

Sub-programme: 2.1: Language Development and Use							
Strategic Objective: Provide status reports of PLCs on the initiatives by PanSALB, government and private institutions including individuals.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
linguistic human rights complaints received and attended to			(21)		(24)		24 linguistic human rights complaints were received and attended to
Percentage of Language in Education complaints received and attended to	n/a	n/a	n/a	70%	100% (6)	**0**	**Achieved** 6 complaints list were received and attended to
Number of Language in Education activity plans compiled	n/a	n/a	n/a	2	2	**0**	**Achieved** Two Language in Education activity plans compiled North West School Debate Plan and Gauteng Deaf Schools Debate Plan
Percentage of Language in Education activity plans implemented	n/a	n/a	n/a	100%	100% (2)	**0**	**Achieved** Report on the implementation of the Language in Education activities implemented
Percentage of requests received by the Status Language Planning function attended to	n/a	n/a	n/a	70%	100% (3)	**0**	**Achieved** Three requests received by the Status Language Planning function attended to Report compiled
Number of Status Language Planning oversight reports compiled for the Board or delegated authority	n/a	n/a	1	1	1	**0**	**Achieved** Oversight reports compiled on Status Language Planning reports not submitted
Number of linguistic human rights campaigns conducted	2	7	23	1	4	**+3**	**Achieved** Three linguistic human rights campaigns conducted in Limpopo and one in Gauteng

Sub-programme 2.2: Equitability of Language Use

The primary purpose of this sub-programme is the premise of Section 6(5) (b) of the Constitution of the Republic of South Africa. This programme aims to satisfy the requirement of equity of language use in the South African multilingual linguistic landscape. It is designed to advance the maximum use of the previously marginalised indigenous languages in public and private in both formal and informal modes. The intention is to identify and classify strategic and key institutions that could serve as springboards to launch these languages progressively and sustainably on a massive scale.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.2: Equitability of Language Use							
Strategic Objective: Report on the initiatives by PanSALB, other institutions and private individual(s) to place the previously marginalised indigenous languages in public and private institutions in both formal and informal modes.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of institutions and entities engaged with the use of indigenous and previously marginalised languages	n/a	n/a	29	1	31	**+30**	**Achieved** Consolidated report on 31 institutions and entities engaged with use of indigenous and previously marginalised languages
Number of language policy compliance reviews conducted for departments and institutions	n/a	n/a	1	1	1	**0**	**Achieved** Report on language policy compliance reviews conducted for departments and institutions

12.2.2 Sub-programme 2.3: Linguistic Human Rights

The primary purpose of this sub-programme is to advance linguistic human rights by investigating; mediating and monitoring language rights violations.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.3: Linguistic Human Rights							
Strategic Objective: Investigate, mediate and monitor language rights violations.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports on the status of investigation, mediation and monitoring of language rights violations, to ensure the observance of linguistic human rights by all state organs	n/a	n/a	1	1	1	**0**	**Achieved** Consolidated reports on the status of investigation, mediation and monitoring of language rights violations
Number of case management systems developed	n/a	n/a	1	1	1	**0**	**Achieved** Case management system reviewed and developed Cases recorded on manual system
Percentage of complaints responded to during the year and concluded within three months of being received.	n/a	n/a	19% (5/26)	70%	33% (8/24)	**-37**	**Not Achieved** Due to lack of internal capacity, out of 24 cases received and attended to only eight cases were concluded within three months. Report compiled **Intervention** Pending cases to be outsourced to legal experts to assist as there is no internal capacity
Percentage of complaints finalised during the year through court procedures, within six months of being received	n/a	n/a	n/a	70%	0%	**-70%**	No cases were received and referred to court

12.2.3 Sub-programme 2.4: Language Research

The primary purpose of this sub-programme is to give scientific, academic and contemporary rigour to PanSALB's practical execution of its language mandate. PanSALB's credibility as a transformative constitutional entity that commands authority is manifested through this programme. This programme also emanates from Section 6(5)(b) of the Constitution of the Republic of South Africa. The requirements are the promotion and creation of awareness of language use and language rights and the creation of conditions for language development. The programme is designed to promote PanSALB's mandated deliverables and to mobilise stakeholders for the purpose of supporting the entity. It is in essence the marketing space where PanSALB shares its output and shows the impact it has in advancing the multilingual mandate.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 2.4: Language Research							
Strategic Objective: Provide scientifically researched solutions to pertinent language issues that typify the impact of the dynamism of the changing world and times on the South African multilingual landscape.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports submitted on language research performed during the year to the Board or delegated authority	n/a	n/a	1	1	1	**0**	**Achieved** Consolidated report submitted on language research performed
Number of language development research reports compiled	n/a	n/a	2	1	1	**0**	**Achieved** Report on desktop research conducted by provincial offices Provincial offices conducted desktop research on research done by universities on the development, use and promotion of African Languages including SASL

Sub-programme: 2.4: Language Research							
Strategic Objective: Engage in collaborative research projects with reputable language research institutions.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports submitted on collaborative research projects with reputable language research institutions performed during the year to the Board or delegated authority	n/a	n/a	n/a	1	1	**0**	**Achieved** Consolidated reports submitted on collaborative research projects with reputable language research institutions performed - Research with focal point on behalf of PanSALB - Initiative with NRF on collaborative research
Number of MoUs initiated with Sol Plaatje University relating to the Khoi, Nama and San languages centre	n/a	n/a	n/a	1	0	**-1**	**Not Achieved** MoU initiated with Sol Plaatje University; however, not finalised due to lack of funds **Intervention** Schedule a meeting with Sol Plaatje University in the next financial year

12.3 PROGRAMME 3: PUBLIC ENGAGEMENT AND STAKEHOLDER RELATIONS

12.3.4 Sub-programme 3.1: Language Promotions

The purpose of this programme is to provide public engagement and stakeholder relations services to achieve the following mandate:

- In terms of Section 6(5)(a) and (b) of the Constitution of the Republic of South Africa, PanSALB must promote or further language use and language rights, and foster the creation of conditions for language development. Promotion is mentioned twice in these two sub-sections of the Constitution of the Republic of South Africa, with specific reference to different groups of languages.
- This indicates the importance of language in the Constitution. This programme focuses on promotional activities to create awareness of different languages in order to promote and further language use, language rights and language development, to market PanSALB to relevant bodies and individuals and to ensure that PanSALB stakeholders are aware of its services.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 3.1: Language Promotion							
Strategic Objective: Report on promotional initiatives and stakeholder engagement organised by PanSALB.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports on promotion of each of the languages submitted to PanSALB Board or delegated authority	n/a	n/a	1	1	1	**0**	**Achieved** Consolidated reports on promotion of each of the languages
Number of language promotion awareness campaigns	4	4	n/a	4	4	**0**	**Achieved** Four language promotion awareness campaign conducted: Indigenous Peoples Conference, SASL Charter Consultative Workshops during Deaf Awareness Month' Dictionary Day Celebration and International Mother Language Day Celebration

12.3.5 Sub-programme 3.2: Marketing and Communications

The primary purpose of this sub-programme is to market PanSALB to relevant bodies and individuals and to ensure that PanSALB stakeholders are aware of its services.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements for 2017/18

Sub-programme: 3.2: Marketing and Communications							
Strategic Objective: Report on promotional initiatives and stakeholder engagement organised by PanSALB.							
Performance Indicator	**Actual Achievement 2014/15**	**Actual Achievement 2015/16**	**Actual Achievement 2016/17**	**Planned Target**	**Actual Achievement 2017/18**	**Deviation from planned target to Actual Achievement for 2017/18**	**Comment on deviations**
Number of consolidated reports on the overall percentage implementation of the marketing, media relation and internal communication plans submitted to relevant authorities (Audit Committee, Board or delegated authority) in line with PFMA prescribed timelines	n/a	n/a	1	1	1	**0**	**Achieved.** Consolidated reports on the overall percentage implementation of the marketing, media relation and internal communication plans
Percentage implementation of the marketing plan	n/a	n/a	40%	40%	40%	**0**	**Achieved** Report on the implementation of the marketing plan
Percentage implementation of the media relations plan	n/a	n/a	100%	100%	100%	**0**	**Achieved** Report on the implementation of media relation plan
Percentage implementation of the internal communications plan	n/a	n/a	100%	100%	100%	**0**	**Achieved** Report on the implementation of internal communication plan

Strategy to overcome areas of underperformance

The success of the implementation of the PanSALB strategy lies in individual and institutional performance and governance. PanSALB will ensure that individual performance, reward and recognition are aligned to the PanSALB strategic objectives. There is a continued strong focus on monitoring performance at all levels in the institution, which will continue. Quarterly Management Committee meetings are held to address areas of non-performance. The Management Committee will adopt a monitoring and evaluation approach whereby the practice of monthly meetings at business unit level and lower will be introduced to monitor and evaluate performance at various levels. The committee meets on a quarterly basis and business units are invited to present their performance and propose intervention strategies. Regular feedback on these implemented strategies is provided to the committee. Individual performance is linked to business unit performance in order to synergise efforts to improve outputs. The work for every function has been defined in the form of performance agreements and job descriptions and performance is assessed in line with these functions.

13

CHANGES TO PLANNED TARGETS

No changes to planned targets were effected during the year under review.

14

LINKING PERFORMANCE WITH BUDGET

Sub-programme expenditure

Sub-programme	2017/18			2016/17		
	Final appropriation R'000	Actual Expenditure R'000	(Over)/ under expenditure R'000	Final appropriation R'000	Actual Expenditure R'000	(Over)/ under expenditure R'000
Programme 1: Administration						
Sub-programme 1.1: Finance and Supply Chain	27 306	25 023	2 283	8 021	18 559	(10 538)
Sub-programme 1.2: Information Technology	1 757	1 762	(5)	1 391	2 778	(1 387)
Sub-programme 1.3: Human Resources Management	3 974	3 524	450	3 880	9 993	(6 113)
Sub-programme 1.4: Institutional Planning and Governance	5 229	4 934	295	2 704	2 032	672
Total Expenditure	**38 266**	**35 243**	**3 023**	**15 996**	**33 362**	**(17 366)**

Sub-programme name	2017/18			2016/17		
	Final appropriation	Actual Expenditure	(Over)/ under expenditure	Final appropriation	Actual Expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 2: Language Development & Use						
Sub-programme 2.1: National Lexicography Units	23 121	23 120	1	21 354	20 564	790
Sub-programme 2.2: National Language Bodies	5 791	5 076	715	13 525	10 721	2 804
Sub-programme 2.3: Provincial Language Committees	15 015	14 097	918	32 996	26 884	6 112
Sub-programme 2.4: Equitability of Languages	1 274	1 128	146	65	60	5
Sub-programme 2.5: Linguistic Human Rights	14 015	12 969	1 046	2 309	770	1 539
Sub-programme 2.6: Language Research	1 654	-	1 654	927	-	927
Total Expenditure	**60 870**	**56 390**	**4 480**	**71 176**	**58 999**	**12 177**

Sub-programme name	2017/18			2016/17		
	Final appropriation	Actual Expenditure	(Over)/ under expenditure	Final appropriation	Actual Expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3: Public Engagement and Stakeholder Relations						
Sub-programme 3.1: Language Promotion	6 704	6 344	360	2 573	1 081	1 492
Sub-programme 3.2: Marketing and Communications	2 795	2 718	77	2 221	2 165	56
Total Expenditure	**9 499**	**9 062**	**437**	**111 967**	**95 606**	**16 361**

14.1 Revenue Collection

TRANSFERS

The primary source of revenue of PanSALB is the budget vote. This transfer revenue stream has reduced slightly compared to the prior year. In the 2016/17 financial year, PanSALB received R115.8 million and for current financial year R108 million was received.

OTHER INCOME

- PanSALB has seen an increase in interest from the reserves saved in its bank accounts. This is attributable to increased transfers in the prior year, which was not expended in full, resulting in PanSALB having a positive balance of cash and cash equivalents. PanSALB reported R3.9 million for other income.

- Consolidated income – including the NLUs

14.2 Programme Expenditure

The total expenditure for the financial year increased from R96 million in 2016/17 to R99 million.

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital investment for PanSALB is confined to procurement and enhancement of property, plant and equipment and intangible assets that are used for production of daily operations. These assets are recorded in the asset register and depreciated on a straight-line basis over their useful lives.

Category	Consolidated		PanSALB	
	2017/18	2016/17	2018	2017
Purchase of property, plant and equipment	85	437	1 325	313
Purchase of intangible assets – software/licenses	36	40	20	19
Other financial assets	1103	1 713		
Total	**1224**	**3 944**	**1 345**	**332**

PART C
GOVERNANCE

15 GOVERNANCE

15.1 Introduction

Good governance underpins the processes and systems by which the institution is overseen, directed, controlled and held to account in accordance with the PanSALB enabling legislation, PFMA and the Companies Act, which are run in tandem with the Public Sector Protocol on Corporate Governance (which covers the same if not similar principles contained in the King III Report on Corporate Governance). Parliament, the executive authority and the Accounting Officer of PanSALB are responsible for corporate governance.

Commitment by PanSALB to maintain the highest standards of governance is fundamental to the management of public finances and resources. PanSALB is committed to the principles of accountability, transparency and integrity as recommended by the King III and IV Code on Corporate Governance and this commitment is validated by the policies and adopted.

15.2 Portfolio Committees

During the current financial year, PanSALB appeared before the Portfolio Committee on Arts and Culture to account and discuss a number of issues, such as the administration of the institution, governance and related matters. PanSALB also made a presentation to Portfolio Committee on Education, Arts and Culture and Recreation.

15.3 Executive Authority

PanSALB is a Schedule 1 constitutional institution PFMA. Unlike in the case of the public entity where the Minister is the Executive Authority, the Board of PanSALB is the Executive Authority. In terms of the PanSALB Act, the Board comprises 15 non-executive members and the Accounting Officer.

The mandate of the Board of PanSALB includes the following:

- Approve the Strategy and Annual Performance Plan.
- Strive to attain and maintain the financial viability of the institution.
- Provide direction for the institution.
- Establish a policy-based governance system.
- Exercise fiduciary duty to protect the institution's assets and member's investment.
- Ensuring an effective risk management system.
- Ensuring sound financial reporting and accountability.

PanSALB submits its Strategic Plan and Annual Performance Plan on an annual basis to the Department of Arts and Culture, National Treasury and to the Department of Planning, Monitoring and Evaluation. These documents are tabled by the Minister of Arts and Culture in Parliament. The Chairperson of the Board signs the service level agreement (Shareholders Compact) with the Minister of Arts and Culture. and signs a service level agreement (shareholder compact) with Parliament. Quarterly reports based on the targets and indicators submitted to the Portfolio Committee, Department of Arts and Culture, National Tresuary and to the Department of Planning, Monitoring and Evaluation. In January 2016 the Minister dissolved the Board of PanSALB; this meant that the Accounting Officer effectively assumed the responsibilities of the Executive Authority.

15.4 Board Charter

In the year under review, the Executive Authority (through the CEO) has provided strategic direction and leadership by reviewing and approving budgets, plans and strategies as well as monitoring the implementation thereof. It also ensured that PanSALB's business was conducted ethically.

The Accounting Officer determines the implementation and monitoring of policies, procedures, practices and systems to ensure the integrity of risk management, internal controls and compliance to laws and regulations in order to protect the organisation's assets and reputation.

The Accounting Officer's report on PanSALB's Annual Report confirms that PanSALB will continue to operate as a going concern into the foreseeable future.

15.5 Composition of the Board

The Board was dissolved on 12 January 2016. The Accounting Officer has been acting as the executive authority/Board of PanSALB in accordance with the PFMA.

15.6 Committees

The Board utilises governance structures that are established in terms of the PFMA, Treasury Regulations and King III to assist in carrying out its roles and responsibilities. These structures are:

- The Languages Committee
- The Audit, Risk and ICT Committee
- The Legal Committee
- The Human Resources, Remuneration and Alternative Dispute Resolution Committee

15.7 Remuneration of Board Members

Since PanSALB had no Board during 2017-18 financial year, no payments / remuneration were made to Board Members.

RISK MANAGEMENT

No	Strategic Risk	Consequence(s)	Controls	Task Details/Risk Mitigation Measures	Risk Appetite	Rating
1.	Inadequacy of budget allocation (underfunded mandate)	- Failure to deliver on PanSALB mandate leading to non-compliance with the PFMA - Inadequate training of employees leading to poor performance, low morale and non-compliance with the labour laws - Inability to adhere to budget - PanSALB may not be able to operate as a going concern. - Non-payment of suppliers within the stipulated timeframes	- Budget monitoring - Internal policies - Adequately costed strategy - Request for more funding from Parliament, Treasury and establishment of revenue generation unit within PanSALB to supplement the funds from National Treasury	- Delegation of Authority - Educate the budget managers/provide budget training - Activity should not be continued if no funds are available - Enforcement of budget availability confirmations - Focus the APP on service delivery - Appointment of fundraising external agent/partners	PanSALB Board	30%
2.	Incompatible governance and legislative framework (poor governance)	- Inability to deliver on the constitutional mandate - Lack of cooperation within the PanSALB governance structures - Inability to fundraise	- Revise the Norms and Rules for PLC and NLBs - Approve the MoUs for the NLUs - Develop the Language Policy Framework/Guidelines - Propose the amendments to the PanSALB Act and Regulations	- Developing Languages Policy Framework - Further development of Languages Policy Framework and its guidelines and interpreting our constitutional mandate - Improving PanSALB's engagement model	Board of PanSALB	30%
3.	Lack of Languages Policy Framework	- Inability to deliver on the constitutional mandate	- HR Intervention (training and upskilling) and external consultation (benchmarking)	- Developing Languages Policy Framework/Template/Guidelines	PanSALB Language Policy	30%
4.	Unfavourable organisational culture (incoherent internal engagement within PanSALB)	- Lack of coherent service delivery - Duplication of efforts and wastage of resources	- Implement PanSALB structures - Quarterly performance reporting/performance assessments - Enforce discipline	- Review of work plans - Development of procedures and manuals - Integrated strategic planning process - Implement an Employee Retention Plan (ERP) to assist internal co-ordination of engagement model	No litigation/disciplinary case	40%

No	Strategic Risk	Consequence(s)	Controls	Task Details/Risk Mitigation Measures	Risk Appetite	Rating
5.	Lack staff capacity to deliver on mandate of PanSALB	- Inability of PanSALB to fully discharge its constitutional mandate - Low staff morale - Compromised quality of service delivery	- Recalibration model driven by HR intervention (i.e. reviewing the 2012 skills audit and reshuffling resources, translating groups into teams, etc.) and undertake targeted upskilling programme based on PDPs and institutional requirements	- Identify any potential risks and reengineer and integrate our business processes for efficiently leveraging or cross-pollinating skills towards better service delivery Identify employees with potential for further development and enrol them at institutions of higher learning	Minimum: 70 Staff members	40%
6.	Leadership instability and lack of continuity	- Lack of continuity and stability in the organisation. - Inability to fundraise Absence of governance structures (Audit Committee, HR Committee and other Governance Committees)	- Board's intervention - Appoint the executives for all vacancies within 3-4 months - Settle the labour disputes out of court	- Fill leadership vacancies timely - Retain Board and senior officials for a minimum of 3/5 years	CFO/CEO/Board	30%
7.	Inadequacy of ICT infrastructure to address the organisations needs	- Lack of productivity - Inefficiencies and lack of integration of systems - Duplication of work - Unfavorable audit outcomes	- Purchase new computers and implementthe ERP	- Establish the ICT Governance Committee - Develop the ICT Governance Framework and Strategy	ICT Governance Framework/ EXCO	40%
8.	Weak brand exposure (awareness gap between PanSALB and its stakeholders)	- Inability to fully discharge the organisation's mandate - Expectation gap from the public on what they think PanSALB mandate is against the true mandate of PanSALB - Inability to fundraise	- Effective synchronised monitoring and evaluation system	- Develop and implement the monitoring and evaluation system - Review the corporate identity of PanSALB to ensure proper positioning i.t.o its mandate - Update the marketing and communication plan focused on single messaging	Positive media articles	80%
9.	Linguistic Human Rights violations not resolved on time	- Inability to fully discharge and report on the constitutional mandate - Poor monitoring and evaluation of the progress of the organisation	- Effective synchronised monitoring and evaluation system for linguistic human rights complaints	- Develop and implement a case management system that is accessible on the website for external users	Excel database for linguistic human right complaints	50%

No	Strategic Risk	Consequence(s)	Controls	Task Details/Risk Mitigation Measures	Risk Appetite	Rating
10.	Ability to generate income	- Inability to deliver on the mandate - Inability to sustain the organisation	- Partner with institutions who carry out similar mandate on projects that are mutually beneficial	- Review the PanSALB Act (funding model) - Initiate and sign the cooperation/partnership agreements with other constitutional institutions and public entities with similar mandate	Partnership Agreements/ MOU	50%
11.	Business continuity plans	- Lack of continuity or succession planning - Loss of critical information - Lack of continuity of the NLUs post departure of current management	- Backup systems in place	- Develop Disaster Recovery Plan and implement cloud computing - Develop and implement a succession plan for PanSALB structures, in particular the NLUs - - Educate the NLBs and PLCs on their responsibilities for language development -Develop HR succession planning	Cloud backup for the server - 90% data Vacancy rate of less than 20%	60%

17. INTERNAL CONTROL UNIT

Internal control is the responsibility of management of the institution, since it lacks a dedicated internal control unit. It is a fundamental requirement in all areas of operation, and each manager is responsible for identifying areas of weakness and putting into effect controls to strengthen operating procedures. Management ensures that controls are adhered to. Oversight is maintained through audit activities, the Risk Management Committee, the Audit, Risk and ICT Committee and various governance structures which monitor the effectiveness of internal controls. However, due to the absence of the Board these committees were non-existent.

18. INTERNAL AUDIT AND AUDIT COMMITTEES

PanSALB has an outsourced internal audit services within the office of the CEO. Internal auditing is an independent, objective assurance and consulting activity that is designed to add value and improve the organisation's operations. It helps PanSALB accomplish its objectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

During the period under review, the internal audit were only contracted during the last quarter of the year under review and therefore no internal audit services were rendered.

The Audit Committee is responsible for:

- the effectiveness of internal audit and internal controls
- risk management
- the adequacy, reliability, accuracy and regularity of financial information provided to the Board
- any accounting and audit concerns
- legal and regulatory compliance
- ICT governance

PanSALB had no Audit Committee due to the absence of the Board.

19. COMPLIANCE WITH LAWS AND REGULATIONS

PanSALB is a Constitutional Institution tasked with the control of certain public funds. It is therefore required to act in compliance with public prescripts. During the year under review, the following pieces of legislation were assessed for compliance:

- Public Finance Management Act, Act 1 of 1999, as amended by the Public Finance Management Amendment Act, Act 29 of 1999
- Basic Conditions of Employment Act, Act 75 of 1997, as amended by the Basic Conditions of Employment Amendment Act of 2002
- Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993
- Labour Relations Act, Act 66 of 1995
- Employment Equity Act, Act 55 of 1998
- Unemployment Insurance Contributions Act, Act 4 of 2002
- Occupational Health and Safety Act, Act 85 of 1993
- Skills Development Act, Act 97 of 1998
- Skills Development Levies Act, Act 9 of 1999
- Promotion of Access to Information Act, Act 2 of 2000
- Promotion of Administrative Justice Act, Act 3 of 2000

20. FRAUD AND CORRUPTION

PanSALB has a Fraud Prevention Policy and Fraud Plan in place approved by the Board, which is yet to be revised. PanSALB has a hotline for reporting fraud anonymously and this resides with the Public Service Commission. The number is (+27) 800 701 701.

Tip-offs Anonymous serves as a valuable, practical deterrent against dishonesty or inappropriate behaviour within our entity. In addition to the above, a Free Call facility, E-mail, Free Post or Free Fax alternative can be used. It is fully equipped with trained operators who receive calls in English 24 hours per day, seven days per week. The other official South African languages are accommodated during business hours. The information is then sanitised so that the tip-off report feedback is generated to senior management and the Audit, Risk and ICT Committee for action.

21. MINIMISING CONFLICT OF INTEREST

Supply Chain Management is a highly regulated process within the PanSALB environment. To minimise the risk of conflict of interest, a Declaration of Interest form is circulated to members of Bid Committees before the commencement of the meetings. To further enhance this process, management has acquired access into CIPC's database in order to verify the directors of the companies that do business with PanSALB.

22. CODE OF CONDUCT

The PanSALB Code of Conduct, set out in the organisation's constitution, is applicable to its Board and committees. A Code of Conduct for staff is also included in the organisation's human resources policy. During the year under review, the CEO was put on special leave to allow forensic investigations to take place for a period of two weeks before the end of the financial year. He was subsequently suspended pending further investigations.

23. COMPANY SECRETARY

PanSALB had no company secretary for the 2017-18 financial year.

24. SOCIAL RESPONSIBILITY

As part of social responsibility, PanSALB donated clothes to the Mogodu Children's home in Ratjiepane Village.

25. AUDIT COMMITTEE REPORT

There was no Audit Committee during the financial year under review.

PART D
HUMAN RESOURCES MANAGEMENT

27

HUMAN RESOURCES MANAGEMENT

27.1 Introduction

The information contained in this part of the Annual Report is in line with the Public Service Regulations, 2016 (Chapter 3, Paragraphs 1 and 2).

During the reporting period, human resources oversight and control mechanisms have ensured enhanced compliance with HR-related policies, which were aligned to the Department of Public Service and Administration's policies and prescripts.

RECRUITMENT

During the year under review, PanSALB appointed a Senior Manager: EC Province, two Chief Language Practitioners for North West and Free State respectively and an Administrative Assistant in the office of the CEO. The ongoing litigations made it impossible to fill some of the critical posts, especially in the core business.

VACANCY RATE

During the year under review the staff complement was 72 employees in a structure of 80 people. The vacancy rate is calculated as eight vacancies over 80 posts on the organogram, amounting to 10%.

Total number of vacant posts as at 31 Dec 2017	8
Total number of posts on the organogram as at 31 Dec 2017	80
Total % of vacancy rate	10%

and:

Total number of vacant posts as at 30 March 2018	8
Total number of posts on the organogram as at 31 March 2018	80
Total % of vacancy rate	10%

PERFORMANCE MANAGEMENT

Performance management of employees is regulated by the Employee Performance Management and Development System (EPMDS) Policy. The policy was reviewed and signed off in April 2017. The policy is utilised to reward employees for satisfactory and/or outstanding performance by awarding notch increases and/or once-off performance bonuses.

On 31 March 2018, the performance assessment for 2016/17 financial year had not been finalised as a result of lack of continuity at the leadership level. Preliminary results that have not yet been moderated reflect that out of the staff complement of 72, only 43 employees were eligible to progress to the next notch within the applicable salary scales. Two employees did not qualify for notch progression in that they are currently placed at the highest notch of their salary scale. Six employees did not qualify for notch progress as they are placed above their last notch of their respective salary scales (as personal notches). 21 employees did not qualify for notch progression as they did not satisfy the requirement of having been in participants with two (2) years of service as at end of March 2018.

The payments for notch progression and/or once-off performance bonuses have been delayed until further notice. Management is engaging the union (PSA), who has filed a case with the (CCMA) Commission for Conciliation Mediation and Arbitration.

EMPLOYMENT TERMINATION

The Chief of Staff resigned effective from 19 March 2018.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

The Executive Head: Languages was dismissed in June 2017 following a request for him to make representations on why his contract of employment should not be terminated on the basis of incapacity.

The Senior Manager: Human Resources was dismissed in March 2018 following a request for him to make representation on why his contract of employment should not be terminated on the basis of incompatibility. The termination was reversed on 6 April 2018 by the Minister following a successful appeal.

PanSALB achieved a 100% success rate in the two CCMA arbitration proceedings in relation to two dismissed employees. Four of the employees who were dismissed in December 2015 entered into settlement agreements and thus withdrew labour court litigation against PanSALB.

PENDING LITIGATION

21 litigants (including one since deceased) who were unlawfully dismissed during December 2014 have filed unfair dismissal disputes with the Labour Court, demanding that they be reinstated. During the reporting year, the number was reduced from an original 23 to 21, when two former employees accepted the settlement agreement proposed by the employer. In June 2018, another former employee entered into a settlement agreement. This was accounted for as part of adjusting events after reporting date.

CHALLENGES

The following are the challenges experienced by Human Resources:

- The finalisation of automation with regard to leave management and salary administration.
- The lack of biometrics or any other system to effectively and efficiently monitor and report on attendance.
- Staff members' personal records are in manual format and are not secured in a fire-proof strong-room.
- Lack of intranet to upload organogram and policies for ease of access.
- Lack of employment equity plan in accordance with the Employment Equity Act.
- Non-compliance with approved policies in some instances.
- HR plan partially completed.

INTERVENTIONS NEEDED

- Approve functional organogram.
- Formulate uniform job titles.
- Create graded posts.
- Achieve full automation of HR processes.
- Finalise EE Plan and HR Plan.
- Delink HR from Finance.
- Implement consistent consequences management for non-compliance with processes, procedure and policies.

ACHIEVEMENTS

- Renewed the contract of CAREWAYS.
- Finalised Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR).
- Revised human resources policies.

- Maintaining a vacancy rate of 10% against the target of 20%.
- Inter-SETA transfer application was approved by the Executive.
- Vetting of academic qualifications of employees was completed.
- CAREWAYS representatives made a presentation on Employee Health and Wellness Programme to the Management Committee.
- Human Resources made a presentation on employee performance management and development system policy (moderating committee) to Management Committee.

VACANCY RATE

The vacancy rate is based on permanent and fixed-term contract employees only, and excludes temporary workers. It is determined by dividing the number of vacant posts on the approved organogram against the total number of filled posts.

Total number of vacant posts as at 31 Dec 2017	8
Total number of posts on the organogram as at 31 Dec 2017	80
Total % of vacancy rate	10%

and:

Total number of vacant posts as at 30 March 2018	8
Total number of posts on the organogram as at 30 March 2018	80
Total % of vacancy rate	10%

27.2 Human Resources Oversight Statistics

PERSONNEL COST BY SALARY BAND

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Senior Management (Level 13–16)	18,124	48.06%	18	1,052
Highly Skilled Supervision (Level 9– 12)	12,563	31.88%	22	571
Highly Skilled Production (Level 6– 8)	6,147	15.60%	20	307
Skilled (Level 3–5)	1,757	4.46%	12	146
Unskilled (Level 1–2)	0	0%	0	0
TOTAL	39,410	**100%**	**72**	

PERFORMANCE REWARDS

Directorate/Business Unit	Personnel expenditure (R'000)	Rewards expenditure as a % of personnel cost	No. of employees rewarded	Average rewards cost per employee
Leadership	0.00	0.00	0.00	0.00
Corporate Services	0.00	0.00	0.00	0.00
Finance and Supply Chain Management Services	0.00	0.00	0.00	0.00
Languages Services and Linguistics Human Rights	0.00	0.00	0.00	0.00
Legal Services Programmes Measurable Objective	0.00	0.00	0.00	0.00
TOTAL	**0.00**	**0%**	**0.00**	**0.00**

TRAINING COSTS

Directorate/ Business Unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee
0	0	0	0	0	0

Notes: Due to budgetary constraints no training activities took place during the 2017-18 financial year.

EMPLOYMENT AND VACANCIES

Programme	2016/2017 Approved posts	2017/2018 No. of employees	2017/2018 Vacancies	% of vacancies
Senior Management (Level 13–16)	21	18	3	26.25%
Highly Skilled Supervision (Level 9–12)	27	22	5	33.75%
Highly Skilled Production (Level 6–8)	20	20	0	25%
Skilled (Level 3–5)	12	12	0	15%
Unskilled (Level 1–2)	0	0	0	0%
TOTAL	**80**	**72**	**8**	**100%**

EMPLOYMENT AND VACANCIES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Senior Management (Level 13–16)	18	1	2*	18
Highly Skilled Supervision (Level 9–12)	20	2	0	22
Highly Skilled Production (Level 6–8)	19	1	0	20
Skilled (Level 3-–5)	12	0	0	12
Unskilled (Level 1–2)	0	0	0	0
TOTAL	**69**	**4**	**2***	**72**

***Senior Manager: HRM was unlawfully dismissed on 07 March 2018 and reinstated on 6 April 2018.**

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	1	33.3%
Dismissal	2	66.7%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	**3**	**100%**

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary action	Number
Verbal warning	1
Written warning	2
Final written warning	2
Dismissal	2*
TOTAL	**7**

***Senior Manager: Human Resources was dismissed on 07 March 2018 and reinstated on 07April 2018.**

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior Management (Level 13–16)	8	0	0	0	0	0	0	0
Highly Skilled Supervision (Level 9–12)	11	0	0	0	0	0	1	0
Highly Skilled Production (Level 6–8)	16	0	0	0	0	0	0	0
Skilled (Level 3–5)	11	0	0	0	0	0	0	0
Unskilled (Level 1–2)	0	0	0	0	0	0	0	0
TOTAL	**46**	**0**	**0**	**0**	**0**	**0**	**1**	**0**

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior Management (Level 13–16)	10	0	0	0	0	0	0	0
Highly Skilled Supervision (Level 9–12)	10	0	0	0	0	0	1	0
Highly Skilled Production (Level 6-8)	4	0	0	0	0	0	0	0
Skilled (Level 3–5)	1	0	0	0	0	0	0	0
Unskilled (Level 1–2)	0	0	0	0	0	0	0	0
TOTAL	**25**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Senior Management (Level 13–16)	0	0	0	0
Highly Skilled Supervision (Level 9–12)	0	0	1	0
Highly Skilled Production (Level 6–8)	0	0	0	0
Skilled (Level 3–5)	0	0	0	0
Unskilled (Level 1–2)	0	0	0	0
TOTAL	0	0	**1**	**0**

PART E
FINANCIAL INFORMATION

28

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE PAN SOUTH AFRICAN LANGUAGE BOARD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATED FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the consolidated financial statements of the Pan South African Language Board (PanSALB) and its subsidiaries set out on pages 85 to 129 , which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated and separate financial position of the Pan South African Language Board as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (Act 1 of 1999).

BASIS FOR QUALIFIED OPINION

Irregular expenditure

3. The constitutional institution did not include required information of all irregular expenditure in the notes to the annual financial statements as required by Section 40(3)(i) of the Public Finance Management Act (PFMA). The institution did not implement adequate internal control systems to identify and record all instances of irregular expenditure in both the current and prior years. This resulted in the irregular expenditure disclosure being understated. The full extent of the misstatement identified could not be quantified.

4. Consequently, I was unable to determine whether any further adjustments to the irregular expenditure disclosure stated at R7 766 000 (2017: R11 721 000) in note 38 were necessary.

CONTEXT FOR THE OPINION

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.

6. I am independent of the constitutional institution in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

9. As disclosed in note 34 to the financial statements, the corresponding figures for previous balance sheet date have been restated as a result of an error in the financial statements of the constitutional institution at, and for the year ended, 31 March 2018.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER

10. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the Pan South African Language Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the constitutional institution or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

12. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

14. In accordance with the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the constitutional entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect offuture periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the constitutional entity for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 - Language Use, development & equitability	**Pages 40-51**
Programme 3 - Public engagement & stakeholder relations	**Pages 52-54**

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 - Language Use, Development & Equitability

VARIOUS INDICATORS - INDICATORS NOT MEASURABLE AND REPORTED ACHIEVEMENT NOT SUPPORTED BY SUFFICIENT APPROPRIATE AUDIT EVIDENCE

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report of the indicators listed below. This was due to a lack of technical indicator descriptions, proper performance management systems and processes with formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm that the reported achievements of these indicators were reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Indicator Description	Planned Target	Actual Achievement
Number of consolidated reports prepared on status of NLUs' activities by 11 each of the 11 NLUs	1	1
Number of reports prepared on the status of dictionary development by each 11 of the 11 NLUs	1	1
Number of NLU value-for-money reports submitted to the Board or Delegated Authority comparing costs of dictionary development outputs to budget	44	26
Number of NLU compliance reports submitted to the Board or Delegated Authority through the Accounting Officer	44	24
Number of draft revised spelling and orthography rules for the previously marginalised official languages compiled	9	9
Number of draft spelling and orthography rules for the previously marginalised non-official languages compiled (for example Khoi, Nama and San languages)	1	1

Various indicators - reported achievement not supported by sufficient appropriate audit evidence

20. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of the below indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator Description	Planned Target	Actual Achievement
Number of Status Language Planning oversight reports compiled for the Board or Delegated Authority	1	1
Number of institutions and entities engaged with the use of indigenous and previously marginalised languages	1	31
Number of language policy compliance reviews conducted for departments and institutions	1	1

VARIOUS INDICATORS - REPORTED ACHIEVEMENT NOT SUPPORTED BY SUFFICIENT APPROPRIATE AUDIT EVIDENCE

21. The institution did not have an adequate record keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below.

Indicator Description	Planned Target	Actual Achievement
Percentage of linguistic human rights complaints received and attended to	**100%**	**29%**
Percentage of complaints responded to during the year and concluded within three months of being received	**100%**	**50%**
Number of communication charters compiled for Sign Language	**1**	**0**

22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 3 - Public Engagement and Stakeholder Relations

OTHER MATTER

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on pages 34 to 54 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 18 to 21 of this report.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: Language Use, Development and Equitability. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

27. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

28. The strategic plan for 2017/22 was not approved by the executive authority as required by Treasury Regulation 5.1.1

29. The strategic plan was not provided to Parliament to facilitate the annual discussion of individual votes, as required by Treasury Regulation 5.2.1.

Annual financial statement and performance report

30. 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 40(1) (a) and (b) of the PFMA.

31. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

32. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

33. Persons in service of other state institutions who had a private or business interest in contracts awarded by PanSALB participated in the process relating to that contract in contravention of Treasury Regulation 16A8.4.

Consequence management

34. Disciplinary steps were not taken against the officials who had incurred and permitted irregular and fruitless and wasteful expenditure, as required by Section 38(1)(h)(iii) of the PFMA.

Expenditure management

35. Effective steps were not taken to prevent irregular expenditure amounting to R27 581 000 as disclosed in note 38 to the annual financial statements, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance to SCM laws and regulations and applicable practice notes.

36. Payments were not made within 30 days or on agreed period after receipt of an invoice as required by Treasury Regulation 8.2.3.

OTHER INFORMATION

37. The accounting officer is responsible for the other information. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

38. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

39. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

41. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

The institution did not have adequate controls in place to ensure oversight monitoring and reviews of compliance with laws and regulations, and annual performance report and annual financial statements before they are submitted for audit purpose. Adequate policies and procedures of performance management have not been developed to ensure that process and procedures of performance information are always adhered to.

There is instability at key positions which has resulted in material misstatements in performance information of the institution.

Financial and performance management

The consolidated financial statements were not adequately reviewed for accuracy and completeness prior to submission for audit purposes which resulted in material misstatements.

Material non-compliance identified in contravention of Supply Chain Management prescribed, which led to irregular expenditure incurred by the institution.

The annual performance report was not adequately reviewed for completeness and accuracy prior to submission for audit purposes and supported by sufficient appropriate audit evidence.

Governance

The institution did not have a governance structure in place to provide oversight of internal controls, risk assessment, financial and performance information, this has resulted in material misstatements that could have been detected and prevented if the structure existed.

OTHER REPORTS

42. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the constitutional entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

    - An independent consultant was investigating an allegation of the possible misappropriation of the constitutional entity's assets at the request of the department. The outcome of the investigation was expected to be concluded after finalisation of the audit report.

Auditor - General

Pretoria

31 July 2018

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

   - identify and assess the risks of material misstatement of the consolidated and separate 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 constitution institution's internal control

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pan South African Language Board and its subsidiaries ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a constitutional institution to cease continuing as a going concern

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

   - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

CONTENTS

STATEMENT OF RESPONSIBILITY

The Accounting Officer is responsible for the preparation, integrity and fair presentation of the annual consolidated financial statements of the Pan South African Language Board (PanSALB). The financial statements presented on pages 76 to 123 have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board and in the manner required by the Public Finance Management Act (PFMA).

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The Accounting Officer also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the financial statements. The Accounting Officer has no reason to believe that PanSALB will not be a going concern in the foreseeable future based on forecasts and available cash resources. The consolidated financial statements were approved and signed by the Accounting Officer on 31 May 2018.

The Board was disbanded by the Minister of Arts and Culture on 12 January 2016 and as a result the Audit Committee became dysfunctional. The CEO was placed on special leave with effect from 15 March 2018 and subsequently suspended on 11 June 2018 pending further investigations.

Ms SA Netshiheni
Acting Chief Executive Officer
Date: 31 July 2018

STATEMENT OF FINANCIAL PERFORMANCE

		Consolidated		PanSALB	
Figures in Rand thousand	Note(s)	2018	2017 Restated*	2018	2017 Restated*
Revenue					
Revenue from exchange transactions					
Sales	3	433	315	-	-
Liability extinguished - DAC		-	-	-	-
Other income	5	587	156	50	4
Interest received	11	4,384	1,326	3,701	749
Total revenue from exchange transactions		**5,404**	**1,797**	**3,751**	**753**
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	2	108,934	116,018	108,784	115,868
Gifts, sponsorships and donations	4	3,797	3,615	-	-
Total revenue from non-exchange transactions		**112,731**	**119,633**	**108,784**	**115,868**
Total revenue		**118,135**	**121,430**	**112,535**	**116,621**
Expenditure					
Staff costs	7	(64,379)	(63,221)	(47,582)	(45,584)
Administrative expenses	6	(10,998)	(13,431)	(9,340)	(11,648)
Depreciation and amortisation		(1,343)	(1,507)	(1,130)	(1,319)
Impairment loss	34	(32)	(7)	-	(7)
Finance costs	10	(142)	(193)	(116)	(176)
Lease rentals on operating lease		(6,304)	(6,549)	(5,379)	(5,770)
Repairs and maintenance		(29)	(42)	-	(19)
Transfers and subsidies paid		-	-	(20,715)	(19,664)
Cost of sales/Inventory	32	(174)	71	-	-
Other operating expenses	9	(17,832)	(14,723)	(15,083)	(12,380)
Total expenditure		**(101,233)**	**(99,602)**	**(99,345)**	**(96,567)**
Operating surplus		**16,902**	**21,828**	**13,190**	**20,054**
Loss on assets		(33)	(69)	(33)	(69)
Fair value adjustments	33	305	(36)	-	-
		272	(105)	(33)	(69)
Surplus for the year		**17,174**	**21,723**	**13,157**	**19,985**
Attributable to:					
PanSALB		13,157	19,985	13,157	19,985
NLUs		4,017	1,738	-	-
		17,174	**21,723**	**13,157**	**19,985**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Consolidated		PanSALB	
Figures in Rand thousand	Note(s)	2018	2017 Restated*	2018	2017 Restated*
Assets					
Current assets					
Cash and cash equivalents	12	57,607	37,561	55,915	36,002
Inventories	13	1,506	1,685	-	-
Receivables from exchange transactions	14	1,599	1,560	601	418
Other financial assets	17	12,827	9,325	-	-
Receivables from non-exchange transactions		-	-	-	-
		73,539	**50,131**	**56,516**	**36,420**
Non-current assets					
Property, plant and equipment	15	3,426	3,341	3,069	2,869
Intangible assets	16	185	149	91	49
Other financial assets	17	1,103	1,813	-	-
		4,714	**5,303**	**3,160**	**2,918**
Total Assets		**78,253**	**55,434**	**59,676**	**39,338**
Liabilities					
Current liabilities					
Payables from exchange transactions	18	10,992	7,911	9,477	6,580
Provisions	19	5,190	655	5,190	655
Finance lease obligations	20	462	585	462	585
Other financial liabilities		-	-	-	-
Unspent conditional grants and receipts	31	5,170	4,723	4,530	4,198
		21,814	**13,874**	**19,659**	**12,018**
Non-current liabilities					
Finance lease obligations	20	374	836	374	836
Retirement benefit obligation	21	4,599	6,058	-	-
		4,973	**6,894**	**374**	**836**
Total Liabilities		**26,787**	**20,768**	**20,033**	**12,854**
Net Assets		**51,466**	**34,666**	**39,643**	**26,484**
Net Assets					
PanSALB					
Accumulated surplus		39,643	26,484	39,643	26,484
PanSALB		39,643	26,484	39,643	26,484
NLUs		11,823	8,182	-	-
Total Net Assets		**51,466**	**34,666**	**39,643**	**26,484**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand thousand	Accumulated deficit	PanSALB	NLU's	Consolidated net assets
PanSALB				
Balance at 01 April 2016	6,499	6,499	-	6,499
Changes in net assets				
Surplus for the year	19,985	19,985	-	19,985
Total changes	**19,985**	**19,985**	**-**	**19,985**
Opening balance as previous reported	**25,458**	**25,458**		**25,458**
Adjustments				
Prior year adjustments	1,028	1,028	-	1,028
Restated* Balance at 01 April 2017	**26,486**	**26,486**	**-**	**26,486**
Changes in net assets				
Surplus for the year	13,157	13,157	-	13,157
Total changes	13,157	13,157	-	13,157
Balance at 31 March 2018	**39,643**	**39,643**	**-**	**39,643**

CASH FLOW STATEMENT

		Consolidated		PanSALB	
Figures in Rand thousand	Note(s)	2018	2017 Restated*	2018	2017 Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services		380	345	-	-
Grants and donations		113,178	120,051	109,116	115,998
Interest income		4,384	1,326	3,701	749
Other receipts		582	166	50	4
		118,524	121,888	112,867	116,751
Payments					
Staff costs		(64,562)	(62,072)	(46,308)	(44,833)
Suppliers		(29,173)	(36,158)	(23,823)	(30,419)
Finance costs		(142)	(193)	(116)	(176)
Transfers and subsidies paid		-	-	(20,715)	(19,664)
		(93,877)	(98,423)	(90,962)	(95,092)
Net cash flows from operating activities	22	**24,647**	**23,465**	**21,905**	**21,659**
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(1,507)	(437)	(1,385)	(313)
Purchase of other intangible assets	16	(22)	(40)	(22)	(19)
Increase in other financial assets		(2,487)	(1,713)	-	-
Net cash flows from investing activities		**(4,016)**	**(2,190)**	**(1,407)**	**(332)**
Cash flows from financing activities					
Increase in other financial liabilities		-	-	-	-
Decrease in other financial liabilities		-	(80)	-	-
Net finance lease movement		(585)	(760)	(585)	(760)
Net cash flows from financing activities		**(585)**	**(840)**	**(585)**	**(760)**
Net increase/(decrease) in cash and cash equivalents		**20,046**	**20,435**	**19,913**	**20,567**
Cash and cash equivalents at the beginning of the year		37,561	17,126	36,002	15,435
Cash and cash equivalents at the end of the year	12	**57,607**	**37,561**	**55,915**	**36,002**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
PanSALB						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	**-**	50	**50**	**Sponsorship language conference**
Interest received - investment earned	-	-	**-**	3,701	**3,701**	Interest on cash and cash equivalents invested
Total revenue from exchange transactions	**-**	**-**	**-**	**3,751**	**3,751**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	108,634	-	**108,634**	108,784	**150**	Additional grants received from Mpumalanga DAC
Total revenue	**108,634**	**-**	**108,634**	**112,535**	**3,901**	
Expenditure						
Compensation of employees	(48,722)	-	**(48,722)**	(47,582)	**1,140**	Special allocation for legal costs Note 25
Administration	(6,000)	-	**(6,000)**	(9,340)	**(3,340)**	Legal costs incurred Note 6
Depreciation and amortisation	-	-	**-**	(1,130)	**(1,130)**	Note 15 and 16
Finance costs	(180)	-	**(180)**	(116)	**64**	Interest paid on leased assets
Lease rentals on operating lease	(5,000)	-	**(5,000)**	(5,379)	**(379)**	Building rental paid
Repairs and maintenance	-	-	**-**	-		
Transfers and subsidies	(20,441)	-	**(20,441)**	(20,715)	**(274)**	Transfers to NLUs
Goods and services	(28,291)	-	**(28,291)**	(15,083)	**13,208**	Savings were used for legal costs
Total expenditure	**(108,634)**	**-**	**(108,634)**	**(99,345)**	**9,289**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Operating surplus	**-**	**-**	**-**	**13,190**	**13,190**	
Loss on disposal of assets and liabilities	-	-	-	(33)	**(33)**	Note 15
Surplus	**-**	**-**	**-**	**13,157**	**13,157**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**13,157**	**13,157**	

ACCOUNTING POLICIES

The following are the principal accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

1. Basis of preparation

These consolidated 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).

These consolidated 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.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by Standard of GRAP.

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These consolidated annual financial statements are presented in South African Rand, which is the functional currency of the economic entity.

1.2 Consolidation

The consolidated financial statements include the financial information of the National Lexicography Units (NLUs), which are named in the notes to the financial statements. The NLUs are non-profit companies, representing the 11 official languages of South Africa, which are situated at and administered by the respective universities. The units were consolidated according to GRAP 6.

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the controlling entity and all controlled entities.

Control exists as per Section 8 (8) (c) of the PanSALB Act, which requires PanSALB to establish units to operate as non-profit companies, and PanSALB shall allocate funds to the units for the fulfilment of their functions; provided that the memorandum of incorporation of such units shall include the following principles:

(i) The unit is accountable to PanSALB for moneys allocated to it.
(ii) The unit shall abide by the policies of PanSALB.
(iii) The unit shall adhere to the principles of promoting language development.

The consolidated annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated annual financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the consolidated annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full-on consolidation.

Minority interests in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity’s net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority’s share of losses previously absorbed by the majority has been recovered.

ACCOUNTING POLICIES

1.2 Consolidation (continued)

Minority interests in the surplus or deficit of the economic entity is separately disclosed.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables and/or loans and receivables

PanSALB assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to PanSALB for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

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.

PanSALB 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, PanSALB 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 pension obligations are based on current market conditions. Additional information is disclosed in Note 21.

Effective interest rate

The economic entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

ACCOUNTING POLICIES

1.4 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 economic 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.

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.

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5–20 years
Motor vehicles	Straight-line	10–17 years
Office equipment	Straight-line	5–17 years
IT equipment	Straight-line	3–5 years
Computer software	Straight-line	3–9 years
Leasehold improvements	Straight-line	5–20 years
Leased assets	Straight-line	Lease period
Books	Straight-line	Indefinite life

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date, and the change is accounted for as a change in accounting estimate. However, fully depreciated assets that will be replaced in the next financial year have been separately disclosed.

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 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.

Assets which the economic entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

ACCOUNTING POLICIES

1.5 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 economic entity or from other rights and obligations

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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 economic entity; and
- the cost or fair value of the asset can be measured reliably

The economic 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.

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	**Useful life**
Computer software, other	3–5 years

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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

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.

Loans to (from) PanSALB include loans to and from controlling entities, fellow controlled entities, controlled entities, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.
Loans to PanSALB are classified as loans and receivables.
Loans from PanSALB are classified as financial liabilities measured at amortised cost.

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current. Current assets will be classified as noncurrent when they are expected to be either realised, consumed or sold, as part of the normal operating cycle even when they are not expected to be realised within 12 months of the reporting date.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

Financial liabilities consist of payables from exchange transactions and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The entity categorises cash and cash equivalents as financial assets.

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with PanSALB's accounting policy for borrowing costs.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial assets	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at fair value
Retirement benefit obligation	Financial liability measured at fair value

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity 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 entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- financial instruments at fair value
- financial instruments at amortised cost
- financial instruments at cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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

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

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Derecognition

Financial assets

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
- 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:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

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.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset and the associated liability nor the revenue and the associated expenses are offset.

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)

Presentation

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.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

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.

1.7 Leases as lessee

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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

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

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

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

Operating leases - lessee

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

1.8 Prepayments

Prepayments are recognised when the resources that have been transferred meet the criteria for recognition as an asset.

ACCOUNTING POLICIES

1.9 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the entity:

GRAP 18- Segment Reporting - issued February 2011. This new standard of GRAP: Establishes principles for reporting financial information by segments. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations and the entity is not required to apply this standard.

GRAP 20 - Related Party Disclosures - Issued June 2011. This new standard of GRAP ensures that a reporting entity’s financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

GRAP 105 - Transfer of Functions between entities under common control - Issued November 2010. This new standard of GRAP establishes accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

GRAP 106 - Transfer of Functions between entities not under common control - Issued November 2010. This new standard establishes accounting principles for the acquirer in a transfer of functions between entities not under common control.

GRAP 107 - Mergers - Issued November 2010. This new standard establishes accounting principles for the combined entity and combining entities in a merger.

Improvements to Standards of GRAP - Improvements are proposed to the following standards of GRAP: GRAP 1-4, 9-14, 16- 17, 19 and 100 as part of the ASB's improvement project. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

The following GRAP standards were applied for the current financial year:

GRAP 25 - Employee Benefits - Issued November 2009. The new standard of GRAP dealing with the requirements around accounting and disclosure of employee benefits including short-term, long-term and post-retirement employee benefits. The impact of implementing this standard is expected to be immaterial in the context of this entity's operations.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction; in these instances, their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to PanSALB.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

ACCOUNTING POLICIES

1.11 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the economic entity; or
(b) the number of production or similar units expected to be obtained from the asset by the economic entity

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, and the economic entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use, the economic entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence.
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified.

ACCOUNTING POLICIES

1.11 Impairment of cash-generating assets (continued)

- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities
- income tax receipts or payments

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the economic entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the economic entity uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

ACCOUNTING POLICIES

1.11 Impairment of cash-generating assets (continued)

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable)
- its value in use (if determinable
- zero

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.12 Impairment of assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset’s fair value less costs to sell and its value in use.

Useful life is either:

(a) the period of time over which an asset is expected to be used by the economic entity; or
(b) the number of production or similar units expected to be obtained from the asset by the economic entity

Criteria developed by the economic entity to distinguish non-cash-generating assets from cash-generating assets are as follows:

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

ACCOUNTING POLICIES

1.12 Impairment of assets (continued)

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in GRAP Standards.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset’s recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Payables from exchange transactions

Payables from exchange transactions are transactions in which one entity has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash) to another entity in exchange.

ACCOUNTING POLICIES

1.14 Contingencies

Contingent assets and contingent liabilities are not recognised.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, an entity discloses the contingent asset.

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

1.15 Related parties

PanSALB 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.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of PanSALB, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. PanSALB regards all individuals at senior management as related parties per the definition of the financial reporting standards.

Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with PanSALB.

1.16 Retirement benefit costs

The entity operates a defined contribution plan. The plan is generally funded by payments from the entity and employees. Payments to defined contribution retirement benefit plans are charged to the income statement in the year to which they relate.

The cost of short-term employee benefits including salaries (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Bureau of the Woordeboek van die Afrikaanse Taal NPC provides for post-retirement medical and group life insurance contributions in relation to current and retired employees. The expected costs of these benefits are accounted for by using the projected unit credit method. Under this method, the expected costs of these benefits are accumulated over the service lives of the employees. The valuation of this obligation is carried out by independent qualified actuaries at least once every three years.

All actuarial gains and losses due to experience as well as adjustments to the original plan are recognised in the statement of comprehensive income over the average remaining service lives of employees.

1.17 Provisions

Provisions are recognised when:

- the economic entity 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.

ACCOUNTING POLICIES

1.17 Provisions (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

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.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The economic entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the economic entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the economic entity considers that an outflow of economic resources is probable, an economic entity recognises the obligation at the higher of:

- the amount determined using the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.18 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services).
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 Revenue recognition

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.

ACCOUNTING POLICIES

1.19 Revenue recognition (continued)

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.

Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:
a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
b) The amount of revenue can be measured reliably; and
c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue is recognised on a time proportion basis.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed on to the consumer.

Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Conditions on transferred assets require that the entity either
- consume the future economic benefits or service potential of the asset as specified; or
- return future economic benefits or service potential to the transferor in the event that the conditions are breached.

Royalties

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

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

ACCOUNTING POLICIES

1.22 Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. 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. Where there is a change in accounting estimate, the adjustment is made prospectively.

1.23 Events after the reporting date

If the entity receives information after the reporting date, but before the financial statements are authorised for issue, about conditions that existed at the reporting date, it shall update disclosures that relate to these conditions, in the light of the new information.

If non-adjusting events after the reporting date are material, the entity shall disclose the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made.

1.24 Irregular and fruitless and wasteful 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 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.

When confirmed, irregular expenditure must be recorded in the notes to the financial statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof. Where such impracticality exists, the reasons therefore must be provided in the notes. Irregular expenditure must be removed from the notes when it is either:

(a) condoned by National Treasury or the relevant authority;
(b) it is transferred to receivables for recovery; or
(c) it is not condoned and is irrecoverable.

A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be de-recognised when the receivable is settled or subsequently written off irrecoverable.

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

1.25 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.26 Budget information

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

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

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2017 to 31/03/2018.

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

Comparative information is included in the budget statement, page 89 to 90.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017
2. Government grants & subsidies				
Operating grants				
National Department - Arts and Culture	108,634	115,564	108,634	115,564
Department of Arts and Culture - Mpumalanga	150	150	-	-
Provincial Department - Mpumalanga Grant conditional	150	279	150	279
Lottery Grant	-	25	-	25
Total	**108,934**	**116,018**	**108,784**	**115,868**
3. Sales				
Books	147	127	-	-
CD-Roms	284	176	-	-
Dictionaries	2	12	-	-
Total	**433**	**315**	**-**	**-**
4. Gifts, sponsorships and donations				
Donations	3,797	3,615	-	-
5. Other income				
Other income	453	27	50	4-
Royalties	134	129	-	-
Workshop facilitation	-	-	-	-
Total	**587**	**156**	**50**	**4**
6. Administrative expenditure				
Administration and management fees - third party	2,421	3,768	1,172	2,494
Auditor's remuneration	4,279	2,607	3,855	2,139
Auditor's remuneration - External audit fees	3,668	2,095	3,244	1,627
Auditor's remuneration - Internal audit fees	611	512	611	512
Board and Audit Committee remuneration	4	17	4	17
Staff training and development	35	220	35	217
Bad debts written off	(18)	82	-	64
Legal fees	4,277	6,737	4,274	6,717
Total	**10,998**	**13,431**	**9,340**	**11,648**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

7. Staff costs

Salaries	61,513	60,498	47,582	45,584
Basic	45,774	430092	31,733	29,689
Acting allowances	147	666	147	666
Leave pay provision charge	(101)	206	(128)	206
Overtime payments	-	-	-	-
Bonus	1,536	1,327	1,366	1,138
Travel, motor car, accommodation, subsistence and other allowances	5,394	4,207	5,394	4,207
Housing subsidy	1,387	1,378	1,387	1,378
Employer social contributions	7,376	9,622	7,683	8,300
Medical aid	2,256	2,000	1,957	1,684
UIF	148	142	125	120
WCA	410	594	410	584
SDL	-	-	-	-
Provision for post-retirement employee benefit	(1,459)	355	-	-
Defined pension contribution plan	3,484	4,647	2,808	4,036
Other payroll levies	2,537	1,884	2,383	1,876
Directors' remuneration - NLUs	2,866	2,723	-	-
Total	**64,379**	**63,221**	**47,582**	**45,584**
Number of staff members	127	124	72	69

8. Transfers and subsidies

Subsidies				
National Lexicography Units (Note 27)	-	-	20,715	19,664

9. Other operating expenses

Advertising	134	35	-	-
Co-operation with other bodies	542	358	542	358
Communications and marketing	193	720	193	720
Computer expenses	248	231	-	-
Consulting and professional fees	3,396	3,086	2,795	2,832
Consumables	313	286	266	207
Entertainment	55	39	-	-
Language activism	1,239	3,832	1,239	3,832
Lexicography development	-	5	-	5
Linguistic human rights	1,939	450	1,939	450
Literature and media	-	25	-	25
Motor vehicle expenses	35	38	-	-
National Language Bodies	1,678	999	1,678	999
Other expenses	1,042	889	521	460
Other project expenses	3,394	193	3,394	193
Project - Language in Education	-	2	-	2
Provincial Language Committees	918	1,316	918	1,316
Travel and accommodation	1,249	1,516	184	324
Utilities	1,457	703	1,414	657
Total	**17,832**	**14,723**	**15,083**	**12,380**

10. Finance costs

Other interest paid	142	193	116	176

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

11. Interest received

Bank	4,072	1,116	3,701	749
Bank deposits	312	210	-	-
	4,384	**1,326**	**3,701**	**749**

12. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

Cash on hand	2	2	1	1
Bank balances	4,614	4,633	3,781	3,277
Short-term deposits	52,991	32,926	52,133	32,724
Total	**57,607**	**37,561**	**55,915**	**36,002**

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
zaA-1	57,607	37,561	55,915	36,002

Cash and cash equivalents pledged as collateral

Securities held by Absa bank on investment account	70	70	70	70
Total financial assets pledged as collateral for contingent liabilities	-	70	-	70

13. Inventories

Work in progress		115	-	-
Finished goods	1,506	1,570	-	-
	1,506	**1,685**	**-**	**-**

Opening balance	1,685	1,237	-	-
Additions – finished goods	-	525	-	-
Issued (expensed) - consumables	(179)	(77)	-	-
Total	**1,506**	**1,685**	**-**	**-**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

14. Receivables from exchange transactions

Trade debtors	93	40	-	-
Deposits	323	323	323	323
Royalties receivable	71	66	-	-
Other receivables	983	1,108	191	95
Prepaid expenses	129	23	87	-
Total	**1,599**	**1,560**	**601**	**418**

The receivables are not considered to be impaired unless specifically provided for. The risk exposure of receivables has been disclosed in note 24.

15. Property, plant and equipment

Consolidated	2018			2017		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office equipment	912	(375)	537	603	(285)	318
Motor vehicles	1,373	(1,242)	131	1,373	(1,205)	168
IT equipment	3,176	(1,916)	1,260	2,403	(1,836)	568
Furniture and fixtures	2,841	(2,085)	756	2,836	(1,916)	920
Lease improvement / Research	71	(66)	5	71	(65)	6
Donated assets	9	(6)	3	9	(6)	3
Cell phones	22	(20)	2	456	(395)	61
Leased equipment	2,317	(1,585)	732	2,317	(1,020)	1,297
Library books	29	(29)	-	29	(29)	-
Total	**10,750**	**(7,324)**	**3,426**	**10,097**	**(6,756)**	**3,341**

PanSALB	2018			2017		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Office equipment	639	(233)	406	333	(162)	171
Motor vehicles	1,055	(924)	131	1,055	(887)	168
IT equipment	1,810	(660)	1,150	1,095	(709)	386
Furniture and fixtures	2,274	(1,629)	645	2,246	(1,463)	783
Donated assets	9	(6)	3	9	(6)	3
Cell phones	22	(20)	2	456	(395)	61
Leased equipment	2,317	(1,585)	732	2,317	(1,020)	1,297
Total	**8,126**	**(5,057)**	**3,069**	**7,511**	**(4,642)**	**2,869**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Consolidated - 2018

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Impairment** loss	**Total**
Office equipment	318	330	-	(111)	-	537
Furniture and fixtures	920	63	(10)	(217)	-	756
Motor vehicles	168	-	-	(37)	-	131
IT equipment	568	1, 114	(23)	(367)	(32)	1, 260
Lease improvement / Research	6	-	-	(1)	-	5
Donated Assets	3	-	-	-	-	3
Cell Phones	61	-	-	(59)	-	2
Leased equipment	1, 297	-	-	(565)	-	732
	3, 341	**1, 507**	**(33)**	**(1, 357)**	**(32)**	**3, 426**

Reconciliation of property, plant and equipment - Consolidated - 2017

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Impairment loss**	**Total**
Office equipment	273	99	(9)	(45)	-	318
Furniture and fixtures	946	117	(17)	(126)	-	920
Motor vehicles	276	-	-	(108)	-	168
IT equipment	722	199	(39)	(307)	(7)	568
Lease improvements / Research	7	-	-	(1)	-	6
Donated Assets	4	-	-	(1)	-	3
Cell phones	293	22	(4)	(250)	-	61
Leased equipment	1, 861	-	-	(564)	-	1, 297
Library Books	3	-	-	(3)	-	-
	4, 385	**437**	**(69)**	**(1, 405)**	**(7)**	**3, 341**

Reconciliation of property, plant and equipment - PanSALB - 2018

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Office equipment	171	320	-	(85)	406
Furniture and fixtures	783	38	(10)	(166)	645
Motor vehicles	168	-	-	(37)	131
IT equipment	386	1, 027	(23)	(240)	1, 150
Donated Assets	3	-	-	-	3
Cell Phones	61	-	-	(59)	2
Leased equipment	1, 297	-	-	(565)	732
	2,869	**1, 385**	**(33)**	**(1,152)**	**3,069**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	**2018**	**2017**	**2018**	**2017**

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - PanSALB - 2017

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Office equipment	154	46	(9)	(20)	-	171
Furniture and fixtures	801	86	(17)	(87)	-	783
Motor vehicles	257	-	-	(89)	-	168
IT equipment	526	159	(39)	(253)	(7)	386
Donated Assets	4	-	-	(1)	-	3
Cell phones	293	22	(4)	(250)	-	61
Leased equipment	1, 861	-	-	(564)	-	1, 297
	3, 896	**313**	**(69)**	**(1, 264)**	**(7)**	**2, 869**

Other information

Property, plant and equipment fully depreciated and still in use (Gross carrying amount)				
IT Equipment	-	-	67	649
Office equipment	-	-	74	-
	-	**-**	**141**	**649**

Repairs and maintenance				
Property, plant and equipment	29	42	-	19

Furniture and fittings at a cost price of R2,2 million has been in use for a period of more than 10 years.

16. Intangible assets

Consolidated	2018			2017		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	735	(550)	185	714	(565)	149

PanSALB	2018			2017		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	527	(436)	91	506	(457)	49

Reconciliation of intangible assets - Consolidated - 2018

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	149	22	14	185

Reconciliation of intangible assets - Consolidated - 2017

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	211	40	(102)	149

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

16. Intangible assets (continued)

Reconciliation of intangible assets - PanSALB - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	49	22	20	91

Reconciliation of intangible assets - PanSALB - 2017

	Opening balance	Additions	Amortisation	Total
Computer software - licences	83	19	(53)	49

17. Other financial assets

	Consolidated 2018	Consolidated 2017	PanSALB 2018	PanSALB 2017
Designated at fair value				
Investments	709	1, 813	-	-

Investments consists of funds invested within the long term investment pool of Stellenbosch University as well as a fixed deposit held with Standard Bank. The fixed deposit earns interests at a fixed rate of 8.18% per annum(2017: 8.53%), payable on the maturity dates of 10 December 2018 and 1 December 2020. It is estimated that R300,000 of the fixed deposit maturing on 10 December 2018 will be reinvested.
Standard Bank holds a short term local debt rating of F1+(ZAF), and an AA(ZAF) long term local debt rating as on 31 March 2018 and 2017.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017
17. Other financial assets (continued)				
At amortised cost				
University of Limpopo The loan is unsecured and there are no fixed terms of repayment	222	252	-	-
University of Pretoria The loan is unsecured and there are no fixed terms of repayment.	6, 377	5, 246	-	-
University of Fort Hare The loan is unsecured and bears interest at variable rates. There are no fixed terms of repayment.	25	101	-	-
Stellenbosch University This loan is unsecured and not subject to any fixed terms of repayment. Interest is calculated at a floating rate linked to the prime overdraft rate. The rate at year-end was 6.59% (2017 : 7.06%)	2, 521	1, 694	-	-
University of Venda The loan represents monies received by the university, but not yet utilised by the TNLU. The loan bears no interest and has no fixed repayment terms.	225	85	-	-
North-West University The loan is unsecured and there are no fixed terms of repayment.	1, 249	766	-	-
University of the Free State The loan is unsecured and there are no fixed terms of repayment.	2, 208	1, 181	-	-
Siyakhula Communications (Pty) Ltd The loan is unsecured, interest free and has no fixed terms of repayment.	394	-	-	-
	13, 221	**9, 325**	**-**	**-**
Total other financial assets	**13, 930**	**11, 138**	**-**	**-**
Non-current assets				
Designated at fair value	709	1, 813	-	-
At amortised cost	394	-	-	-
	1, 103	1, 813	-	-
Current assets				
At amortised cost	12, 827	9, 325	-	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

18. Payables from exchange transactions

Accruals	516	529	333	409
Leave and bonuses	4, 103	3, 460	3, 719	3, 078
Operating lease payables	41	80	19	77
Other payables	1, 281	765	506	1
Trade payables	5, 051	3, 077	4, 900	3, 015
Total	**10, 992**	**7, 911**	**9, 477**	**6, 580**

The fair value of trade and other payables approximates their carrying amounts.

Leave and bonuses are classified as accruals in accordance with the policy adopted by PanSALB.

PanSALB adopted the policy of accounting for all suppliers as trade paybles during the year ended 31 March 2017 whereas previously amounts outstanding at year end were accrued.

19. Provisions

Reconciliation of provisions - Consolidated - 2018

	Opening Balance	**Additions**	**Total**
Performance bonus	655	76	731
Provision for settlements	-	560	560
Provision for lease rentals	-	3, 899	3, 899
	655	4, 535	5, 190

Reconciliation of provisions - Consolidated - 2017

	Opening Balance	**Additions**	**Total**
Performance bonus	-	655	655

Reconciliation of provisions - Controlling entity - 2018

	Opening Balance	**Additions**	**Total**
Performance bonus	655	76	731
Provision for settlements	-	560	560
Provision for lease rentals	-	3, 899	3, 899
	655	4, 535	5, 190

Reconciliation of provisions - Controlling entity - 2017

	Opening Balance	**Additions**	**Total**
Performance bonus	-	655	655

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

20. Finance lease obligations

Minimum lease payments due				
- within one year	518	695	518	695
- in second to fifth year inclusive	393	911	393	911
	911	1, 606	911	1, 606
less: future finance charges	(75)	(185)	(75)	(185)
Present value of minimum lease payments	**836**	**1, 421**	**836**	**1, 421**
Present value of minimum lease payments due				
- within one year	261	585	261	585
- in second to fifth year inclusive	575	836	575	836
	836	**1, 421**	**836**	**1, 421**
Non-current liabilities	374	836	374	836
Current liabilities	462	585	462	585
	836	**1, 421**	**836**	**1, 421**

It is the entity’s policy to lease photocopiers, cellphones and the switchboards under finance leases.

The average lease term is 3 to 5 years.

Interest rates are linked to prime at the contract date. All leases escalate at 15% p.a. and no arrangements have been entered into for contingent rent .

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 15.

21. Employee benefit obligations

Post-retirement employee benefits

The Afrikaans NLU accounts for actuarially determined future medical and group life insurance benefits and provide for the expected liability in the statement of financial position

The most recent valuation was done on 31 March 2018. The next valuation will be done on or before 31 March 2021. A medical cost inflation rate of 8.0% (2017: 9.1%) and a discount rate of 9.0% (2017: 9.7%) for post-retirement medical and 8.9% (2017: 9.7%) for group life, and an insurance premium inflation rate of 6.0 (2017: 7.1%) were assumed. The average retirement age was set at 65 and 70 (2017: 60) years.

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

Carrying value				
Opening balance	6, 058	5, 703	-	-
Current service cost	105	98	-	-
Interest cost	571	558	-	-
Contributions	(335)	(312)	-	-
Actuarial loss(profit)	(1, 800)	11	-	-
	4, 599	**6, 058**	**-**	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

22. Cash generated from operations

Surplus	17, 174	21, 723	13, 157	19, 985
Adjustments for:				
Depreciation and amortisation	1, 343	1, 507	1, 130	1, 319
Loss on sale of assets and liabilities	33	69	33	69
Fair value adjustments	(305)	36	-	-
Impairment loss	32	7	-	7
Movements in retirement benefit assets and liabilities	(1, 459)	355	-	-
Movements in provisions	4, 535	655	4, 535	655
Changes in working capital:				
Inventories	179	(448)	-	-
Receivables from exchange transactions	(39)	(482)	(183)	(39)
Other receivables from non-exchange transactions	-	64	-	64
Payables from exchange transactions	2, 707	(439)	2, 901	(531)
Unspent conditional grants and receipts	447	418	332	130
	24, 647	**23, 465**	**21, 905**	**21, 659**

23. Operating lease commitments

23.1 Authorised operational expenditure

Already contracted				
• Approved contracts	-	-	858	969
Not yet contracted for and authorised by the Accounting Officer				
• Approved orders	-	-	-	2, 424
Total operational commitments				
Already contracted	-	-	858	969
Not yet contracted for but authorised	-	-	-	2, 424
	-	**-**	**858**	**3, 393**

This committed expenditure relates to operational expenditure to be incurred and will be financed by available bank facilities, retained surpluses.

23.2 Operating lease commitments

The entity has operating leases for offices over periods between 24 and 60 months. At the statement of financial position date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Minimum lease payments due				
- within one year	2, 284	1, 811	1, 713	1, 738
- in second to fifth year inclusive	1, 599	3, 081	1, 502	3, 081
Total	**3, 883**	**4, 892**	**3, 215**	**4, 819**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

24. Risk management

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Securities of R 70,000 are held by Absa bank on investment account.

Management evaluates credit risk relating to receivables on an ongoing basis. If debtors are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the debtor, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

Receivables – unrated	1, 599	1, 560
Cash and equivalents: azA-1 rating	57, 607	37, 561
Total	**59, 206**	**39, 121**

Credit quality of financial assets

The following analysis provides information about the entity's exposure to credit risk:

Receivables		
- Neither past due nor impaired	1, 599	1, 560
Neither past due nor impaired	-	-
Cash and equivalents		
Neither past due nor impaired	57, 607	37, 561

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Exposure to liquidity risk

The following are the maturities and contractual cash flows of other financial liabilities which have been undiscounted.

Consolidated

At 31 March 2018	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	261	575	-	-
Trade and other payables	10, 992	-	-	-
Retirement benefit obligati	**4, 599**	**-**	**-**	**-**

At 31 March 2017	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	585	836	-	-
Other financial liabilities	1, 361	-	-	-
Trade and other payables	7, 969	-	-	-
Retirement benefit obligation	6, 058	-	-	-

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

25. Consolidation

The entity exercises control over the National Lexicography Units mentioned in note 27. The financial results of these enterprises have been consolidated into the financial statements of Pan South African Language Board.

26. Contingent Liabilities

PanSALB disregarded the employment contracts of 44 employees appointed during the turn around strategy during the year ended 31 March 2015. These employees have instituted legal proceedings against PanSALB with the CCMA and Labour Court. The matter is still in progress. Subsequently some of these employees have agreed to settlement. PanSALB estimates this the total settlement to be approximately R 11,5 million and further legal costs and disbursements are expected to be R500,000.

The members of the PanSALB board that was disbanded during the year ended 31 March 2016 have instituted legal proceedings against both the Minister of Arts and Culture and PanSALB. The matter is still in progress. This is not a claim for monetary award and no further legal costs or disbursements are expected to be incurred. The legal costs are estimated to be R500,000.

The Senior Legal Advisor has instituted legal proceedings against the appointment of the CEO. The applicant seeks a declaratory order to set aside PanSALB's decision to appoint Dr Monareng as its CEO. He also wants the court to declare the advertisement of the post of the CEO as unlawful and invalid, and ultimately to declare Dr Monareng's appointment and decisions as unlawful and invalid. PanSALB is opposing the application. The legal costs are expected to be R500,000.

The legal proceeding by the Senior Legal Advisor against PanSALB is still ongoing. The exception was heard on the 20th of April 2017 and the matter was postponed to give the Senior Legal Advisor an opportunity to file amended particulars of the claim. He is claiming damages arising from his unlawful dismissal in June 2010. The matter was heard on the 14th of June 2017 and the application by the Senior Legal Advisor was dismissed. The Court ordered the Senior Legal Advisor to pay costs. The Senior Legal Advisor has appealed to the High Court. PanSALB has entered an intention to defend. The amount of the claim is estimated to be R 10,8 million plus interest. The claims of the Legal Advisor cannot be measured reasonably as they are constantly fluctuating. Further, due to his unavailability an exception has been filed.

A candidate employee, who was not short-listed when interviewed, has instituted legal proceedings against PanSALB. The matter is still in progress. After receiving the application, as required, PanSALB lodged the record of the proceedings that led to the appointment of Dr Monareng as the CEO of PanSALB. The applicant subsequently filed her supplementary affidavit. PanSALB is opposing the application. The matte was heard on the 27th of June 2017 and the High Court handed down judgement dismissing the employee's application and the Court ordered her to pay costs.The bill of costs will now be taxed. Legal costs and disbursements are expected to be R500,000.

Various employees have disputed their job grading and are seeking job grading promotions. An application to set aside the collective agreement has been made to the Labour Court and the directive from the Court has not yet been received. The legal costs and disbursements are expected to be R200,000.

The former Executive Head of Languages is seeking damages for his alleged assault and arrestation. PanSALB filed a notice requesting further documentation. The applicant failed to comply with the rules of Court and as a result PanSALB delivered an exception.

Contingent assets

Following an investigation an employee was suspended and later dismissed for leaking confidential information to the media. The employee referred the matter to the CCMA and Labour Court. The CCMA struck the case off the roll with costs and his appeal was dismissed with costs too. His petition to the Labour Court was also dismissed with costs. A bill of costs is being drawn up for the recovery of costs. PanSALB called a disciplinary hearing after further investigation, and the employee approached the High Court to interdict the disciplinary proceedings. The application was dismissed with costs and the employee is seeking to appeal this judgment.

Computer equipment and cellphones with a carrying value of R64,000; which have been written off during the year ended 31 March 2017 will be recovered from employees whose employment contracts were disregarded pending the court rulings currently in progress.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

27. Related parties

PanSALB Board Members (until 12 January 2016)	Prof MR Madiba (Chairperson) Prof W Carstens Ms N Levin Mr White Dr P Nkuna Mr JJ Blose Mr Jama Dr PA Phindane Ms S Mayenge Mr J Mnisi Mr ER Makgele Mr HS Theys
PanSALB Interim Board Members (appointed and disbanded in February 2016)	Dr MM Balintulo (Chairperson) Ms AN Damane (Deputy Chairperson) Mr MT Makhweyane Mr L Matsila Dr GM Tawane Adv SS Botha
Members of key management for PanSALB	Chief Executive Officer Chief Financial Officer Executive Head of Languages Senior managers Directors of NLUs
Non-profit entities receiving grants from PanSALB	National Lexicography Units (NLUs)
Entity under the directorship of Mr JJ Blose	Sanda Sizwe Investment (Pty) Ltd
Associate of close family member to Mr JJ Blose	Mrs OZ Blose (PanSALB's Chief Language Practioner)
Department within the same sphere of government	National Department - Arts and Culture Mpumalanga Provincial Department - Sports, Arts and Culture

Related party balances

Related party transactions

Grants received from related parties				
National Department – Arts and Culture			108, 634	115, 564
Department of Arts and Culture - Mpumulanga			150	279
			108, 784	**115, 843**

Remuneration				
Directors remuneration - NLUs			2, 866	2, 723
Board and audit committee remuneration (refer to note 6 and annexure)			4	17

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

27. Related parties (continued)

Transfers and subsidies paid to the National Lexicography Units

National Lexicography Units		
Bureau of the Woordeboek van die Afrikaanse Taal NPC	1, 858	1, 770
Dictionary Unit for South African English NPC	1, 858	1, 770
Iziko Lesihlathululi-Mezwi Sesindebele NPC	1, 858	1, 770
Isixhosa National Lexicography Unit	1, 858	1, 770
Isikhungo Sesichazamazwi Sesizulu	1, 858	1, 770
Sesiu sa Sesotho Lexicography Unit NPC	1, 858	1, 770
Sesotho Sa Leboa Dictionary Unit NPC	2, 135	1, 964
Setswana National Lexicography Unit NPC	1, 858	1, 770
Silulu Sesiswati Lexicography Unit NPC	1, 858	1, 770
Tshivenda National Lexicography Unit NPC	1, 858	1, 770
Xitsonga National Lexicography Unit NPC	1, 858	1, 770
Total	**20, 715**	**19, 664**

Senior Management remuneration 2018

	Salary	Expense allowances	Other benefits	Total
Chief Executive Officer - Dr RRM Monareng (Started July 2015 to-date)	954	72	461	1, 487
Acting Chief Executive Officer - Ms SA Netshiheni (appointed March 2018 to-date)	64	11	30	105
Chief Financial Officer - Mr T Khubana (Started February 2017 to-date)	784	267	166	1, 217
Acting Executive Head of Languages - Dr S Maepa (appointed July 2017 to-date)	603	91	256	950
Executive Head of Languages - Dr PH Nkuna (Started June 2016 to June 2017)	150	13	59	222
Total	**2, 555**	**454**	**972**	**3, 981**

Senior Management remuneration 2017

	Salary	Expense allowances	Other benefits	Total
Chief Executive Officer - Dr RRM Monareng	793	72	443	1, 308
Chief Financial Officer - Ms T Shongwe (May 2016 - August 2016)	229	45	94	368
Chief Financial Officer - Mr T Khubana (appointed February 2017)	107	45	27	179
Executive Head of Languages - Dr PH Nkuna (appointed June 2016)	537	38	307	882
Total	**1, 666**	**200**	**871**	**2, 737**

28. Events after the reporting date

The Chief Executive Officer of PanSALB, Dr. RRM Monareng has been put on suspension effective 11 June 2018. This is following an investigation undertaken by the Department of Arts and Culture.

One of the employees employees whose employment contract was disregarded by the Board has agreed to settle with PanSALB after the reporting date. In June 2018, an amount of R560 479.88 was paid to him, as a result of this adjusting event, thefinancial statements were adjusted to raise a provision as at 31 March 2018.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIALSTATEMENTS

Figures in Rand thousand

29. Impairment of financial assets

Except as disclosed in the annual financial statements, the entity is not aware of any other events or circumstances, which will result in the impairment of financial assets for the year ended 31 March 2018.

30. Key sources of estimate uncertainty and judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

The determination of the useful lives and residual values of property, plant and equipment; and intangible assets with finite useful lives. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Provisions were recognised and management determined an estimate based on the information available.

Contingencies recognised require estimates and judgements made by management and is normally the amount that the entity would rationally pay to settle the obligation or to transfer it to a third party at thereporting date. Management's judgements are based on similar transactions and, in some cases, reports from independent experts. Any events after the reporting date are considered and, where relevant, included. Contingent assets are assessed on a continuous basis and when inflows of resources become virtually certain the related asset is recognised in the notes to the annual financial statements.

31. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts				
Unspent private grants	640	525	-	-
Department of Arts and Culture - Mpumalanga (including interest received)	9	-	9	-
Lottery Fund (including interest received)	4, 088	3, 798	4, 088	3, 798
Gauteng Legislature (including interest received)	433	400	433	400
	5, 170	**4, 723**	**4, 530**	**4, 198**

32. Cost of sales

Sale of goods				
Cost of goods sold	174	(71)	-	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

33. Fair value adjustments

Investment - Stellenbosch University ⊠ Other financial assets (Designated as at FV through P&L) (Refer to note 17)	305	(36)	-	-

34. Impairment of assets

Impairments				
Property, plant and equipment Property, plant and equipment was assessed for impairment and items not in a good condition were impaired.	32	-	-	-
Property, plant and equipment Property, plant and equipment was assessed for impairment and items not in a good condition were impaired.	-	7	-	7
	32	**7**	**-**	**7**

35. Prior period errors

The following errors identified have been corrrected restrospectively and the comparative figures have been restated accordingly:
- Invoices petaining to the PLCs were omitted resulting in expenses totalling R 17,200 being recognised during the financial year ended 31 March 2017.
- Performance and nortch progession bonuses previously not provided to the amount of R 655,089 was recognised as provisions during the year ended 31 March 2017.
- Provision for Compensation Commision totalling R354,410 was recognised during the year ended 31 March 2017.
- An impairment loss totalling R6,602 posted to loss on assets was reallocated to the correct general ledger account.

The total net effect of the prior period error(s) is as follows:

Statement of Financial Position				
Payables from exchange transactions - (Trade payables)	-	-	-	(17)
Payables from exchange transactions - (Accruals)	-	-	-	(356)
Provisions	-	-	-	(655)
Statement of Financial Performance				
Staff costs (Compensation Fund)	-	-	-	356
Staff costs (Bonus provision)	-	-	-	655
Other operating expenses	-	-	-	17
Loss on assets	-	-	-	(7)
Impairment los	-	-	-	7
Cash flow statement				
Cash flow from operating activities				
Staff costs	-	-	-	356
Suppliers	-	-	-	(356)
	-	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

36. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The entity has committed funds from National Treasury for the following 3 years. Management has embarked on a strategic planning exercise and developed a fundraising strategy which includes identifying new avenues for generating additional revenue.

The entity will also continue providing the NLUs with funding from its committed funds in accordance with the PanSALB Act.

37. Fruitless and wasteful expenditure

Opening balance	-	-	605	605
Current year	-	-	35	157
Less: amounts written off	-	-	-	(157)
Less: transferred to receivable	-	-	(25)	-
	-	**-**	**615**	**605**

The opening balance (interest charges on late payments to suppliers) was incurred as a result of inadequate cash flows available to settle amounts due timeously. For the current financial year fruitless and wasterful expenditure amounting to R9,052 was incurred as a result of damages to property at a conference held in Bloemfontein by the Khoisan delegates.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	Consolidated		PanSALB	
Figures in Rand thousand	2018	2017	2018	2017

38. Irregular expenditure

Opening balance restated	-	-	19, 815	45, 063
Add: Irregular Expenditure - current year	-	-	7, 766	11, 748
Less: Amounts condoned	-	-	-	(36 996)
	-	**-**	**27, 581**	**19, 815**

Analysis of expenditure awaiting condonation per age classification

Current year	-	-	7, 766	11, 748
Prior years	-	-	19, 815	8,067
	-	**-**	**27, 581**	**19, 815**

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Irregular expenditure incurred as a result of institutions procuring goods or services by means other than through competitive bids and where reasons for deviating from inviting competitive bids have not been recorded and approved by the accounting officer. (Contravention of Treasury Regulation 16A6.4) Potential irregular expenditure to the value of R7,766 million has been identified as a result of irregular procurement, the matter is currently under consideration for consequence management. National Treasury will be consulted for technical advice on expenditure relating to the CEO in the absence of the Board. Further, thorough investigation will be undertaken to inform the Accounting Officer of the appropriate approach to consequence management based on merit of each case.	Condonation of the irregular expenditure in accordance with the National Treasury guidelines and/or the write-off thereof is being awaited.	3, 529

Details of irregular expenditure for the current year (not condoned)

Project - Advertisement/Media	548
Project - Legal Fees	4, 307
Project - Consultants	814
CEO's Salary Adjustment, Travel & Subsistance	231
ICT	884
Travel Management Companies	214
Other-Contract Variation above 15%	768
	7, 766

BOARD REMUNERATION

The Board was disbanded on the 12th of January 2016 and as at 31 March 2018 no Board members have been appointed.	-	-	-	-	-

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited

The board members of PanSALB was disbanded on 12 January 2016.

The following directors were appointed for both years ending 31 March 2017 and 31 March 2018 at the undermentioned NLUs:

Bureau of the Woordeboek van die Afrikaanse Taal NPC
- Prof. A Schoonwinkel (Chairman)
- Dr W.F. Botha (Executive Director)
- Dr L.E. Combrink
- Prof. L.G. de Stadler
- Prof. R.H. Gouws
- Mr. H.A.J. Lombard
- Dr. M. Pienaar
- Mr. R.A. Stevens

Dictionary Unit for South African English NPC
- S.E.H Driver
- M.M. Hackley
- T.L Amos
- R.D. Adendorff
- M. Hendricks
- R.H. Kaschula
- J.D. Linnegar
- E.J. Wolvaart (Executive Director) and replaced by Mr van Niekerk

Iziko Lesihlathululi-Mezwi Sesindebele NPC
- Mr. P.J. Masilela (Chairperson)
- Mr. D.S. Masanabo (Deputy Chairperson)
- Mr. L.T. Mnguni
- Mr. J. Mthimunye
- Mr. P.G. Mabena
- Mr. V.S. Ndala
- Dr. K.S. Mahlangu (Editor-in-Chief)

Isixhosa National Lexicography Unit
- Dr. M. Jadezweni (Chairperson)
- Dr. P.N. Mkonto
- Prof. D.N Jafta
- Dr. O.S. Dzingwa (resigned)
- Mr. M. Tanda
- Dr. S.S. Mdaka
- Ms. N. Tyolwana (resigned)
- Dr. T. Ntshinga (resigned)
- Mr. Z Wababa (CEO and Editor-in-Chief)

Isikhungo Sesichazamazwi Sesizulu NPC
- Justice S.J. Ngwenya (Chairman)
- Mr. M.A. Simelane (Financial Officer)
- Prof. A.M Maphumulo
- Dr. M.O. Mtshali
- Mr. B.N. Mchunu
- Ms. L. Makhubu (Deputy Chairperson)
- Dr. M.O Mbatha (CEO and Editor-in-Chief)
- Ms. L. Mahonga
- T.R.G Ntombela
- Mr. N.M. Dubazane
- Ms. T. Dlamini

Sesiu sa Sesotho Lexicography Unit NPC
- Prof. M.A. Moleleki
- Prof. H.M. Thipa
- Mr. C.M. Mahase
- Mr. T. Theletsane (Acting Editor-in-Chief)

Sesotho Sa Leboa Dictionary Unit NPC
- Dr. S.J. Chokoe (Chairperson)
- Mrs. K.M. Makgopa
- Ms. M.K. Malepe
- Dr. M.V. Mojela (CEO and Editor-in-Chief)

- Dr. D.N. Lekganyane
- Dr. S. Mogale
- Mr. S.J Dolamo
- Mr J.R. Matlala

Setswana National Lexicography Unit NPC
- N.J. Phalatse (Chairperson)
- D.J. Molefe (Deputy Chairperson)
- G.B Mareme (Editor-in-Chief)
- R.D. Paadi
- B.D. Sebolao
- K.A. Mhlongo
- G.M. Tlaletsi

Silulu Sesiwati Lexicography Unit NPC
- P.M. Lubisi (Chairperson)
- A.D. Shongwe
- J.J. Thwala
- B.V. Mbongela
- L.R. Ntsane
- O.A. Bhiya
- J.P. Shongwe
- Mr. B Malinga (Acting-Editor-in-Chief)

Tshivenda Naltional Lexicography Unit NPC
- Prof. M.J Mafela
- Adv. K.S. Negota
- Mr. S.L. Tshikota (CEO and Editor-in-Chief) Resigned in January 2018)
- Prof. N.M. Musehane (Chairperson)
- Mr. T.E. Maphangwa
- Dr. I.P. Demana
- Mr. N.C. Netshisaulu
- Mr. A.S. Tshithukhe

Xitsonga National Lexicography Unit
- Mrs. N.C. Shilote (Chairperson)
- Mr. M.J. Baloyi (Deputy Chairperson)
- Mr. M.J Hlongwane
- Mrs. M.L. Bilankulu
- Mr. S.E. Mushwana
- Mr. X.E. Mabaso
- Mr. S.W.T. Machumele
- Prof. N.C.P. Golele
- Mr. H.T. Mashele (Executive Director)

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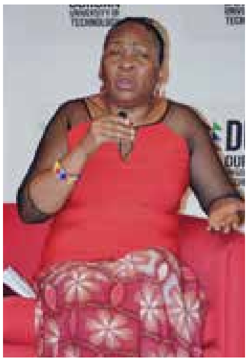
SOUTH AFRICAN SIGN LANGUAGE CHARTER CONSULTATIVE WORKSHOP

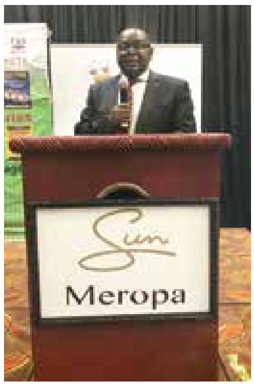
DEAF SCHOOL DEBATE

28 DAYS OF LANGUAGE ACTIVISM MONTH LAUNCH

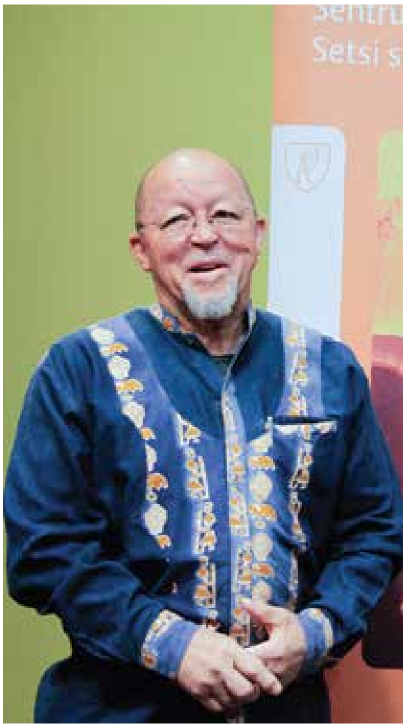
28 DAYS OF LANGUAGE ACTIVISM MONTH PUBLIC LECTURE



LIVE DEBATE



INDIGENOUS PEOPLES LANGUAGE CONFERENCE











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