



ANNUAL REPORT

"The Power of Museums"

NATIONAL MUSEUM
BLOEMFONTEIN

2022 | 2023

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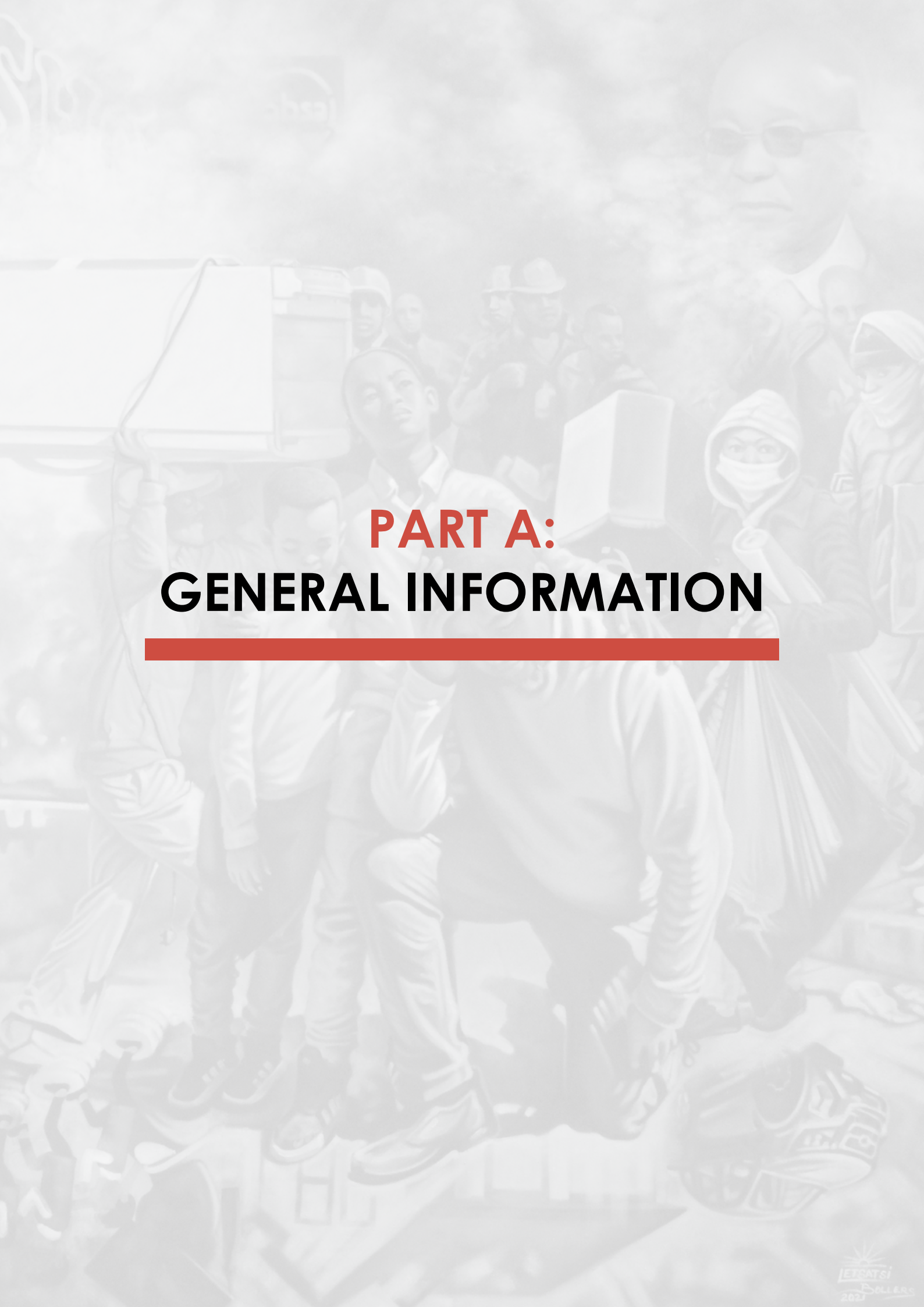
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PART A: **GENERAL INFORMATION**

NATIONAL MUSEUM GENERAL INFORMATION

The National Museum* is a Declared Cultural Institution with framework autonomy which resorts under the Department of Arts and Culture and is governed by a Council. The Museum is a natural history, cultural history and art museum which systematically and selectively collects examples and information relevant to these fields over the whole spectrum of prehistory up to the present. It is its task to document, preserve, conserve, restore, make available, study and promote such items, specimens, examples, collections and information.

*Incorporating the satellites: First Raadsaal Museum; Florisbad Research Station; Freshford House Museum; Oliewenhuis Art Museum; Wagon Museum; and Artbank.

function of the Museum and is embedded in every Museum activity. Through its displays and programmes the Museum renders a public service for its diverse audiences, engaging them in enjoyable and enlightening experiences and enriching the learning opportunities of all individuals.



NATIONAL MUSEUM, BLOEMFONTEIN

The National Museum in Bloemfontein was established in 1877 and initially its collections and displays consisted mainly of rarities from around the world. Subsequently the Museum has developed into an omnibus institution with international stature. Intensive research is being done and significant study collections have been assembled in the fields of acarology, arachnology, botany, entomology, herpetology, mammalogy, ornithology, palaeo-ecology, palaeontology, anthropology, archaeology, cultural history, rock art and fine arts. Education is a further core



OLIEWENHUIS ART MUSEUM

*(Satellite of the
National Museum)*

On 19 July 1985 the former State President, Mr P.W. Botha, handed Oliewenhuis to the National Museum to be developed into an art museum. Oliewenhuis was erected in 1941 as residence of the Governor-General of the Union of South Africa. It was also used by the State Presidents of the Republic of South Africa as residence when on official visits to Bloemfontein. Later, however, Oliewenhuis was no longer used and it was thus made available to the National Museum.

Several structural changes had to be made to develop Oliewenhuis into an art museum, which on completion was officially opened on 11 October 1989.



Oliewenhuis Art Museum collects exclusively South African art and its collection consists of paintings, sculpture and graphic art. The pride of the collection are the Pierneef paintings, especially the magnificent Rustenburg Kloof, and the paintings of Bloemfontein done by Thomas Baines in 1851, only five years after the establishment of the town. The Art Museum obtains artworks through donations and acquisitions. The City Council of Bloemfontein made important donations, which were first housed at the A.C. White Gallery, and Mrs Dora Scott donated the F.P. Scott Trust Collection. The latter includes 24 artworks of the Bloemfontein Group.

FLORISBAD QUATERNARY RESEARCH STATION

*(Satellite of the
National Museum)*

Florisbad is an internationally important fossil locality which has produced an archaic modern human skull in addition to valuable archaeological and palaeontological material. It is a key site for information not only on the physical development of modern humans, but also on their environment and subsistence behaviour. In September 1912 an earthquake opened up a new spring at the Florisbad mineral spring, and fossil

bones and stone artefacts were brought to the surface with the water. Robert Broom investigated the find and in 1913 published an article on the material.

The discoveries prompted further investigations in the 1920s and 1930s by Prof. T.F. Dreyer from the Grey University College in Bloemfontein. This culminated in the discovery of the Florisbad human cranium in 1932. Dr A.C. Hoffman, Director of the National Museum in Bloemfontein, carried out further work in 1952. In 1980 Florisbad was bought by the South African Government for research purposes and was placed under the administration of the National Museum, Bloemfontein.



WAGON MUSEUM

*(Satellite of the
National Museum)*

The Wagon Museum is situated on the same premises as the First Raadsaal Museum. It houses a collection of historical wagons and carriages, such as a spring wagon, Voortrekker ox wagon, transport wagon, stage coach, mule wagon, spider and Cape cart. In the exhibition area are various panels depicting the development of transport through the ages and the making of a wagon wheel. A miniature diorama gives the visitor an impression of a team of oxen in front of a Voortrekker ox wagon. An exhibit of modes of transport used by black people has recently been included in the Museum.

ART BANK

The Art Bank of South Africa is a national programme of the Department of Sport, Arts and Culture as part of the Mzansi Golden Economy (MGE) strategy implementation and is hosted by the National Museum Bloemfontein, an agency of the Department of Sport, Arts and Culture. The vision of the Art Bank is to promote, foster and stimulate a vibrant market for the collection of South African contemporary visual art. It is tasked with purchasing artworks from South African artists, particularly that of emerging artists in order to lease and sell the artworks to South African government departments, private companies and private individuals.



FRESHFORD HOUSE MUSEUM

(Satellite of the National Museum)

Freshford is one of the few houses of the upper middle class of the Edwardian period that still exists in Bloemfontein. The house was designed and built by the architect, John Edwin Harrison. Born and trained in England, Harrison immigrated to South Africa in 1894.

Freshford House was completed in 1897, i.e. during a transition between the Late Victorian and Edwardian periods. With its asymmetrical facade, unplastered red brick walls, bay windows, veranda with carved wood and galvanised iron roof with cast-iron finishes, Freshford House is a typical example of a residence during this period in Bloemfontein.

The house was acquired by the National Museum in 1982, restored to its former glory and was opened to the public in 1986.



FIRST RAADSAAL MUSEUM

(Satellite of the National Museum)

The British Resident, Maj. H.D. Warden, built this typical South African pioneer's building in 1849. It was the first school building north of the Orange River. It served as a church until 1852 and it was used by the Legislative Council of the Orange River Sovereignty and, from 1854, by the Orange Free State Republic as Assembly Hall and offices. When the Assembly moved to larger premises in 1856, the building reverted to its use as a school, which it remained until 1877. The little building was put to a different use once again when in that year it housed the newly established National Museum. It was vacated in 1915 when the Museum moved to its present premises, and it was proclaimed a National Monument in 1936. In 1975 the wheel had turned full circle when the old Raadsaal was once again vacated and transferred to the National Museum.



Registered Name:	National Museum Bloemfontein
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Fax Number:	+27 51 447 6273
Email Address:	direk@nasmus.co.za
Website Address:	www.nasmus.co.za
External Auditors:	Auditor General of South Africa
Bankers:	ABSA Shop 18, Second Floor Loch Logan Centre C/o First and Henry Street Bloemfontein 9301
	South African Reserve Bank 370 Helen Joseph Street Pretoria 0002
Company Secretary:	None

LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General of South Africa
ArtbankSA	Art Bank of South Africa
AU	African Union
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCIFSA	Cultural and Creative Industries Federation of South Africa
CRM	Climate Risk Management
DSAC	Department of Sports, Arts and Culture
EIA	Environmental Impact Assessments Reports
GBV	Gender Based Violence
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
LGBTQI	Lesbian, gay, bisexual, transgender, queer and intersex
LGBTQA	Lesbian, Gay, Bisexual, Transgender, Queer, Asexual, & Allies
OHS	Occupational Health & Safety
PESP	Presidential Employment Stimulus Programme
PPPFA	Preferential Procurement Policy Framework Act
PFMA	Public Finance Management Act
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union
NM	National Museum
NRF	National Research Fund
SASAWU	South African State and Allied Workers' Union
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
UAMP	User Asset Management Plan
UN	United Nations
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNIDROIT	International Institute for the Unification of Private Law
VANSA	Visual Arts Network South Africa

FOREWORD BY THE CHAIRPERSON

"Museums have the power to create unity on both a social and political level, but also on a local one. Local museums are able to provide a sense of community and place by celebrating a collective heritage, offering a great way to get to know the history of a particular area."

Rebecca Carlston



Chairperson of the Council
Adv. J E Leshabane

Introduction

In June 2022 the South African government removed all COVID-19 restrictions and Museums were able to operate normally. By then, the Museum had operated for more than two years under various stages of lockdown occasioned by the pandemic. We learnt how to adapt and provide Museum experiences to our patrons beyond the four walls of the Museum. We have rediscovered our power to teach, to inspire, to engage and to entertain. The National Museum was pleased to join the international community to celebrate under the theme: **"The Power of Museums."** This theme focused on the three ways in which Museums can transform the world around them: the power of fostering sustainability and climate justice; the power of innovating on digitisation and accessibility; and the power of community building through education.

Performance Highlights

This report details the financial and non-financial performance of Year 3 of the Museum's Five-Year Strategic Plan (2020 -2025).

I am pleased to report that out of **66** targets set, our performance reflected **63** targets as either achieved or exceeded (**95.5%**). The Museum has put plans in place to address those targets that were partially achieved (**1 target**) or not achieved (**3 targets**) in the new financial year. Only **4%** of targets were not achieved. Detailed performance information can be found in Part B of this report.

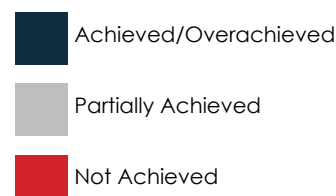
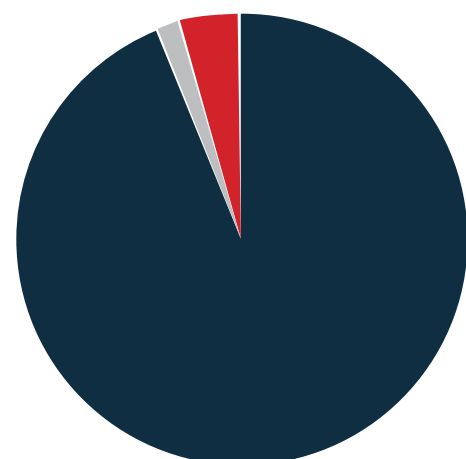
I am further pleased to report that the Museum received an unqualified audit with no findings (**clean audit opinion**) from the Auditor General. Another highlight is the improvement in our expenditure management where the Museum now has an audited average of 5 days for payment of creditors and suppliers (2021.22: 13 days).

The Museum experienced an increase in visitor numbers as the COVID-19 restrictions were uplifted. We were able to successfully roll out our planned temporary exhibitions and research programme for the year.

Research and Conservation highlights

I am happy to report that the Museum received ethical clearance for all the projects that commenced during the year. This is in line with our strategy to undertake research according to ethical standards and to produce high quality results relating

% Achievement across performance areas for 2022/2023

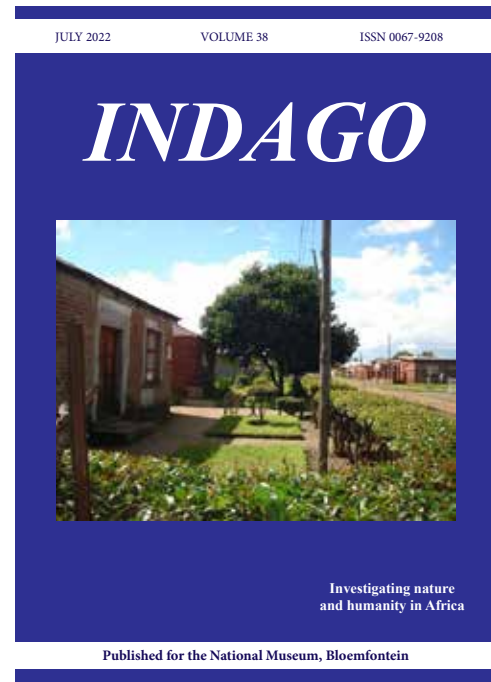


to the various research disciplines of the National Museum. The Museum undertakes and promotes research in several natural and human science disciplines. During the financial period, a total of **13** research studies were conducted on existing collections of the Museum. Research output was increased by **34** scientific publications in peer-reviewed journals and **35** in popular journals and magazines in the year. Full details of these publications appear in the Annexures contained in Part B of this Annual Report.



Image: International collaborations. The Montpellier University collaborating team pictured with Ronny Nokha from our Mammalogy Department.

Museum scientists disseminated their research at **30** national and international conferences. Our scientists supervised **5** Doctoral and Masters' Students and provided **8** university students with an opportunity to do vacation work at our research station. A total of **102** manuscripts were reviewed for international and national scientific publications, research theses, scientific reports,



and researcher evaluations. Museum scientists presented **22** academic and **16** public lectures.

Scientists from the Terrestrial Invertebrates Department of the Museum were involved in the description of **9 new species** in the last financial year. These new species were described in international journals. Through our collections and research, the Museum is connected to the national and international scientific community. Our scientists registered **5** new collaborative research projects and were awarded **8** research grants. Edition 77 of **Culna Magazine** was produced and **22** articles were published online. Volume 38 of the **Indago Journal** was published in hardcopy and online.

The Museum engages in conservation by building and curating representative collections of Natural and Human Science, including Fine Arts. The Museum added **15 328** new specimens to our natural science collections and **243** to our human science collections in the year. The **ArtbankSA** purchased **171** artworks during the year.

Annually the Collections Department audits the heritage collections for compliance with the Collections Policy and GRAP. The audit outcomes show that the Museum has an excellent compliance rate with procedures for conservation, curation, and management of collections. The Museum made additional equipment purchases in line with its strategy for **Digitisation of Heritage Collections** and **4369** heritage items were digitised.

Challenges Faced by Council

The Museum's biggest challenge is the over reliance on grant funding. Treasury continued to make budget cuts to funding allocated to government entities in response to COVID-19-related demands on the fiscus. Unfortunately, the Museum's budget was reduced during the year under review. The Museum recognises that it needs to generate more income which will be done by increasing visitor numbers, promoting increased use of its venues, and attracting more research grants.



The Year Ahead

Council will focus on the following activities in the coming year:

- Implementing PESP4 projects.
- Improving the roll out of CAPEX projects which will see urgent renovations to the premises of the National Museum and satellites.
- Fundraising and sourcing alternative grant funding for research due to ongoing budget cuts imposed by DSAC and Treasury.
- Implement its Employment Equity Plan and Development of Black Scientist programme.
- Digitisation of the collections.
- Improving our contract management
- Overall strengthening of the governance of the organisation.

Acknowledgements / Appreciation

On behalf of the Council, I extend our thanks and appreciation to the Honourable Minister, for his guidance and support provided to the sector and wish him well in this new portfolio. I am indebted to my fellow Council, which, despite the many challenges that we dealt with in the year, played a key role in advancing our governance programme for the year with minimal disruptions.



Our Council members are passionate about the Museum and are committed to successfully steering us through the post COVID-19 landscape. I extend my appreciation to the officials of the Department of Sport, Arts and Culture, for their guidance and support. The CEO, Management and Staff of the National Museum are congratulated for achieving these performance outcomes.

Conclusion

The largest segment of the Museum's visitors are school groups and parents and their children. The Museums plays a key role in providing curriculum-based education for our school visitors. We have invested in a Mobile Art Museum which will allow us to increase our reach and take curriculum based visual art lessons to schools in our province. The Museum is also in the process of expanding our exhibitions at the Raadsaal Museum, which will provide space for learners to be educated on more of our history. Additionally, we extend our education reach to the higher education sector, where we provide post graduate supervision, lectures, and field schools to university learners. The new field school at Florisbad Quaternary Research Station will be marketed more broadly and we hope will attract more international and national students and researchers.

Adv. J E Leshabane
National Museum
31 July 2023

CHIEF EXECUTIVE OFFICER'S OVERVIEW

"Museums are just as important to the future as the future is to museums. Not only can our museums bring history to life, but they can also shine a light on both our present and our future – a light which can be hard to find elsewhere."

Rebecca Carlsson



Chief Executive Officer
Sharon Snell

Introduction

The Museum visitors increased in the year as we saw the schools return to operating normally. Physical visits to museums are still the primary means by which our patrons, especially children, engage with our collections and science knowledge.

The Museum purchased a vehicle for the **Mobile Art Museum** which will be hard launched in the new year. The Mobile Art Museum will take the art museum to the schools and is intended to give rural school children who would not normally visit an art museum, a wonderful opportunity to enjoy art. We have replicated life size art works, and these will be rotated in the Mobile Art Museum to support the delivery of curriculum based visual art lessons to schools. Several curriculum-based lessons for all grades have already been prepared and are ready to be rolled out. This initiative is a first for South Africa and the Free State Province and the Museum is proud of all the officials who participated in the endeavour from conception to implementation.

General Review

The Museum's income was again severely affected by unplanned budget cuts during the financial year because of Treasury reprioritising funding due to the pandemic. The Museum's primary income consisted of grant funding received from DSAC in an amount of **R 76, 8 million**. Other significant income received was from interest (**R 5, 8 million**). An amount of **R883K** was received as project income. The Museum ended the financial year with an operational surplus of **R 16,7 million**. The Museum has an Employment Equity Plan in place and is making strides to achieve the annual targets.

The Museum did not experience capacity constraints or challenges in the reporting period. No activities were discontinued, and no new or proposed activities were introduced. There were no events after the reporting date to report on.



Staff Demographics

PESP 3 Funding

The Department of Sport, Arts and Culture has made PESP3 Funding available to the cultural and creative industry with the aim to expand the creative industry and contribute to economic recovery and reconstruction. Due to the successful implementation of the first PESP in 2020, the National Museum, with coordination by the Art Bank of South Africa, is once again

implementing the Work-Based Experience Programme. The programme is providing monthly stipends for the interns for 4 months.



Image: PESP interns placed with the Phansi Museum in KwaZulu Natal to work on the digitisation of the museum artworks and archival material.

Research Highlights

I would like to congratulate two Museum researchers for achieving their first **NRF rating**. **Dr Will Archer**, HOD of Archaeology and Anthropology, has achieved his first NRF rating. He has been rated a C1, an exemplary achievement which speaks to the high calibre of his research. C-rated researchers are recognised as established researchers with a sustained recent record of productivity in the field who are recognised by their peers as having produced a body of quality work, the core of which has coherence and attests to ongoing engagement with the field. They have further demonstrated the ability to conceptualise problems and apply research methods to investigating them.

Another up-and-coming researcher is **Dr Gimo Daniel**, who is also a National Geographic Explorer. He is employed as a Principal Museum Scientist in the Terrestrial Invertebrates Department. Dr Daniels was recently rated for the first time by the NRF, and he was awarded a Y1 rating. Y-rated researchers are recognised by the NRF as having the potential to establish themselves as researchers within a five-year period after evaluation, based on their performance and productivity as researchers during their doctoral studies and/or early postdoctoral careers.

Dr Gimo Daniel was also awarded a competitive **National Geographic research grant** to conduct a project entitled: "The undiscovered dung beetle fauna from Mabu forest, Mozambique – the largest medium-altitude rainforest in southern Africa". A few biodiversity surveys to Mount Mabu recorded large numbers of unique species found solely in this region and nowhere else. Although the biological importance of the region is documented for plants, mammals, reptiles and butterflies, very little is known about most of the species that live there, including dung beetles. This project comprises the first survey of dung beetle diversity in a region shown to have rare and distinctive communities of other animals and plants. The fieldwork was conducted in April 2022. Preliminary results show that Mount Mabu contains exceptional levels of biodiversity as they collected over ten new dung beetle species to science.

An exciting development in the Archaeology and Anthropology Department is the initiation of a **Max Planck Partner Group** in late 2021. Dr. Archer was appointed by the President of the Max Planck Society (Germany) to lead this group, which is an initiative intended to promote nuclei of scientific excellence on the African continent. This group will facilitate the integration of research opportunities afforded by important archaeological sites and collections in South Africa with the technical capacities and scientific equipment housed at the Max Planck Institute for Evolutionary Anthropology in Leipzig, Germany.

Dr Lloyd Rossouw was invited to join a new international collaborative research project, *Palaeoecology and open-landscape adaptations of Pleistocene humans in South Africa*, a five-year program funded by the **European Research Council (ERC)** and Dr Sharon Holt received funding from **PAST** for a new research project focussing on tortoise bone identification in archaeological sites. The Florisbad Quarternary Research Station also hosted a one-day workshop for research collaborators, entitled **Pleistocene Archaeology and Palaeoecology of the Free State**.



Image: Students receiving instruction on the archaeological excavations (above) and some of unique fossil finds kept at the Florisbad Quaternary Research Station (below).

Cultural Highlights



Image: Kgosi Gaboilelwe Moroka Photo credit: Real history of Botswana

The Museum attended the coronation ceremony of **Kgosi (Kgosigadi) Gaboilelwe Moroka**. The coronation ceremony of Kgosi Gaboilelwe Moroka, daughter of the late Kgosi Robert Tawana Mokgopa and Kgosigadi Gaongalelwe Audrey Moroka (née Makgothi), took place on the 10th of September 2022 at the Royal Kraal in Thaba Nchu. As is customary, Kgosi Gabo was dressed in royal attire comprising a leopard skin that covered her shoulders and head. She also held an oval shield (with a knobkierie and assegai attached to it) in one hand and a shorter knobkierie in the other. The oval-shaped shield is usually associated with Nguni tribes but also features on the Barolong boo Seleka coat of arms and the coat of arms of Botswana. Kgosi Gabo is the first woman to hold the title of Kgosi in the history of Barolong of Seleka.

Celebrating Special Days

The Museum curated content-rich experiences focusing on promoting nation building and social cohesion. The Museum celebrated the following special days during the financial period:

Africa Day

On 25 May the world celebrates **Africa Day** to commemorate the founding of the Organisation of African Unity (OAU) in 1963. The OAU was the precursor to the present-day African Union (AU). The National Museum commemorates Africa Day with an exhibition that consists of information banners, books, and a showcase with beautiful handmade African objects. These unique objects celebrate Africa's rich tangible cultural heritage. The Collections Department celebrated Africa Month with a



temporary display of several traditional Basotho blankets which were showcased at the First Raadsaal and Wagon Museum.

Youth Day

Youth Day was commemorated with a new exhibition. Staff members of the National Museum's History Department prepared a new temporary exhibition – In Solidarity with the Class of '76: The Mangaung School Boycotts of the Late 1970s and Early 1980s – to focus on the school boycotts in Mangaung during the late 1970s and early 1980s.



Women's Month Celebrations

All the things she said: A mile in her shoes and other stories, an exhibition in collaboration with Oliewenhuis Art Museum and the Artbank of South Africa featured a selection of artworks and shoes from the textile collection to celebrate women and to communicate women's lived experiences and their struggle for equality.

During the exhibition at Freshford House Museum the main focus was on ladies shoes from the 1920s to the 1980s. Throughout history women-led demonstrations have been influential in bringing about change. Women have taken to the streets protesting for peace, freedom, equality, and women's rights. Naturally the women marching for equality over the years wore shoes on their feet. However, in the exhibition shoes was used as a metaphor for the physical and emotional pain women endured to obtain freedom and equality.

Heritage Month Celebrations

On Friday, 16 September, a very special event was hosted at Oliewenhuis Art Museum for Grade 5 learners of **Pholoho Special School in Phahameng**. The theme of the event was Value your local heritage. The learners, who are disabled, were divided in groups and each group had to decorate a template of a traditional Basotho hat. Furthermore, the groups had to write short stories explaining why South Africans must take pride in their local heritage. Prizes were handed to the groups who created the best artworks and stories.



Image: National Museum and Oliewenhuis Art Museum staff members who have attended the event are, from left to right, Caroline Nthoba, Lindelwa Shabalala, Elizabeth Scott, Anna Chacha, Sabi Chaka, Amy Goitsemotimo, Yolanda de Kock and Maria Phalole.

On the 14th of September, in celebration of Heritage Month, the First Raadsaal and Wagon Museum hosted **Dinotsi Dance Group**. Twelve members of the group entertained visitors with traditional Basotho song and dance. Grade 7 learners from **Roseview Primary School** attended the morning session and the dancers took time to interact with and teach the learners. After some practice the learners were given the opportunity to perform and showcase their newly acquired dance moves.

One of the dances that were demonstrated to visitors is called *ditolobonya*. It involves the movement of the pelvis and buttocks. In the past, *ditolobonya* was performed exclusively by married women and/or women with children especially at the 'pitiki' (a celebration that follows the birth of a child). Performers wear voluminous skirts made from shredded maize bags and metal bottle caps (lids) that are attached to a cloth. The caps help to create a sound when performers are dancing. Girls are taught this dance at an early age, because it is believed that they must learn how to move their hips rhythmically. Women used to dance and sing *ditolobonya* songs as a way of expressing the challenges they face in their relationships and marriages. The dance has been integrated as part of the heritage of Basotho and is performed at most cultural ceremonies.

Celebrating Excellence in Art

The 2022 **New Breed Art Competition**, presented by Phatshoane Henney Attorneys, was run in association with Oliewenhuis Art

Museum and the Art Bank of South Africa. The judges were Nathi Gumede, assistant project manager at the Art Bank of South Africa, Storm Janse van Rensburg, Senior Curator and Head of Curatorial Affairs at Zeitz MOCAA in Cape Town and Melissa Goba, independent curator, and panel convener of the MTN and University of Johannesburg New Contemporaries Legacy Panel.

In deciding on the first prize winner the judges were impressed the artist and her lived experience which so clearly shaped her fragile, emotional, and delicate sculpted figures, portraying the struggles of hearing-impaired persons to communicate and be heard. Keabetswe Mosetlhe, the winner of this year's New Breed Art Competition, is a deaf artist whose artwork tells the story of the challenges she faces with communicating with her family. She entered her beautifully hand-crafted ceramic figures entitled "Signing", portraying her family members without arms, or hands, because they do not know or understand SA sign language. Keabetswe was awarded R50,000 in prize money and receives national recognition as the winner of the 2022 New Breed Art competition.



Image: Keabetswe Mosetlhe, the winner of this year's New Breed Art Competition was awarded R50,000 in prize money and receives national recognition as the winner of the 2022 New Breed Art competition.

Request for Rollover of Funds

The Museum applied for rollover of surplus funds from the 21.22 financial period, and this was granted by Treasury. Treasury approval is hereby granted in terms of PFMA section 53(3) for the National Museum to retain the cash surplus of R47 758 000 to be used to enhance and upgrade its ICT infrastructure; Digitisation of the museum collection; Upgrade of facilities, and secured premises for Artwork (Art Storeroom, Air conditioning, Flooring, Burglary Proofing for all entrance and exits and windows, Painting, Emergency Equipment and Shelving for Artwork); Maintenance and repairs of the museum and its satellite museums; Replacement of the ageing museum fleet; Payment of staff and management annual performance bonuses; A project to develop black scientist by training black upcoming scientists; and Payment of municipal charges.

Employee Benefits

To reduce costs and risks, the Museum converted from a self-managed fund to an Umbrella Fund in the prior period. In the current period, the FSCA gave the Museum the go ahead to transfer the funds from Sanlam to the Old Mutual Super Fund. The Museum is in the process of tracing all unclaimed beneficiaries and attending to the administrative processes to close the fund. Once all unclaimed members have been transferred out the termination of the Fund can commence.

Employee pension funds in the Old Mutual Super Fund are managed in two portfolios. Although the performance between the two portfolios was very similar to each other in terms of performance, both funds remained within their targeted mandates.

- **Old Mutual Multi- Managers Inflation Plus 3-5% Strategy.** In a difficult year ending March 2023, this portfolio was ranked 9/27 over the one-year period but remained in the top quartiles over the 3-, 5- and 10-year periods. The portfolios performance of the 1-year period was 7.29% versus the CPI of 7.05%.
- **Old Mutual Multi- Managers Inflation Plus 5-7 % Strategy.** In a difficult year ending March 2023, this portfolio was ranked 22/62 over the one-year period. The portfolio retained its position in the top 2 quartiles over the 3-, 5- and 10-year periods. The portfolios' performance of the 1-year period was 7.03% versus the CPI of 7.05%.

The Voorsorgfonds is also in the process of terminating. The FSCA conducted a supervisory on-site inspection in terms of section 132 of the Financial Sector regulation act, 9 of 2017 of Nasionale Museum Bloemfontein Voorsorgfonds. The purpose of a supervisory onsite inspection was to:

- Check compliance by the entity with a financial sector law for which the Conduct Authority is the responsible authority, a regulator's directive issued by the Conduct Authority, or an enforceable undertaking accepted by the Conduct Authority;
- Determine the extent of the risk posed by the entity of contraventions of a financial sector law for which the financial sector regulator is the responsible authority; and
- Assist the financial sector regulator in supervising the relevant financial institution.

Supply Chain Management

There were SCM- related findings in the year under review and these are being addressed. The biggest challenge the Museum must tackle in the future is improving the contract management and training of SCM officials. The Council reviewed the structure of SCM and enhanced the capacity. The SCM policy was reviewed and updated as well as the Standard Operating Procedures. The Museum did not conclude any unsolicited bid proposals for the year under review.

Audit Report Matters from the prior period

The Museum received a clean audit report in the prior period and had in place an Audit Tracking Register to track the resolution of all findings. This was reported quarterly to the Audit and Risk Committee. Currently all findings have been resolved.

The National Museum in the Triennium

The cost of employment was **R 45, 6 million** (2021.22 R R46, 6 million). At the end of the financial period 2023 to 2025, the National Museum will have in its employ about 120 staff members. This poses a budgetary challenge that will need attention if the Museum is to continue attracting top research talent, including NRF- rated researchers. However, the Museum remains an economically viable entity.

The Museum has embedded Enterprise-Wide Risk Management into its strategy and operations. Important to note is that significant strides have been made over the five-year period in the management of risks at the Museum, and this has translated into tangible improvements in the Museum's overall performance and audit and governance outcomes.

Acknowledgements

The Museum has completed Year 4 of its strategy and in some instances it have cumulatively achieved the objectives and targets set out in its Five-Year Strategic Plan. All these achievements are because of the hard work done by the Heads of Departments and staff of the Museum. I would like to thank them for their commitment, passion, and support throughout the year, most especially for innovation and team discipline during the lockdown periods.

I remain indebted to our Council Chairperson, Advocate Leshabane, who provides strategic support and guidance to the Executive Management. I would like also to extend my thanks to the Council of the National Museum and the committees for their active support and counsel throughout the year,



S Snell
Chief Executive Officer

National Museum
31 July 2023

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

The Annual Report is complete, accurate and is free from any 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 F) have been prepared in accordance with the standards applicable to the public entity.

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

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

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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully



Chief Executive Officer

Name: S Snell

Date: 31 July 2023



Chairperson of the Board

Name: Adv. J. E. Leshabane

Date: 31 July 2023

STRATEGIC OVERVIEW

The National Museum is a Natural History Museum, a Cultural History Museum and an Art Museum. Against the background of the international definition of a museum as a non-profit-making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment, the National Museum performs its conservation, research and educational functions in a broad spectrum of disciplines in the Natural Sciences, Human Sciences and Fine Arts.



Vision

To be known as the best heritage centre in Africa.

Mission

To provide heritage information, an enjoyable experience and an invaluable tourism resource to all people through quality research, conservation, education and exhibitions. The Museum's functions are:

- *Conservation:* To build and curate representative collections of natural science, human science and art objects which are consistent with the objectives and activities of the Museum.
- *Research:* To undertake and promote research in the approved disciplines of the Museum.
- *Education:* To disseminate information on nature, culture and art, through publications, exhibitions and a variety of educational programmes.
- *Tourism:* To provide an invaluable tourism resource in the central interior of South Africa.

Values

The National Museum is driven by the following values:

Excellence

Respect

Teamwork

Innovation

Professionalism

Co-operation

Commitment & Passion

Community empowerment

LEGISLATIVE AND OTHER MANDATES

Cultural Institutions Act

The National Museum was established in terms of section 3 of the Cultural Institutions Act (Act 119 of 1998) and in terms of section 5 is governed by a Council appointed by the Minister of Arts and Culture.

Parliament has the power to conduct oversight of all organs of state, including those at provincial and local government level. Portfolio committees exercise oversight over a particular government department or "portfolio" and deal with bills within that portfolio.

Parliamentary committees are established as instruments of the Houses in terms of the Constitution to facilitate oversight and monitor the government. These committees are the "engine rooms" of Parliament's oversight and legislative work. Committees scrutinise legislation, oversee government action, and interact with the public. One of the most important aspects of the oversight function is the consideration by committees of annual reports of organs of State, and reports of the Auditor-General. Depending on the purpose of the oversight, the Committee will either request a briefing from the organ of State or visit it for fact-finding.

National Living Heritage Policy

The DSAC has developed the National Living Heritage Policy with the objective of the safeguarding of living heritage and ensuring compliance with the 2003 UNESCO Convention on Intangible Cultural Heritage Convention.

National Policy on Digitisation of Heritage Resources

The Policy recognises and takes account of the implications of the rapid advances in the evolution of Information and Communication Technologies for "notions and practices of collective memory and heritage". The Policy identifies the key risks to the future preservation of collections, including the fragmented character of current digitisation initiatives; the financial resources available to support digitisation; the lack of consistency in the standards and guidelines; and the threat of the proliferation of digital archives containing important national content that is largely uncontrolled and unconnected to the national memory systems. The Policy seeks to address these risks.

Ratification / Accession to International Conventions

Various international conventions and protocols govern the culture and heritage landscape. The DAC has developed policies in line with the applicable conventions and initiated the ratification/accession process by submitting the following international conventions to Parliament for tabling:

- a) UNESCO Convention (2001) on the Protection of the Underwater Cultural Heritage;
- b) Second Protocol to the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict (1999); and
- c) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects (1995).

The Use of Official Languages Act

The Use of Official Languages Act, which seeks to regulate and monitor the use of official languages by government, came into operation with effect from 2 May 2013.

Review of the White Paper on Arts and Culture

The Revised White Paper seeks to align the Arts Culture and Heritage space with the broader shifts in government policy and priorities and to elevate the contribution that arts, culture and heritage might make towards social cohesion, nation-building and economic empowerment. It also seeks to address the challenges that the Sector faces, to remove duplication and overlaps in mandate, and to rationalise the number of entities falling under the DAC and their associated institutional activities.

The Revised White Paper recommends a substantial restructuring of institutional support for the Sector. Key questions arising from this approach include the detailed programming of these institutions and how they will be able to meet their mandates with the available financial and human resources.

National Development Plan

The *National Development Plan – Vision 2030* (2011) outlines a vision for the country, aiming, *inter alia*, to eliminate poverty and reduce inequality by 2030. Chapter 15 of this plan asserts that the Arts, Culture and Heritage Sector is viewed as a potentially powerful driver for creating a sense of inclusiveness and for encouraging interaction between South Africans from different social backgrounds. Importantly, too, it is viewed as capable of contributing to the mobilisation of active and responsible citizenry. Furthermore, the NDP highlights that the economic value and contribution of the Sport, Arts, Culture and Heritage Sector is increasingly recognised, and that strategies must be developed and implemented to exploit its potential on a global scale.

The NDP aspires to arrive at a situation in which South Africans will be more conscious of that which they have in common, rather than the differences that separate people. This implies that interventions need to facilitate an experience by all South Africans that cuts across the divisions of race, gender, and class. Accordingly, a central focus of the NDP is on creating opportunities that equalise the life chances of South Africans. The NDP further emphasises the importance of redress through measures such as employment equity and black economic empowerment as a means to righting the wrongs of the past as part of this process of equalising opportunities. The NDP calls for the promotion of social cohesion across society that is based on respect and appreciation for constitutional values enshrined in the Constitution.

Sustainable Developmental Goals

The UN has emphasised that arts and culture will play an important role in pursuing each of the 17 Sustainable Development Goals. The safeguarding and promotion of culture is an end in itself, and at the same time it contributes directly to many of the SDGs — safe and sustainable cities, decent work and economic growth, reduced inequalities, the environment, promoting gender equality and peaceful and inclusive societies. The indirect benefits of culture are accrued through the culturally-informed and effective implementations of the development goals.

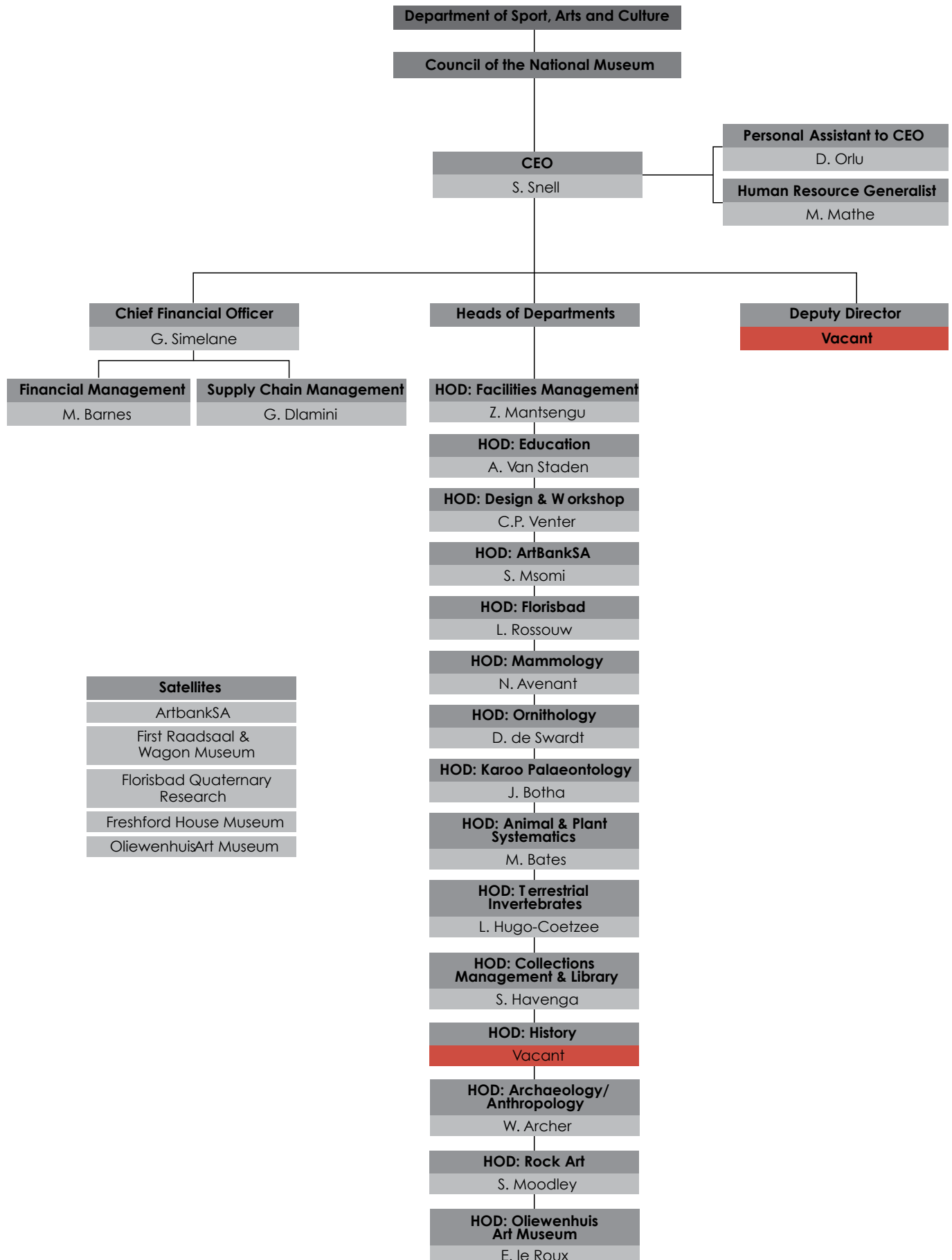
Cultural diversity is necessary for sustainable development for two reasons: the first is human survival as a means of cultural existence. The coexistence of various cultures leads to humans being able to better adapt to the environment. It is because of the coexistence of diverse cultures that the human race has overcome change and continued to survive. The emergence of differing cultures and maintenance of cultural diversity has raised the possibility of the human race adapting to environmental change in the future. Furthermore, in order for culture itself to retain its creativity and vitality, the existence of other cultures is a must. New ideas are born from other cultures, and the source of cultural creativity lies within constant encounters between different cultures.

Agenda 2063

At a continental level, sport, arts and culture contribute to the **Agenda 2063**, a forward-looking continental framework. Agenda 2063 is anchored on the AU vision of “a shared strategic framework for inclusive growth and sustainable development” and based on 7 aspirations derived from consultations. Three of the aspiration have particular relevance to the Museum:

- a) An Africa with a strong cultural identity, common heritage, shared values and ethics;
- b) An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children and
- c) An Africa of good governance, democracy, respect for human rights, justice and the rule of law.

ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION



Image: Education Officer, Andries Makoae in the Mobile Museum vehicle.

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs necessary procedures on the performance information in the form of a findings engagement to reach an audit conclusion on the selected program. The AGSA currently performs the necessary procedures for the purpose of reporting material findings only. The report for AGSA on performance against predetermined objectives is included in the report to management, with material findings being reported under *Report on the audit of the annual performance report* section of the Auditor's Report.

Refer to page 60 of the Auditors Report, published as Part F: Financial Information.

SITUATIONAL ANALYSIS

Service Delivery Environment

The National Museum provides professional services in the curation and conservation of heritage-based collections, in research and education, of benefit to a broad spectrum of the community. Outputs and standards have either been maintained or improved upon by the Museum. Where targets have not been achieved, measures will be considered in future to address these aspects. The Museum strives to address transformation, in a broad sense, across the range of its processes and activities, from policy development and recruitment, through to its collections, research, education and community outreach programmes. There is an ongoing emphasis on the important role the Museum must play in contributing to the transformation of the heritage sector.

Organisational environment

The Annual Report should provide readers with an understanding of the organisational challenges and successes experienced by the public entity in the year under review. The aim of this 'overview of the organisational environment' is to provide a description of any significant developments internal to the public entity that may have impacted on the public entity's ability to deliver on its Strategic Plan and Annual Performance Plan, e.g. the resignation and/or appointment of key personnel such as the CEO or the CFO, a strike by significant portions of the personnel employed by the public entity, or restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the public entity and therefore ostensibly within the public entity's control, it would be expected that the public entity gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

Key policy developments and legislative changes

There were no significant changes to the National Museum's legislative and other mandates. The pending White Paper on Arts, Culture and Heritage, as well as the National Museum's policy, the draft versions of which are still under discussion, will doubtless impact on the Museum's operations.

STRATEGIC OBJECTIVES

Below are the approved Strategic Objectives:

PROGRAMME 1: BUSINESS DEVELOPMENT

Programme 1: Business Development	
Purpose	Programme purpose: - To properly manage and maintain the natural and cultural heritage and art collections; - Serve as centres for promotion of research and development; - Ensure that the Museum remains a centre of research excellence by publishing research output in accredited scientific journals, often collaborating with other national or international researchers; and - Building human and research capacity.
Sub Programmes (if Applicable)	Sub- Programme Purpose
Curation and Conservation of Collections	Programme purpose: To collect and conserve materials and objects of natural and cultural heritage relevant to the disciplines of the National Museum, which represent an important part of the collective national estate. In addition, to give attention to expanding collections where appropriate to include materials, objects and information to promote an enhanced sense of national pride in the diverse cultural and natural heritage shared by all South Africans.
Research and Information Management	Programme purpose: To undertake research according to ethical standards to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to current important debates and trends of research, to as broad an audience as possible. Research programmes will incorporate aspects relevant to promoting a greater awareness of the importance and role of previously marginalized communities in contributing to South Africa as a nation.

PROGRAMME 2: PUBLIC ENGAGEMENT

Programme 2: Public Engagement	
Purpose	Programme purpose: to inform, consult, involve, collaborate with and empower the Museum's stakeholders in the diverse cultural and natural heritage.
Sub Programmes (if Applicable)	Sub- Programme Purpose
Marketing	To promote a greater awareness and better understanding of South Africa's diverse cultural and natural heritage through relevant formal and informal activities and exhibitions.
Public Educational Programmes	To provide informative and enjoyable educational experiences through relevant formal and informal activities and public outreach programmes, thereby contributing to promoting a greater awareness and better understanding of South Africa's diverse cultural and natural heritage.

PROGRAMME 3: COMPLIANCE AND ADMINISTRATION

Programme 3: Compliance and Administration	
Purpose	To provide the necessary professional support and compliance services to ensure the achievement of the Museum's primary objectives of carrying out quality research, expanding and managing diverse heritage collections and communicating this to all, through educational programmes, exhibitions and publications, to emphasise the importance of this diverse heritage to the South African nation.
Sub Programmes (if Applicable)	Sub- Programme Purpose
Support Services	To provide support through human resources, information technology, security, risk management, and supply chain management to enable the Museum to achieve its mandate.
Compliance Services	To provide support to the Museum to ensure compliance with legislation, guidelines, frameworks to avoid audit findings.

PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

PROGRAMME 1: BUSINESS DEVELOPMENT

Programme 1: Business Development	
Purpose	Programme purpose: - To properly manage and maintain the natural and cultural heritage and art collections. - Serve as centres for promotion of research and development. - Ensure that the Museum remains a centre of research excellence by publishing research output in accredited scientific journals, often collaborating with other national or international researchers; and - Building human and research capacity.
Sub Programmes	Sub – Programme Purpose
Curation and Conservation of Collections	To collect and conserve materials and objects of natural and cultural heritage relevant to the disciplines of the National Museum, which represent an important part of the collective national estate. In addition, to give attention to expanding collections where appropriate to include materials, objects and information to promote an enhanced sense of national pride in the diverse cultural and natural heritage shared by all South Africans.
Research and Information Management	To undertake research according to ethical standards to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to current important debates and trends of research, to as broad an audience as possible. Research programmes will incorporate aspects relevant to promoting a greater awareness of the importance and role of previously marginalized communities in contributing to South Africa as a nation.

Key performance indicators, planned targets and actual achievements

Output indicator	Planned Target 2021/2022	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
No of new heritage items added to the collection and digitised	10 000 new heritage items added to natural science collections	40254	10 000 new heritage items added to natural science collections	15 328	(+ 5 328)	Over-achieved, fieldtrips yielded more items than anticipated
	1000 new heritage items added to human science collections	1813	1000 new heritage items added to human science collections	243	(- 757)	Planned fieldwork trips had to be cancelled.
	2 new heritage items added to Oliewenhuis Art Museum	5	2 new heritage items added to Oliewenhuis Art Museum	3	(+1)	Overachievement occasioned by an opportunity to purchase 3 artworks from Artbank SA
% compliance with Conservation Policy and GRAP	Collections Department audit of Heritage Collection for compliance with Collections Policy	Audit conducted.	Collections Department audit of Heritage Collection for compliance with Collections Policy	Audit conducted	None	No deviation

	1000 Digitized items	1729	1000 Digitized items	4369	(+3369)	Overachievement occasioned because of dedicated digitization projects.
No of loans of collections items	10 new outgoing loans	12	5 new outgoing loans	11	(+6)	Six more external institutions applied for loans than anticipated.
No of research studies conducted on existing collections	5 research studies on existing collections	63	10 research studies conducted on existing Museum collections	13	(+3)	More researchers are using the Museum collections than anticipated.
No of popular research articles published	30 popular research articles published	51	30 popular research articles published	35	(+5)	More articles published than anticipated.
Develop a Policy for ethical research at the Museum	Develop a Policy for ethical research at the Museum	n/a	n/a	n/a	n/a	No target set
	When needed research projects have ethical clearance	100%	When needed research projects to have ethical clearance 100%	100%	None	No deviation
No of research grants awarded to Museum Scientists	5 research grants awarded to Museum scientists	8	5 research grants awarded to Museum scientists	8	(+3)	More researchers were successful in their applications for grants
No of NRF rated scientists	2 NRF rated scientists	2	2 NRF rated scientists at the Museum	4	(+2)	Two more researchers were successful in their application.
No of research fieldtrips conducted	5 per annum	39	15 per annum research field trips conducted	29	(+14)	More collaborative fieldtrips than anticipated.
No of research papers of posters delivered at research conferences	5 research papers or posters delivered at research conferences	22	20 research papers or posters delivered at research conferences	30	(+10)	Often several papers presented at single conferences.
No of public lectures delivered	5 per annum of public lectures	21	15 per annum of public lectures	16	(+1)	One more public lecture than anticipated.
No of lectures delivered to students registered at Higher Education Institutions	5 per annum public lectures/ practicals	18	15 per annum public lectures/ practicals delivered (Higher Education Institutions)	22	(+7)	A field school for students is being developed at Florisbad Quaternary Research Station resulting in more lectures.
No of articles published in peer reviewed journals	30 per annum articles published in peer reviewed journals	45	30 per annum articles published in peer reviewed journals	34	(+4)	Four more articles published than anticipated.

No of new animal or plant or fossil species described	5 new species described	14	5 new species described	9	(+4)	More species discovered than anticipated
No of reviews conducted	50 reviews conducted	101	50 reviews conducted	102	(+52)	More external requests received than anticipated. Many abstracts for conferences were reviewed.
No of Technical Reports/ Impact Assessments conducted by Museum Scientists.	5 CRM/EIA/Bio monitoring and site reports	4	2 CRM/EIA/Bio monitoring and site reports.	1	(-1)	The museum is not able to predict the requests received and this target is reduced for 23/24
No of new international and national collaborative projects	4 new international and national collaborative projects	0	4 new international and national collaborative projects	5	(-1)	One more collaborative project was registered than anticipated.
Production of CULNA	CULNA 1 Hard copy issue produced	1	CULNA 1 hardcopy issue produced	1	None	No deviation
	20 online CULNA articles	28	12 online CULNA articles	22	(+10)	More submissions received from authors than anticipated.
Production of INDAGO	Indago 2 online articles	6	Indago 2 online articles	3	(+1)	More submissions received from authors of History than anticipated.
Staff serving on the Executive of Professional bodies	5 professional staff serving on committees of professional bodies	7	5 professional staff serving on committees of professional bodies	10	(+5)	More staff than anticipated were invited to serve on committees.
Progress on research projects during the year	Progress on 70% of research projects per annum.	71%	Progress on 70% of research projects per annum	72	(+2%)	More scientists finished deliverables than anticipated.

Linking performance with budgets

The links between the Museum's budget and its core programmes are indicated in the table below:

	2021.2022			2022.2023		
Programme/activity/objective	Budget	Budget	Budget	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Development	1 537	1 537	1 537	1 613	1 309	304
Total	1 537	1 537	1 537	1 613	1 309	304

PROGRAMME 2: PUBLIC ENGAGEMENT

Programme 2: Public Engagement	
Purpose	Programme purpose: to inform, consult, involve, collaborate and empower the Museum's stakeholders in the diverse cultural and natural heritage.
Sub Programmes	Sub- Programme Purpose
1. Marketing	To promote a greater awareness and better understanding of South Africa's diverse cultural and natural heritage through relevant formal and informal activities and exhibitions.
2. Public Educational Programmes	To provide informative and enjoyable educational experiences through relevant formal and informal activities and public outreach programmes, thereby contributing to promoting a greater awareness and better understanding of South Africa's diverse cultural and natural heritage.

Key performance indicators, planned targets and actual achievements

Outcomes 1: Museum Exhibitions are inclusive, interactive, educational and entertaining						
Output indicator	Planned Target 2021/2022	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
Permanent Exhibition Plan is reviewed	Permanent Exhibition Plan is reviewed and approved by CEO and Council	1	Permanent Exhibition Plan is reviewed and approved by CEO and Council	1	None	No deviation
No of inclusive permanent exhibitions	1 inclusive permanent exhibition at the National Museum	1	1 inclusive permanent exhibition at the National Museum	1	None	No deviation
	2 Rotation of inclusive permanent exhibition artworks at Oliewenhuis	2	2 Rotation of inclusive permanent exhibition artworks at Oliewenhuis	2	None	No deviation
	Text of Exhibitions at NM IN 3 languages	100%	Text of Exhibitions at NM IN 3 languages	100%	None	No deviation
No of inclusive temporary exhibitions delivered	4 temporary internal exhibitions per year (including virtual exhibitions during lockdown)	15	4 temporary internal exhibitions per year (including virtual exhibitions)	9	(+5)	More exhibitions held for special days than anticipated.
	2 temporary external exhibitions	2	2 temporary external exhibitions	3	(+1)	One more request for an external exhibition than anticipated.
	Temporary Art Exhibitions at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	13	12 Temporary Art Exhibitions (including virtual) at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	14 of which 66% of solo exhibits was black artists and 33% women	(+2) (-14% of solo exhibits was black artists and - 17% women)	More exhibitions were held than anticipated, but a lower percentage was achieved on the demographics promoted for solo artists
No of Special Days celebrated with communities	Hosting of celebrations for: - Womens Day - Youth Day - International Day of Persons with Disabilities (including virtual celebrations during lockdown)	7	Hosting of celebrations for: -Womens Day - Youth Day - International Day of Persons with Disabilities	11	(+7)	More events on Special days were celebrated
Conduct a facilities audit	Conduct a facilities audit with DPW/DSAC	1	n/a	n/a	n/a	No deviation
	50% implementation of UAMP projects funded by DSAC and DPW	51%	50% implementation of UAMP projects funded by DSAC and DPW	77%	(+27%)	The Museum's implementation was better than planned

No of visitors to the National Museum and satellites	1000 to Oliewenhuis (lockdown)	26229	50 000 to Oliewenhuis	56 691	(+ 6 691)	More visitors than anticipated
	1000 to National Museum and balance of satellites (lockdown)	14590	50 000 to National Museum and balance of satellites	51 939	(+ 1 939)	More visitors and learners than anticipated.
Celebrate excellence in the Heritage Sector	Host Free State Young Artist Competition	1	Host Free State Young Artist Competition	1	None	No deviation
	Host New Breed Competition	1	1 New Breed Competition	1	None	No deviation
	ArtbankSA Competition	1	1 ArtbankSA Competition	1	None	No deviation

Key performance indicators, planned targets and actual achievements

Output indicator	Planned Target 2021/2022	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
No of PhDs and Masters students supervised	2 per annum PhDs and Masters students supervised	6	2 per annum PhDs or Masters students supervised	5	(+3)	More researchers chosen as academic supervisors by universities and students
No of post doc opportunities provided	1 per annum of post doc opportunities provided	0	1 per annum of post doc opportunities provided	0	(-1)	No applications received. Target decreased for 2023/24.
No of internships provided	10 internships provided per annum.	12	10 internships provided per annum	15	(+5)	More interns at Oliewenhuis and Artbank than anticipated.
No of vacation work experience opportunities provided for learners	5 per annum vacation work experience opportunities provided for learners	32	5 per annum vacation work experience opportunities provided for learners	8	(+3)	More students were interested than expected.
No of schools groups receive curriculum based lessons	400 lessons and guided tours school groups receive curriculum- based lessons by NM and 100 by Oliewenhuis	327 by National Museum 98 by Oliewenhuis	400 lessons and guided tours school groups received curriculum based by NM and 100 by Oliewenhuis	468 by NM 181 by Oliewenhuis	(+68) (+81)	More lessons and guided tours than anticipated. Schools are returning to normal after COVID lockdown
	5 educator training workshops	5	5 educator training workshops (including virtual workshops)	5	None	No deviation
	500 educational brochures distributed by Oliewenhuis	2220	500 educational brochures distributed by Oliewenhuis	1709	(+1209)	Increased opportunity to distribute more brochures.
	Participation in 2 career guidance initiatives	3	Participation in 2 career guidance initiatives	4	(+2)	Two additional external opportunities arose.

No of mobile museum trips including to rural school	NM to conduct 20 mobile museum trips including rural schools	28	NM conduct 20 mobile museum trips including rural schools	20	None	No deviation
	Oliewenhuis conduct 5 mobile art museum curriculum-based lessons on visual arts including ruralschools	5	Oliewenhuis conduct 5 mobile art museum curriculum- based lessons on visual arts including rural schools	5	None	No deviation
No of school holiday workshops provided	2 school holiday workshops provided	10	8 school holiday workshops provided	12	(+4)	An increased interest from learners occasioned the overachievement.
Outcome: Artbank becomes financially sustainable to support the visual arts economy						
Output indicator	Planned Target 2021/2022	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
No of artworks purchased, leased and sold	100 artworks purchased	206	100 artworks purchased	171	(+71)	The target was exceeded due to the PESP programme (additional funding).
	5 artworks leased and /or sold per annum	25	5 artworks leased and /or sold per annum	23	(+18)	More artworks sold than anticipated.
No of Artbank Exhibitions held	1 Artbank Exhibition to be held annually.	6	2 Artbank Exhibition to be held annually.	3	(+1)	It is encouraged to hold more exhibitions for the sake of the longevity of ArtbankSA
	500 people attend Artbank exhibitions per annum	13318	500 people attend Artbank exhibitions per annum	37 709	(+37 209)	The exhibition attracted more than expected number of people and more exhibitions held.
No of research or popular articles published about Artbank collections	5 research or popular articles published about the ArtbankSA collections	5	5 research or popular articles published about the ArtbankSA collections	5	None	No deviation.
Amount of income generated by the ArtbankSA	R 50k per annum income generated.	R 112 654	R 100k per annum income generated.	R 1 002 356	(R 902 356)	This is a once off increase as a result of all the heritage artwork sold to Oliewenhuis.
Artbank Sales and Marketing Strategy and MOU with DSAC	n/a	n/a	No target for 2022/2023	n/a	None	No deviation

Linking performance with budgets

The links between the Museum's budget and its core programmes are indicated in the table below:

	2021/2022			2022/2023		
Programme/ activity/objective	Budget	Budget	Budget	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 2: Public Engagement	942	942	942	1 212	6 966	5 754
Total	942	942	942	1 212	6 966	5 754

PROGRAMME 3: COMPLIANCE AND ADMINISTRATION

Programme 3: Compliance and Administration	
Purpose	To provide the necessary professional support and compliance services to ensure the achievement of the Museum's Primary objectives of carrying out quality research, expanding and managing diverse heritage collections and communicating this to all, through educational programmes, exhibitions and publications, to emphasise the importance of this diverse heritage to the South African nation.
Sub Programmes (if Applicable)	Sub – Programme Purpose
Support Services	To provide support through Human resources, information technology, security, risk management, supply chain management to enable the Museum to achieve its mandate
Compliance Services	To provide support to the Museum to ensure compliance with Legislation, guidelines, frameworks to avoid audit Findings

Key performance indicators, planned targets and actual achievements

Outcomes: Improved governance of the Museum						
Output indicator	Planned Target 2021/2022	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
Achieve an unqualified audit report	Unqualified audit report achieved for 2020.21	Achieved clean audit for the 20.21 financial year	Unqualified audit report for 2021.22	Achieved clean audit for the 21.22 financial year	Improved audit opinion	Improved governance and compliance
No of staff training opportunities to support governance	3 staff training opportunities to support governance	11	3 staff training opportunities to support governance	3	None	No deviation.
No of policies reviewed	All policies reviewed in a 3 year cycle	100%	All policies must be reviewed in a 3 year cyclical schedule	100%	None	No deviation
Information technology governance enhanced with investment in IT infrastructure and relevant policies	Investment in new IT infrastructure	n/a	No target for 2022/2023	n/a	None	No deviation
	New IT policies to be drafted by 31 March 2021	n/a	No target for 2022/2023	n/a	None	No deviation

Performance and Financial reporting	Quarterly performance reports submitted on time including lockdown revised dates	100%	Quarterly performance reports submitted on time including lockdown revised dates	100%	None	No deviation
	Annual report submitted on time including lockdown revised dates	1	Annual report submitted on time	Annual report submitted on time	None	No deviation
No of disciplinary actions taken for non-compliance with PFMA and policy	100% on all matters identified to implement consequence management	100%	100% on all matters identified to implement consequence management	100%	None	No deviation
Risk Management is implemented	Risk Management Registers (Operational, Strategic and Fraud Risk Registers) updated quarterly	100%	Risk Management Registers (Operational, Strategic and Fraud Risk Registers) updated quarterly	100%	None	No deviation
	Annual Risk Treatment Plan	1	Annual Risk Treatment Plan	1	None	No deviation
	Combined Assurance Plan in Place	1	Combined Assurance Plan in Place	1	None	No deviation

Linking performance with budgets

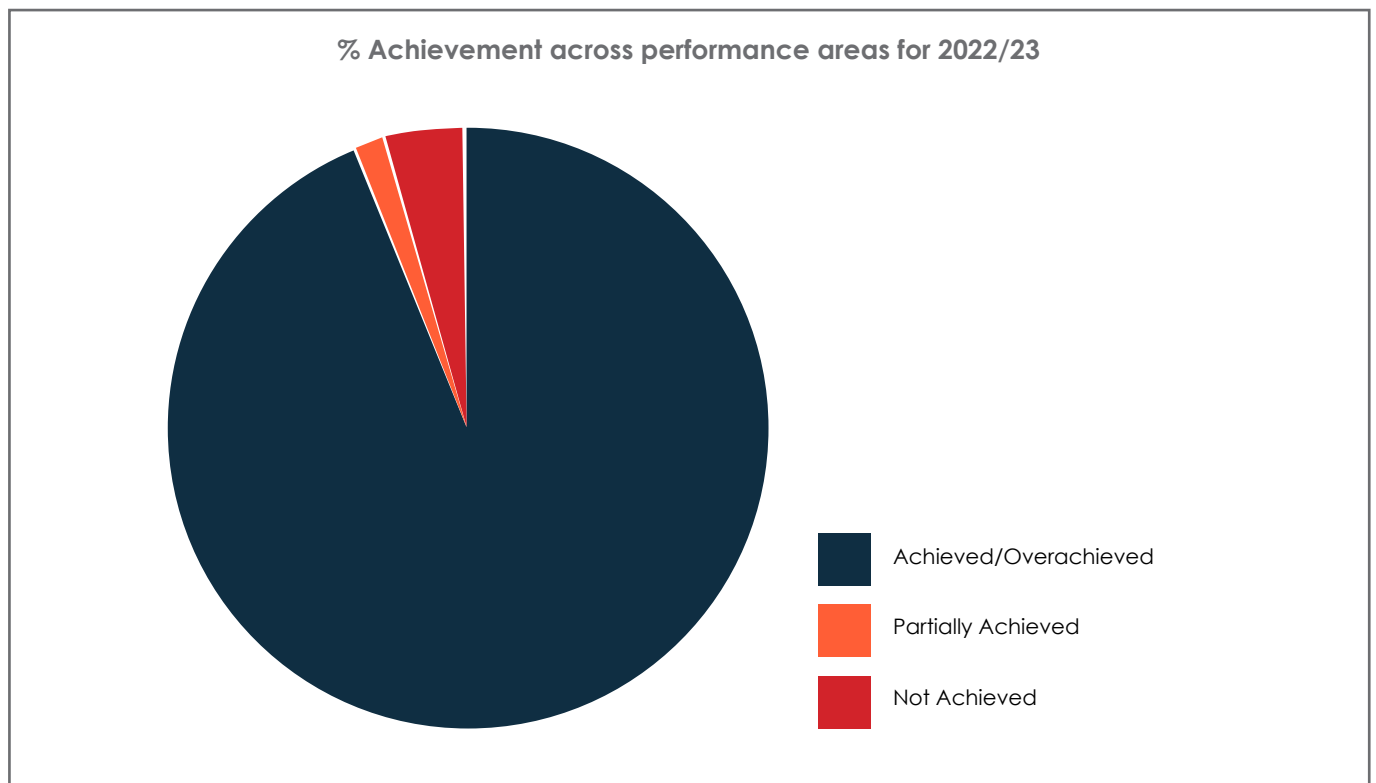
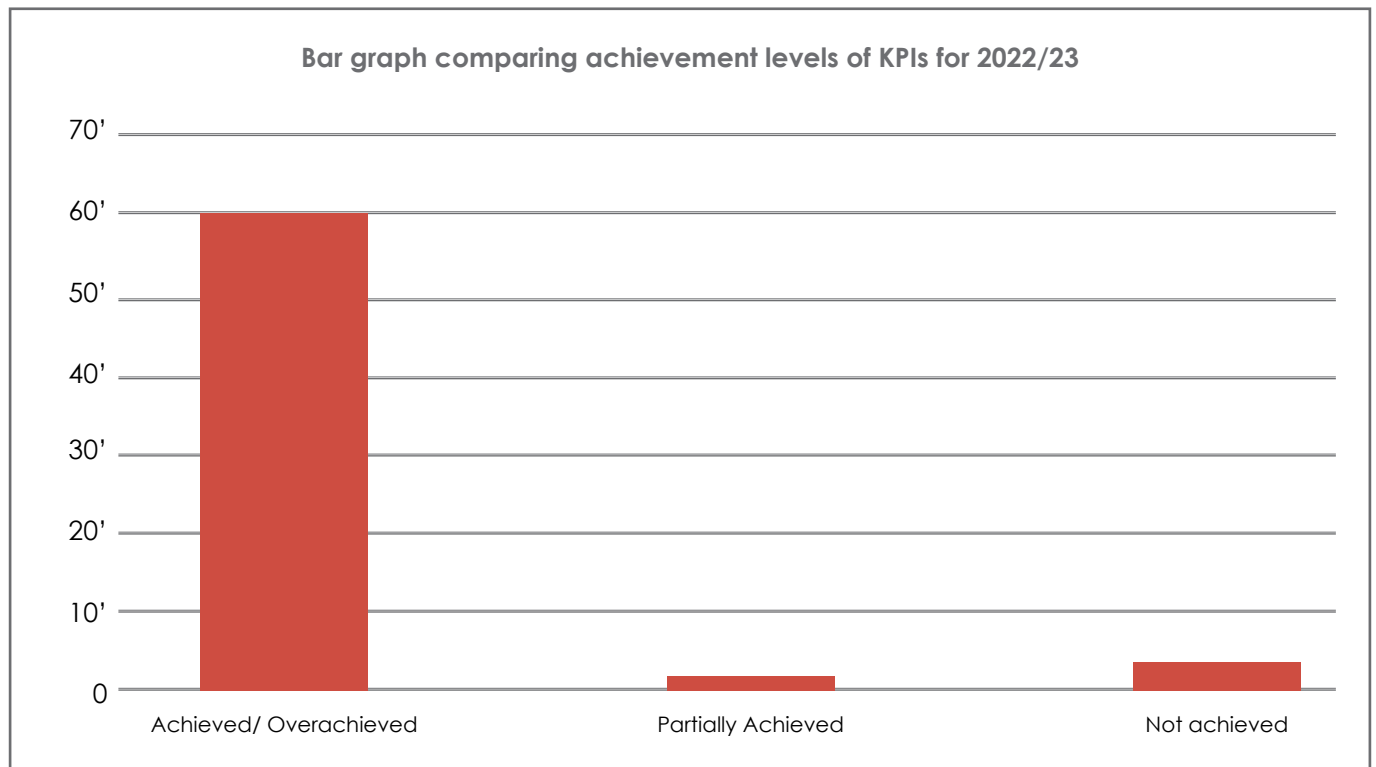
The links between the Museum's budget and its core programmes are indicated in the table below:

Programme/activity/objective	2021.2022			2022.2023		
	Budget	Budget	Budget	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3: Compliance and Administration	15 310	15 310	15 310	61 984	57 516	4 468
Total	15 310	15 310	15 310	61 984	57 516	4 468

Summary:

Achievement Status	No of Indicators	%
Achieved/ Overachieved	60	94
Partially Achieved	1	1.5
Not achieved	3	4.5
Total		100%

Graphic representation of % achievement for the financial year 2022/2023



CAPITAL INVESTMENTS

Capital Investment, maintenance and asset management plan

Infrastructure projects	2022/2023			2021/2022		
	Budget	Actual expenditure	Over/(under) Expenditure	Budget	Actual expenditure	Over/(under) Expenditure
Upgrading of the HVAC system	4,000,000	2,209,541	(1,790,459)	8,035,000	6,435,000	(1,600,000)
Upgrading of the Auditorium sitting spacing and the inclusion of access for persons with disabilities	950,000	0	(950,000)	-	-	
The Construction of a Storage Area at the Oliewenhuis Art Museum	662,432	0	(662,432)	-	-	
The Upgrading of the Oliewenhuis Art Museum Roof	6,625,563	99,360	(6,526,203)	6,625,563	-	(6,625,563)
Total	12,237,995	2,308,901	(9,929,094)	14,660,563	6,435,000	(8,225,563)

Infrastructure projects

Upgrading of the National Museum HVAC system

The project was 98% complete as at financial year end. All units have been switched on and they are running. A snag list is being conducted to rectify minor defects occasioned until full commissioning is achieved. There were two project variations that delayed the project completion, and the expected date of completion will be in the 2023/24 financial year.

Upgrading of the Auditorium sitting spacing and the inclusion of access for persons with disabilities

The appointed PSP submitted drawings for approval, which were expected by management works will continue in 2023/24 Financial Year. However, after the year-end, the Museum was notified by the PSP that they have closed business and no longer in operation. No expenditure was therefore incurred on this project and the contract has been cancelled.

The Construction of a Storage Area at the Oliewenhuis Art Museum

A consultant was appointed for the design & implementation of the project.

The Upgrading of the Oliewenhuis Art Museum Roof

The project did not commence at year end. The Museum is awaiting appointment of the successful bidder.

Maintenance of Infrastructure

The National Museum Building Infrastructure is old and there has been maintenance work undertaken to mitigate total structural failure both internal and external which includes:

- Building Fabric
- Electrical
- Mechanical
- Gardening services

The Museum has completed several maintenance projects which address both the OHS and the National Building Regulation ensure that the buildings are safe for occupation and operational purposes.

Current state of public entities capital assets

The state of assets of The National Museum is currently poor due to maintenance backlog by NDPW. The life cycle of an asset requires maintenance, repairs and asset renovation/refurbishment. The infrastructure requires major renovations and some of the structures require total asset replacement as they are no longer being utilized. The museum conducted a conditional assessment on all buildings which indicated which elements require urgent repairs, in order to ensure that the assets life cycle is prolonged.

Immovable and Movable assets*

Item	Opening Balance	Additions	Disposals	Transfer to heritage assets	Depreciations	Impairment loss	Closing Balance
Property, Plant and Equipment	21,962,000	5,920,000	(41,000)	(91,000)	(2,014,000)	(20,000)	25,716,000

Narration on movement of the Fixed Asset Register (FAR)

- The National Museum's assets have increased by R5.9 million which is largely attributable to fixtures (HVAC), appreciative artwork and vehicles added in the current financial year.
- There was an auction conducted in the year under review of old assets that were no longer in use and have reached their economic useful lives. The carrying value of assets disposed was R41 000.
- A sale of three heritage assets by the Artbank to Oliewenhuis was made in the current year triggering a transfer of assets to the value of R91 000.
- Depreciation for the year amounted to R2 million based on the depreciation rates as determined by management based on estimated useful lives of assets.

Measures implemented to ensure that the Fixed Asset Register is kept up-to-date during the period under review.

- Quarterly updates of additions and sign-off thereof.
- Annual physical verification of assets to ascertain condition of assets.
- Remove assets that have been disposed off, scrapped or lost.
- Annual reconciliation of the general ledger and the fixed asset register to ensure accuracy
- Tagging of new assets prior to being added on to the fixed asset register
- Annual calculation of depreciation.
- Assessment of useful lives and residual values.

*Refer to Note 6 of the Annual Financial Statements for a breakdown of Property, Plant and Equipment

ANNEXURES



MUSEUM PUBLICATIONS FOR 2022/2023

Scientific Publications by National Museum staff 2022-23

Research Department	Peer-reviewed publications
Archaeology and Anthropology Author:  Dr Will Archer C1 NRF rated Researcher	COLAROSSO, D., FEWLASS, H., STAHLSCHEIDT, M.C., PRESNYAKOVA, D., MATEMBO, J., HEIN, M., TALAMO, S., ARCHER, W. (2022). A targeted drilling and dating campaign to identify Stone Age archaeological sites before excavation in west coast southern Africa. <i>Quaternary Geochronology</i> 71: 101314. SANTANDER, C., MOLINARO, L., MUTTI, G., MARTINEZ, F.L., MATHE, J., DA SILVA, M.J.F., CALDON, M., OTEO-GARCIA, G., ALDEIAS, V., ARCHER, W., et al. (2022). Genomic variation in baboons from central Mozambique unveils complex evolutionary relationships with other <i>Papio</i> species. <i>BMC Ecology and Evolution</i> 22: 44.
Florisbad Quaternary Research Station Authors:  Dr Lloyd Rossouw  Dr Sharon Holt	BRINK, J.S., GOWLETTE, J.A.J., HERRIES, A.I.R., HANCOX, J., MOGGI-CECCHI, J., CODRON, D., ROSSOUW, L., TROWER, G., STONE, O.M.L., BOUSMAN, B., GRÜN, R., SOURON, A. (2022). Cornelia-Uitzoek: Paleoecology, Archeology, and Geochronology. In: Reynolds, S.C., Bobe, R. (eds) <i>African Paleoecology and Human Evolution</i>. Cambridge University, Press. pp 120-134. HORWITZ, L.K., AVERY, M.D., BAMFORD, M.K., BERNA, F., BRINK, J.S., ECKER, M., FERNANDEZ-JALVO, Y., GOLDBERG, P., HOLT, S., LEE-THORP, J., MATMON, A., PICKERING, R., PORAT, N., ROSSOUW, L., SCOTT, L., SHAAR, R., CHAZAN, M. (2022). Wonderwerk Cave, Northern Cape Province: an early-middle Pleistocene paleoenvironmental sequence for the interior of South Africa. In: Reynolds, S.C., Bobe, R. (eds) <i>African Paleoecology and Human Evolution</i>. Cambridge University, Press, pp 142-160.
History Authors:  Dr Derek Du Bruyn	DU BRUYN, D., OELOFSE, M. (2022). The development of a gardening culture in Batho (Mangaung) from c. 1918 to 1939. <i>Indago</i> 38: 9-28. DU BRUYN, D. (2022) "Garden areas of 50 ft. by 75 ft.": The making of Batho as a South African "garden location" with special reference to its ornamental gardens (c. 1918–1939). <i>Indago</i> 40: 1-19.

Oliewenhuis/Fine Arts Author:  Yolanda de Kock	DE KOCK, Y. (2022). Power, memory and identity: the role of inherited national colonial art collections in a contemporary South African museum. <i>South African Museums Association Bulletin</i> 44 (1): 1-8.
Ornithology Author:  Dawie de Swardt	DE SWARDT, D. (2022). Notes on African Rock Pipit <i>Anthus crenatus</i> biometrics. <i>Afrotropical Bird Biology</i> 2: 1-6 . FINCH, B.W., HATFIELD, R.S., COLOMBO, S., KENNEDY A.S., TE RAA, M., IRESTEDT, M., DE SWARDT, D.H., GROSEL, J., ENGELBRECHT, D., COHEN, C., OLSSON, U., DONALD, P.F., NJOROGI, P., FRAHNERT, S., DE KNIJF, P., ALSTRÖM, P. (2022). Disjunct resident population of Melodius Lark <i>Mirafra cheniana</i> discovered in East Africa. <i>Journal of Ornithology</i> 164: 55-71.
Palaeontology Author:  Dr Jennifer Botha B1 NRF rated Researcher	BOTHA, J., CHOINIERE, J.N., BENSON, R.B.J. (2022). Rapid growth preceded gigantism in sauropodomorph evolution. <i>Current Biology</i> 32: 1-7. BOTHA, J., CHOINIERE, J.N., BARRETT, P.M. (2022). Osteohistology and taphonomy support social aggregation in the early ornithischian dinosaur <i>Lesothosaurus diagnosticus</i>. <i>Palaeontology</i> e12619. CHAPELLE, K.E.J., BARRETT, P.M., CHOINIERE, J.N., BOTHA, J. (2022). Interelemental osteohistological variation in <i>Massospondylus carinatus</i> and its implications for locomotion. <i>PeerJ</i> 10:e13918. HUTTENLOCKER, A.K., BOTHA, J., BROWNING, C., KULIK, Z., TSHIBALANGANDA, M., DU PLESSIS, A. (2022). A Gulliver <i>Scaloposaurus</i> (Therapsida, Therocephalia) from the Katberg formation of South Africa and its implication for Lilliput assemblages during the Early Triassic recovery. <i>Journal of African Earth Sciences</i> 196: 104720. SMITH, R.M.H., BOTHA, J., VIGLIETTI, P.A. (2022). Taphonomy of drought afflicted tetrapods in the Early Triassic Karoo Basin. <i>Palaeogeography, Palaeoclimatology, Palaeoecology</i> 604: 111207. WEISS, B.M., BOTHA, J., CHOINIERE, J.N. (2022). Limb bone histology of theropod dinosaurs from the early Jurassic of South Africa. <i>Journal of Vertebrate Paleontology</i> 42 (2): e2145901. SHEN, J., CHEN, J., YU, J., ALGEO, T.J., SMITH, R.M.H., BOTHA, J., FRANK, T.D.D., FIELDING, C.R., WARD, P.D., MATHER, T.A. (2023). Mercury evidence from southern Pangea terrestrial sections for end-Permian global volcanic effects. <i>Nature communications</i> 14 (6): 1-10.

Plant and Animal Systematics Authors:  Dr Michael Bates  Dr Cora Stobie  Dr Oladayo Idris	BATES, M.F., WHITING, M.J., MARAIS, J. (2022). Obituaries. Tribute to Wulf Detrich Haacke (1936-2021), a legend of southern African herpetology. <i>Herpetological Review</i> 53(1): 185-189. BATES, M.F., STOBIE, C.S., HASTINGS, J. (2023). An unusual 'speckled' puff adder <i>Bitis arietans</i> (Reptilia: Squamata) from central South Africa. <i>African Journal of Ecology</i> online: 1–3. IDRIS, O.A., KEREBA, N., HORN, S., MABOETA, M.S., PIETERS, R. (2023). Phytochemical-based evidence of the health benefits of <i>Bidens pilosa</i> extracts and cytotoxicity. <i>Chemistry Africa</i> (https://doi.org/10.1007/s42250-023-00626-2).
Terrestrial Invertebrates Authors:  Dr Lizel Hugo-Coetzee  Dr Gimo Daniel Y1 NRF rated Researcher	BIFFI, G., LESCHEN, R.A.B., HSIAO, Y., DANIEL, G.M., CASARI, S.A. (2022). The systematics of Dysmorphocerinae (Cantharidae) based on larvae. <i>Insect Systematics & Evolution</i> 54(3): 312-347. DEMETRIOU J., KALAENTZIS, K., KAZILAS, C., KUNZ, G., MULLER, B., MOSTOVSKI, M.B., KOUTSOUKOS, E. (2022). An "alien" species on the loose: new records and updated distribution of the black soldier fly <i>Hermetia illucens</i> in the Western Palearctic. <i>Bulletin of Insectology</i> 75(1): 125-130. DUBOIS, A., ANEESH, P.T., BAUER, A. M., CERÍACO, L.M.P., DANIEL, G. M., FRÉTEY, T., LÖBL, I., LORVELEC, O., MARINOV, M., OHLER, A., SCHMITT, M., WHITTINGTON, A. & AESCHT, E. (2022). The Linz Zoocode project. Second report of activities (2020). Nomenclatural availability. 1. What is nomenclatural availability? <i>Bionomina</i> 28: 1–17. DUBOIS, A., ANEESH, P.T., BAUER, A.M., CERÍACO, L.M.P., DANIEL, G.M., FRÉTEY, T., LÖBL, I., LORVELEC, O., MARINOV, M., OHLER, A., SCHMITT, M., WHITTINGTON, A., AESCHT, E. (2022). The Linz Zoocode project. Third report of activities (2020). Nomenclatural availability. 2. Work availability. <i>Bionomina</i> 28: 18–49. DUBOIS, A., ANEESH, P.T., BAUER, A.M., CERÍACO, L.M.P., DANIEL, G.M., DE PRINS, J., FRÉTEY, T., LÖBL, I., LORVELEC, O., MARINOV, M., OHLER, A., SCHMITT, M., WHITTINGTON, A., YOUNG, M.T., AESCHT, E. (2022). The Linz Zoocode project. Fourth report of activities (2021). Nomenclatural availability. 3. Paper publication. <i>Bionomina</i> 28: 50–70.



Mr Burgert Muller

Mr Jan- Andries
Neethling

DUBOIS, A., ANEESH, P.T., BAUER, A.M., CERÍACO, L.M.P., **DANIEL, G.M.**, DE PRINS, J., FRÉTEY, T., LÖBL, I., LORVELEC, O., MARINOV, M., OHLER, A., SCHMITT, M., WHITTINGTON, A., AESCHT, E. (2022). The Linz Zoocode project. Fifth report of activities (2022). Nomenclatural availability. 4. Electronic publication. *Bionomina* 28: 71–119.

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HUGO-COETZEE, E.A., BAUMANN, J., **NEETHLING, J.A.**, BARDEL-KAHR, I., PFINGSTL, T. (2022). Ontogeny of South African intertidal oribatid mite species (Acari, Oribatida, Ameronothroidea) and supplements to adult morphology. *Acarologia* 62(3): 721-753.

MULLER, B.S., MIDGLEY, J.M. (2022). How strange: *Coenosia curiosa* sp. nov. (Diptera: Muscidae), the first recorded Tiger fly from Lesotho, with revision of the *Coenosia globuliseta*-group. *Zootaxa* 5222(4): 367-377.

PFINGSTL, T., WAGNER, M., BAUMANN, J., **NEETHLING, J.A.**, BARDEL-KAHR, I., **HUGO-COETZEE, E.A.** (2022). Contrasting phylogeographic patterns of intertidal mites (Acari, Oribatida) along the South African shoreline. *Organisms Diversity & Evolution* 22, 789-809.

STRÜMPHER, W., **DANIEL, G.M.**, DAVIS, A.L.V. (2022). Woody plant communities of southern South Africa and new distribution records for the rare dung beetle species *Sarophorus punctatus* Frolov & Scholtz, 2003 (Coleoptera: Scarabaeidae: Scarabaeinae). *Zootaxa* 5188(4): 396-100.

DANIEL, G.M., STRÜMPHER, W.P., JOSSO, J.-F. (2023). Dung beetle fauna from Mount Mabu, Mozambique. Part 1: A new species of *Onthophagus* Latreille, 1802, and a checklist of species belonging to group 3 (d'Orbigny 1913) (Coleoptera: Scarabaeidae: Scarabaeinae). *Zootaxa* 5258 (4): 429–442.

ERMILOV, S.G., **HUGO-COETZEE, E.A.**, RYBALOV, L.B. (2023). Contribution to the knowledge of the oribatid mite genus *Aleurodamaeus* (Acari, Oribatida, Aleurodamaeidae), with description of a new species from Ethiopia. *Zoologicheskii Zhurnal* 102(2): 153-162.

HUGO-COETZEE, E.A. (2023). Notes on the family Oripodidae (Acari, Oribatida) in South Africa and description of a new species of *Cryptoribatula* Jacot. *Systematic and Applied Acarology* 28(2): 394-404.

NEETHLING, J.A., NEETHLING, C. (2023). A systematic revision of the South African Gymnobiidae (Pseudoscorpiones: Neobisioidea). *Zootaxa* 5256(6): 501-543.

TEMPORARY EXHIBITIONS HOSTED AT OLIEWENHUIS ART MUSEUM 2022/23

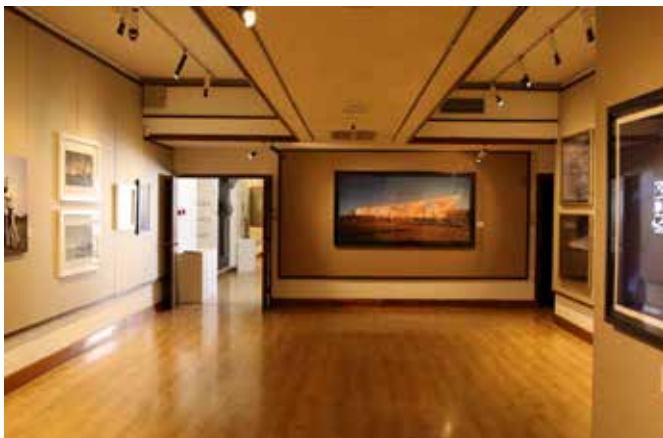
The Oliewenhuis Art Museum hosted 14 temporary exhibitions in the year.

Hands Up Collection by the South African Quilters' Guild (SAQG) Teachers' Forum, 7 April – 5 June 2022, Dora Scott Annex.

Each teacher was asked to make a 25cm quilted block, using their own handprint/shape and or outline, in their preferred/chosen technique or style, to be part of the collection. The *Hands Up Collection* blocks were put together in six books suitable for travel.



Freedom from... Freedom to... Freedom to be..., 14 April – 24 July 2022, Annex Gallery. This exhibition was curated to celebrate Freedom Day on 27 April - a pivotal historical moment in South African history; the first democratic elections in 1994. The exhibition honoured, visualised, and emphasised different ideologies relating to the notion of *being free*.



Art Bank of South Africa Exhibition, 5 May – 28 August 2022, Reservoir.

A selection of contemporary South African art by various artists from the ArtbankSA Collection was on show.



Learning through Art: The Museum as classroom. 30 June 2022 – 21 August 2022, Main Building.

This exhibition was curated from Oliewenhuis Art Museum Permanent Collection based on the current Arts and Culture Curriculum exhibition for Grade 12.

**ALL THE THINGS SHE SAID: A mile in her shoes and other stories,** 05 August – 11 September 2022, Annex Gallery.

Departments of the National Museum, Bloemfontein, collaborated to curate exhibitions that are on show across three museum venues: National Museum, Freshford House Museum and Oliewenhuis Art Museum in celebration of Women's month. These exhibitions, reflecting on women's lived experiences and their struggle for equality, was an exciting amalgamation of artworks, artefacts, and textiles.

**33rd Annual Sophia Gray Memorial Exhibition,** by Mphethi Morojele, founder and Managing Director of MMA Design Studio in Johannesburg, 25 August – 25 September 2022, Main Building.

The Department of Architecture, University of the Free State instituted the Sophia Gray Memorial Lecture in honour of the first, active professional architect in Bloemfontein, who was also the first woman architect in South Africa.



Vrystaat Art Festival 2022 Exhibitions (3-8 October 2022)

3x exhibitions were opened on 4 October 2022 at Oliewenhuis Art Museum as part of the Vrystaat Arts Festival 2022.

New Breed Art Competition Exhibition 2022, 4 October – 13 November 2023, Main Building.

Artworks by 24 upcoming Free State artists was showcased as part of the New Breed Art Competition Exhibition at Oliewenhuis Art Museum in collaboration with by Phatshoane Henney Attorneys, the Art Bank of South Africa and the Free State Art Collective.

**Azibuyele Emasisweni (Return to the Source)**, 4 October – 5 December 2022, Reservoir.

Pitika Ntuli, sculptor, poet, writer and academic produced 45 new sculptures from bones and other materials, and in relaying their full significance, some of the country's most esteemed poets and musicians responded to the body of work with songs and poems. The exhibition was curated by Ruzy Rusike. The exhibition won the Kyknet Fiesta Award for Best Achievement in visual art. The kykNET Fiësta Awards has been honouring excellent work presented at arts festivals around the country since 2011.

**Ke Liha Pene – a Tribute to Samuele Makoanyane**, 4 October – 5 December 2022, Annex Gallery.

The exhibition, curated by Steven Sack, focused on the small clay warrior figurines made by Samuele Makoanyane (1909-1944) between the late 1930s and early 1940s. Samuele was born in Parys, Free State province, but he lived and worked at the village of Koalabata, in the Teyateyaneng district of Lesotho.



VIRAL IMAGES, a solo exhibition by Johandi du Plessis, 24 November 2022 – 12 February 2023, Main Building.

Emerging conceptual artist and researcher, Johandi du Plessis, presented a portfolio of artworks that beckons questions about the nature and characteristics of images, as they are hosted in a variety of artistic media. The artworks comprised various media, genres, and modes, pointing to the ultimately unpredictable, generative, and playful, viral potential of images – questioning the idea that images can be fully managed or controlled.

**Never-ending secrets and untold stories: The embodiment of women in war**, 25 November 2022 – 26 February 2023, Annex Gallery.

This exhibition was curated in collaboration with the War Museum of the Boer Republics to compliment an International Hybrid Conference, titled, The Unsung Heroines and Youth of South Africa, Violent Histories and Experiences of South African Women and Children during Wars, Conflicts and Pandemics. Importantly it also responded to and coincided with the 16 Days of Activism for No Violence Against Women and Children from 25 November to 10 December 2022.

**Everything beautiful that we see**, 17 February – 26 March 2023, Main Building.

This exhibition was curated with the intention of creating a serene, meditative experience for visitors. Artworks were selected intuitively – by feeling more than by thinking and selected from Oliewenhuis Art Museum's Permanent Collection and The Art Bank of South Africa's Contemporary Collection.



transition • liminality • adaptation, 16 March 2023 – 1 May 2023, Annex Gallery.

The annual Art Museum Guide exhibition with artworks sourced from Oliewenhuis Art Museum's Permanent Collection and The Art Bank of South Africa's Contemporary Collection was curated by the current 2022/2023 Art Museum Guides at Oliewenhuis Art Museum; Kgahliso Kau, Xola Brilliant Sello, Jacobeth Seling, Siobhan Swart and the Presidential Employment Stimulus Programme (PESP3) Work-Based Experience Programme Interns; Hlompho Dimpho Shale and Natley Barnardo.



BETWEEN MEANING AND REALITY: The Art Bank of South Africa 2022 New Acquisitions Exhibition, 30 March – 4 June 2023, Main Building.

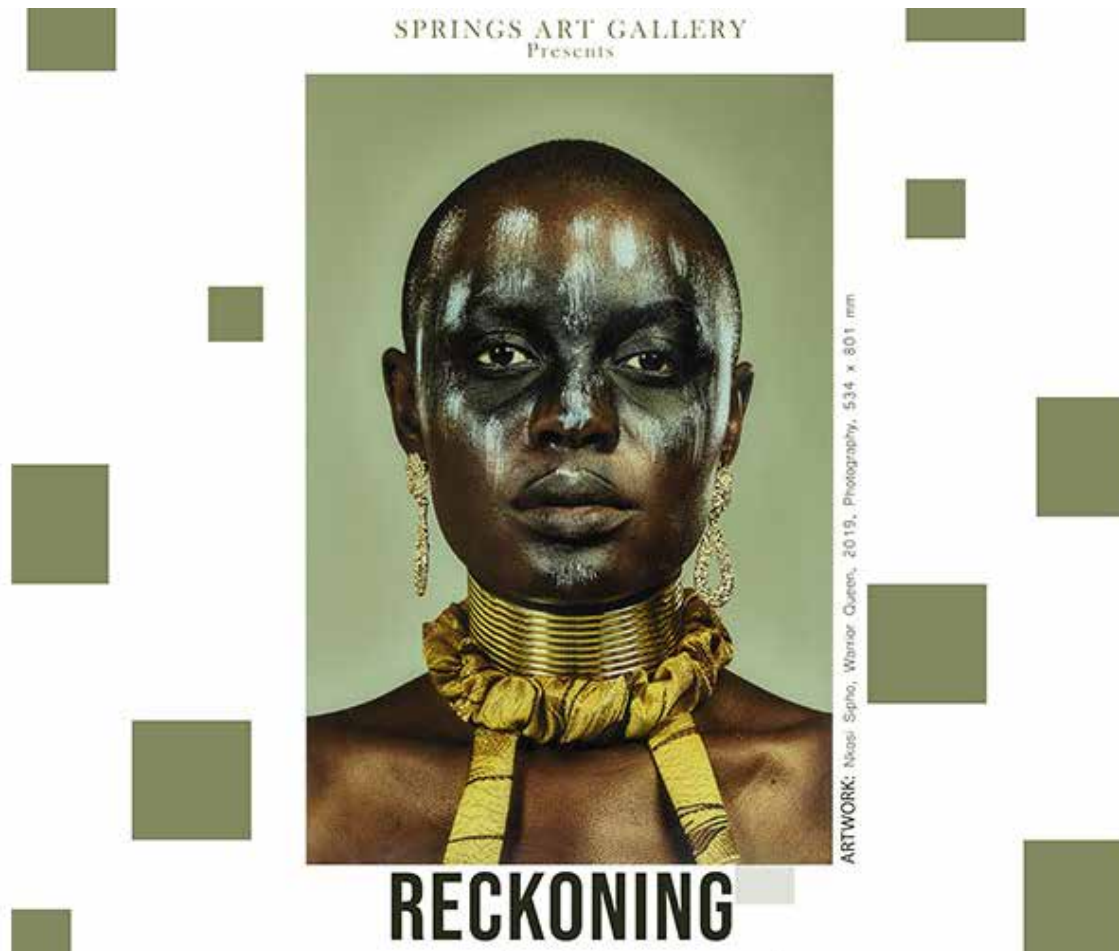
The annual Free State exhibition of the Art Bank of South Africa (ArtbankSA) that showcased the best of South African contemporary art by emerging artists.



EXHIBITIONS HOSTED BY THE ART BANK OF SOUTH AFRICA 2022/2023

The Art Bank participated in three exhibitions for the year. Two exhibitions took place at the Oliewenhuis Art Museum and are detailed in the section above. The third took place at the **Springs Art Gallery** and more information can be found below.

“RECKONING” ART BANK OF SOUTH AFRICA EXHIBITION



This group art exhibition featured original work of 40 emerging artists from all the provinces. The artists use both conventional and unconventional materials to challenge the limits of these media – painting, drawing, mixed media, sculpture, and printmaking – and various styles and subject matters. The exhibition formed part of post support intervention offered to beneficiaries of SRAC programmes created through a partnerships and collaborations with the Art Bank of South Africa.

Society has possibly never sought certainty as much as it does now. During the pandemic society collectively held onto the hope of the global shutdowns coming to an end and looked forward to a world forever changed with an optimistic outlook of grand reforms that were long overdue but in need of a catalyst to be realised. Many hoped the pandemic would be that catalyst. For a brighter “new normal”.

Sadly, however we emerged on the other side to a world reckoning with many aspects of society, business and politics overturned. The Art Bank of South Africa's RECKONING exhibition, by way of visual art, explores identity, heritage, the self and the collective contemporary South Africa plunged into a reckoning around uncomfortable historic truths that not all are willing to face up to and affords the opportunity to reflect on the future implications of the decisions made now, before the day comes when all will have to face some unpleasant truths about the societal fractures that have gone unaddressed.

PART C: GOVERNANCE



Image: A new species of dung beetle, *Onthophagus mabuensis*, described by Dr Gimo Daniel of the National Museum. Photo credit: Werner Strumpher

INTRODUCTION

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

The National Museum strives to be committed to sound corporate governance and is primarily guided by generally accepted corporate governance practices, as well as Corporate Governance in the public sector. These seek to ensure that the Museum's mandate is fulfilled with due consideration to responsive decision making, accountability, effective and ethical leadership, as well as fairness and transparency whilst monitoring performance and compliance with statutory requirements.

PORTFOLIO COMMITTEES

The Museum did not attend any meetings for the period.

EXECUTIVE AUTHORITY

All compliance reports were submitted to DSAC by the due date. No issues have been raised.

THE ACCOUNTING AUTHORITY / BOARD

The full report is tabled in the Annual Financial Statements.

RISK MANAGEMENT

The National Museum is required to maintain an effective, efficient and transparent system of financial, risk management and internal control measures in accordance with the provisions of the PFMA. Council has identified risk management as a focus area and its current practices were enhanced by the strengthening of the policy environment and risk reporting. The Council approved a Risk Management Framework and Policy in 2019.

Risks are continuously identified, assessed, evaluated, mitigated, monitored and reviewed. As each risk was identified it was allocated to a relevant person in the respective Department responsible for the day-to-day management thereof and recorded in a risk register that contains the descriptions, causes, controls in place, assessments and mitigating actions of all risks identified. The identification was both at operational and strategic levels and regular assessments were performed to determine the effectiveness of the risk management and to identify emerging risks.

The Audit and Risk Committee advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. They also advise the Council on risk management and independently monitor the effectiveness of the system of risk management.

Enterprise-Wide Risk Management has been fully implemented at the Museum. There has been significant progress in the reporting period in the management of risks, and this has translated into improvements in the Museum's performance.

INTERNAL CONTROL UNIT

There is no separate Internal Control Unit. Management is responsible for the maintenance of internal controls.

INTERNAL AUDIT AND AUDIT COMMITTEES

Objectives of Internal audit

The objectives of internal audit are to provide independent, objective assurance and consulting activities designed to add value and improve operations of the Museum.

Key Activities of Internal Audit

A risk-based strategic approach is adopted which takes into account the results of the formal risk assessment conducted by management. This was used to develop a risk-based three- year internal audit plan. This is revised annually and the annual internal audit plan based on updated risk assessment is submitted to the audit committee for approval at the start of the financial year. The Internal Audit Plan was implemented for 2022/23 and was within budget.

Below are the key activities undertaken by internal audit

- Human Resource audit (Staff Plan, Succession Plan)
- Asset Management Review (Including heritage assets)
- Compliance and Governance Review
- Performance Information Review
- Review of the Charters and Fraud Prevention Plan
- Annual Financial Statements Review

Key activities and objectives of the Audit Committee

The Audit and Risk Committee's scope of work is determined by the requirements of the Treasury Regulations 3.1.10 accordingly and in line with this regulation, the committee's objectives were to assess and advise among other things, on the following matters:

- Effectiveness of the internal control systems;
- Effectiveness of the internal audit function;
- Risk areas of the Museum's operations to be covered in the scope of internal and external audit
- Adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audit
- The Museum's compliance with legal and regulatory provisions;
- Activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, reports of the significant investigations and responses of management to specific recommendations

The table below discloses relevant information of the Audit and Risk Committee members

Name	Qualifications	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No of meetings attended
Mr Mothapo (Chairperson)	B. Compt	External	N/A	01 June 2021	N/A	5
Mr M Noge	CA (SA)	External	N/A	08 October 2021	N/A	2
Ms FS Tshikido	Masters in Business Administration (MBA) B.Com (Honours) Post graduate Diploma in risk management B.Com Accounting	External	N/A	01 June 2021	N/A	5
Mr TK Mothudi	B.Compt Post Graduate Diploma in Forensic auditing Diploma in risk management B.Com Law	External	N/A	01 June 2021	N/A	4
Adv M Zulu	LLB & Certificate in Legislative Drafting	External	N/A	08 October 2021	N/A	5
Dr T Mosala	Bachelor of Arts Degree Bachelor Social Sciences Honours degree Masters of Arts Degree in Anthropology PhD in Anthropology	External	N/A	12 December 2022	N/A	3

COMPLIANCE WITH LAWS AND REGULATIONS

The National Museum has developed policies and procedures aligned to laws and regulations that govern the industry in which the Museum operates, in order to ensure compliance. The policies and procedures were reviewed and approved by Council. The National Museum complied with laws and regulations and no material non-compliance was identified by the AGSA during the audit. Compliance is reported on quarterly through the Audit Committee.

FRAUD AND CORRUPTION

The National Museum developed a Fraud Prevention Plan. Training and sensitisation of reporting fraud was highlighted to the staff and how to make use of the DAC Fraud hotline. No cases were reported. Management and the Audit and Risk Committee held a scheduled Fraud Risk Workshop and identified fraud risks. A Fraud Risk Register is maintained and tabled to Council on a quarterly basis.

MINIMISING CONFLICT OF INTEREST

Service providers depending on the threshold as determined in the Museum's Supply Chain Management Policy, are required to declare their interest and knowledge of Museum's officials that are or could be involved in the respective procurement process in an SBD4 form in accordance with National Treasury Practise Note 7 of 2009/2010.

CODE OF CONDUCT

As a public entity the Museum subscribes to both the Code of Conduct for Public Servants and the International Council of Museums (ICOM) Code of Ethics for Museums. The reason for adopting these two Codes is to help Museum employees to understand the standards of personal and professional behaviour required to enable the Museum to fulfil its public mandate in terms of the Cultural Institutions Act of 1998 and the Public Service Act of 1994.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

A special Health and Safety Report was procured to review the Museum's fire hazards. The OHS committee was active in the financial period and systematically attended to all the recommendations from this report. OHS first responders received refresher training in First Aid and Fire. OHS Committee members received OHS Supervisor Training.

AUDIT COMMITTEE REPORT

Full report is tabled in the Annual Financial Statements

BBBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Developing and implementing a preferential procurement policy?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate, however the Museum has developed and is currently implementing an SCM policy that applies 80/20 preferential point system that is based on PPPFA
Determining qualification criteria for the sale of state-owned enterprises?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Developing criteria for entering into partnerships with the private sector?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate

PART D: **HUMAN RESOURCE MANAGEMENT**



Image: A new species of fly, *Coenosia curiosa*, described by Burgert Muller of the National Museum.
Photo credit: Burgert Muller.

INTRODUCTION

The Museum has an approved Employment Equity Policy and Plan in place. The Employment Equity Plan considered national and regional demographics and targets were accordingly set. Transformation is a key imperative and the Museum is lagging when it comes to the number of black scientists and Heads of Research departments employed. These challenges can be addressed when vacancies arise. The Museum has a strategy to attract black scientists to our team to improve the demographics in this category. During the financial period, the Museum was successful in employing many skilled staff to join the team, improving its demographical representation.

The Museum has improved its demographic representation in line with Employment Equity plan targets:

- The NM equity targets set in the plan were in line with the South African demographics.
- The Museum realised an improvement in the overall gender breakdown in the '22.23' financial period reflecting an increased bias towards females. The gender breakdown is **56% (21.22: 58%) female** and **44% (21.22: 42%) male**. The equity targets for gender have been achieved and exceeded through the over representation of White Females in the professionally qualified and skilled categories.

The Museum has a **Programme to Develop Black Scientists**. Treasury approved the use of surplus funds to implement this development programme. Two black aspiring scientists were provided with development plans to develop them into museum scientists in the short term and they are being mentored by the HOD. Further, an internship appointment in Terrestrial Invertebrates is providing workplace experience for one black aspiring museum scientist. The Museum also has a target to attract a black scientist to complete his/her post-doctoral research in one of our research disciplines. The Museum has been unsuccessful thus far and in future review how we attract post docs.

The Museum's competitive edge in research is maintained by the calibre of researchers appointed. We unfortunately compete for a small pool of highly skilled scientists with universities and other institutions which have much larger budgets. Year on year budget cuts that have been imposed on the Museum, exacerbate the situation and we find that top scientists are mostly unaffordable for the Museum.

The Museum implemented its performance management policy during the year. Special focus was placed on ensuring that targets set were aligned to job descriptions and the Annual Performance Plan of the Museum.

Unionisation at the workplace

The Museum has a formalised unionised environment. There are 2 (two) unions that enjoy the support of 28 staff members at the Museum. These unions are NEHAWU with 27 members and PSA 1 members as at 31 March 2023.

The Council formally recognised NEHAWU in 2019, and in terms thereof a signed Recognition Agreement was concluded between the employer and the Union. Pursuant to this agreement, 2 (two) shop stewards have been appointed at the Museum workplace to represent staff in their dealings with management. Further in terms of the agreement, NEHAWU and Management meet to discuss staff issues that the union wants to raise. The Council is apprised on a quarterly basis of union issues which are raised.

HUMAN RESOURCE OVERSIGHT STATISTICS

Below are our key Human Resource Oversight Statistics:

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Programme 1. Business development: Curation and Conservation of Collections, Research and Information Management	20,337	19,260	95%	36	535
Programme 2. Public engagement: Marketing, Public Educational Programmes	9,321	8,585	92%	29	296
Programme 3: Administration: Support services	28,297	17,759	63%	43	413

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	1,738	4	1	1,738
Senior Manager	1,377	3	1	1,377
Professional qualified	12,493	27	16	781
Skilled	17,670	39	30	589
Semi-skilled	4,546	10	16	284
Unskilled	7,780	17	44	177
TOTAL	45,604	100	108	4,946

*The above figure includes temporary and fixed term staff that are not on the organogram.

Performance Rewards

Programme//activity/objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	16	1,738	0.93
Senior Management	25	1,377	1.79
Professional qualified	263	12,493	2.10
Skilled	320	17,670	1.81
Semi-skilled	137	4,546	3.02
Unskilled	348	7,780	4.47
TOTAL	1108	45,604	0.02

Training Costs

EXTERNAL TRAINING CONDUCTED 22.23		
Course	No. of staff	Per unit cost R
First Aid	15	R715.00
Fire Fighting	20	R545.00
Leadership and Supervision	10	R2 900.00

Employment and vacancies

Programme/activity/objective	2020/2021 No. of Employees	2020/2021 Vacancies	2022/2023 No. of Employees	2022/2023 Vacancies
Permanent	92	6	108	5
Fixed Term		0	9	
Casuals (Relief Staff)	1	0	3	0
Interns	8	0	9	0

Programme/activity/objective	2021/22 No. of Employees	2021/22 Vacancies	2022/23 No. of Employees	2022/23 Vacancies	% of vacancies
Top Management	1	0	1	0	0%
Senior Management	1	0	1	0	0%
Professional qualified	17	1	16	2	1.25
Skilled	41	2	42	1	0.02%
Semi-skilled	18	0	17	1	0.05%
Unskilled	33	0	31	2	0.06%
TOTAL	111	3	108	6	5.5%

Employment changes

Table below reflects information on changes in employment over the financial year.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional qualified	17	1	2	16
Skilled	41			41
Semi-skilled	18		1	17
Unskilled	33		1	32
Total	111	1	4	108

*The above table excludes interns and casual staff not on the organogram.

Reasons for staff leaving

Reason	Number
Death	0
Resignation	4
Dismissal	0
Retirement	1
Ill health	1
Expiry of contract	1
Other	
Total	7

Staff turnover is very low at the Museum.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	5
Final Written warning	0
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Professional qualified	2	2	0	1	0	1	6	3
Skilled	11	10	0	0	0	0	5	5
Semi-skilled	6	6	1	1	0	0	1	0
Unskilled	12	12	2	2	0	1	1	2
SUB TOTALS	32	30	3	4	0	2	13	10
TOTAL MALES	48							

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0
Professional qualified	1	4	0	1	1	1	3	2
Skilled	11	12	2	2	0	1	12	10
Semi-skilled	4	4	1	1	0	0	2	2
Unskilled	21	18	0	1	0	1	0	1
SUB TOTAL	38	39	4	6	1	3	17	15
TOTAL	60							

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	1

PART E: **PFMA COMPLIANCE REPORT**



Image: A new species of pseudoscorpion, *Gymnobisium cuneatum*, described by Jan Andries Neethling of the National Museum.
Photo credit: Jan Andries Neethling

INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

a) Reconciliation of Irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	23	23
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	23	23

The irregular expenditure was investigated and confirmed in the previous financial years and awaiting condonation from National Treasury.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	-

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

g) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
A warning was issued to the employee who permitted irregular expenditure amounting to R13,267. 00
An employee who permitted irregular expenditure of R10,000.00 subsequently resigned before any disciplinary steps could be taken, based on the investigation there was value for money hence no recovery process was instituted.

Fruitless and wasteful expenditure

a) Reconciliation of Fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	15	-
Less: Fruitless and wasteful expenditure condoned	-	-
Less: Fruitless and wasteful expenditure not condoned and removed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recovered and written off	-	-
Closing balance	15	-

Fruitless and wasteful expenditure incurred in the current financial year was recovered subsequent year end.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	15	-
Total	15	-

b) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
A warning letter was issued to the employee who incurred fruitless and wasteful expenditure of R14 735 and a staff debtor was raised for the full amount as at year end which was subsequently settled post year end.

Information on late and / or non-payment of suppliers

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received	2,780	22,614
Invoices paid within 30 days or agreed period	2,780	22,614
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Information on Supply Chain Management

Contract Variation and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Supply and installation of the HVAC System	Lumacon (Pty) Ltd	Variation	L057	7,797	-	1,554
Total				7,797	-	1,554



PART F: **FINANCIAL INFORMATION**

REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Parliament on the National Museum Bloemfontein

Report on the financial statements

I have reviewed the financial statements of the National Museum Bloemfontein set out on pages 60 to 136, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the National Museum Bloemfontein as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

Emphasis of matter

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

Restatement of corresponding figures

2. As disclosed in paragraphs 30 and 31 to the financial statements, the corresponding figures for 30 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended 31 March 2023.

Other matter

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

National Treasury Instruction Note 4 of 2022-23: PFMA Compliance and Reporting Framework

4. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 35 to the financial statements of the public entity. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the public entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

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

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

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.
8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

REPORT OF THE EXTERNAL AUDITOR

9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to Business development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of new heritage items added to the collection and digitised
 - Number of research studies conducted on existing collections
 - Number of popular research articles published
 - Develop a policy for ethical research at the museum
 - Number of research grants awarded to museum scientist
 - Number of national research foundation (NRF) rated museum scientist
 - Number of research fieldtrips conducted
 - Number of research papers or posters delivered at research conferences
 - Number of public lectures delivered
 - Number of articles published in peer reviewed journals
 - Number of new animal or plant or fossil species described
 - Number of new international and national collaborative projects
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures for the purpose of reporting material findings only.
15. I did not identify any material findings on the reported performance information for the selected material performance indicators of business development.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

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

REPORT OF THE EXTERNAL AUDITOR

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

22. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
23. I did not identify any significant deficiencies in internal control.

Professional ethics and quality control

24. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
25. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor-General

Bloemfontein
31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE EXTERNAL AUDITOR

ANNEXURE TO THE AUDITOR'S REPORT

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(b) Section 44 Section 45(b) Section 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 57(b)
Treasury Regulations	Regulation 8.2.1; 8.2.2 Regulation 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(iii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2(a)(ii) Regulation 29.3.1 Regulation 30.1.1; 30.1.3(a) ; 30.1.3(b) ; 30.1.3(d) Regulation 30.2.1 Regulation 31.1.2(c) Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
National Treasury SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.2.4(b); 3.3.1
National Treasury SCM Instruction Note 3 of 2021-22	Paragraphs 4.1; Paragraph 7.2
National Treasury Instruction Note 1 of 2021-22	Paragraphs 4.1
National Treasury Instruction Note 3 of 2021-22	Paragraphs 4.2(b); 4.3; 4.4; 4.4(c); 4.4(d)
National Treasury Instruction Note 4 of 2015-16	Paragraphs 3.4
National Treasury Instruction Note 4A of 2016-17	Paragraph 6
National Treasury Instruction Note 7 of 2017-18	Paragraph 4.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2011	Regulations 9.1
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.8; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1
Preferential Procurement Regulations of 2022	Regulations 4.4;
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Practice Note 5 of 2009-10	Paragraph 3.3
Public Service Regulations	Regulations 18(1); 18(2);
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury SCM Instruction Note 11 of 2020-21	Paragraphs 3.1;

ANNUAL FINANCIAL STATEMENTS

National Museum Bloemfontein

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Abbreviations used:

GRAP	Generally Recognised Accounting Practice
PFMA	Public Finance Management Act

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3 Entity
Nature of business and principal activities	To collect, preserve, interpret and display objects of artistic, cultural or scientific significance for the education of the public.
Members	Adv J Leshabane (Chairperson of Council) Dr E Mohatlane (Deputy Chairperson of Council) Mrs M De Roche-Holmes Mr M Noge Mr M Mabalae Ms T Mosala Adv M Zulu Mr K Makhweyane Ms. N Mbonambi Ms T Jimana Mrs E Nzimande
Registered office	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Business address	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Bankers	ABSA South African Reserve Bank
Auditors	Auditor General of South Africa
Relevant Legislation	Generally Recognised Accounting Practice (GRAP) Public Finance Management Act (PFMA) (Act No. 1 of 1999) Employment Equity Act (No. 55 of 1999) Skills Development Levies Act (Act No. 9 of 1999) Unemployment Insurance Act (Act No. 30 of 1966) Basic Conditions of Employment (Act No. 75 of 1997)
Chief Executive Officer	Ms. S. Snell
Chief Financial Officer	Ms. Gabisile Simelane CA(SA)

REPORT OF THE ACCOUNTING OFFICER

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and was given unrestricted access to all financial records and related data.

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

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The Accounting Officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

The external auditors are responsible for independently reviewing and reporting on the entity's Annual Financial Statements. The Annual Financial Statements have been examined by the entity's external auditors and their report is presented on page 6.

The Annual Financial Statements set out on page 6, which is been prepared on a going concern basis, was approved by the National Museum Council on 31 July, 2023 and is signed on its behalf by:



Sharon Snell
Chief Executive Officer
 National Museum,
 Bloemfontein 31 July 2023

AUDIT COMMITTEE REPORT

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

Audit committee members and attendance

The Audit Committee consists of five members, three of which are external members as listed hereunder. The Committee is required to meet a minimum of two times per annum as per the provisions of the Public Finance Management Act (PFMA). In terms of the approved Audit Committee Charter, four ordinary meetings and one special meeting were held during the year. i.e. four meetings to consider the Quarterly Performance Reporting (financial and non-financial), one special audit committee to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Name of member	Number of meetings attended
Mr MR Mothapo (Chairperson)	5 (3-Year term appointed as an independent member)
Ms TM Mosala	3 (3-Year term appointed as an independent member)
Ms FS Tshikhudo	5 (3-Year term appointed as an independent member)
Mr TK Mothudi	5 (3-Year term appointed as an independent member)
Adv M Zulu	5 (3-Year term appointed as an independent member)
Mr M Noge	2 (3-Year term appointed as an independent member)

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Committee has performed the following key responsibilities:

- Adopted the audit and Risk Management Charter and proposed approval to Council.
- Reconfirmed the appropriateness of the Internal Audit Charter and methodology.
- Approved the Internal Audit Plan for the financial year and monitored the implementation of the plan.
- Evaluated the findings raised by internal and external audit and made recommendations on addressing those matters.
- Performed a review of financial information submitted to the committee and commented specifically on concerns raised based on year-to-date information and accuracy of projections.
- Liaised with the Auditor General on matters relating to communication with those charged with governance.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The audit committee is satisfied with the content and quality of quarterly reports prepared and issued during the financial year under review.

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

AUDIT COMMITTEE REPORT

Internal audit

In terms of the PFMA, the Accounting Officer needs to ensure that the department has a system of internal audit under control and direction of the Committee. The internal audit function has been outsourced.

The Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity. The Committee is satisfied that the internal audit function maintains an effective internal quality assurance and programme that covers all aspects of the internal audit activities.

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues. The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Mr MR Mothapo
Chairperson of the Audit Committee
31 July 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2023

Figures in Rand thousand

	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	3	76	91
Receivables from exchange transactions	4	489	691
Cash and cash equivalents	5	139,349	115,783
		139,914	116,565
Non-Current Assets			
Property, plant and equipment	6	25,716	21,962
Heritage assets	7	139,345	138,999
Employee benefit asset	8	5,494	5,494
		170,555	166,455
Total Assets		310,469	283,020
Liabilities			
Current Liabilities			
Finance lease obligation	9	124	57
Payables from exchange transactions	10	5,355	5,367
Unspent conditional grants and receipts	11	74,170	61,782
Provisions	12	1,145	1,145
		80,794	68,351
Non-Current Liabilities			
Finance lease obligation	9	269	110
Employee benefit obligation	8	30,799	32,889
		31,068	32,999
Total Liabilities		111,862	101,350
Net Assets		198,606	181,667
Reserves			
Capital replacement reserves		2,805	2,641
Accumulated surplus		195,801	179,026
Total Net Assets		198,606	181,667

* See Note

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand thousand

	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Artbank Income	14	44	168
Rental income		66	70
Projects income	15	883	170
Trading revenue	16	227	84
Interest received	17	5,862	2,998
Gain on disposal of assets and liabilities		206	2
Fair value gain	22	256	-
Actuarial gains	8	4,226	826
Interest - Employee benefit asset	8	-	297
Total revenue from exchange transactions		11,770	4,615
Revenue from non-exchange transactions			
Transfer revenue			
Transfers and subsidies received	18	76,897	71,997
Free use of buildings	19	4,458	3,157
External funding		179	222
Total revenue from non-exchange transactions		81,534	75,376
Total revenue	13	93,304	79,991
Expenditure			
Staff costs	20	(45,604)	(45,610)
Remuneration of councilors and audit & risk committee		(531)	(573)
Depreciation and amortisation	6	(2,013)	(2,307)
Impairment loss	6&7	(21)	-
Finance costs	21	(36)	(17)
Debt Impairment	4	(159)	-
Bad debts written off	4	(98)	-
Fair value loss	22	-	(10,085)
Other operating expenses	23	(28,067)	(19,623)
Total expenditure		(76,529)	(78,215)
Surplus for the year		16,775	1,776

* See Note

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand thousand

	Other NDR	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	2,543	175,953	178,496
Adjustments			
Correction of errors 30	-	1,297	1,297
Balance at 1 April, 2021 as restated*	2,543	177,250	179,793
Changes in net assets			
Surplus for the year	-	1,776	1,776
Movement in accumulated reserves	98	-	98
Total changes	98	1,776	1,874
Restated* Balance at 1 April, 2022	2,641	179,026	181,667
Changes in net assets			
Surplus for the year	-	16,775	16,775
Movement in accumulated reserves	164	-	164
Total changes	164	16,775	16,939
Balance at 31 March, 2023	2,805	195,801	198,606

* See Note

CASH FLOW STATEMENT

Figures in Rand thousand

Note(s)

2023

2022
Restated*

Cash flows from operating activities

Receipts

Sale of goods and services		5,660	4,651
Grants		89,464	68,501
Interest income		5,862	2,998
		100,986	76,150

Payments

Employee costs		(44,058)	(43,606)
Suppliers		(27,992)	(36,885)
Finance cost		(36)	(17)
		(72,086)	(80,508)

Net cash flows from operating activities	25	28,900	(4,358)
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Cash flows from investing activities

Purchase of property, plant and equipment	6	(5,578)	(9,794)
Proceeds from sale of property, plant and equipment	6	198	10
Purchase of heritage assets	7	-	(212)
Interest Income transferred to NDR		162	98

Net cash flows from investing activities		(5,218)	(9,898)
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Cash flows from financing activities

Finance lease payments		(116)	(49)
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Net increase/(decrease) in cash and cash equivalents		23,566	(14,305)
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Cash and cash equivalents at the beginning of the year		115,783	130,088
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Cash and cash equivalents at the end of the year	5	139,349	115,783
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The accounting policies on pages 14 to 34 and the notes on pages 35 to 72 form an integral part of the annual financial statements.

* See Note

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Artbank Income	48	-	48	44	(4)	1
Rental income	16	-	16	66	50	2
Projects income	-	-	-	883	883	3
Trading revenue	61	-	61	227	166	4
Interest received - investment	2,200	-	2,200	5,862	3,662	5
Total revenue from exchange transactions	2,325	-	2,325	7,082	4,757	
Revenue from non-exchange transactions						
Transfer revenue						
Transfers and subsidies received	58,739	-	58,739	76,897	18,158	6
Free use of buildings	4,193	-	4,193	4,458	265	7
External funding	206	-	206	179	(27)	8
Total revenue from non- exchange transactions	63,138	-	63,138	81,534	18,396	
Total revenue	65,463	-	65,463	88,616	23,153	
Expenditure						
Staff cost	(46,911)	-	(46,911)	(45,604)	1,307	9
Remuneration of councilors	(539)	-	(539)	(531)	8	
Depreciation and amortisation	(2,330)	-	(2,330)	(2,013)	317	10
Impairment loss/ Reversal of impairments	-	-	-	(21)	(21)	
Finance costs	-	-	-	(36)	(36)	11
Debt Impairment	-	-	-	(159)	(159)	
Bad debts written off	-	-	-	(98)	(98)	
General Expenses	(18,015)	-	(18,015)	(28,067)	(10,052)	12
Total expenditure	(67,795)	-	(67,795)	(76,529)	(8,734)	
Operating surplus	(2,332)	-	(2,332)	12,087	14,419	
Gain on disposal of assets and liabilities	-	-	-	206	206	13
Fair value gain	-	-	-	256	256	14
Actuarial gains	-	-	-	4,226	4,226	15
	-	-	-	4,688	4,688	
Surplus before taxation	(2,332)	-	(2,332)	16,775	19,107	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(2,332)	-	(2,332)	16,775	19,107	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	91	-	91	76	(15)	16
Receivables from exchange transactions	691	-	691	489	(202)	17
Cash and cash equivalents	115,783	-	115,783	139,349	23,566	18
	116,565	-	116,565	139,914	23,349	
Non-Current Assets						
Property, plant and equipment	21,059	-	21,059	25,716	4,657	19
Heritage assets	138,999	-	138,999	139,345	346	
Employee benefit asset	5,197	-	5,197	5,494	297	
	165,255	-	165,255	170,555	5,300	
Total Assets	281,820	-	281,820	310,469	28,649	
Liabilities						
Current Liabilities						
Finance lease obligation	41	-	41	124	83	20
Payables from exchange transactions	5,655	-	5,655	5,355	(300)	21
Unspent conditional grants and receipts Provisions	61,875	-	61,875	74,170	12,295	22
	1,145	-	1,145	1,145	-	
	68,716	-	68,716	80,794	12,078	
Non-Current Liabilities						
Finance lease obligation	41	-	41	269	228	20
Employee benefit obligation	32,889	-	32,889	30,799	(2,090)	23
	32,930	-	32,930	31,068	(1,862)	
Total Liabilities	101,646	-	101,646	111,862	10,216	
Net Assets	180,174	-	180,174	198,607	18,433	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Other NDR	2,641	-	2,641	2,805	164	
Accumulated surplus	177,533	-	177,533	195,802	18,269	
Total Net Assets	180,174	-	180,174	198,607	18,433	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						

1. Artbank income

The variance is due to a decrease in rental income generated in the current year than anticipated.

2. Rental income

The variance in rental income is due to an increase demand in the rental of the museum's facilities.

3. Project income

The variance in the project income is a result of the administration fee received for administering the Presidential employment stimulus programme received which was unbudgeted as the program was approved later in the financial year.

4. Trading revenue

The variance in trading revenue is attributable to entrance fees for school visits that took place in the third and fourth quarters.

5. Interest received

The variance in interest from investment is in line with the financial market performance year ending 31 March 2023, as the South African Reserve Bank multiple times increased the repo rate.

6. Grants received

The increase is attributable to other grants received by the Museum.

7. Free use of buildings

The variance is attributable to the actual cost incurred by DSAC as charged by DPWI for buildings occupied by the museum. The actual was more than we had anticipated as we benchmarked it to the prior amount.

8. External funding

The variance is due to more external funding received than initially budgeted for.

9. Staff cost

The saving realised correlates with the critical posts resignations that took place during the year and remained vacant until year end.

10. Depreciation

The variance is due to systematic allocation of depreciation and the disposal of assets.

11. Finance cost

The variance is a result of the photocopying machine being a budgeted expenditure and not an item of property, plant and equipment of which contrary to the standard, GRAP 13 requires that we recognise the asset on the substance over form resulting in a finance lease liability.

12. General expenses

The variance in general expenses is due to the PESP3 grant spending which was not budgeted for as the allocation was received in November 2022, and following non-cash items: interest transferred to grants, and the free use of buildings, that were not budgeted for. The free-use of buildings relates to cost incurred by DSAC directly to DPWI on behalf of the museum and we're informed of the cost thereof at year-end, while the interest transferred to grants relates to interest earned on grants funds on Capital works and NRF admin invested with financial institutions which are allocated to the respective grants.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

13. Gains on disposal of assets and liabilities

The variance is as a result of the assets auction where old assets were sold and proceeds realised exceeded expectations.

14. Fair value adjustment

The variance is as a result of the valuation of heritage assets, which are not included in the budget, as it is impracticable to ascertain the adjustment since expertise knowledge is required to perform determine the adjustment.

15. Actuarial gains

The variance is as a result of valuations of employee benefits obligations by actuaries which is not included in the budget, as it is impracticable to ascertain the actuarial gains/losses without the help of an expert.

16. Inventories

The slight decrease in inventories is due to an increase in the demand for the shop inventories as sales have increased.

17. Receivables from exchange transactions

The variance is immaterial.

18. Cash and Cash equivalents

The cash and cash equivalent variance is a result of a halt in capital projects that were undertaken during the year coupled by multiple increases in interest rates.

19. Property, plant and equipment

The variance is due to purchases made during the year being more than initially budgeted

20. Finance lease obligations

The variance is due to new finance lease entered into in the current financial year.

21. Payables from exchange transactions

The increase in the payables from exchange transactions is as of the municipal invoices received late and therefore an increase in year-end accruals.

22. Unspent conditional grants

The variance in unspent conditional grants is a result of the halt in capital projects undertaken during the financial year.

23. Finance lease obligation

The variance is due to the unwinding of the lease component based on the contract concluded with the service provider.

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

These 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, and are rounded to the nearest thousand (R'000).

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

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

Funds were obtained and used in accordance with a legally adopted budget.

1.2 Comparative figures

Where the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also restated and reclassified. The nature of and reason for the reclassification will be disclosed.

Where accounting errors relating to prior periods 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. The presentation and classification of items in the current year is consistent with prior periods, unless specified otherwise.

1.3 Critical accounting estimates and judgements in applying policies

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 is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in the future periods

Judgements

In the process of applying these accounting policies, management has made certain judgements that may have a significant effect on the amounts recognised in the financial statements.

Estimates

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of Financial Position as well as the reported revenue and expenses for the year.

Estimates and judgements are evaluated annually and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ACCOUNTING POLICIES

1.3 Critical accounting estimates and judgements in applying policies (continued)

Receivables

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable (service) 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. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The museum reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in the future to settle the provision management considers the weighted average possibility of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are of a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes that will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Post-retirement benefits

The costs of the benefits and the present value of the post retirement benefit liabilities depend on a number of factors that are determined by an actuarial valuation using a number of assumptions

These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is hugely sensitive to changes in these assumptions.

Any changes in these assumptions will impact the charge to the Performance Statement and the Position Statement. All assumptions are reviewed at each reporting date.

Effective interest rate

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

Allowance for impairment

For receivables 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Value in use of cash generating assets

The museum 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. They are significantly affected by a number of factors, together with economic factors such as inflation and interest.

ACCOUNTING POLICIES

1.3 Critical accounting estimates and judgements in applying policies (continued)

1.4 Value in use of non-cash generating assets

The museum reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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 except for Appreciative Artworks which are carried at revalued amount being the fair value at the date of revaluation less any 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.

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.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value, except for Appreciative Artworks which have an indefinite useful life.

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

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

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

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

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

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

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

Assets which the 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.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6).

1.5 Heritage assets

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

Classes of Heritage assets

The following are classes of Heritage assets held by the museum:

- Natural History (which includes: Natural Science Collection and Human Science Collection);
- Cultural History (which includes: Firearms, Coins, Objects, textiles, etc.)
- Library Collections (which includes: Library books, Library Science Journals and Other Library Materials); and
- Artworks

i. Natural Science collection

ACCOUNTING POLICIES

1.5 Heritage assets (continued)

The nature of the collection is unique (all of its categories) and is purely held for its scientific and educational value to advance the objectives of the Museum, also for future generations. Collections include: Acarology, Arachnology, Botany, Entomology, Fossils, Herpetology, Mammalogy, Ornithology, Mineralogy, Geology, Shell collection, etc.

The collection dates back many years and was largely internally developed with no cost records kept as it was standard practice at the time. Therefore the Museum is unable to determine historic cost in line with the cost model.

There is no active market where quoted prices could be sourced to determine fair values in line with the revaluation model. In fact, many of the items have no commercial value at all, only a scientific one. Perhaps the most valuable specimens would be the name-bearing ones (holotypes), but since such specimens are always housed in museums and it is illegal for any museum to sell them, there are no existing data available upon which to base a valuation.

Collections where an active market exists and where value will be determined, have been identified as follows:

- Taxidermy (Mammalogy, Ornithology, Herpetology)
- Geology
- Shell collection

ii. Human Sciences Collection

It is submitted that the Human Sciences collection is held only for its scientific and educational value, to advance the objectives of the Museum. The collection is currently subdivided into four parts: Archaeology, Anthropology, History and Rock Art. The collection dates back many years and no known cost records were kept during its accumulation. Therefore the Museum is unable to determine historic cost in line with the cost model.

The Archaeological collection - there is no legal trade in these items with South Africa and thus their monetary value cannot be reliably measured.

The Anthropology collection - There is potentially commercial value for a few specific items. These items require identification and assessment by independent specialists in the trade (buying and selling) of scientific and cultural materials. Should any assets prove to have a monetary value, they should be valued in terms of the revaluation model.

Rock Art collection - There is no legal trade in these items with South Africa and thus their monetary value cannot be reliably measured.

Items within the History collections do have a monetary value. These items require identification and assessment by independent specialists in the trade (buying and selling) of scientific and cultural materials. These assets should be valued in terms of the revaluation model.

iii. Library Collection

The museum library collection is diverse in its composition. Some of its collection items meet the definition of a heritage asset and some do not. The Library has conducted an assessment to determine whether various classes of its collection fall within the ambit of GRAP 103: Heritage Assets. In cases where the library material falls outside the definition; appropriate accounting treatment shall be applied.

Library books /materials are held to provide a service to the public and may be used for more than one reporting period; such library books should be classified as property, plant and equipment in accordance with GRAP 17 – Property, Plant and Equipment. If library books/materials meet the definition of heritage assets, they should be accounted in accordance with GRAP 103: Heritage Assets.

Library Scientific Journals

in the period in which they are incurred. The scientific journals volumes are published once to four times a year and the publishers would produce a new volume the following year. It is on this basis that library scientific journals are regarded as an expense.

- The Museum shall continue expensing the publication costs.

Library Books

Library Books – Rare Books

ACCOUNTING POLICIES

1.5 Heritage assets (continued)

The Library houses a collection of rare scientific books which meet the definition of a heritage asset and also the recognition criteria. The rare books are:

- Scarce with limited copies available;
- Available for research purposes; and
- Held for an indefinite period, unless destroyed by circumstances beyond human control.

Library Books – Staff training

This category is comprised of books purchased during the reporting period to serve a particular need; i.e. as part of staff development and training, the Museum sponsors textbook costs for the recipients of the training budget. These books are expensed in the period in which they are incurred.

Library Books – Other

This category comprises books purchased to be used for more than one period. These books should be accounted for in terms of GRAP 17: Property Plant and Equipment.

Other Library Material (Newspaper cuttings, Maps, Photographs, etc.)

The Library houses a variety of newspaper cuttings, maps and photographs as part of its diverse collection. The collection is of research significance and is deemed instrumental in advancing the research objects of the Museum. While commercially not valuable, the collection meets the definition of a heritage asset and also the recognition criteria as it is largely:

- Available for research purposes; and
- Held for an indefinite period, unless destroyed by circumstances beyond human control.

Artwork (Oliewenhuis Art Museum)

- An active market exists, therefore quoted price or fair value will be used.

Recognition

The National museum recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

The National museum will assess the degree of certainty attached to the flow of future service potential or economic benefits:

- If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
- For recognition of heritage assets, the asset needs to be controlled by the National Museum as a result of past events. Such events may include: purchase, donation, bequeath, transfer.
- Particularly within the Natural History/Science Collection, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

In accordance GRAP 103, an entity should choose either the cost model or the revaluation model for subsequent measurement of each class of heritage assets.

Cost Model

When the cost model is used, heritage assets are subsequently carried at cost less any accumulated impairment losses.

Revaluation Model

For subsequent measurement, if the fair value of a class of heritage assets can be measured reliably, then the Museum should carry that class of heritage assets at a revalued amount. The revalued amount is the fair value less any subsequent impairment losses at the date of the revaluation. The frequency of revaluations depends upon the changes in the fair values of the heritage asset being revalued. When the fair value of a revalued heritage asset differs materially from its carrying amount, a

ACCOUNTING POLICIES

1.5 Heritage assets (continued)

further revaluation is required. Some heritage assets experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary, however, for a heritage asset which shows insignificant changes in fair value. It may then be necessary to revalue the heritage asset only every three years.

If a heritage asset is revalued, the entire class of heritage assets to which that asset belongs shall be revalued. If a class of heritage assets is stated at revalued amounts, the following shall be disclosed:

- the effective date of the revaluation;
- the method used to determine the heritage asset's fair value;
- the significant assumptions applied in estimating the heritage assets' fair values;
- the extent to which the heritage assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms, or were estimated using other valuation techniques; and
- the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to owners of net assets.

The museum has elected the Cost Model and shall apply this policy to the following classes of heritage assets:

- Natural History;
- Cultural History and
- Library books

The museum has elected the Revaluation Model and shall apply the policy to the following class of heritage asset:

- Artwork (An independent revaluation will be conducted after every 3 years)

Heritage assets are carried at cost less accumulated depreciation and any impairment losses except for Artworks which are carried at revaluation amount, being the fair value at the date of revaluation less any subsequent accumulated impairment losses.

Depreciation rates:

Item	Depreciation method	Average useful life
Shell Collection	Straight-line	Indefinite
Minerology	Straight-line	Indefinite
Documents	Straight-line	Indefinite
Firearms	Straight-line	Indefinite
Herpetology Taxidermy	Straight-line	Indefinite
Library books	Straight-line	Indefinite
Coins	Straight-line	Indefinite
Mammalogy Taxidermy	Straight-line	Indefinite
Objects	Straight-line	Indefinite
Ornithology Taxidermy	Straight-line	Indefinite
Anthropology	Straight-line	Indefinite
Photographs	Straight-line	Indefinite
Textiles	Straight-line	Indefinite

Impairment

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

A heritage asset shall not be depreciated but the Museum shall assess at each reporting date whether there is an indication that it may be impaired, this will be reflected as a deficit or surplus in the financial statement.

If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired, the Museum shall consider, as a minimum, the following indications:

i. Internal sources of information

An asset is considered impaired when:

- There are new indications of physical damage or deterioration on it.
- A decision is made to halt the construction of the heritage asset before it is complete or in a usable form.

ii. External sources of information

ACCOUNTING POLICIES

1.5 Heritage assets (continued)

An asset is considered impaired when:

- During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

Transfers

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

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The museum derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

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.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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.

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.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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 (see the Standard of GRAP on Revenue from Exchange Transactions), 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.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

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 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.

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.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

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

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

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

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

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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.

The entity recognises financial assets using trade date accounting.

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

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.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

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

ACCOUNTING POLICIES

1.6 Financial instruments (continued) Financial liabilities

are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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 Tax

Tax expenses

The entity is exempt from taxation in terms of section 10(1)(cA)(i) of the Income Tax Act. Donations made to or by the entity are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.

The entity is exempt from payment of Estate Duty in terms of section 4(h) of the Estate Duty Act no. 45 of 1995. The entity is not registered for value added tax in terms of section 24(1) of the Value Added Tax Act of 1991.

1.8 Leases

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

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

The entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the entity's net investment in the finance lease.

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.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

ACCOUNTING POLICIES

1.8 Leases (continued) Finance leases - lessor

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

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.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then 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.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of 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 the entity.

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 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.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits

The costs of short-term employee benefits, (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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

ACCOUNTING POLICIES

1.10 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.11 Provisions and contingencies

Provisions are recognised when:

- the 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.

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.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

ACCOUNTING POLICIES

1.11 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

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 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 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 entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in 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.

ACCOUNTING POLICIES

1.12 Commitments

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

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); and
- 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.

1.13 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- 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.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

ACCOUNTING POLICIES

1.13 Revenue from exchange transactions (continued)

Interest, royalties and dividends

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

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

Interest is recognised in surplus or deficit using the effective interest rate method.

1.14 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

ACCOUNTING POLICIES

1.14 Revenue from non-exchange transactions (continued)

Recognition

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

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

Measurement

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

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

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

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

Services in-kind

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

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

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) of inventories are recognised as an expense in the period 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract

costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

ACCOUNTING POLICIES

1.16 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.

1.17 Comparative figures

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

1.18 Fruitless and wasteful expenditure

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

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

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

1.19 Irregular expenditure

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

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or (c) any provincial legislation providing for procurement procedures in that provincial government. National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is derecognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

1.20 Research and development expenditure

Expenditure on research is recognised as an expense when it is

incurred. An asset arising from development is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

ACCOUNTING POLICIES

1.21 Budget information

The National Museum's budget is compiled on a cash basis with an economic classification. It covers the same period as the Financial Statements, namely 01 April to 31 March of each year.

Where there's a variance between the budget and actual amounts exceeding 10% of the budgeted amount, explanation to the variance is provided.

1.22 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

1.23 Events after reporting date

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

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April, 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 : Heritage assets	No effective date yet	This standard might materially impact the presentation and disclosure of heritage assets
• GRAP 25 (as revised): Employee Benefits	1 April, 2023	This standard might impact on the presentation and disclosure of employee benefits
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	1 April, 2023	Impact is currently being assessed
• GRAP 104 (as revised): Financial Instruments	1 April, 2025	This standard might impact the presentation and disclosure of financial instruments
• iGRAP 21: The Effect of Past Decisions on Materiality	1 April, 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	1 April, 2023	This standard might impact on the presentation of the financial statements
• GRAP 1 (amended): Presentation of Financial Statements	No effective date yet	This standard might impact on the presentation of the financial statements

3. Inventories

Inventories: Shop	37	53
Inventories: Stores	39	38
	76	91

Inventory pledged as security

There was no inventory pledged as security for the year ended 31 March 2023.

Inventory expensed

Inventory recognised as expense during the year	11	13
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4. Receivables from exchange transactions

Trade receivables from exchange transactions	110	516
Deposits paid	20	20
Creditors with debit balances	359	155
	489	691

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

4. Receivables from exchange transactions (continued)

Gross balance

Trade receivables from exchange transactions	269	516
Deposits paid	20	20
Creditors with debit balances	359	155
	648	691

Less: Allowance for bad debts impairment

Trade receivables from exchange transactions	(159)	-
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Nett balance

Trade receivables from exchange transactions	110	516
Deposits paid	20	20
Creditors with debit balances	359	155
	489	691

Total receivables from exchange transactions	489	691
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Receivables from exchange transactions pledged as security

There were no receivables from exchange transactions that were pledged as security.

Receivables from exchange transactions written-off

Trade receivables from exchange transactions of 97,652 were written-off as irrecoverable.

Receivables from exchange transactions past due but not impaired

Receivables from exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March, 2023, - (2022: 409) were past due but not impaired.

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

3 months past due	-	409
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Receivables from exchange transactions impaired

As of 31 March, 2023, Receivables from exchange transactions of 269 (2022: -) were impaired and provided for.

The amount of the provision was (159) as of 31 March, 2023 (2022: -).

The ageing of these receivables is as follows:

Over 6 months	269	-
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Reconciliation of provision for impairment of receivables from exchange transactions

Provision for impairment	(159)	-
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11	11
Bank balances	12,556	152
Investments	52,326	49,269
Call accounts	74,456	66,351
Total	139,349	115,783

The entity had the following bank accounts

Account description	Bank statement balances			Cash book balances		
	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2023	31 March, 2022	31 March, 2021
ABSA Cheque	12,556	152	19,408	12,556	152	19,408
ABSA Call	74,462	66,351	63,223	74,462	66,351	63,223
Total	87,018	66,503	82,631	87,018	66,503	82,631

The entity had the following investment accounts

Account description	Bank statement balances			Cash book balances		
	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2023	31 March, 2022	31 March, 2021
Transformation fund	1,815	1,709	1,646	1,815	1,709	1,646
Museum CPD	49,521	46,628	44,903	49,521	46,628	44,903
Purchase of Art Works CPD	990	932	898	990	932	898
Total	52,326	49,269	47,447	52,326	49,269	47,447

The entity had the following cash items on hand

Description	31 March, 2023	31 March, 2022	31 March, 2021
Petty Cash	9	9	9
Float	2	2	2
	11	11	11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

6. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Fixtures	14,837	(4,636)	10,201	12,426	(4,213)	8,213
Vehicles	6,441	(2,767)	3,674	5,956	(2,416)	3,540
Furniture & fittings	4,030	(3,759)	271	4,020	(3,642)	378
Computers	5,124	(4,579)	545	5,280	(4,415)	865
Leased Equipments	623	(256)	367	281	(132)	149
Appreciative Artworks	9,432	-	9,432	7,451	-	7,451
Equipment	5,520	(4,528)	992	5,374	(4,326)	1,048
Library books	3,716	(3,482)	234	3,716	(3,398)	318
Total	49,723	(24,007)	25,716	44,504	(22,542)	21,962

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfer to Heritage assets	Depreciation	Impairment loss	Total
Fixtures	8,213	2,474	-	-	(483)	(3)	10,201
Vehicles	3,540	485	-	-	(351)	-	3,674
Furniture & fittings	378	88	(34)	-	(144)	(17)	271
Computers	865	127	-	-	(447)	-	545
Leased Equipments	149	342	-	-	(124)	-	367
Appreciative Artworks	7,451	2,079	(7)	(91)	-	-	9,432
Equipment	1,048	325	-	-	(381)	-	992
Library books	318	-	-	-	(84)	-	234
Total	21,962	5,920	(41)	(91)	(2,014)	(20)	25,716

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Fixtures	2,278	6,436	-	(501)	8,213
Vehicles	3,223	686	-	(369)	3,540
Furniture & fittings	500	129	-	(251)	378
Computers	834	505	-	(474)	865
Leased Equipment's	107	97	-	(55)	149
Appreciative Artworks	5,081	2,378	(8)	-	7,451
Equipment	1,266	346	-	(564)	1,048
Library books	409	-	-	(91)	318
	13,698	10,577	(8)	(2,305)	21,962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

6. Property, plant and equipment (continued)

Other disclosures

Items of property plant and equipment with R1 book value were disposed of in the financial year ended 31 March 2023, however they are not reflecting in the reconciliation above, as figures are rounded off to thousands.

Rental revenue generated from appreciative artworks	44	102
Expenses that generated rental revenue		
Direct operating expense	1,298	31
Expenses that did not generate rental revenue		
Cumulative expenditure recognised in the carrying value of appreciative artworks	-	31

Artworks categorised as appreciative artworks are:

All kinds of artworks, art collections or individual pieces, including various paintings and statues, acquired, and are held primarily as a store of wealth.

The primary goal for acquiring these artworks is for investment purposes and for the purpose of storing value. In the period of which the artwork is appreciating in value (usually a period of five years), the entity leases these artworks to obtain rentals in that period.

There are no restrictions on the realisability of Appreciative Artwork or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Appreciative Artwork or for repairs, maintenance, or enhancements.

After the "ARTBANK" recognises the artwork as an item of Appreciative Artwork, the artwork shall be measured at fair value.

Through consideration of the following the "ARTBANK" considers that the fair value of the Appreciative Artwork cannot reliably be determined on a continuing basis:

- All the artworks are unique, thus not comparable;
- The artworks comprise of emerging South African artists;
- The artworks serve the purpose of providing opportunities;
- No assurance that the artworks will be leased; and
- The artwork is held for the purpose to foster and appreciate.

The "ARTBANK" determines that the fair value of the artwork will be reliably measurable on the disposal date.

Thus, the artwork shall be measured at cost until the day of disposal whereby the "ARTBANK" shall remeasure the artwork to the fair value – disposal price

The museum did not dispose of Appreciative Artworks carried at fair value. The museum disposed some of its Appreciative Artworks.

The museum did not have Appreciative Artworks carried at fair value

There were no gains or losses recognised from the sale of Appreciative Artworks.

Pledged as security

No property, plant and equipment was pledged as security for the financial year ended 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

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6. Property, plant and equipment (continued)

Depreciation rates

Item	Depreciation method	Average useful life
Appreciative Artworks	Straight-line	Indefinite
Fixtures	Straight-line	10 years
Furniture and fittings	Straight-line	5 years
Vehicles	Straight-line	8 years
Equipment	Straight-line	5 years
Computers	Straight-line	3 years
Library books	Straight-line	10 years

Assets subject to finance lease (Net carrying amount)

Leased Equipments	367	149
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Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Fixtures	8,645	6,436
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Reconciliation of Work-in-Progress 2023

	Included within Fixture	Total
Opening balance	6,436	6,436
Additions/capital expenditure	2,474	2,474
Transferred to completed items	(265)	(265)
	8,645	8,645

Reconciliation of Work-in-Progress 2022

	Included within Fixtures	Total
Additions/capital expenditure	6,436	6,436

Expenditure incurred to repair and maintain property, plant and equipment

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

Repairs and Maintenance	1,169	88
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The depreciation relating to the leased asset amounts to R3 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Property, plant and equipment (continued)

Artworks

The National Museum ("Lessor") agrees to lease and the Lessee agrees to lease the Art Works on the terms and conditions set out in the Lease Agreement.

The Parties have agreed that the Art Works will be leased on a temporary basis to the Lessee for the sole purpose of uninterrupted public display and appreciation at the premises of the Lessee.

The Lessor reserves the right to recall any Art Work at any time upon the giving of reasonable notice in writing to the Lessee.

The Lessor and the lessee will jointly prepare Condition Reports for each Art Work at the start and at the end of the Lease.

The Lessee must not carry out any changes to the Art Works specifically including cleaning, retouching, repairs, or restoration, without prior written notification from and/or consent of the Lessor.

The Lessor shall be responsible for arranging and paying for insurance cover (including any additional insurance required in relation to the transport) of the Art Works at all times ("the insurance").

Should there be any breach of the terms of the lease agreement, either Party may terminate this agreement by giving 30 days' notice to the other in writing with or without a claim for damages occasioned by such breach.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

7. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Shell collection	136	-	136	136	-	136
Mineralogy	313	-	313	313	-	313
Documents	609	-	609	535	-	535
Firearms	1,751	-	1,751	1,751	-	1,751
Herpetology Taxidermy	11	-	11	11	-	11
Library books	7,317	-	7,317	7,310	-	7,310
Coins	1,421	-	1,421	1,421	-	1,421
Mammalogy Taxidermy	1,676	-	1,676	1,676	-	1,676
Objects	18,132	-	18,132	18,133	-	18,133
Ornithology Taxidermy	591	-	591	591	-	591
Anthropology	6,579	-	6,579	6,579	-	6,579
Heritage assets which fair values cannot be reliably measured: (Para .94)						
Photographs	254	-	254	244	-	244
Textiles	2,756	-	2,756	2,755	-	2,755
Artworks	97,799	-	97,799	97,544	-	97,544
Total	139,345	-	139,345	138,999	-	138,999

Reconciliation of heritage assets 2023

	Opening balance	Additions	Transfers received	Transfers	Revaluation increase/ (decrease)	Impairment losses recognised	Total
Shell collection	136	-	-	-	-	-	136
Mineralogy	313	-	-	-	-	-	313
Documents	535	74	-	-	-	-	609
Firearms	1,751	-	-	-	-	-	1,751
Herpetology Taxidermy	11	-	-	-	-	-	11
Library books	7,310	7	-	-	-	-	7,317
Coins	1,421	-	-	-	-	-	1,421

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

7. Heritage assets (continued)

Mammalogy Taxidermy Objects	1,676	-	-	-	-	-	1,676
Ornithology Taxidermy	18,133	-	-	-	-	(1)	18,132
Anthropology	591	-	-	-	-	-	591
Heritage assets which fair values cannot be reliably measured: (Para .94)	6,579	-	-	-	-	-	6,579
Photographs	244	10	-	-	-	-	254
Textiles	2,755	1	-	-	-	-	2,756
Artworks	97,544	-	801	(710)	164	-	97,799
	138,999	92	801	(710)	164	(1)	139,345

Reconciliation of heritage assets 2022

	Opening balance	Additions	Transfers received	Transfers	Revaluation increase/ (decrease)	Total
Shell collection	136	-	-	-	-	136
Mineralogy	313	-	-	-	-	313
Documents	535	-	-	-	-	535
Firearms	1,751	-	-	-	-	1,751
Herpetology Taxidermy	11	-	-	-	-	11
Library books	7,290	20	-	-	-	7,310
Coins	1,421	-	-	-	-	1,421
Mammalogy Taxidermy	1,676	-	-	-	-	1,676
Objects	18,133	-	-	-	-	18,133
Ornithology Taxidermy	591	-	-	-	-	591
Anthropology	6,577	-	2	-	-	6,579
Heritage assets which fair values cannot be reliably measured: (Para .94)	213	31	-	-	-	244
Photographs	2,755	-	-	-	-	2,755
Textiles	107,470	161	-	(2)	(10,085)	97,544
Artworks						
	148,872	212	2	(2)	(10,085)	138,999

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Heritage assets (continued)

Heritage assets which fair value cannot be reliably measured

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition is as follows:

Acarology

The Acarology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to the NMB. However neither the cost nor the fair value of the collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as a heritage with a zero monetary value.

Arachnology

Although there is a trade in certain large and/or rare arachnids, either pinned or alive, the collection housed at NMB is entirely a wet collection and does not contain any specimens with decorative aesthetic qualities. Thus the specimens have no commercial value and their cost cannot be reliably measured. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Botany

The Botany collection meets the definition of a heritage asset as it is controlled by NMB and institutions, students, academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. There is a trade in pressed flowers that have aesthetic qualities as works of art and as antique items, but there is a total absence of trade for these scientific specimens. The South African National Bioinformatics Institute supplied a letter recommending that the collection should be declared as a heritage with a zero monetary value.

Entomology

The Entomology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value.

Within this collection there is a collection of Colophon beetles. These are highly collectable and can fetch high prices on the black market, but there is no legal trade in them in South Africa. There is no commercial value to the rest of the collection and no reliable way to measure its cost.

Mammology and Florisbad

The Mammology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured, except in the case of the taxidermy specimens. These will be fair valued. The remaining sub-collections hold a scientific value and no market value. The collection with the exception of taxidermy will be declared as heritage assets with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Paleontology & Geology

This collection consists of fossils and a collection of bones and skeletons used for comparative research purposes. It is illegal to trade in fossils and their value cannot be reliably measured. The collection will be declared as heritage with a zero monetary rating. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Heritage assets (continued)

Ornithology

The Ornithology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured, except in the case of the taxidermy specimens. These will be fair valued. The remaining sub-collections hold a scientific value and no market value. The collection with the exception of taxidermy will be declared heritage assets with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Herpetology

The Herpetology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. This collection consists of wet specimens preserved in alcohol and not displayed with any aesthetic sensibilities. There is record of a market for aesthetically displayed specimens in glass dioramas, but this is not the case with this collection which is of scientific value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Pledged as security

There are no heritage assets pledged as security.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

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8. Employee benefit obligations

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

Opening balance	32,889	30,848
Contributions by plan participants	3,322	3,874
Exchange differences	466	511
Benefits paid	(1,652)	(1,518)
Assumed in an entity combination	(4,226)	(826)
	30,799	32,889

Defined benefit obligation

Opening balance	32,889	30,848
Interest costs	3,322	3,874
Current service cost	466	511
Benefits paid (Actual)	(1,652)	(1,518)
Actuarial (Gain)/Loss	(4,226)	(826)
	30,799	32,889

Employee benefit asset (Defined benefit asset)

Opening balance	5,494	5,197
Interest earned	-	297
	5,494	5,494

Estimated future contributions

	Medical aid	Total
Opening balance	30,799	30,799
Interest costs	3,644	3,644
Current service cost	372	372
Benefits paid (expected)	(1,764)	(1,764)
	33,051	33,051

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12.18 %	10.34 %
Consumer price inflation	6.70 %	5.58 %
Health care cost inflation	8.20 %	7.08 %
Net discount rate	3.36 %	3.04 %
Mortality	SA85-90	SA85-90
Expected retirement age (in years)	62 years	62 years

Assumed health care costs trend have significant effect on the amounts recognised in surplus for the year. The value of the liability could also be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted.

Government bond yields were used when setting the best-estimate discount rate assumption for health care cost and pension.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

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8. Employee benefit obligations

(continued) Other assumptions

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

	One percentage point increase	One percentage point decrease
Effect on defined benefit obligation	34,065	27,984
Effect on the aggregate of the service cost	434	321
Effect on the aggregate of the interest cost	4,041	3,301

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

	2023 '000	2022 '000	2021 '000	2020 '000	2019 '000
Defined benefit obligation	30,799	32,889	36,047	36,380	31,171
Experience adjustments on plan liabilities	- 4,226	- 826	1,142	-9,780	352

9. Finance lease obligation

Minimum lease payments due

- within one year	149	71
- in second to fifth year inclusive	300	117
	449	188
less: future finance charges	(56)	(21)
Present value of minimum lease payments	393	167

Present value of minimum lease payments due

- within one year	124	57
- in second to fifth year inclusive	269	110
	393	167

The National Museum is leasing a photo-copying machine on a finance lease for a period of 5 years

(60months). The lease term is 5 years (60 months) and the implicit effective borrowing rate was 12%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The National Museum obligations under finance leases are secured by the lessor's charge over the leased assets.

10. Payables from exchange transactions

Payables from exchange transactions	368	390
Accruals at year end	1,611	1,522
Accounts payable: Leave	2,210	2,186
Deferred revenue	-	12
Accounts payable: Bonus	915	950
Deposits held	213	263
Debtors with credit balances	33	27
Social club: Employee contributions	5	17
	5,355	5,367

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2023	2022
Capital Works Allocation Grant	12,768	7,996
Art Bank Grant	5,950	4,597
National Research Foundation Grant	60	3,700
GRAP 103 Grant	44,537	45,328
National Geographics Grant	16	28
CoE: BothaBrink Grant	-	35
LIA Project Grant	108	98
Presidential employment stimulus programme	10,575	-
Max Plank Grant	85	-
Past-Holt Grant	70	-
NRF: BothaBrink AOP Grant	1	-
	74,170	61,782

Movement during the year

Balance at the beginning of the year	61,782	65,556
Additions during the year	29,746	7,178
Other movements	992	146
Income recognition during the year	(14,690)	(11,098)
Refunded/paid back during the year	(3,660)	-
	74,170	61,782

The grants received and disclosed as deferred income (unspent conditional grants) are grants that have conditions and will be recognised as revenue when the conditions are met. Please refer to the different contracts for the conditions and further details on the grants on note 18 for the purposes and brief summary on the specifications of the grant.

These amounts are invested in a ring-fenced investment until utilised.

12. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Total
Provision for Municipal Charges	1,145	1,145

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for Municipal Charges	1,724	329	(908)	1,145

The provision for municipal service charge relates to the legal obligation of the municipal services consumed by the National Museum and paid for by the Department of Public Works and Infrastructure (DPWI) and in turn the National Museum would reimburse DPWI based on the actual charge plus 5% management fee, the invoices provided were inaccurate and incomplete, the provision was determined using actual service charge received from DPWI-Free State.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

13. Revenue

ArtBank income	44	168
Rental income	66	70
Projects income	883	170
Trading revenue	227	84
Interest received - investment	5,862	2,998
Government grants & subsidies	76,897	71,997
Free Use of Buildings	4,458	3,157
External funding	179	222
	88,616	78,866

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

Artbank income	44	168
Rental income	66	70
Project income	883	170
Trading revenue	227	84
Interest received	5,862	2,998
	7,082	3,490

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

Taxation revenue

Transfer revenue

Transfers and subsidies	76,897	71,997
Free Use of Buildings	4,458	3,157
External Funding	179	222
	81,534	75,376

14. Artbank income

Rental of artworks	44	168
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15. Projects income

Project management / administration fees	883	170
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The museum received 4,4% of the allocation amount for the Presidential employment stimulus programme, as project management / administration fees.

16. Trading revenue

Entrance fees: Museum	85	51
Entrance fees: Freshford	5	3
Shop sales	102	14
Olwh: Education income	3	3
Olwh: Carousel income	32	6
Office admin income	-	7
	227	84

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

17. Investment revenue

Interest revenue	2,894	1,725
Interest: Museum CPD		
Interest current account	1	1
Interest: Call account ABSA	2,967	1,272
	5,862	2,998

The amount included in Investment revenue arising from exchange transactions amounted to 5,862,000 (2022: 2,997,390).

18. Transfers and subsidies

Operating grants

Subsidy received: Annual	57,113	57,399
Subsidy received: Operating leases	2,647	2,406
Subsidy received: Municipal Services	3,379	1,052
DSAC Artbank (Operations)	2,436	2,249
DSAC GRAP 103 grant	791	17
Presidential employment stimulus programme	5,195	15
Transfers to revenue: Other grants	755	1,053
	72,316	64,191

Capital grants

DSAC Capital Works Subsidy	2,369	6,436
DSAC Artbank (Artwork acquisitions)	2,212	1,370
	4,581	7,806
	76,897	71,997

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	13,758	14,598
Unconditional grants received	63,139	57,399
	76,897	71,997

Capital Works Grant

Balance unspent at beginning of year	7,996	11,132
Current-year receipts	6,612	3,300
Conditions met - transferred to revenue	(2,717)	(6,436)
Other - Interest earned	877	-
	12,768	7,996

The appropriated funds should be utilised for the implementation of the capital works programme (including project planning and consultation fees). Funds received should be transferred to a separate account which is dedicated only for the capital works budget. The detailed scope of work and cost breakdown should be submitted as soon as the professional team is appointed and the planning phase is completed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

18. Transfers and subsidies (continued)

National Art Bank Grant

Balance unspent at beginning of year	4,597	5,217
Current-year receipts	6,000	3,000
Conditions met - transferred to revenue	(4,647)	(3,620)
	5,950	4,597

The Art Bank funding is ring-fenced and is to be utilised for the following key performance areas:

- Curation of the Art Bank of South Africa Visual Art Collection
- Business Development of the Art Bank
- Public Relations and Marketing of the Art Bank
- Operations of the Art Bank

NRF Professional Development Grant

Balance unspent at beginning of year	3,700	3,700
Refunded/Returned to NRF	(3,640)	-
Conditions met - transferred to revenue	(115)	(146)
Other - Interest earned	115	146
	60	3,700

The National Museum has the responsibility to verify and certify the appropriateness, completeness and correctness of all information submitted by their researchers to the NRF as part of applications for funding. The National Museum shall provide appropriate human resource, infrastructure and support services to ensure the effective operation of the NRF-funded research projects within the institution.

GRAP 103 implementation grant

Balance unspent at beginning of year	45,328	45,344
Conditions met - transferred to revenue	(791)	(16)
	44,537	45,328

The funds are ring-fenced and can only be applied to projects related to GRAP 103. The National Museum is expected to report quarterly regarding the utilisation of the funds and milestone(s) achieved.

COE Grant: B Cohen

Current-year receipts	-	83
Conditions met - transferred to revenue	-	(83)
	-	-

National Geographic Grant

Balance unspent at beginning of year	28	-
Current-year receipts	-	143
Conditions met - transferred to revenue	(12)	(115)
	16	28

Conditions still to be met - remain liabilities (see note 11).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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18. Transfers and subsidies (continued)

CoE: BothaBrink Grant

Balance unspent at beginning of year	35	-
Current-year receipts	-	104
Conditions met - transferred to revenue	(14)	(69)
Refunded/Returned to CoE	(21)	-
	-	35

Conditions still to be met - remain liabilities (see note 11).

LIA Project grant

Balance unspent at beginning of year	98	107
Current-year receipts	50	95
Conditions met - transferred to revenue	(40)	(104)
	108	98

Conditions still to be met - remain liabilities (see note 11).

Presidential employment stimulus programme

Current-year receipts	16,703	-
Conditions met - transferred to revenue	(5,245)	-
Administration fee (income to the museum)	(883)	-
	10,575	-

Conditions still to be met - remain liabilities (see note 11).

The museum is entitled to 4,4% project management / administration fee of the allocated amount which is disclosed in note 15

Max Planck Grant

Current-year receipts	137	-
Conditions met - transferred to revenue	(52)	-
	85	-

Conditions still to be met - remain liabilities (see note 11).

Past Holt Grant

Current-year receipts	70	-
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Conditions still to be met - remain liabilities (see note 11).

NRF: Hugo-Coetzee Coastal mites

Current-year receipts	30	61
Conditions met - transferred to revenue	(30)	(61)
	-	-

Funds must be spent within the duration of funding period otherwise they will revert to the NRF. A grant-holder must submit an annual progress report which can be obtained from the NRF. At the end of the research project, the NRF will expect a final report about the outcomes of the research.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2023 2022

18. Transfers and subsidies (continued)

NRF: BothaBrink AOP Grant

Current-year receipts	115	297
Conditions met - transferred to revenue	(114)	(297)
	1	-

The Grant will be awarded for a period of One (1) Year Only for full-time research and may at the sole discretion of Centre of Excellence, be renewed for the subsequent year(s) depending on the availability of funds and academic progress by the Recipient. All Recipients are expected to submit posters and/or present their research. Participation in community engagement activities may also be required.

NRF: B Cohen

Current-year receipts	-	94
Conditions met - transferred to revenue	-	(94)
	-	-

Conditions still to be met - remain liabilities (see note 11).

Municipal charges grant

Current-year receipts	3,379	1,052
Conditions met - transferred to revenue	(3,379)	(1,052)
	-	-

The purpose of this grant is for the payment of municipal services incurred by National Museum.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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18. Transfers and subsidies (continued)

Operating leases grant

Current-year receipts	2,646	2,406
Conditions met - transferred to revenue	(2,646)	(2,406)
	-	-

The purpose of this grant is for the payment of the buildings and parking bays leased by the National Museum.

Annual subsidy

Current-year receipts	57,113	57,399
Conditions met - transferred to revenue	(57,113)	(57,399)
	-	-

The purpose of this grant is to subsidise the National Museum on its operations.

19. Free use of buildings

Free use of Buildings	4,458	3,157
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The National Museum is housed in Department of Public Works Buildings. The use of these buildings is provided free of charge and the use is recognised at the estimated fair value. This has been the arrangement since inception of the National Museum, no agreements exist between the Department of Public Works, the Department of Sports, Arts and Culture and the National Museum.

The National Museum has the following buildings:

ERF 2124 Portion 0 of Bloemfontein - 36 Aliwal Street

ERF 3278 Portion 0 of Bloemfontein - 16 Harry Smith Street

ERF 3301 Portion 0 of Bloemfontein - 16 Harry Smith Street

SDF - Florisbad National Museum - Soutpan - 45km NW of Bloemfontein

SDF - Museum (Eerste Raadsaal) - 95 St Georges Street

Erven 26235 Portion 0 of Bloemfontein - 95 St Georges Street

20. Staff costs

Basic	32,836	33,232
Bonus	3,479	2,810
Medical aid - company contributions	2,815	2,789
UIF	257	216
Leave pay provision charge	144	9
Defined contribution plans	3,788	4,385
Overtime payments	487	331
Long-service awards	56	28
Housing benefits and allowances	1,672	1,733
Compensation Commissioner	70	77
	45,604	45,610

Refer to note 26 for the disclosure of senior management remuneration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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21. Finance costs

Finance leases	36	17
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22. Fair value gain/(loss)

Heritage assets	256	(10,085)
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23. Other operating expenses

Administrative expenses	600	442
Asset expenses	256	255
Audit expenses	1,007	1,035
Bank charges	105	91
Cleaning	85	107
Consulting and professional fees	946	268
Educational expense	-	8
Entertainment	47	32
Exhibitions	228	178
Free use of buildings	4,458	3,157
Fuel and oil	605	753
General expenses	1,697	1,929
IT expenses	301	232
Insurance	765	720
Interest transferred to grants	992	146
Inventory purchases	56	13
Licenses	230	199
Maintenance costs	1,169	1,157
Municipal expenses	2,740	2,927
Office expenses	181	278
Operating lease expenses	2,434	2,049
Photocopies	95	75
Research expense	212	503
Security	827	769
Telephone and fax	173	189
Transfers and subsidies expense	7,633	1,752
Travelling expenses	127	226
Uniforms	22	27
Vacancy adverts expenses	76	106
	28,067	19,623

24. Auditors' remuneration

External Audit Fees	824	820
Internal Audit fees	183	215
	1,007	1,035

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25. Cash generated from (used in) operations

Surplus	16,775	1,776
Adjustments for:		
Depreciation and amortisation	2,013	2,307
Loss on sale of assets and liabilities	(206)	(2)
Fair value adjustments	(256)	10,085
Finance costs - Finance leases	36	17
Impairment loss	21	-
Debt impairment	159	-
Bad debts written off	98	-
Movements in retirement benefit assets and liabilities	(2,090)	1,744
Movements in provisions	-	(579)
Changes in working capital:		
Inventories	15	18
Receivables from exchange transactions	(55)	1,002
Payables from exchange transactions	2	992
Unspent conditional grants and receipts	12,388	(3,718)
Payables from non-exchange transactions	-	(18,000)
	28,900	(4,358)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. Related parties

Relationships

Associates

Controlling Department

Entities under common control

Department of Public Works

Department of Sports, Arts and Culture

Performing Arts Centre of the Free State

Land and buildings are made available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), in order for the National Museum to perform its functions.

No lease agreement exists between the National Museum and the Department of Public Works. The National Museum does not pay rent for the use of the buildings

The National Museum has been housed in buildings which are the property of the Department of Public Works. The use of the buildings is provided free of charge and recognised at the estimated fair value. No lease agreement exists between the National Museum and the Department of Arts and Culture.

Related party balances

Unspent conditional grants and receipts	73,830	57,921
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Related party transactions

Revenue

Annual subsidy	57,113	57,399
Subsidy received: Operating leases	2,647	2,406
Subsidy received: Municipal Services	3,379	1,052
Free use of building	4,458	3,157
DSAC Capital Works Subsidy	2,369	6,436
DSAC Artbank	4,648	3,619
DSAC GRAP 103	791	17
Presidential employment stimulus programme	5,195	-
Secondment allowance	-	125

Amounts outstanding in relation to the grants included in the balance sheet:

Unspent grant included in the balance sheet in relation to GRAP 103 Implementation grants	44,537	45,328
Unspent grant included in the balance sheet in relation to Capital Works Allocation grants	12,768	7,996
Unspent grant included in the balance sheet in relation to Art Bank grants	5,950	4,597
Unspent grant included in the balance sheet in relation to Presidential employment stimulus programme	10,625	-

The condition of the grant is such that the grants be used for the purposes of the subsidy:

Annual Subsidy

The purpose of this grant is for the expenses incurred by the National Museum on a daily basis and/or are operational expenses.

Operating Leases

The purpose of this grant is for the payment of the buildings and parking bays leased by the National Museum.

Municipal Services

The purpose of this grant is for the payment of municipality services incurred by the National Museum.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. Related parties (continued)

Free use of buildings

No amounts were received by the National Museum in relation to free use of buildings; it is disclosed as this is for services in kind for allowing the National Museum to use the Department of Public Works buildings for free.

Remuneration of councilors

Refer to note 27 for details of councilors' remuneration.

Key management information

Class	Description	Number
Executive management	Chief Executive Officer	1
Executive management	Chief Financial Officer	1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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26. Related parties (continued)

Remuneration of management

Management class: Executive management

2023

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Other benefits received	Total
Ms S Snell (CEO) -Appointed 1 April 2018	1,384	121	16	217	-	1,738
Ms G Simelane (CFO) - Appointed 01 January 2020	1,075	114	16	170	1	1,376
	2,459	235	32	387	1	3,114

2022

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Secondment allowance	Total
Ms S Snell (CEO) -Appointed 1 April 2018	1,210	101	16	219	125	1,671
Ms G Simelane (CFO) - Appointed 01 January 2020	1,050	96	16	155	-	1,317
	2,260	197	32	374	125	2,988

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27. Councillors' emoluments

Remuneration to council members

2023

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council)	146	10	156
Dr E Mohatlane (Deputy Chairperson of Council)	76	8	84
Mr K Mabalane	8	1	9
Ms M De Roche-Holmes	33	1	34
Mr M Noge	25	1	26
Ms N Mbonambi	32	1	33
Ms T Mosala	29	1	30
Ms T Jimana	4	3	7
Mr M Makhweyane	22	9	31
Mrs E Nzimande	19	12	31
Adv M Zulu	9	9	18
	403	56	459

2022

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council)	120	12	132
Dr E Mohatlane (Deputy Chairperson of Council)	98	8	106
Mr K Mabalane	2	1	3
Mrs G Ritchie (term ended 31 August 2021)	17	2	19
Mrs M De Roche-Holmes	40	1	41
Mr C Fortune (term ended 31 August 2021)	20	1	21
Dr D Morris (term ended 31 August 2021)	2	1	3
Ms L Coetzee - Minute taker	24	-	24
Ms T Mosala	25	1	26
Ms T Jimana	4	1	5
Mrs E Nzimande	25	1	26
Adv M Zulu	16	1	17
Mr M Makhweyane	20	1	21
Mr M Noge	17	1	18
Ms N Mbonambi	22	1	23
Dr L Munsamy (term ended 31 August 2021)	27	1	28
	479	34	513

*Included in the statement of financial performance total is the remuneration of audit and risk committee of R72 388 (2022: R 61 676) which does not form part of the disclosure in the table above for councillors' emoluments.

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28. Commitments

Authorised operational expenditure

Already contracted for but not provided for (Commitments within 1 year)

• Incline Architects - The service provider to render the provision of the conditional assessment, planning, design review and supervision of the refurbishment of the Oliewenhuis Art Museum roof	151	-
• XO Architects - The service provider is to provide once-off Architectural services for planning, design and project management for upgrading of the seating including disability friendly of Auditorium on behalf of National Museum.	77	-
• Afgen - Supply is to provide a one-off supply and delivery of survey equipment	292	-
• AOAS Media - Service provider to supply and deliver 10 laptops to the National Museum	167	-
• MT Moepi General Trading - Supply and delivery of Cabinet and insect drawers	49	-
• Lumacon - Instalation of the HVAC System	945	-
• Loraclox - To render provisional Annual Services of CCTV System	13	-
• Stallion - Security services (Contract services 31 January 2024)	355	-
• MTN Data bundle for Florisbad research station (Contract ending 19 April 2023)	1	5
• Vodacom - Wireless internet for Oliewenhuis Art Museum (Contract ending 30 April 2023)	9	38
• The Valuator Advisory - Evaluation of Heritage Assets (Once-off service)	-	791
• Real Moves Trading - Conduct repairs and renovations to the building at the Oliewenhuis Art Museum site, converting the art classroom into a showroom and storeroom for the Art Bank of South Africa programme. (Contract ending 31 August 2022)	-	125
• NCC - Internet network system (Contract ended 30 November 2022)	-	63
• Gardening services at Freshford (Contract ended 21 March 2022)	-	14
• Morar Inc. - Internal Audit services (Contract ending 31 December 2023)	139	-
	2,198	1,036

Commitments between 2-5 years

• Nashua - Leasing of copier machine- SCM & Olwnh (Contract ending 31 May 2027)	233	-
• Bidvest Steiner - The provider to render the supply and regular maintenance services for she bins (Contract ending 31 July 2027)	84	-
• Peaceman Motors - Supplier to render Vehicle maintenance services for the National Museum (Contract ending 31 July 2026)	965	-
• Tracker connect - The service provider is to provide vehicle tracking and recovery system "Tracker Connect Lite" (Contract ending 30 September 2025)	111	-
• Gardening services at OLWH (Contract ended 14 December 2022)	-	213
• Leasing of photocopying machine (Contract ending 30 April 2024)	-	34
• Altech Netstar - Fleet Management (Contract ending 22 April 2024)	402	442
• Tantus - servicing of generators (Contract ending 30 September 2024)	64	97
• The Polygraph Centre - Vetting Services (Contract ending 31 May 2026)	446	476
• ARC Sakhile - Pastel Partner Support services (Contract ending 14 July 2026)	473	500
• COPYCOR - Photocopier machine (Contract ending 15 September 2026)	72	99
• Stuttaford Van Lines - Specialised art transportation services (Contract ending 30 September 2026)	223	467
• Frame IT - Specialised framing services (Contract ending 30 September 2026)	114	383
• Ayanda Mbanga Communications - Advertising Services (Contract ending 31 December 2026)	213	403
• Opulentia - Short-Term Insurance Broker (Contract ending 26 December 2027)	-	20
• Photocopying contract (Contract ending on 30 April 2024)	-	49
• National Security - Armed Response (Contract ending 31 July 2024)	215	299
• Stallion - Security services (Contract services 31 January 2024)	-	1,033
• Website hosting services (Contract ending 17 November 2024)	-	7
• Morar Inc. - Internal Audit services (Contract ending 31 December 2023)	-	374
	3,615	4,896

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28. Commitments (continued) Total

operational commitments

Already contracted for but not provided for (Commitments within 1 year)	2,198	1,036
Commitments between 2-5 years	3,615	4,896
	5,813	5,932

Total commitments

Total commitments

Authorised operational expenditure	5,813	5,932
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29. Change in estimate

Property, plant and equipment

Management has reviewed and revised the useful lives on some of its property plant and equipment which were approaching the end of their useful lives in terms of the provisions of GRAP 17. The effect of the change has been affected prospectively, and the impact of the change is as follows:

The useful life of Equipment was estimated to be 5 year and in the current year the estimate has been revised to 6 year. The effect of this revision has decreased the depreciation for the current and future periods by R23,831.

The useful life of Computers was estimated to be 3 year and in the current year the estimate has been revised to 4 year. The effect of this revision has decreased the depreciation for the current and future periods by R26,694.

The useful life of Vehicles was estimated to be 8 year and in the current year the estimate has been revised to 10 year. The effect of this revision has decreased the depreciation for the current and future periods by R5,570.

The useful life of Fixtures was estimated to be 10 year and in the current year the estimate has been revised to 11 year. The effect of this revision has decreased the depreciation for the current and future periods by R9,444.

30. Prior period errors

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

The prior period errors for the financial year have been listed below and the adjustments will be retrospective.

30.1 - Overstatement on Unspent conditional grants

In the current financial year, an error was noted in the grant revenue recognised in the previous financial year on the CoE: BothaBrink Grant, whereby revenue was not recognised on some of the grant expenditure, thus overstating the unspent grant at year-end and understating the transfers and subsidies revenue for the year. The error has since been rectified and the comparative figures have been restated.

In the current financial year, we noticed an error in the grant opening balance for the previous financial year on the CoE: Cohen Grant, whereby an amount was incorrectly regarded as a grant receipt and the spending of prior years was not accounted for, thus revenue relating to that expenditure was not recognised in the year it occurred. This resulted in the overstatement on prior years unspent conditional grants. The error has since been rectified and the comparative figures have been restated.

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

Statement of financial position	-	37
Decrease in unspent conditional grants - CoE: BothaBrink Grant	-	56
Decrease in unspent conditional grants - CoE: Cohen Grant	-	(56)
Increase in Accumulated surplus	-	37
	-	37

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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30. Prior period errors (continued)

Statement of financial performance

Increase in Transfers and subsidies received - Transfers to revenue: Other grants	-	(37)
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30.2 - Understatement of Employee benefit asset

In the current year, we noted that the Employee benefit asset previously disclosed in the financial statement was understated. The error has since been rectified and the comparative figures have been restated.

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

Statement of financial position

Increase in Employee benefit asset	-	297
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Statement of financial performance

Increase in revenue from exchange transactions - Interest - Employee benefit asset	-	(297)
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30.3 - Misstatement of Property Plant and Equipment

The below errors were identified in Property, plant and equipment asset register and balances that were disclosed in the previous financial year. The errors have since been rectified, the register has been corrected and the comparative figures have been restated.

Error 1

Vehicles accessories which form part of the asset cost were misallocated to fixtures instead of vehicles. This resulted in the misstatement of the following Property plant and equipment classes. The cost and accumulated depreciation of vehicles was understated and the cost and accumulated depreciation of fixtures was overstated.

Error 2

The museum disposed and sold vehicles with all the accessories that were added to them through an auction, however the accessories to the vehicles were not removed from the asset register, thus overstating the cost and accumulated depreciation of property, plant and equipment.

Error 3

The museum purchased a vehicle in the previous financial year which was delivered to the museum and is in use. However, the cost of the vehicle was not capitalised neither was any depreciation calculated. This resulted in the understatement of the cost and accumulated depreciation for property, plant and equipment and depreciation costs thereof.

Error 4

The diesel electricity back-up generator installed at one of the museum's satellite offices was incorrectly classified under equipment instead of fixtures, and as a result an incorrect useful life was assigned to it. This resulted in the overstatements of the cost and accumulated depreciation for equipments and an understatement in the cost and accumulated depreciation for fixtures.

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

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30. Prior period errors (continued)

Statement of financial position

Increase in Property, plant and equipment - Vehicles (Cost)	-	29
Increase in Property, plant and equipment - Vehicles (Accumulated Depreciation)	-	(29)
Decrease in Property, plant and equipment - Fixtures (Cost)	-	(29)
Decrease in Property, plant and equipment - Fixtures (Accumulated Depreciation)	-	29
Decrease in Property, plant and equipment - Vehicles (Cost)	-	(24)
Decrease in Property, plant and equipment - Vehicles (Accumulated Depreciation)	-	22
Decrease in Accumulated surplus	-	4
Increase in Property, plant and equipment - Vehicles (Cost)	-	686
Increase in Property, plant and equipment - Vehicles (Accumulated Depreciation)	-	(48)
Increase in Accumulated surplus	-	(686)
Increase in Property, plant and equipment - Fixtures (Cost)	-	446
Decrease in Property, plant and equipment - Equipment (Cost)	-	(446)
Increase in Property, plant and equipment - Equipment (Accumulated Depreciation)	-	446
Increase in Property, plant and equipment - Fixtures (Accumulated Depreciation)	-	(327)
Increase in Accumulated surplus	-	(164)
	-	(91)

Statement of financial performance

Decrease in Depreciation and amortisation	-	(2)
Increase in Depreciation and amortisation	-	48
Increase in Depreciation and amortisation	-	45
	-	91

30.4 - Understatement of finance lease obligations

In the year under review, it was noted that there are existing finance leases which were not capitalised and recognised as such in the previous financial years. The error has since been rectified and the comparative figures have been restated.

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

Statement of financial position

Increase in Property plant and equipment - Leased equipment (Cost)	-	281
Increase in finance lease liability - Non-current	-	(69)
Increase in finance lease liability - Current	-	(17)
Increase in Accumulated surplus	-	(183)
Increase Property plant and equipment - Financed equipment (Accumulated depreciation)	-	(132)
Decrease in accumulated surplus	-	76
	-	(44)

Statement of financial performance

Decrease in Other operating expenses - Photocopies	-	(15)
Increase in finance cost - Finance lease	-	3
Increase in Depreciation and amortisation	-	56
	-	44

30.5 - Overstatement of payables from exchange transactions

In the current year, we noted that year-end accrual that were raised in the 2019/20 financial year, were not not reversed in subsequent year after being raised. The error has since been rectified and the comparative figures have been restated.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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30. Prior period errors (continued)

Statement of financial position	-	288
Decrease in Payables from exchange transactions	-	
Increase in accumulated surplus	-	(288)
	-	-

31. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

Statement of financial performance	Previously reported	Reclassification	Reclassified Total
		(2)	(2)
Gains on disposal of assets	-		(2)
Other operating expenses - Assets written off at carrying value	19,490	2	19,492
External funding	(326)	104	(222)
Transfers and subsidies received - Transfers to revenue: Other grants	(10,983)	9,967	(1,016)
Presidential employment stimulus programme	(15)	15	-
Transfers and subsidies received - Presidential employment stimulus programme	-	(15)	(15)
Transfers and subsidies received - GRAP103 Grant	-	(17)	(17)
Transfers and subsidies received - DSAC Artbank Grant (Operational)	-	(2,249)	(2,249)
Transfers and subsidies received - DSAC Artbank Grant (Capital)	-	(1,369)	(1,369)
Transfers and subsidies received - DSAC Capital Works Grant	-	(6,436)	(6,436)
Finance costs - Finance lease	160	(146)	14
Other operating expenses - Interest transferred to grants	-	146	146
	8,326	-	8,326

32. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	489	489
Cash and cash equivalents	139,349	139,349
	139,838	139,838

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

32. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	At cost	Total
Payables from exchange transactions	5,355	-	5,355
Provisions	-	1,145	1,145
Finance lease obligations	41	-	41
	5,396	1,145	6,541

2022

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	691	691
Cash and cash equivalents	115,783	115,783
	116,474	116,474

Financial liabilities

	At amortised cost	At cost	Total
Payables from exchange transactions	5,367	-	5,367
Provisions	-	1,145	1,145
Finance lease obligations	82	-	82
	5,449	1,145	6,594

33. Risk management

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.

The following reflects the Museum's exposure to liquidity risk from financial liabilities:

Commitments		
Payables from exchange transactions	5,355	5,367
Finance lease obligations	393	167
Provisions	1,145	1,145
	6,893	6,679

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33. Risk management (continued)

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, 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. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Receivables from exchange transactions	489	691
Cash and cash equivalents	139,349	115,783

Market risk

Interest rate risk

The National Museum's revenue earned operating cash flows are substantially independent of changes in the market interest rates.

34. Going concern

We draw attention to the fact that at 31 March, 2023, the entity had an accumulated surplus (deficit) of R195,801,000 and that the entity's total liabilities exceed its assets by R198,606,000.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The National Museum receives 100% of its funding from the Department of Sports Arts and Culture, Refer to table below for the expected and confirmed funding for FY2024 to FY2026

NATIONAL MUSEUM	2023/2024	2024/2025	2025/2026
Municipal charges	3,659,000	4,528,000	4,731,000
Allocation	55,550,000	58,044,000	60,645,000
Leasing private owned	3,393,000	3,545,000	3,704,000
Cost of compliance	593,000	620,000	647,000
Appointment of unemployed graduate	136,000	160,000	167,000
	63,331,000	66,897,000	69,894,000

The National Museum also has external and international funding agreements for various departments within programme 1: Business development there is no indication of withdrawal or of the sponsors being unlikely to honour agreements.

It is critical for management to assess what impacts the current events and conditions have on the museum's operations and forecast cash flows, with the key issue being whether the National Museum will have sufficient liquidity to continue to meet its obligations as they fall due.

In order for management to assess whether or not the National Museum is able to continue business for the foreseeable future, management considered the following:

The entity has a surplus of R16 775 000. The current assets exceed current liabilities by R59 120 000 (2022: R48 214 000).

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34. Going concern (continued)

Consideration per ISA570 Financial	Management response
Net liability or net current liability position	Based on FY2024 -FY2026 Annual Performance Plan submitted to Department of Sports, Arts and Culture, the National Museum is not expected to be in a Net Liability position over the foreseeable future. The Department of Sports, Arts and culture has committed usage of interest from capital works should a need arise.
Fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment or excessive reliance on short term borrowings or to finance long term assets.	The National Museum does not have any fixed-term borrowings and therefore this will not be applicable. The Museum also receives interest from various investments and should a need arise, a request to utilise the interest will be considered in consultation with different governance structures.
Indications of withdrawal of financial support by debtors and other creditors	No indications of withdrawal of financial support by any funders or the parent department (DSAC) and external funders.
Negative operating cashflows indicated by historic or prospective financial statements	No negative cashflows are projected for the National Museum for the foreseeable future
Substantial operating losses or significant deterioration in the value of assets used to generate cashflows.	Not applicable to the National Museum
Inability to pay creditors on due dates	The National Museum receives a subsidy from the Department of Arts and Culture to carry out its day to day operation. The Museum also receives interest from various investments and should a need arise, a request to utilise the interest will be considered in consultation with different governance structures. The National Museum has reserves that can be tapped into should a need arise.
Operating	
Loss of key management without replacement	The National Museum has lost key head of departments for the history and paleontology department however has appointed acting HODs to oversee continuance of performance and achieving on the APP targets
Other	
Non-compliance with other legislative requirements.	There are no material non-compliance matters. The National Museum complies with all the issued government regulations to date.

Conclusion

Based on the above assessment, the National Museum will continue as a going concern for the foreseeable future.

35. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure confirmed	15	-
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Reconciliation of fruitless and wasteful expenditure

Fruitless and wasteful expenditure for the current year	15	-
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36. Irregular expenditure

Add: Irregular Expenditure - confirmed	-	-
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37. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Deviations

Reason for deviation	Date	Supplier	Amount (R)
Sole Provider- payment to VANSA for admin fee	14/04/2022	VANSA	74,208
Sole Provider- Sabinet, renewal subscription fee for 2021	14/04/2022	Sabinet	39,297
Sole Provider - Gallo Images is the sole supplier for in-house print of images and image for website	05/05/2022	Gallo Images	1,224
Sole Provider - VIPPROJECTS to provide Consultation services as portion of SAGE VIP was outsourced and the National Museum required VIP Payroll advise	05/05/2022	VIPPROJECTS	5,256
Sole Provider - Mindex is the sole authorized and distributor of Inmagic annual software subscription renewal and telephone support.	11/05/2022	Mindex	17,607
Sole Provider - Vacuum Service to service Edwards vacuum pump unit, the company is the sole representative for Edwards in South Africa	30/05/2022	Vacuum Service	12,391
Sole Provider - VIPROJETCS to provide annual licence fee for Sage Pastel	15/06/2022	SAGE Pastel License	24,386
Sole Provider - Scibit is an authorized reseller of Jarrison Time software	30/06/2022	SCIBIT	6,008
Sole Provider - VIPPROJECTS to assist the National Museum with mid- year tax returns based on a five hour consultation	21/09/2022	VIPPROJECT	3,743
Sole Provider - 3F Scientific to repairs microscope	30/09/2022	3 F Scientific	2,875
Sole Provider- Stallion to provide additional guards for an exhibition held on the 24 September 2022	18/10/2022	Stallion Security	2,225
Sole Provider- ESL Plumbing and Maintenance to render emergency plumbing repairs service for First Raadsaal and Wagon Museum	04/11/2022	ESL Plumbing and Maintenance	2,356
Sole Provider - ADAPT IT to distribute Caseware Annual License Renewal in South Africa	25/11/2022	ADAPT IT	86,855
Sole Provider - Post Office to render postage service for INDAGO	25/11/2022	Post Office	12,390
Sole Provider - Toby Orford Art Law to render legal service advise and commissioning of PESP3 contract	06/12/2023	Toby Orford Art Law	9,650
Sole Provider - University of Pretoria to provide laboratory and project consumables to be used for the project	15/12/2023	University of Pretoria	15,265
Sole Provider - Rankhanang Trading to service emergency repairs/maintenance work at First Raadsaal and Wagon Museum	31/01/2023	Rankhanang Trading	7,105
Sole Provider - Sabinet is the sole provider of license subscription renewal	08/03/2023	Sabinet	44,155
Sole Provider - VIPROJECTS to assist with Tax directive for PESP Inters	29/03/2023	VIPROJECTS	4,548
			371,544

38. Events after the reporting date

There were no events after reporting date to be reported.

Part E : PFMA Compliance Report

Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular expenditure

a) Reconciliation of Irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	23	23
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	23	23

The irregular expenditure was investigated and confirmed in the previous financial years and awaiting condonation from National Treasury.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	-

a) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

a) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

a) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

a) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

a) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

a) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
A warning was issued to the employee who permitted irregular expenditure amounting to R13,267. 00
An employee who permitted irregular expenditure of R10,000.00 subsequently resigned before any disciplinary steps could be taken, based on the investigation there was value for money hence no recovery process was instituted.

Fruitless and wasteful expenditure

a) Reconciliation of Fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	15	-
Less: Fruitless and wasteful expenditure condoned	-	-
Less: Fruitless and wasteful expenditure not condoned and removed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recovered and written off	-	-
Closing balance	15	-

Fruitless and wasteful expenditure incurred in the current financial year was recovered subsequent year end.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	15	-
Total	15	-

a) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

a) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

a) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

a) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

A warning letter was issued to the employee who incurred fruitless and wasteful expenditure of R14 735 and a staff debtor was raised for the full amount as at year end which was subsequently settled post year end.

Information on late and / or non-payment of suppliers

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received	2,780	22,614
Invoices paid within 30 days or agreed period	2,780	22,614
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Information on Supply Chain Management

Contract Variation and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Supply and installation of the HVAC System	Lumacon (Pty) Ltd	Variation	L057	7,797	-	1,554
Total				7,797	-	1,554

NOTES



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