

ANNUAL REPORT

OF MSUNDUZI MUSEUM INCORPORATING THE VOORTREKKER COMPLEX

FOR THE YEAR ENDED
31 MARCH 2017

Heritage Institution





FRONT COVER:

Pots from Ncome Museum collections:

Small pot :Zulu beer serving pot and pot cover - Ukhamba kanye nembenge. Pot: Nkandla 1960s.
Medium pot :Zulu beer brewing pot - Imbiza. Made by Ntombikayise Mazibuko.
Large pot with hide :Zulu pot - Imbiza. Made by Joyce Ngoneni Ngobese.

Msunduzi Museum Incorporating the Voortrekker Complex and Ncome Museum

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**MSUNDUZI MUSEUM
INCORPORATING THE VOORTREKKER COMPLEX**

ANNUAL REPORT
2016/2017 FINANCIAL YEAR

**Submission of the Annual Report to the Minister of Arts and Culture by the
Chairperson of the Museum Council**

In terms of the Public Finance Management Act, No.1 of 1999, I have the honour to submit
the Annual Report of the Msunduzi Museum Incorporating the Voortrekker Complex
for the financial year 2016/2017 to the Minister of Arts and Culture.

Chairperson:

Prof S.P. Lekgoathi

Council Members:

Ms C. Mngomezulu, Mr D. Mangena,
Ms L. Marais-Botes, Dr S. Kabanyane, Mr T Kubheka, Dr G. Mazibuko, Dr M.P. Sithole

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PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	:	Msunduzi Museum Incorporating the Voortrekker Complex
REGISTRATION NUMBER	:	N/A
PHYSICAL ADDRESS	:	351 Langalibalele Street Pietermaritzburg 3201
POSTAL ADDRESS	:	P.O. BOX 998 Pietermaritzburg 3201
TELEPHONE NUMBER	:	27 33 394 6834/5/6
FAX NUMBER	:	27 33 394 6797/033 342 4100
EMAIL ADDRESS	:	mngubane@msunduzimuseum.org.za
WEBSITE ADDRESS	:	www.msunduzimuseum.org.za www.ncomemuseum.org.za
EXTERNAL AUDITOR	:	Auditor-General South Africa
INTERNAL AUDITORS	:	Morar Incorporated
BANKERS	:	ABSA Bank
COUNCIL SECRETARY	:	Ms Lestelle Sewell

2. LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AFRICOM	International Council for African Museums
COV	Church of the Vow
DAC	Department of Arts and Culture
MEC	Member of Executive Council
NDPW	National Department of Public Works
PFMA	Public Finance Management Act
p.a.	Per annum
SAPS	South African Police Service
SCM	Supply Chain Management
SMART	Specific, Measurable, Achievable, Realistic and Time bound

3. FOREWORD BY THE CHAIRPERSON



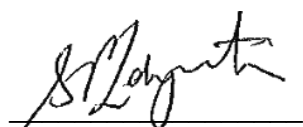
In terms of the Public Finance Management Act 1 of 1999 as amended, it gives me pleasure to submit the Annual Report of the Msunduzi Museum Incorporating the Voortrekker Complex for the financial year 2016/2017. The report is also reporting on the activities of the Ncome Museum which is an undeclared institution that is attached to the Msunduzi Museum Incorporating the Voortrekker Complex. The year under review has been a daunting one. There are matters though which bring comfort and restores one's sense of hope, that our cultural institutions in the reporting period continued to play a pivotal role in South African society by making a meaningful contribution to cultural and heritage preservation, restoration, promotion, research, education and collecting. The Museums worked hard and diligently to achieve and deliver against their key objectives as identified in the Strategic Plan.

During the reporting period, the cultural institutions ensured that priority is given to our core mandate of research, exhibitions and education by setting out numerous programmes which are aligned with the Government and the National Department of Arts and Culture's programmes, such as, the National Development Plan, and the White Paper on Arts, Culture and Heritage of 1996. Our activities are in line with the Department of Arts and Culture's Outcome 14 targets: "Nation Building and Social Cohesion" and the Medium Term Strategic Framework of the Department and Mzansi's Golden Economy Programme. Given the financial challenges that face the cultural institutions, great effort was made to ensure that significant achievements were realised. Two of the highlights during the reporting period was the DCO Matiwane Lecture organised by the Msunduzi Museum, the Social Cohesion Woman's Day Panel discussion held in partnership with the Department of Arts and Culture and the 4th *Courageous Conversations* Conference hosted at Msunduzi Museum.

Our cultural institutions recognise that arts, culture and heritage contribute immensely to economic growth and social development hence they will endeavour to strengthen relations and partnerships with various stakeholders which include heritage institutions, universities and different layers of government as well as the community structures.

As mentioned above, financial challenges did not deter cultural institutions in the reporting period of 2016/2017 financial year from hosting a number of activities in line with their core functions and in undertaking the valuation of Heritage Assets in compliance with GRAP 103. However the financial position of the institution is extremely concerning.

On behalf of the Council I thank the Department of Arts and Culture for the support and guidance given to the two Museums. We also appreciate support of the Local Municipalities and the KwaZulu-Natal Department of Arts and Culture for carrying out some of the projects we had planned.

A handwritten signature in black ink, appearing to read 'SP Lekgoathi', written over a horizontal line.

Professor SP Lekgoathi

Chairperson: Msunduzi Museum Incorporating the Voortrekker Complex

31 July 2017

4. DIRECTOR'S OVERVIEW



It is a pleasure to report on the activities of the Msunduzi Museum Incorporating the Voortrekker Complex and the undeclared cultural institution of Ncome for the financial year which ended on 31 March 2017. This report will indicate that the cultural institution continued to deliver a number of activities using the objectives as set out in the Annual Performance Plan and the Strategic Plan. The latter was aligned to key objectives as set out by the Department of Arts and Culture (DAC) and Government's Programmes.

During the reporting period, the cultural institution had no major capital works. DAC has recently provided R10m for the refurbishment and upgrade of Msunduzi Museum planning is in progress and it is expected that refurbishment will be undertaken during the forthcoming financial year.

The cultural institution successfully hosted a number of activities in line with their core functions under extremely difficult financial constraints. Partnership programmes with various departments and organisations contributed to the success of programmes such as the "Sport in the Struggle" exhibition presented in partnership with the department of Sport and Recreation and the DCO Matiwane lecture organised in partnership with the Department of Transport.

In partnership with the KwaZulu-Natal Museum the cultural institution organised the living heritage events to promote nation building and social cohesion which were successful and cost saving including a Heritage Day event and parade.

The Cultural Institutions in collaboration with the Department of Arts and Culture, KZN Department of Arts and Culture, KwaZulu-Natal Museum and Municipalities, promoted arts and culture in the Province of KwaZulu-Natal. The Cultural Institutions hosted and funded a number of projects and programmes which were in line with the Museum's Strategic and Annual Performance plans. A number of outreach programmes have been conducted during the reporting period. The long term goals for the museums, is to continue to actively preserve and, promote the nation's cultural heritage to benefit nation building and social upliftment. Through their facilities the museums must be able to generate income for the long term sustainability.

We would like to thank the Department of Arts and Culture for the support and guidance given to the cultural institutions. We also appreciate the support the two museums received from the KwaZulu-Natal Department of Arts and Culture and Local Municipalities.

A handwritten signature in dark ink, appearing to be 'M. Ngubane', written in a cursive style.

Dr Mlungisi Ngubane

Director: Msunduzi Museum Incorporating the Voortrekker Complex
31 July 2017

5. Statement of responsibility and confirmation of accuracy of the annual report

To the best of my knowledge and belief, I 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 National Treasury.

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

The accounting authority is responsible for 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 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 entity for the financial year ended 31 March 2017.

Yours faithfully



Chief Executive Officer

Dr M Ngubane

27 July 2017



Chairperson of the Council

Professor SP Lekgoathi

27 July 2017

6. STRATEGIC OVERVIEW

6.1. Vision

The Msunduzi Museum Incorporating the Voortrekker Complex will deliver an excellent cultural experience.

6.2. Mission

The Msunduzi Museum Incorporating the Voortrekker Complex will actively preserve, promote and present our cultural heritage to benefit nation building and social upliftment.

6.3. Values

- Stakeholder orientation
- Batho Pele
- Accountability
- Integrity
- People
- Performance
- Service excellence

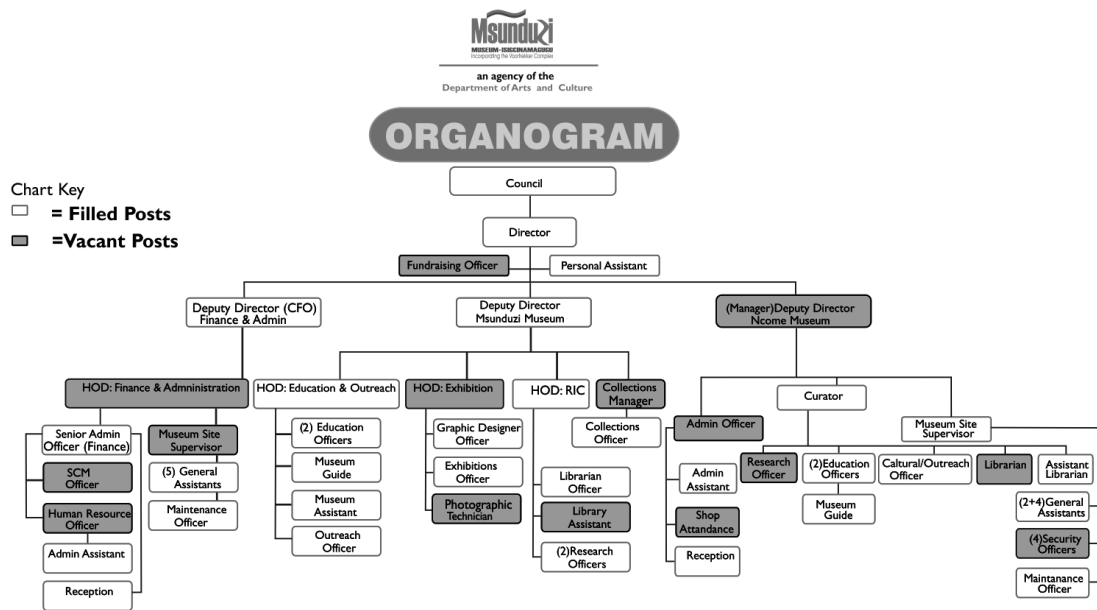
6.4. Strategic outcome orientated goals

- Collecting, conserving, documenting, researching, educating and exhibiting.
- Promoting multi-culturalism and intangible heritage.
- Improve accessibility to the rich and dynamic cultural heritage of South Africa.

7. LEGISLATIVE AND OTHER MANDATES

- The Public Entity falls under Schedule 3A in terms of the PFMA.
- Cultural Institutions Act 119 of 1998 as amended.
- Public Finance Management Act 1 of 1999 as amended.
- Treasury Regulations.
- South African Heritage Resources Act
- KwaZulu-Natal Heritage Act

8. ORGANISATIONAL STRUCTURE - high level organisational structure



PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performed the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management.

Refer to the Auditor's Report on pages 44 to 46, published as Part E: Financial Information of this report.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The Museums in collaboration with the Department of Arts and Culture, provincial departments and Lotto Distribution Fund during the reporting period fulfilled their mandate to promote and preserve heritage and culture in South Africa. The Museums through their outreach programmes and cultural events were able to fund various projects. Skills development projects through workshops and a conference were conducted.

2.2. Organisational Environment

Due to the vacancy rate and the number of unfunded positions, the Museums experienced challenges during the reporting period. Service delivery and continuity in the Museums will be affected if this problem it is not addressed.

2.3 Key policy developments and legislative changes

There have been no changes in policies and legislation that affected the operations of the Museums during the reporting period.

2.4 Strategic Outcome Oriented Goals

The Museums have identified the following to guide their work.

Strategic Goal	
Strategic Outcome Oriented Goal 1	Research, Information service and Collections: increase, preserve and develop collections as a lasting resource reflecting our national heritage and accessibility to information.
Goal Statement	To increase and broaden the collections, through research, increased knowledge and understanding about heritage, to manage the collections to set professional standards and provide accessibility to knowledge.
Goal Achievements	<p>The Museums maintained the collections by routine collection management activities and entered 53 items into the accession register. Research was completed for 2 projects. The library collections were increased with 381 materials being added (26 at Msunduzi Museum and 355 at Ncome Museum). A stocktake for GRAP 103 was completed.</p> <p>Library week and book week events held. A functioning internet café is offered as an additional community resource. A talk was held at Ncome. The "Courageous Conversations" Conference and the DCO Matiwane Lecture was held at Msunduzi Museum. An address on "Sport in the Struggle" was hosted in partnership with the Sport and Recreation Department and the museum organised a dialogue to motivate woman.</p>

Strategic Goal	
Strategic Outcome Oriented Goal 2	Exhibitions: promote and increase the understanding and enjoyment of heritage, collections and information/knowledge.
Goal Statement	To increase access to, comprehension and knowledge of museum collections through interesting and engaging exhibitions.
Goal Achievements	<p>The exhibition <i>Pietermaritzburg Hidden Treasures and the Freedom Route</i> was completed produced and installed. 6 temporary exhibitions were held including a quilt exhibition focussing on Human Rights, the "Sport in the Struggle" exhibition and the photographic exhibition titled <i>Unsettled 100 years of Resistance by Xhosa people against Boer and British</i></p> <p>A total of 19 publications were produced including invitations and programmes, a booklet titled <i>Pietermaritzburg Hidden Treasures</i>, 2 Journals and <i>Ulwazi</i> vol 1 , the Annual Report and the Annual Performance Plan. 4 Newsletters were also designed and printed.</p>
Strategic Goal	
Strategic Outcome Oriented Goal 3	Enhanced education and public programmes.
Goal Statement	To promote an understanding, insight, awareness and enjoyment of South Africa's heritage and culture that will contribute to nation building and social upliftment through education programmes, public events and training (skills development).
Goal Achievements	<p>A total of 213 schools were visited / contacted to market educational programmes at the museums. A total of 128 presentations were given to schools. A total of 18 national and special day community events were held. A total of 16 craft/skills workshops and herbal workshops were held. 660 brochures were distributed. 2 educator's workshops were held. 4 programmes and 4 worksheets were revised, 3 new programmes and 3 new worksheets were developed. 18 events and commemorative days were commemorated by the museums and a panel discussion was held in partnership with the Department of Arts and Culture.</p>
Strategic Goal	
Strategic Outcome Oriented Goal 2 and 3	Administration and Support
Goal Statement	<p>To provide support for line functions of the Museums.</p> <p>To implement financial and risk management policies.</p> <p>To implement HR policies.</p> <p>To plan, design and implement security measures to ensure safety of the Museum premises, staff and visitors.</p>
Goal Achievement	<p>The Museums continued to support line functions and, Council, as well as to provide reports required by the Department, National Treasury and other stakeholders.</p> <p>The Museum complies with financial and risks management and supply chain management policies.</p> <p>Efficient human resources policies, procedures and systems.</p> <p>General safety of staff, visitors and Museum resources.</p> <p>Staff participated in workshops on policies and performance management. Other training courses were also attended including a workshop on Collections Management.</p> <p>A total of 27434 visitors engaged with exhibitions and events.</p>

The Msunduzi Museum Incorporating the Voortrekker Complex in collaboration with the Department of Arts and Culture, KZN Department of Arts and Culture and Municipalities, promoted arts and culture in the Province of KwaZulu-Natal. The Museum hosted and funded a number of projects and programmes which were in line with the Museum's Strategic and Annual Performance plans. A number of outreach programmes have been conducted during the reporting period.

3. PERFORMANCE INFORMATION BY PROGRAMME

Strategic objectives, performance indicators, planned targets and actual achievements

3.1 PROGRAMME 1: ADMINISTRATION

Performance indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation From Planned Target To Actual Achievement For 2016/2017	Comment On Deviations
Programme Strategic Objective: To provide effective and efficient financial administration and corporate governance.					
Unqualified Audit report and compliance with legislation including the PFMA, the Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Policy of Preferential Framework Act, KZN Heritage Act	4 Quarterly Reports and 1 Annual Report	KPI Baseline Report and Quarterly Report submitted to DAC quarterly. Public Entities Input Quarterly Report submitted to Treasury quarterly. Annual Report produced annually.	4 Quarterly Reports and 1 Annual Report	N/A	N/A
Programme Strategic Objective: To maintain the Museum's information and computer systems and implement and monitor Risk Management processes and controls.					
Number of major IT system incidents and number of risks identified and mitigated	4 Audit Committee Meetings and 1 Internal Audit Report	4 Audit Committee minutes and 4 IT audit reports	4 Audit Committee Meetings and 4 Internal audit reports: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AUDIT REPORT REVENUE AND RECEIVABLES, HUMAN RESOURCES	N/A	The IT audit report was incorrectly stated but the objective was achieved

			MANAGEMENT, BUDGET MANAGEMENT, PERFORMANCE INFORMATION Q2 AND FOLLOW UP 3 of 2016/17		
			SUPPLY CHAIN MANAGEMENT, EXPENDITURE MANAGEMENT AND PERFORMANCE MANAGEMENT SYSTEM (Q1) 01 & 02 of 2016/17		
Programme Strategic Objective: To promote safety within the Museums premises.					
Number of major incidents and identification of safety and security measures	7 Quarterly meetings held	8 Quarterly meetings with security providers	10 meetings held (6 - Msunduzi , 4 - Ncome)	2 additional meetings held	Additional monitoring of security services resulted in target being exceeded
Programme Strategic Objective: To develop an efficient Human Resources Operational Plan					
Percentage of staff trained according to HR Operational Plan	100% staff trained according to HR Operational Plan	100% staff trained according to HR Operational Plan	100 % of staff trained according to HR Operational Plan	N/A	N/A
Mid-term and final performance reviews conducted for all staff	1 Performance Management Workshop and 2 Performance Reviews	1 Performance Management Workshop and 2 Performance Reviews	Performance Management Workshop and 2 Performance Reviews	N/A	N/A
Programme Strategic Objective: Record, compile and report on visitor statistics for museum visits, projects and events					
Number of visitors recorded	Total visitors: 20616 Msunduzi: 11707 Ncome:8909	20474 visitors	27434 visitors Msunduzi :15746 Ncome : 11688	6960 additional visitors	More people attended museum events therefore the target was exceeded

3.2 PROGRAMME 2: BUSINESS DEVELOPMENT

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016 / 2017	Actual Achievement 2016/2017	Deviation From Planned Target To Actual Achievement For 2016/2017	Comment On Deviations

Programme Strategic Objective: To develop and preserve the Museum collections that reflects the nation's diversity					
Expand existing museum collections	3 done (Jabulani and wire basket and beer pot)	Organize 2 trips or events to collect relevant items	3 done (apron, headband, photo's, t-shirt, programme and 4 other items collected)	One more done, during which additional items were acquired	The collecting opportunity was identified and the target exceeded
Number of items documented according to international museums standards	Msunduzi : 11 Ncome: 94 TOTAL:105 entered	Enter 48 new acquisitions into accession register, computer database, take digital images and add to storage lists	Msunduzi :12 Ncome: 41 TOTAL: 53 entered	5 extra acquisitions were entered	The target was exceeded as more objects were acquired and therefore documented.
Programme Strategic Objective: To promote social cohesion and nation building					
Number of public engagements organised	1 Conference held at Ncome Museum 2 lectures held: DCO Matiwane and Jabu Ndlovu A talk was presented at Library Week Event	Organise and host 4 public engagements	-DCO Matiwane Lecture -Address by Judge Nicholson at "Sport in the Struggle " exhibition opening -Dialogue held at Msunduzi focusing on motivating women -Conference at Msunduzi -Talk at Ncome	An additional public engagement was held	The target was exceeded due to the hosting of the "Sport in the Struggle" Exhibition
Programme Strategic Objective: Improve access to information					
Research material produced for exhibitions	Research healing, song, dance and worship in the African Zionist Christian Churches (The Amabidiya Church, ZCC) for 1 exhibition: Text completed	1 Research project to be completed to improve current exhibitions at Ncome Museum	1 Research project – texts completed	N/A	N/A
Research material produced for publications	Research Umzinyathi district and its political history for 1 publication: Text completed	1 Research project to be completed for new museum brochures	1 Research project – texts for 3 brochures completed	N/A	N/A
	Journal vol 5 compiled. Journal vol 6 compiled. Publication edited and finalized and handed over for design	Complete 6 research materials for museum publications	7 (5 newsletters, 1 Ulwazi, 1 Journal)	1 extra research material produced	Material for one extra newsletter was produced therefore the target was exceeded

Number of visitors using library services during the week	889 (Msunduzi : 736; Ncome: 153 (including at Library events))	Assist 400 visitors and compile 4 reports on user statistics	1137 (Msunduzi: 778; Ncome: 359) 4 reports compiled	737 more visitors	Library events and internet café attracted more visitors therefore the target was exceeded
Number of public engagements organised	Library Week events were held at both Msunduzi and Ncome Museums Book Review Competition held for National Book week at Msunduzi	Organise 2 library public engagements	3 library public engagements (Book Week Workshop for school librarians held at Msunduzi , Library Week held at Ncome and Msunduzi)	An additional engagement held	Ncome hosted a library week event therefore the target was exceeded
Number of library materials acquired	Purchased : 23, Donated :6 (Msunduzi). Purchased : 16, Donated:5 (Ncome) 29 materials catalogued (Msunduzi) 21 materials catalogued (Ncome)	Purchase catalogue and digitize 20 library materials (Msunduzi and Ncome Museum)	Purchased: 24, Donated: 2 (Msunduzi) Purchased: 14, Donated: 341, (Ncome) 22 materials catalogued (Msunduzi) 355 materials catalogued (Ncome)	18 additional materials were purchased, and 343 donated 357 extra materials catalogued	The donations were not anticipated and additional materials were required therefore the target was exceeded
Programme Strategic Objective: To account for library assets in the care of the Museums					
To check and verify that library material in asset registers are accounted for	Stock check completed for Msunduzi and Ncome. 1 Report produced	Stock taking of library holdings. 1 report produced	Stock take completed as part of GRAP 103 process. 1 Report produced.	N/A	N/A

3.3 PROGRAMME 3: PUBLIC ENGAGEMENT

SUB-PROGRAMME 1 : EXHIBITIONS					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016 / 2017	Actual Achievement 2016/2017	Deviation From Planned Target To Actual Achievement For 2016/2017	Comment On Deviations
Programme Strategic Objective: Present engaging exhibitions by interpreting and presenting the museums' collections to the benefit of visitors					
Number of exhibitions designed, planned, constructed and installed	Completed and opened " <i>Road to Democracy</i> " exhibition : Phase 2 Design of exhibition panel completed	Produce 1 exhibition	1 exhibition produced and installed at Msunduzi Museum (Pietermaritzburg Hidden Treasures and the Freedom Route)	N/A	N/A

Programme Strategic Objective: Make information and knowledge accessible					
Number of publications designed and printed	Library week: Poster, invitation & programme Library week competition pamphlet Human Rights Day invitation & programme Education Brochure Ncome Conference Programme, Posters, Invitation & Folder Annual Report Annual Performance Plan DCO Matiwane Invitation & programme Jabu Ndlovu Women's Day Invitation & programme Certificates for quilters and crafters December 16 th Poster	5 publications designed and printed	19 publications: DCO & Youth Day Register DCO Matiwane Lecture Programme Sport in the Struggle Exhibition Invitation Sport in the Struggle Exhibition Programme Pietermaritzburg Hidden Treasures Booklet Museum Journal Vol 5 Museum Journal Vol 6 Annual Report Women's Day Programme Women's Day Invitation Courageous Conversations Conference Call for Papers , Invitation and Conference Programme Ulwazi Vol 1 Crafters certificates Library week poster APP Human Rights Invitation Human Rights / Quilters Programme	14 additional items were produced	Extra items were required for various events therefore the target was exceeded
Programme Strategic Objective: Mount temporary exhibitions					
Number of temporary exhibitions planned and set-up	Quilt exhibition Display at Bisley School Cartoon exhibition (PACSA)	Mount 2 temporary exhibitions	6 temporary exhibitions : Sport in the Struggle Exhibition 3 x travelling exhibitions (installed at Alexandra Library, Hayfields Primary, St Anne's Hospital)	4 additional exhibitions were held	The target was exceeded as the museum hosted two additional incoming temporary exhibitions and responded to external exhibition requests

			"Unsettled 100 years of Resistance by Xhosa people against Boer and British" (PACSA Photographic exhibition) Quilt Exhibition		
Programme Strategic Objective: Develop marketing materials					
Number of newsletters designed and printed	2 x newsletters designed, printed and distributed electronically 1 x newsletter designed	Design and print 4 newsletters	4 newsletters designed and printed 1 conference bag printed	1 additional item produced	Target exceeded as additional marketing materials for conference were required

PROGRAMME 3: PUBLIC ENGAGEMENT (CONTINUED)

SUB-PROGRAMME 2 : EDUCATION					
Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016 / 2017	Actual Achievement 2016/2017	Deviation From Planned Target To Actual Achievement For 2016/2017	Comment On Deviations
Programme Strategic Objective: To provide learner and teacher enrichment through educational service					
Number of programmes and associated worksheets revised	3 programmes and 1 worksheet revised (2 programmes Ncome, 1 programme and 1 worksheet Msunduzi)	3 revised educational programmes and 1 worksheet	4 programmes and 4 worksheets revised (3 programmes and 3 worksheets revised Ncome, 1 programme and 1 worksheet Msunduzi)	1 additional programme and 3 extra worksheets were revised	Programme and worksheets needed to be improved and updated therefore the target was exceeded
	1 programme and worksheet Ncome	Develop 1 new educational programme and 1 worksheet	3 programmes and 3 worksheets developed (Ncome)	2 extra programmes and worksheets were developed	The target was exceeded as additional programmes were requested
Presentation of educational programmes of the museum	143 presented (33 Ncome; 92 Msunduzi)	120	128 presented (24 Ncome; 104 Msunduzi)	8 additional presentations were made	Extra schools booked due to their interest in participating in the passport competition. As a result

					the target was exceeded
Visits to schools to promote museum educational programmes and activities	203 contacted/visited (103 Ncome; 100 Msunduzi)	150	213 contacted/visited (125 visited, 2 contacted Ncome; 86 Msunduzi)	63 extra contacts/visits made	Staff promoted the "Passport Competition and other events as well as visited schools in new districts hence the target was exceeded
Plan and organise holiday programmes during school holidays	5 offered (2 Ncome; 3 Msunduzi)	3	3 offered (1 Ncome; 2 Msunduzi)	N/A	N/A
Programme Strategic Objective: Market the Museum's educational programmes and activities					
Number of educational brochures distributed	706 distributed (190 Msunduzi; 516 Ncome)	180	660 distributed (163 Msunduzi; 497 Ncome)	480 extra brochures were distributed	More brochures were required for distribution at events including at a stakeholders careers expo therefore the target was exceeded
Plan and organise teachers workshops	9 Contacts (6 Ncome; 3 Msunduzi) and 2 teachers workshops (1 Ncome; 1 Msunduzi)	2	2 educators workshops held (1 Ncome, 1 Msunduzi)	N/A	N/A
Programme Strategic Objective: To conduct outreach programmes					
Number of skills development workshops facilitated	6 craft , 6 herbal workshops (Msunduzi Museum) 4 skills workshops (Ncome Museum)	16	16 held (craft / herbal skills development workshops held : 6 craft and 6 herbal Msunduzi; 4 Ncome)	N/A	N/A

Programme Strategic Objective: Celebrate commemorative days to promote nation building and social cohesion through events					
Number of commemorative day events held	13 National Days, 2 International Days, 2 Events (Msunduzi: 8) Human Rights Day; Quilters Day; Wellness Day; International Mandela Day; Women's Day; Heritage Day; International Museums Day; Youth Day (Ncome: 7) Human Rights Day; International Mandela Day; Women's Day; Heritage Day; International Museums Day; Youth Day; Reconciliation Day 2 Events at Ncome: School Debate; Youth Parliament	16	18 Msunduzi: 9 International Museums Day; Youth Day; Mandela Day; Woman's Day; Woman's Day Panel discussion; Heritage Day; Wellness Day; Human Rights Day and International Quilters Day Event Ncome: 9 (International Museums Day; Youth Day; Mandela Day; Woman's Day; Human Rights Day; Freedom Day (Youth Parliament); Reconciliation Day; Events: Mini Comrades Marathon and School Debate)	2 additional commemorative event s	The target was exceeded due to the additional partnership panel discussion commemorating Woman's Day as requested by DAC and an event initiated by staff.

Strategy to overcome areas of under-performance

There have been no significant deviations related to the achievement of annual performance targets, and as a result there is no need to make structural adjustments.

Changes to planned targets

No changes to planned targets were made.

Linking performance with budgets

	2016/2017			2015/2016		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Administration	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	4, 373	4,362	11	4,181	4,169	12
Goods and services	4,598	6,426	-1,828	3,514	5,076	-1,562
Total	8,971	10,788	-1,817	7,695	9,245	-1,550

	2016/2017			2015/2016		
Sub-Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Public Engagement	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	3,332	3,324	8	2,132	3,177	-1,045
Goods and services	269	242	27	381	405	-24
Total	3,601	3,566	35	2,513	3,582	-1,069

	2016/2017			2015/2016		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Business development	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	2,707	2,700	7	3,755	2,581	1,174
Goods and services	45	48	-3	204	252	-48
Total	2,752	2,748	4	3,959	2,833	1,126

	2016/2017			2015/2016		
Sub- Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Total by Expense Items	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	10,412	10,386	26	10,068	9,927	141
Goods and services	4,912	6,716	-1,804	4,099	5,733	-1,634
Total	15,324	17,102	-1,778	14,167	15,660	-1,493

4. SUMMARY OF FINANCIAL INFORMATION

4.1 Revenue Collection

	2016/2017			2015/2016		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Entrance fees	23	25	2	17	15	-2
Rent	205	252	47	186	179	-7
Curio shop	53	30	-23	48	36	-12
Parking fees	153	175	22	136	124	-12
Investment income	137	498	361	560	139	-421
Other income	13	13	-	21	24	-3
Grant subsidy	13,146	13,146	-	12,484	12,484	0
Deferred income	61	61	-	116	116	0
Other grants (Municipal charges)	906	906	-	706	706	-
Reserves	1,322	-	-1,322	715	-	-
Sale of assets	-	-	1	-	-	-
Insurance claims	272	-	-272	0	27	27
Relocation Cost Recoveries	-	-	-	0	41	41
Total	16,291	15,106	-1,184	14,989	13,891	-1,098

The Msunduzi and Ncome Museums collected R495 000 through the sale of goods and services other than capital assets and interest earned. This is against a background that the baseline allocation is inadequate to support the Museum's operations.

Included in the total income is R906 000 paid by Department of Arts and Culture on behalf of Msunduzi Museum for municipal charges(Services-in-kind), R61 000 recognised as deferred income.

Summary of payments by sub-programme

	2016/2017			2015/2016		
Sub-Programmes	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	8,971	10,788	-1,817	7,695	9,245	-1,550
Public Engagement	3,601	3,566	35	2,513	3,582	-1,069
Business development	2,752	2,748	4	3,959	2,833	1,126
Total	15,324	17,102	-1,778	14,167	15,660	-1,493

Disposals

The portion of movable assets disposed were as results of assets being scrapped, redundant, obsolete or broken. The loss on disposal of these assets was R91 440. This loss arose as a results of CCTV cameras damaged by a storm during the year that were replaced.

Asset Register (Movable Assets)

The Cultural Institutions have continuously maintained their Asset Registers and added new acquisitions as and when a need arises. It is our view that the closing carrying values fairly reflect the prevailing market values.

Maintenance of Immovable Assets

Since the Immovable assets are under the care and maintenance of the Department of Public Works, it remains a challenge to regularly service these buildings as they are old.

PART C

GOVERNANCE

1. 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's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

A presentation on the 2015/16 Annual Report was made to the Portfolio Committee on Arts and Culture during October 2016. The Committee expressed concern about the closure of the bridge at Ncome. A Memorandum of Understanding has subsequently been signed between the Voortrekker Monument and the Msunduzi Museum. The bridge was opened and is in use.

3. EXECUTIVE AUTHORITY

Four Quarterly reports and the Annual Performance Plan and the Strategic Plan were submitted to the DAC. Adjustments had to be made on the targets to make them SMART.

4. THE ACCOUNTING AUTHORITY/COUNCIL

Introduction

The Council is appointed in terms of the Cultural Institutions Act, and provides an oversight supervision of the institution.

The role of the Council is as follows:

- 1.1.1 To formulate policies.
- 1.1.2 To hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the declared institution concerned.
- 1.1.3 To receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1).
- 1.1.4 To raise funds for the institution.
- 1.1.5 To manage and control the moneys received by the declared institution and to utilise those moneys for defraying expenses in connection with the performance of its functions.
- 1.1.6 To keep a proper record of the property of the declared institution, to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept.
- 1.1.7 To determine, subject to the Act and with the approval of the Minister, the objects of the declared institution.

Council Charter

Operations of the Council are regulated by the Cultural Institutions Act 119 of 1998.

COMPOSITION OF THE COUNCIL

Name	Designation (in terms of the Public Entity – Board structures)	Date appointed	Date of termination of council membership	Qualifications	Area of expertise	Board Directorship (list entities)	Other Committees	No of meetings scheduled	No of meetings attended
Prof S P Lekgoathi	Chairperson	01/12/2014	N/A	PhD	History	None	Audit Committee, Human Resource Committee, &	4 4	2 1
Ms C Mngomezulu	Deputy Chairperson	01/12/ 2014	N/A		Management and marketing	None	Human Resource Committee	4	0
Mr D Mangena	Member	01/12/2014	N/A	LLB	Law	None	Audit Committee	4	2
Ms L Marais-Botes	Member	01/12/2014	N/A		Heritage	None	Human Resource Committee	4	2
Dr S Kabanyane	Member	01/12/2014	20/3/2017	PhD	Science and Management	None	Audit and Human Resource Committees	4 4	2 2
Mr T Kubheka	Member	28/08/2015	N/A	N. Dip Acc	Accounting	None	Audit Committee	4	3
Dr G Mazibuko	Member	01/02/2016	N/A			None	Human Resources Committee	4	2

COMMITTEES: HUMAN RESOURCES

Committee	No of meetings scheduled	No of meetings attended	No of members	Names of members
Human Resource Committee	4	0	5	Ms China Mngomezulu
		2		Dr S Kabanyane
		2		Ms L Marais-Botes
		1		Prof SP Lekgoathi (Ex-officio)
		2		Dr G Mazibuko
Total	4	7	5	

Remuneration of Council members

Council members are paid as per National Treasury directive: Adjustment of the remuneration levels: service benefits packages for office bearers of certain statutory and other Institutions issued in each financial year. Council members are paid a meeting fee as per sub-category E2 of the said directive. Council remuneration per each attendance was as follows:

Chairperson's meeting fee for the year ended 31 March 2017 was R1,451

Vice Chairperson's meeting fee for the year ended 31 March 2017 was R1, 312

Member's meeting fee for the year ended 31 March 2017 was R1, 164

Name	Remuneration (meeting fee) R' 000	Other allowances R'000	Other re- imbursements R'000	Total R' 000
Prof SP Lekgoathi	13	-		13
Ms C Mngomezulu	-	-	-	-
Dr S Kabanyane	4	-	-	5
Prof P Sithole	8	-	-	8
Dr CJ Buthelezi	-	-	-	-
Ms L Marais-Botes	7	-	-	7
Mr D Mangena	5	-	-	5
Mr T Kubheka	11	-	-	11
New Council members 2016				
Dr G Mazibuko	10	-	-	10
Total	58	-	-	58

5. RISK MANAGEMENT

Risks are grouped into categories, namely:

- a) Building
- b) Security
- c) Cash
- d) Human Resources
- e) Finance
- f) Procurement
- g) Information technology
- h) Performance Management Systems

We have updated the risk management register to effectively manage risks.

6. INTERNAL CONTROL UNIT

Due to the size of the Museums, it does not have an internal control unit; however this task is outsourced to an audit firm, which its tasks will be explained in the following heading. However the administration unit continues to install relevant internal controls and continuous assessment of accounting and relevant internal controls is done by this unit.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

- Key activities and objectives of the Internal Audit firm is to assess the effectiveness of the areas listed below:
 - i) Acquisitions and Procurement policy
 - ii) Payroll
 - iii) Bank, creditors and payroll reconciliations
 - iv) Subsistence and travel allowances
 - v) Investment register
 - vi) Strategic plans
 - vii) Accuracy of the financial information submitted to the DAC and to Council.
- Key activities and objectives of the Audit committee are:
 - i) To provide assurance that the Museums comply with relevant laws and regulations.
 - ii) To provide assurance on the effective delivery of quality service in an efficient, transparent and economical manner.
 - iii) To review the work performed by the Internal Audit firm.
 - iv) To recommend and review accounting policies.
 - v) To provide assurance on the accuracy of financial information submitted to Council.
 - vi) To advise Council on the current status of the finances and make recommendations, where necessary.
 - vii) To review the AFS submitted to the Auditor-General for statutory audit.

The table below discloses relevant information on the audit committee members:

Name	Qualification	Internal or External	If internal, position in the public entity	Date appointed	Date resigned	No of meetings scheduled	No of meetings attended
Prof B Stobie	M.Acc , CA(SA)	External	N/A	2008-05-29	N/A	4	4
Mr A Jordaan	MBA	External	N/A	2010-02-19	N/A	4	2
Prof P Green	PhD	External	N/A	2010-02-19	N/A	4	4
Mr T Kubheka	N. Dip Acc	Internal	Council member	2015-08-28	N/A	4	3
Mr D Mangena	LLB	Internal	Council member	2011-05-01	N/A	4	2
Prof SP Lekgoathi	PhD	Internal	Council member	01/12/2014	N/A	4	2
Dr S Kabanyane	PhD	Internal	Council member	01/12/2014	N/A	4	2

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Museums have tried to comply with National Treasury prescripts and regulations with specific reference to supply chain management and annual financial statements specimen. Their officials have attended some of the conferences organised by the DAC and National Treasury.

9. FRAUD AND CORRUPTION

Every year staff is work-shopped on this policy and the importance to report untoward, fraudulent and corrupt activities to relevant officials and to the fraud hotline number.

10. MINIMISING CONFLICT OF INTEREST

All staff, more in particular the supply chain management unit have completed declaration of business interest forms and furthermore internal controls are prevalent to detect frequent usage of service providers, albeit inadequate due to lack of segregation of duties in the unit.

11. CODE OF CONDUCT

The Museums developed and implemented the Code of Conduct policy which enforces good behavioural attributes of staff.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

There were no significant incidents during the year.

13. SOCIAL RESPONSIBILITY

The Museums have contributed in a variety of ways:

- National days have been commemorated and on those occasions community participation has been encouraged.
- To grow heritage awareness and increase traditional craft and other skills the Museums offers a variety of skills workshops throughout the year.
- To contribute to the development of the youth, relevant educational programmes are offered to learners.

14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. 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, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- i) Review of Policies (Museum SOP, SCM Policy, Fixed Asset Policy, Investment Policy, Heritage Asset Policy, Audit Committee Charter)
- ii) Payroll
- iii) Bank, creditors and payroll reconciliations
- iv) Investment register
- v) Review of Risk Management Plan
- vi) Review of Audit Implementation Plan
- vii) Accuracy of the financial information submitted to the DAC and to Council.

The following were areas of concern:

- Decline in the entities reserves due to insufficient funding.

In-Year Management and Monthly/Quarterly Report

The public entities have been reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entities.

Members

Information on the members of the Audit Committee appears on page 30 of the Annual Report.

Auditor's Report

We have reviewed the entities implementation plans for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Professor Bruce Stobie
Chairperson of the Audit Committee
Msunduzi Museum Incorporating the Voortrekker Complex
18 July 2017

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Overview of HR matters at the Museum

Museums have conducted a number of organizational developmental interventions during the reporting period.

1. Formal workshops and training attended:

Workshops/training attended	Managers	Staff
Bachelor of Education Degree		1
Payroll Administrator		1
Fire Marshal		10
Performance Management Workshop	7	33
Public Speaking	3	10
Collections Management		1

A human resources operational plan was further developed and implemented by the entities during the reporting period.

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

During the reporting period, the entities had a comprehensive report dealing with the development of an effective and efficient organisational structure. Due to shortages of funds, a job grading exercise for all museum posts was not executed.

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

The museum has over the last reporting period experienced the resignation of one senior manager. Findings concluded that it was due to career change and salary package. The museum therefore could not fulfil its goal to retain skilled staff.

Employee performance management framework

During the reporting period, staff of the entities attended a performance management workshop, and performance reviews were done as planned. After moderations, 4 staff members were awarded for outstanding performance as indicated in the performance management system and policy of the entity.

Employee wellness programmes

In collaboration with the health institutions the entity organised a wellness day. Community members supported this initiative and came in numbers.

Policy development

The entity reviewed/developed the following policies which were approved by the Council for implementation:

- Museum SOP
- SCM Policy
- Fixed Asset Policy
- Investment Policy
- Heritage Asset Policy
- Audit Committee Charter

Challenges faced by the Museums

During the reporting the entities were faced with financial constraints and therefore could not recruit employees to fill vacant senior level posts which affected their human capital resources.

Future HR plans / goals

The entity plans to perform job grading for all posts when funds are available, develop policies and review the following policies that are due for review and give to Council to approve.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme: permanent staff

Programme	Total Expenditure for the Museum (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	17,102	4,362	25.51%	21	216
Public Engagement		3,324	19.44%	12	267
Business Development		2,700	15.79%	7	351
Total	17,102	10,386	60.73%	40	260

Personnel cost by programme: temporary staff and internship

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	17102	85	0.50%	23	4
Public Engagement		33	0.20%	3	11
Business development		11	0.06%	4	3
Total	17 102	130	0.76%	30	18

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	10 385	17.345%	3	588
Senior Management		20.27%	4	546
Professional qualified		9.12%	2	493
Skilled		40.73%	20	209
Semi-skilled		11.66%	11	115
Total	10 385		40	260

Performance rewards

Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0
Senior Management	0	0	0
Professional qualified	1000	1000	0
Skilled	1000	2000	0
Semi-skilled	1000	1000	0
Total	4000	4000	0

Training costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
Administration	10 385	59	0.57%	4	14
Public Engagement				8	30
Business Development				4	15
Total	10 385	59		16	4

Employment and vacancies

Programme	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of Vacancies
Administration	20	30	20	10	50%
Public Engagement	13	16	12	4	25%
Business development	7	14	7	7	50%
Total	40	60	39	21	35%

Employment and vacancies

Programme	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of Vacancies
Top Management	3	4	3	1	25%
Senior Management	4	6	3	3	50%
Professional qualified	3	5	3	2	40%
Skilled	17	30	17	13	43.33%
Semi-skilled	13	15	13	2	13.33%
Total	40	60	39	21	35%

Employment changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	1	0	3
Senior Management	5	0	2	3
Professional qualified	2	1	0	3
Skilled	18	0	1	17
Semi-skilled	13	0	0	13
Total	40	2	3	39

Reasons for staff leaving

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

- Staff left because they have found better paying jobs elsewhere.
- The museum advertised the posts while placing staff members in acting positions.
- The museum hired casual staff on a contract basis.
- The museum has also hired interns on a contract basis to address workload capacity.

Labour relations: misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	1
Dismissal	0
Total	2

Equity target and employment equity status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	1	1
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	1	1	0	0	0	0	0	0
Skilled	8	8	0	0	2	2	0	0
Semi-skilled	7	7	0	0	0	0	0	0
Total	17	17	0	0	2	2	1	1

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	1	1
Professional qualified	2	2	0	0	0	0	0	0
Skilled	4	4	2	2	0	0	1	1
Semi-skilled	6	6	0	0	0	0	0	0
Total	15	15	2	2	0	0	2	2

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

Other Human Resource Statistics

Job Evaluation

Number of Posts evaluated	Outcomes	Narrative
0	-	-

Promotions and Injury on Duty

Two staff members were promoted to senior posts.

Utilization of Leave

The Cultural Institution follows a practice of forfeiting leave in the event it is not used after eighteen months of the new cycle. The table below summarizes the number of staff due to take leave before 30 June 2017 otherwise leave accumulated is forfeited.

Item	Number Of Staff	Percentage
Number of staff less than 5 days to take leave	8	20.51%
Number of staff more than 5 days to take leave	24	61.54%
Number of staff not eligible to take accrued leave	7	17.95%
Total	39	100%



The Collections Officer attends to one of the baskets in the Museum's Collection



Above: Acapella music group performing at Reconciliation Day Event - Ncome Museum;
Below: Librarians at Library Week book conservation workshop - Msunduzi Museum





Ukhamba with beadwork decoration.
Made by Ms Ntombi Nala,
Entumeni

PART E

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON MSUNDUZI MUSEUM INCORPORATING THE VOORTREKKER COMPLEX

Report of the auditor-general to Parliament on Msunduzi Museum (Incorporating the Voortrekker Complex)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Msunduzi Museum (Incorporating the Voortrekker Complex) set out on pages 47 to 77, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Msunduzi Museum (Incorporating the Voortrekker Complex) as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Emphasis of matter

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

Restatement of corresponding figures

4. The corresponding figures for 31 March 2016, as disclosed in note 28 have been restated as a result of an error in the financial statements of the entity at, and for the year ended 31 March 2017.

Responsibilities of the accounting authority for the financial statements

5. The council which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA 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 Msunduzi Museum's (Incorporating the Voortrekker Complex) ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

7. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information

against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

10. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
11. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Business development	16 – 18
Programme 3 – Public engagement	18 – 22

12. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 2 – Business development
 - Programme 3 – Public engagement

Other matters

14. I draw attention to the matter below.

Achievement of planned targets

15. The annual performance report on pages 13 to 22 includes information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

16. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
17. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Procurement and contract management

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

Expenditure management

19. Effective steps were not taken to prevent irregular expenditure amounting to R205 320 as disclosed in note 24 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by the entity not following the procurement process relating to obtaining the required price quotations.

Other information

20. The accounting authority of Msunduzi Museum (Incorporating the Voortrekker Complex) is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matter reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Financial management

24. Supply chain management compliance was not adequately monitored to ensure adherence to policy and legislative requirements.

Auditor-General

Pietermaritzburg
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

Msunduzi Museum Incorporating the Voortrekker Complex

Annual Financial Statements
for the year ended 31 March 2017

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

ANNUAL FINANCIAL STATEMENTS
31 March 2017

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 31 March 2017, set out on pages 48 to 77 were approved by the Museum Council and are signed on its behalf by:



Professor SP Lekgoathi
Chairperson of the Council

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

ANNUAL FINANCIAL STATEMENTS
31 March 2017

Council Members

Director for the period

Dr M Ngubane

Council Members for the period

Professor S Lekgoathi (Chairperson)
Ms N Mngomezulu (Deputy chairperson)
Mr D Mangena
Dr S Kabanyane
Mr T Kubheka
Ms L Marais-Botes
Professor MP Sithole
Dr GB Mazibuko

Audit committee

Professor B Stobie (Chairperson)
Dr P Green
Mr A Jordan
Professor S Lekgoathi
Mr D Mangena
Dr S Kabanyane
Mr T Kubheka

Bankers

ABSA Bank

Auditors

Auditor-General South Africa

Registered office

P O Box 998, Pietermaritzburg, 3200
Msunduzi Museum Building
351 Langalibalele Street, Pietermaritzburg, 3201

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

			2017	Restated
	Notes		R	2016
				R
ASSETS				
<i>Non-current assets</i>			9 816 123	10 358 940
Plant and equipment	2		3 225 313	3 765 302
Intangibles	3		6 817	14 005
Heritage Assets	25		6 583 993	6 579 633
<i>Current assets</i>			13 219 183	14 197 494
Accounts receivable and prepaid expenses	4		48 095	87 087
Inventory	5		92 599	90 123
Investments	6		-	2 503 861
Cash and cash equivalents	7		13 078 489	11 516 423
<i>Total assets</i>			<u>23 035 306</u>	<u>24 556 434</u>
FUNDS AND LIABILITIES				
<i>Funds</i>			9 402 265	11 394 021
Accumulated surplus			2 159 146	4 155 262
Revaluation surplus			7 243 119	7 238 759
<i>Current liabilities</i>			13 633 041	13 162 413
Accounts payable and advance deposits	8		1 269 190	802 923
Leave pay accrual	9		493 790	440 998
Bonus and performance awards accrual	10		329 939	317 658
Deferred income	11		11 540 122	11 600 834
<i>Total funds and liabilities</i>			<u>23 035 306</u>	<u>24 556 434</u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker
Complex)

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

		2017	2016	2017
	Notes	R	R	Budget
				R
CURIO SHOP SALES	12	29 725	36 323	53 000
OTHER INCOME		15 076 237	13 854 344	15 271 272
Donations received		2 489	3 372	2 100
Entrance fees		25 332	15 397	22 500
Income from investments		498 024	139 082	136 600
Increase in the market value of investments		-	-	-
Insurance claims		-	26 550	272 491
Internet income		3 995	2 040	4 000
Other income		6 362	18 234	7 000
Parking income		174 862	123 530	153 400
Re-location recoveries		-	41 048	-
Rent received		252 140	179 200	205 000
Revenue from Non-exchange transactions	13	14 113 033	13 305 891	14 468 181
TOTAL INCOME		15 105 962	13 890 667	15 324 272
EXPENDITURE		(17 102 078)	(15 660 366)	(15 324 272)
Bonus accruals	10	12 281	24 069	-
Cost of sales	12	22 339	21 325	25 000
Decrease in the market value of investments		130 358	19 445	-
Depreciation and amortisation	2/3	966 917	932 218	4 500
Leave pay accruals	9	52 792	79 808	40 000
Operating expenditure (refer pages 5)		15 917 391	14 583 501	15 233 972
Provision for Performance awards		-	-	20 800
(DEFICIT)/ SURPLUS FOR THE YEAR		<u>(1 996 117)</u>	<u>(1 769 699)</u>	<u>-</u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)
for the year ended 31 March 2017

	Notes	2017	2016	2017
		R	R	Budget R
OPERATING EXPENDITURE				
Accounting fees		137 457	182 453	189 000
Advertising and marketing		44 949	125 437	70 000
Advisory and administration fees		16 685	20 847	22 000
Audit committee expenses	14.1	52 605	38 436	50 150
Audit remuneration		579 796	552 586	605 058
Bank charges		41 599	37 999	38 000
Bad debts		58 979	-	-
Cleaning materials		39 765	51 929	40 000
Computer expenses		80 995	73 444	86 000
Casual labour		129 819	167 394	120 000
Conferences		5 854	16 016	20 000
Conference : courageous conversation		22 000	189 000	22 000
Conservation and collection		6 970	3 257	7 500
Education and outreach		103 811	196 323	112 000
Entertainment		12 156	33 207	14 000
Equipment expenses (less than capital threshold)		6 429	244	281 200
Exhibition openings		5 000	12 243	5 000
Functions (Living Heritage)		99 150	132 184	86 000
Furniture (less than capital threshold)		10 623	4 817	350 000
Honoraria	14.2	58 346	61 076	68 613
Insurance		144 185	156 788	151 500
Interior décor and display		969	543	1 000
Internal audit function		107 828	97 973	104 832
Job evaluation		-	7 525	-
Legal expenses		8 278	-	10 000
Library books		6 733	6 258	7 400
Lights and water		22 340	36 476	23 500
Loss on sale of fixed assets		91 440	-	-
Municipal charges		906 321	705 508	-
National Lottery Projects		7 950	8 665	-
Ncome furniture (DAC sponsored projects)		217 718	-	-
Photocopier rental		89 379	62 982	87 000
Postage		3 978	6 291	5 947
Printing and stationery		72 039	100 070	81 000
Repairs and maintenance		112 617	165 384	120 000
Repairs and maintenance (sponsored projects)		32 916	-	-
SARS interest and penalties		-	79	-
Security		368 873	350 312	389 000
Staff expenditure	15	10 385 950	9 926 711	10 351 314

Staff training	59 435	45 338	64 000
Subscriptions	34 785	31 544	35 000
Subsistence allowance	16 980	18 334	21 000
Sundries	4 583	7 679	4 600
Signage	5 291	4 734	6 000
Telephone and fax (less recoveries)	221 143	226 116	216 000
Transformation 4 (Exhibition-income)	19 846	-	-
Travel and accommodation (Council costs)	120 353	147 345	113 858
Travel and motor vehicle expenses	403 549	497 970	415 500
Uniforms	25 786	24 661	26 500
Valuation costs	912 551	28 420	803 500
Workmen's Compensation	587	20 903	9 000
TOTAL OPERATING EXPENDITURE (see page 4)	15 917 391	14 583 501	15 233 972

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017

	REVALUATION SURPLUS	ACCUMULATED SURPLUS R	TOTAL R
Balance at 01 April 2015	-	6 056 776	6 056 776
Deficit for the year	-	(1 769 689)	(1 769 689)
Balance at 31 March 2016	-	4 287 087	4 287 087
Correction of error (Note 29)	7 238 759	(131 825)	7 106 934
Restated balance at 31 March 2016	7 238 759	4 155 262	11 394 021
Revaluation(Additions)	4 360	-	4 360
Deficit for the year		(1 996 117)	(1 996 117)
Balance at 31 March 2017	7 243 119	2 159 146	9 402 265

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2017 R	2016 R
Net cash retained in/(utilised by)/ operating activities			
Receipts			
Transfers and subsidies		13 146 000	24 209 508
Sale of goods and services		1 940 116	701 169
		<u>15 086 116</u>	<u>24 910 677</u>
Payments			
Cash paid to suppliers and employees		(16 014 755)	(14 384 545)
Cash generated/(utilised) by operating activities	A	<u>(928 640)</u>	<u>10 526 132</u>
Interest received		498 024	139 092
		<u>(430 616)</u>	<u>10 665 224</u>
Cash flow from investing activities			
Additions to property, plant, equipment and intangibles		(783 811)	(219 886)
Disposals of property, plant, equipment and intangibles		272 631	-
Increase in investments		2 503 861	(67 527)
		<u>1 992 681</u>	<u>(287 413)</u>
Net increase / (decrease) in cash and cash equivalents		1 562 066	10 377 811
Cash and cash equivalents at the beginning of the year		11 516 423	1 138 612
Cash and cash equivalents at the end of the year	B	<u><u>13 078 489</u></u>	<u><u>11 516 423</u></u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE CASH FLOW STATEMENT
For the year ended 31 March 2017

	2017	2016
	R	R
Note A		
Reconciliation of surplus to cash flows from operations		
Surplus for the year	(1 996 117)	(1 769 689)
Adjustments for :		
Depreciation	966 917	932 218
Interest received	(498 024)	(139 092)
(Profit) /loss on sale of assets	91 440	-
Increase in leave pay accrual	52 792	79 808
Increase in bonus accrual	12 281	24 069
Operating deficit before working capital changes	(1 370 711)	(872 686)
Working capital changes		
(Increase)/Decrease in trade and other receivables	38 992	(30 044)
(Increase)/Decrease in inventory	(2 476)	(16 031)
(Decrease)/Increase in deferred income	(60 712)	10 903 616
(Decrease)/Increase in trade and other payables	466 267	541 277
Cash generated from /(utilized by) operations	<u>(928 640)</u>	<u>10 526 132</u>

Note B
Cash and cash equivalents

Nedbank Money Market	367 084	351 910
ABSA 32 Day Notice	81 790	78 128
ABSA Call Account	2 033 887	68 610
Cash on hand	2 500	312
ABSA Current Account	243 867	11 014 058
ABSA Savings Account	612	443
ABSA Liquidity Plus	10 348 750	-
ABSA Heritage Trust Current Account	-	2 962
	<u>13 078 489</u>	<u>11 516 423</u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with section 55(1)(b) of the Public Finance Management Act, (Act No.1 of 1999 as amended by Act No. 29 of 1999).

Assets, liabilities, revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP. The accounting policies are applied consistently with those used to present the previous year's financial statements, unless explicitly or otherwise stated.

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for financial instruments that have been measured at fair value. Standards of GRAP approved by the Accounting Standards Board and applicable to the Cultural Institution.

GRAP 1 Presentation of financial statements
GRAP 2 Cash flow statements
GRAP 3 Accounting policies, changes in accounting estimates and errors
GRAP 6 Consolidated financial statements and accounting for controlled entities
GRAP 9 Revenue from exchange transactions
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events after the reporting date
GRAP 17 Property, plant and equipment
GRAP 19 Provisions, contingent liabilities and contingent assets
GRAP 23 Revenue from Non-exchange Transactions
GRAP 24 Presentation of Budget Information
GRAP 25 Employee Benefits
GRAP 31 Intangible Assets
GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
GRAP 103 Heritage Assets (See Note 26)
GRAP 104 Financial Instruments
GRAP 105 Transfer of Functions Between Entities Under Common Control

GRAP standards approved but not yet effective:

GRAP 20 Related Party Disclosures
GRAP 32 Service Concession Arrangements: Grantor
GRAP 108 Statutory Receivables
GRAP 109 Accounting by Principals and Agents

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

The following statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board are issued but not applicable to the Cultural Institution:

GRAP 4 The effects of changes in foreign exchange rates
 GRAP 5 Borrowings
 GRAP 7 Accounting for investment in associates
 GRAP 8 Financial reporting of interests in joint ventures
 GRAP 10 Financial Reporting in Hyperinflationary Economies
 GRAP 11 Construction Contracts
 GRAP 16 Investment Property
 GRAP 27 Agriculture
 GRAP 21 Impairment of Non-cash-generating Assets
 GRAP 24 Presentation of Budget information
 GRAP 26 Impairment of Cash-generating Assets
 GRAP 18 Segment Reporting
 GRAP 106 Transfer of Functions between Entities Not Under Common Control
 GRAP 107 Mergers

1.2 Property, plant and equipment and intangibles

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is written off on a straight-line method using rates deemed to be suitable for writing off the property, plant and equipment over their expected economic life. The Management of the Cultural Institution assesses /review the depreciation method, residual value, useful life and carrying value of assets annually and revisions are made when it is considered necessary. Property, plant and equipment is impaired, derecognised or disposed of when it is probable they are no longer in use for the purpose it was originally acquired for, either they are redundant, obsolete, damaged beyond repairs or generally not in use. Assets should be componentised and depreciated separately if parts of an asset have significantly different estimated useful lives.

Depreciation

Assets are depreciated over the following periods, according to the straight line method:

Equipment	2 - 10	years
Computer equipment	3 - 10	years
Furniture and fittings	2 - 10	years
Huts and structures	15	years
Motor Vehicles :		
Passenger Cars	5	years
Light delivery vehicles	4	years
Library Books	10-15	years
Audio Visual	7-10	years

Intangible Assets

Intangible assets are shown at cost less accumulated depreciation and impairment losses.

The management of the Cultural Institution assesses the carrying value of each intangible asset annually and revisions are made when it is considered necessary. Intangible assets relates to licences to software to be used by the Cultural Institution for more than a year and are derecognised or disposed of when it is probable they are no longer in use for the purpose it was acquired for.

The amortization is calculated on the straight line method to write-off the cost of intangible assets over their estimated useful lives as follows:

Software equipment	2	years
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MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.3 Heritage Assets

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

1.3.1 Recognition

- (a) The entity 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 where cost or fair value of the asset can be reliably measured.
- (b) The entity will assess the degree of certainty attached to the flow of future service potential or economic benefits.
- (c) 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.
- (d) For recognition of heritage assets, the asset needs to be controlled by the entity as a result of past events. Such events may include: Purchase, donation, bequeath, loan or transfer.

1.3.2 Measurement

- (a) The value of assets have been determined using either cost or fair value.

1.3.3 Directive 7 - Use of deemed cost for heritage assets upon initial recognition and adoption of a standard.

The following terms are used in this Directive with the meanings specified:

(a) Acquisition cost: When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or at fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.

(b) Deemed cost: Deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP measurement date).

(c) Measurement date (for purposes of this Directive): Measurement date is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information, in its first financial statements prepared using Standards of GRAP.

For the purposes of this Directive, the measurement of assets at fair value on the adoption of the Standards of GRAP, does not constitute:

- (a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or
- (b) the application of the fair value model in the Standard of GRAP on Investment Property.

Subsequent depreciation, if applicable, is based on that deemed cost and starts from the measurement date.

Initial entries using deemed cost.

When an entity initially measures assets using the deemed cost approach in this Directive, it recognises the effect:

- (a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening statement of financial position prepared using Standards of GRAP; or
- (b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets.

1.3.4 Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.46).

The valuation of heritage assets was performed by a member of the valuation profession.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.3.4 Valuation of heritage assets

(a) Valuation Techniques

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

(b) Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where 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 it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

(c) Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed. (GRAP 103.45)

1.3.5 Heritage assets on loan to other institutions

The financial statement shall also disclose information on heritage assets that are borrowed from, or on loan to other entities.

1.3.6 Retrospective Application

The entity adopted the accounting standard on 1 April 2012, the entity has taken advantage of the transitional period of three (3) years to fully implement GRAP 103 in terms of Directive 2. The three year period in which entities were not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage Assets has ended.

Where entities have not yet determined the deemed cost of those assets within the scope of Directive 7, they should consider GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, and consider whether this change in accounting policy can be applied retrospectively from this date, or whether it is impracticable to do so.

GRAP 3 states that: "When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable...."

It may be impracticable to determine the deemed cost retrospectively if, for example, the following circumstances exist:

(a) Relevant data may not have been collected in the prior period and cannot be obtained by alternative means that allows for retrospective application.

(b) The entity is required to make significant estimates and assumptions about conditions that existed at a point in time in the past and cannot do so objectively without using hind-sight.

1.3.7 Subsequent measurement

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

1.3.8 Heritage Assets Revaluation

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The entity make use of an accounting policy based on the revaluation model and shall apply the policy to an entire class of heritage assets. Increases or decreases resulting from revaluations and from impairment losses recognised or reversed directly in net assets in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.3.9 Impairment

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

1.3.10 Transfers

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

(b) Transfers to heritage assets are made when, and only when, the particular asset meets the definition of a heritage asset.

1.3.11 De-recognition

The carrying amount of a heritage asset is de-recognised:

(a) on disposal, or

(b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is de-recognised.

1.4 Inventory

Inventory is initially recorded at historical cost and is valued at the lower of cost or estimated net realisable value, using first-in, first-out method of valuation.

1.5 Investments

Investments with banks and institutions including money market are reflected at cost including interest capitalised to the investment.

In the case of the investment in Collective Investments, the book value of the investment at 31 March 2017 represents the market value of the investment as at that date.

1.6 Financial Instruments

Financial instruments are initially measured at cost, which includes transaction costs.

Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts. Receivables are written off when considered irrecoverable.

Trade and other payables

Trade and other payables are measured at cost

Cash and cash equivalents

Cash and cash equivalents are measured at fair value

Listed Investments

Listed investments are accounted for as available-for-sale financial instruments, recorded at fair value with any gains or losses arising from a change in the fair value of a financial asset measured at fair value being recognised in surplus or deficit.

1.7 Revenue from non-exchange transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition. This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as a revenue, except to the extent that a liability is recognised for the same flow. As an 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 will reduce the carrying amount of the liability recognised as an amount equal to that reduction.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.8 Revenue

Grants

Revenue related to operational expenditure is recognised as revenue when it is probable that the transfer payment will be received and the amount can be estimated reliably, unless an obligation exists to use the transferred resources in a certain way or return the resources to the transferor. Where it is a requirement to only use the resources in a certain way with no corresponding requirement to return those resources, then no obligation exists and the revenue is recognised. Where an obligation exists, the resource is recognised as deferred revenue until the obligations are met and then recognised as revenue.

1.8 Revenue Recognition

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

1.9 Interest

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

1.10 Irregular and fruitless and wasteful expenditure

Irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

1.11 Provisions

Provisions are recognised where the institution has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

1.12 Retirement Benefits

The Cultural Institution operates a defined benefit plan together with a defined contribution plan, the assets of which are generally held in separate trustee – administered funds. The plans are funded by payments from the entity and members. Payments to these retirement plans are charged to the statement of financial performance in the year to which they relate.

1.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Cultural Institution's accounting policies, which are described in note 1, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of plant, furniture and equipment and intangibles

The Cultural Institution reviews the estimated useful lives of property, plant and equipment and intangibles at the end of each annual reporting period.

1.14 Comparative Figures

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

1.15 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in transit, deposits held on call with banks and investments in money markets instruments, all of which are available for use by the Cultural Institution unless otherwise stated.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1. ACCOUNTING POLICIES (continued)

1.16 Budget information

The approved budget is prepared on accrual basis and presented by economic classification linked to performance outcome. The approved budget covers the fiscal period from 01 April 2016 to 31 March 2017. The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of financial performance.

1.17 Related parties

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

Management are those responsible for planning, directing and controlling the activities of the entity, including those charged with governance of the entity in accordance with the legislation, in instances where they are required to perform such functions. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

The entity applies IPSAS20 for related parties in the absence of an effective GRAP standard.

2. Plant and equipment

	Books R	Equipment R	Computer Equipment R	Furniture & Fittings R	Motor Vehicles R	Total R
Year ended 31 March 2017						
Opening carrying amount- Restated	527 301	1 781 277	255 372	991 353	209 999	3 765 302
Gross carrying amount	659 126	4 488 046	712 098	1 775 490	651 892	8 286 652
Accumulated depreciation	(131 825)	(2 706 769)	(456 726)	(784 137)	(441 893)	(4 521 350)
Additions	-	114 826	155 474	349 952	163 559	783 811
Disposals		(6 521)	-	(287 666)	(69 885)	(364 072)
Depreciation	(65 913)	(487 136)	(132 200)	(221 951)	(52 528)	(959 728)
Closing carrying amount	461 388	1 402 446	278 646	831 688	251 144	3 225 313
Gross carrying amount	659 126	4 551 175	822 917	1 728 797	684 417	8 446 432
Accumulated depreciation	(197 738)	(3 148 729)	(544 271)	(897 109)	(433 272)	(5 221 119)

The restated opening balance amount was due to correction of error for books in prior years.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

2. Plant and equipment (continued)

	Books R	Equipment R	Computer Equipment R	Furniture & Fittings R	Motor Vehicles R	Total R
Year ended 31 March 2016						
Opening carrying amount	-	2 213 667	213 706	1 244 286	279 999	3 951 658
Gross carrying amount	-	4 432 091	603 334	1 772 435	651 892	7 459 752
Accumulated depreciation	-	(2 218 424)	(389 628)	(528 149)	(371 893)	(3 508 094)
Additions	-	55 955	160 876	3 055	-	219 886
Depreciation	-	(488 345)	(104 834)	(255 988)	(70 000)	(919 168)
Reclassification	-	-	(14 376)	-	-	(14 376)
Correction of error (Note 29)						
Cost re-stated	659 126	-	-	-	-	659 126
Accumulated depreciation re-stated	(131 825)	-	-	-	-	(131 825)
Closing carrying amount	527 301	1 781 277	255 372	991 353	209 999	3 765 302
Gross carrying amount	659 126	4 488 046	712 098	1 775 490	651 892	8 286 652
Accumulated depreciation	(131 825)	(2 706 769)	(456 726)	(784 137)	(441 893)	(4 521 350)

No assets have been pledged as security.

	2017 R	2016 R
3. Intangibles		
Net carrying amount at the beginning of the year	14 005	12 680
Gross carrying amount	108 029	55 917
Accumulated amortisation	(94 024)	(43 237)
Amortisation	(7 188)	(13 051)
Correction of error		
Reclassification	-	14 376
Net carrying amount at the end of the year	6 817	14 005
Gross carrying amount	108 029	108 029
Accumulated amortisation	(101 212)	(94 024)

The amortisation charge is included with the depreciation charge in Note 2 for disclosure purposes in the Statement of Financial Performance.

4. Accounts receivable and prepaid expenses

Sundry debtors	107 074	87 087
Provision for doubtful debts	(58 979)	-
	<u>48 095</u>	<u>87 087</u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	2017	2016
	R	R
5. Inventory		
Comprised of goods for sale	<u>92 599</u>	<u>90 123</u>
6. Collective investments		
Standard Bank Property Income Fund	<u>-</u>	<u>2 503 861</u>
7. Cash and cash equivalents		
Nedbank Money Market	367 084	351 910
ABSA 32 Day Notice	81 790	78 128
ABSA Call Account	2 033 887	68 610
Cash on hand	2 500	312
ABSA Current Account	243 867	11 014 058
ABSA Savings Account	612	443
ABSA Liquidity Plus	10 348 750	-
Heritage Trust Account	-	2 962
	<u>13 078 489</u>	<u>11 516 423</u>
7.1 Heritage Trust		
The Cultural Institution had a Heritage Trust which was established to raise funds with a view to finance research, exhibition and educational projects of the Institution, however, the Trust was dormant for a number of years and was wound up in 2016/2017 Financial year.		
8. Accounts payable and advance deposits		
Accounts payable	1 203 366	754 023
Advance deposits	56 500	48 900
Deferred income - Rental	9 324	-
	<u>1 269 190</u>	<u>802 923</u>
9. Leave pay accrual		
Balance at the beginning of the year	440 998	361 190
Increase / (Decrease)	52 792	79 808
	<u>493 790</u>	<u>440 998</u>
10. Bonus and performance awards accrual		
Bonus Accrual		
Balance at the beginning of the year	301 658	277 589
Increase / (Decrease)	<u>12 281</u>	<u>24 069</u>
Balance at the end of the year	313 939	301 658
Performance awards accrual		
Balance at the beginning of the year	16 000	16 000
Increase / (Decrease)	<u>-</u>	<u>-</u>
Balance at the end of the year	16 000	16 000
Total bonus and performance awards accrual	<u>329 939</u>	<u>317 658</u>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

11. Deferred income : Grants

	Ncome R	Msunduzi R	Total R
Transformation grants			
Year ended 31 March 2017			
Unexpended at the beginning of the year	33 121	-	33 121
Expended	(19 846)	-	(19 846)
Unexpended at the end of the year	13 275	-	13 275
Year ended 31 March 2016			
Unexpended at the beginning of the year	33 121	-	33 121
Expended	-	-	-
Unexpended at the end of the year	33 121	-	33 121
National lottery grant			
Year ended 31 March 2017			
Unexpended at beginning of the year	1 216 506	287 209	1 503 715
Expended	-	(7 950)	(7 950)
Unexpended at end of the year	1 216 506	279 259	1 495 765
Year ended 31 March 2016			
Unexpended at beginning of the year	196 506	295 875	803 397
Expended	-	(8 666)	(311 016)
Unexpended at end of the year	196 506	287 209	492 381
A total of R 1 700 000 was in lieu of mobile museums. The first tranche of R 1 020 000 was received in the 2015/2016 financial year and the balance of R 680 000 will be received in the following financial years.			
Department of Arts & Culture grant			
Year ended 31 March 2017			
Unexpended at beginning of the year	-	10 063 998	10 063 998
Expended	-	(32 916)	(32 916)
Further funding received	-	-	-
Unexpended at end of the year	-	10 031 082	10 031 082
Year ended 31 March 2016			
Unexpended at beginning of the year	-	171 716	171 716
Expended	-	(107 718)	(107 718)
Further funding received	-	10 000 000	10 000 000
Unexpended at end of the year	-	10 063 998	10 063 998
R 10 000 000 was approved by the Departments of Arts and Culture for the upgrade and refurbishment of all buildings at Msunduzi Museum for the 2015/16 financial year.			
Total deferred income			<u><u>11 540 122</u></u>

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

11. Deferred income : Grants (continued)

Department of Arts & Culture grant	Ncome R	Msunduzi R	Total R
Unconditional Grant received in prior years(2013/2014)			
Year ended 31 March 2017			
Unexpended at beginning of the year	1 200 000	-	1 200 000
Expended(less than threshold)	(217 718)	-	(217 718)
Expended(Capitalised)	(218 262)	-	(218 262)
Unexpended at end of the year	764 020	-	764 020
Year ended 31 March 2016			
Unexpended at beginning of the year	1 200 000	-	1 200 000
Expended(less than threshold)	-	-	-
Expended(Capitalised)	-	-	-
Unexpended at end of the year	1 200 000	-	1 200 000

R1200 000 was approved by Department of Arts and Culture for the Mangement of Ncome Facility in 2013/2014. These funds were recognised as revevue at the time there were received and were expended in 2016/2017 .Closing balance unexpended 2017:R 764 020(2016:R 1200 000.Included in Accumulated surplus of R 2 159 146 is R 764 020 relating to this Unconditional grant.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	2017	2016
	R	R
12. Curio Shop		
Sales	29 725	36 323
Cost of sales	(22 339)	(21 325)
Inventory at the beginning of the year	90 123	74 092
Purchases	24 815	37 356
Inventory at the end of the year	(92 599)	(90 123)
Trading profit	<u>7 486</u>	<u>14 998</u>

13. Revenue from non-exchange transactions

Operating grant	14 052 321	13 189 508
National lottery grant funds expended	7 950	8 665
Department of Arts & Culture grant funds expended	32 916	107 718
Transformation grants	19 846	-
	<u>14 113 033</u>	<u>13 305 891</u>

14. Audit Committee, Council, Directors and Senior Management remuneration

14.1 Gross remuneration for Audit Committee members

Professor B Stobie	31 713	19 280
Mr A Jordan	7 002	8 944
Dr P Green	13 890	10 212
	<u>52 605</u>	<u>38 436</u>

14.2 Gross remuneration for Council Members
(Non-Executive Directors)

Mr J Buthelezi (Late)	-	4 320
Dr S Kabanyane	4 600	9 832
Professor S Lekgoathi	12 814	15 216
Professor MP Sithole	8 064	8 864
Dr GB Mazibuko	9 812	-
Ms N Mngomezulu	-	2 560
Dr D Mangena	4 600	4 320
Ms L Marais-Botes	6 928	7 728
Mr T Kubheka	11 528	8 236
	<u>58 346</u>	<u>61 076</u>

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

14. Related parties (continued)	2017 R	2016 R
14.3 Directors' and Senior Managers' emoluments		
Mr Mlungisi Ngubane (Director)		
(01 April 2014 – present)		
Basic salary	612 730	575 463
Car allowance	145 145	136 317
Death cover scheme	302	302
Housing subsidy	10 524	10 524
Medical aid	18 000	18 000
Pension	99 568	93 512
Service bonus	51 852	48 687
UIF	1 785	1 785
	<u>939 907</u>	<u>884 590</u>
Mr Robert Osler Luyt (Deputy Director)		
(01 June 2015 – present)		
Basic salary	393 126	310 498
Car allowance	53 258	42 065
Death cover scheme	302	252
Housing allowance	4 200	3 500
Medical aid	18 000	13 500
Pension	63 883	50 456
Service bonus	33 268	10 413
UIF	149	1 487
	<u>566 186</u>	<u>432 171</u>
Ms Thenjiwe Christinia Khumalo		
(01 February 2017 – present)		
Basic salary	63 834	-
Car allowance	-	-
Death cover scheme	50	-
Housing allowance	3 508	-
Medical aid	3 000	-
Pension	10 373	-
Service bonus	-	-
UIF	295	-
	<u>81 061</u>	<u>-</u>

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	2017 R	2016 R
14. Related parties (continued)		
14.3 Directors' and Senior Managers' emoluments (continued)		
Mr Thabo Mosheledi (Chief Financial Officer)		
(01 January 2015 – 30 September 2015)		
Basic salary	-	237 503
Car allowance	-	37 152
Death cover scheme	-	151
Housing subsidy	-	5 262
Leave pay	-	40 356
Medical aid	-	9 000
Pension	-	38 594
Service bonus	-	35 396
UIF	-	892
	<hr/>	<hr/>
	-	404 306
	<hr/>	<hr/>
Total Directors' and Senior Managers' emoluments	<hr/> 1 587 153 <hr/>	<hr/> 1 721 067 <hr/>

14.4 National Department of Arts & Culture

Operating grants received for the financial year amounted to R 13 146 000(2015 : R12 484 000).

The 2017/18 grant will amount to R 16 061 000.

14.5 Department of Public Works

The department is the legal owner of land and buildings occupied by the Cultural Institution through the National Department of Arts & Culture. The Museum is not leasing land and buildings.

The Department of Works is responsible for unplanned maintenance above R100 000.

Amounts greater than R100 000 are spent in situations of extreme urgency.

14.6 Council

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has two subcommittees, namely Audit and Human Resources Committees that guide and assist Management.

14.7 Heritage Trust

The Cultural Institution had a Heritage Trust which was established to raise funds with a view to finance research, exhibition and educational projects of the Institution, however, the Trust was dormant for a number of years and was wound up in 2016/2017 Financial year.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	2017	2016
	R	R
15. Employee related costs		
13th cheque bonuses	628 279	581 281
Acting Allowances	71 875	87 856
Funeral cover scheme	2 020	11 970
Housing Allowance	134 400	133 000
Housing Subsidy	78 321	80 075
Leave pay	36 616	56 369
Long-service bonus	7 000	4 500.00
Medical (pensioners)	36 000	39 314
Medical aid	490 730	473 038
Pension	1 299 846	1 220 890
Performance bonuses	4 000	-
Salaries	7 323 746	6 964 836
Travel allowance	198 405	215 533
UIF	64 712	58 049
	<hr/>	<hr/>
	10 385 950	9 926 711
Casual wages	129 819	167 394
Workmen's compensation	587	20 903
Staff training	59 435	45 338
Job evaluation	-	7 525
	<hr/>	<hr/>
	<u>10 575 791</u>	<u>10 167 871</u>

16. Financial instruments

16.1 Overview

The Cultural Institution has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

This note presents information about the Cultural Institution's exposure to each of the above risks, the Cultural Institution's objectives, policies and processes for measuring and managing risk, and the Cultural Institution's management of capital. Further quantitative disclosures are included throughout these financial statements.

In terms of Treasury Regulations 27.2.1, issued in terms of the PFMA, the accounting authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Council has established an Audit Committee which is responsible for monitoring the Cultural Institution's risk management policies.

The Cultural Institution's risk management policies are established to identify and analyse the risks faced by the Cultural Institution, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Cultural Institution's activities.

The audit committee oversees how management monitors compliance with the Cultural Institution's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Cultural Institution.

The Audit Committee is assisted in its oversight role at operations level by Internal Audit.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

16. Financial instruments (continued)

16.2 Credit risk

Credit risk is the risk of financial loss to the Cultural Institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Cultural Institution's receivables from customers.

16.2.1 Trade and other receivables

The Cultural Institution has no significant exposure to credit risk. The credit risk applicable to the Cultural Institution at 31 March 2017 amounted to: R 60 710 (2016:87 087).

Other receivables relates to expenses paid in advance.

The Cultural Institution policy is to monitor its exposure to credit risk on a monthly basis.

At year end, the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

16.2.2 Investments

The Cultural Institution limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.

16.3 Liquidity risk

Liquidity risk is the risk that the Cultural Institution will not be able to meet its financial obligations as they fall due. The Cultural Institution's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Cultural Institution's reputation.

An assessment is made of the payments due in advance. Monies are transferred to the current account to meet the bi-monthly obligations. Any surpluses are invested on a Call Account.

It is the policy of the Cultural Institution not to borrow monies.

There are thus no credit facilities available.

The cash available at 31 March 2017 was R 13 078 489 (2015: R 11 516423)

16.4 Market risk

Market risk is the risk that changes in market prices, such as the interest rates will affect the Cultural Institution's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

The Cultural Institution policy is to invest surplus cash. Optimal rates and policies are received from various institutions.

The Cultural Institution is exposed to fluctuating market prices inherent in the trading of listed investments. The fair value of traded instruments is based on the market prices of those instruments.

The exposure of the Cultural Institution to these investments at 31 March 2017 amounted to R NIL (2016: R 2 503 861).

16.4.1 Currency risk

The Cultural Institution does not engage in foreign currency transactions and is thus not exposed to this risk.

16.4.2 Interest rate risk

It is the policy of The Cultural Institution not to borrow monies. There are thus no credit facilities available. There is therefore no risk relating to changes in the interest rate.

16.5 Fair values

The fair values of financial assets and liabilities are the same as the carrying values reflected in the statement of financial position.

16.6 Trade and other payables and advance deposits

Trade and other payables and advance deposits are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

17. Tax exemption

The Public Cultural Institution is exempt from taxation in terms Section 10 (1) (cA) (l) of the Income Tax Act.

18. Operating lease agreements

Museum as lessee

At the reporting date the Cultural Institution had two outstanding commitments under non-cancellable operating leases relating to photocopiers.

At 31 March 2017 the total commitment was R 20 510 (2016: R 77 298).

	Not later than one year	Later than one year not later than five years	Total
2017			
Rental photocopier - Msunduzi	<u>20 510</u>	<u>-</u>	<u>20 510</u>
2016			
Rental photocopier - Msunduzi	<u>56 394</u>	<u>20 904</u>	<u>77 298</u>

19. Post retirement obligations

19.1 Pension fund

	No of employees	Employer's contribution	Employees contribution	Monetary Value R
2017				
Defined Benefits Scheme	12	20.0%	7.5%	389 396
Defined Contribution Scheme	28	15.0%	7.5%	910 450
Total	<u>40</u>			<u>1 299 846</u>
2016				
Defined Benefits Scheme	12	20.0%	7.5%	365 711
Defined Contribution Scheme	28	15.0%	7.5%	855 179
Total	<u>40</u>			<u>1 220 890</u>

The Cultural Institution falls under multi-employer plan both as defined and contribution plan.

The Actuary of the Museums Pension Fund calculates the applicable proportion share of liability of each participating employer per end of each financial year apart from a statutory valuation done in every three years and concluded that according to the April 2017 valuation report the fund was 100% funded. Under this plan it is difficult for entities to apply defined benefit accounting since the plan does not distinguish the liabilities and assets for each Institution participating in the plan.

If a deficit is recognised in a particular year for defined benefit plan, an applicable share of shortfall is shared by each participating employer to an extent that a proportional share is charged to the statement of financial performance with a corresponding credit to the statement of financial position. The Cultural Institution only recognises a liability for any unpaid contributions at year end and discloses the applicable contribution expense for the year.

The Cultural Institution's updated liability as at 01 April 2017 is R nil. (2016: R nil)

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

19. Post retirement obligation (continued)

19.2 Post retirements medical benefits

No written policy for post - retirement medical benefits exists, although the Cultural Institution is contributing 66 % of the total medical cost for each retired employee to a maximum of R1 000 per month effective from 01 April 2010, subject to review as it deems necessary. There is no contractual liability to pay these medical costs, hence a provision cannot be determined.

Furthermore, the Council took a resolution that future retired staff members will not be subsidized with medical aid. The Current medical aid to six pensioners is paid out of goodwill.

20. Subsequent events

No events having financial implications requiring disclosure occurred subsequent to 31 March 2017.

21. Bonuses and performance awards

Bonuses relate to 13th cheque payable on the birthday date of staff, however performance bonuses relate to performance of staff in executing their duties deemed to be competent and commendable. Management calculates the nominal monetary amount is deemed to be appropriate.

22. Conditional grants

Government grants whose primary condition is that the Cultural Institution should purchase, construct, or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position.

When a related asset is recognised revenue equivalent to the amount of the asset is also recognised.

Where a liability is required to be recognised it is measured in accordance with the requirements of para .55 of GRAP 23, and the amount of the increase in net assets, if any, is 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.

These grants were given to the Cultural Institution to transform its identity, in as far as collection, exhibitions, training, etc. so that the Cultural Institution represents the cultural groups in KwaZulu-Natal. Refer to note 11.

The grant received from National Lottery and Distribution Trust Fund (NLDTF) is currently being expended. Refer to note 11. The second tranche and final payment for R1 206 952 was deposited in the financial year 2011/12. The total grant agreement amounted to R3 017 380. An amount of R 1 020 000 was received on the 17 December 2015 from the National Lottery and Distribution Fund for the purposes of Mobile Museum. The National lottery grant was allocated to finance the Cultural Institution's Research, Exhibition and Educational projects.

23. Revenue from non-exchange transactions

Included in the 2017 income is R 60 710 (2016: R 116 383) to compensate for grant funds expended during the year.

The 2017 income is to compensate the following expenditure during the year:

	R
Capital expenditure	-
Operating expenditure	60 710
	<hr/>
	60 710
	<hr/>

MSUNDUZI MUSEUM
(Incorporating the Voortrekker Complex)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

24. Irregular expenditure	2017 R	2016 R
Opening balance*	2 792 514	2 598 385
Irregular expenditure current year	205 320	194 129
Condoned by Authority	(1 093 824)	
Irregular expenditure awaiting condonement by National Treasury	<u>1 904 010</u>	<u>2 792 514</u>

*: The amount has been condoned by Council, however the entity is awaiting condonation from National Treasury.

Incidents		
Declaration of interest not provided by service providers	849 622	849 622
Expired contracts still in use	654 939	849 747
SCM policy not adhered to	-	9 080
Quotations not obtained(2015/2016)	194 129	194 129
Reason for deviation not meet sole or Emergency	205 320	
	<u>1 904 010</u>	<u>1 902 578</u>

25. Heritage assets

The Cultural Institution's heritage assets include amongst others photographs, textiles, artwork and ethnographic items. These assets have not been recorded in the asset register but they are recorded and controlled in a register which has been reconciled with the heritage assets on hand.

	2017			2016		
	Cost / Valuation	Accumulated impairment loss	Carrying Value	Cost / Valuation	Accumulated impairment loss	Carrying Value
Arts and artefacts	5 713 176	-	5 713 176	5 708 816	-	5 708 816
Audio and visual	16 592	-	16 592	16 592	-	16 592
Historical Papers	12 302	-	12 302	12 302	-	12 302
Library Books	778 373	-	778 373	778 373	-	778 373
Photographic	63 550	-	63 550	63 550	-	63 550
	<u>6 583 993</u>	<u>-</u>	<u>6 583 993</u>	<u>6 579 633</u>	<u>-</u>	<u>6 579 633</u>

Reconciliation of Heritage Assets - 2017

	Opening balance Restated	Additions	Revaluation increase / decrease	Total
Arts and artefacts	5 708 816	4 360	-	5 713 176
Audio and visual	16 592	-	-	16 592
Historical Papers	12 302	-	-	12 302
Library Books	778 373	-	-	778 373
Photographic	63 550	-	-	63 550
	<u>6 579 633</u>	<u>4 360</u>	<u>-</u>	<u>6 583 993</u>

Reconciliation of Heritage Assets - 2016

	Opening balance	Additions	Revaluation increase/ decrease	Total
Arts and artefacts	-	-	5 708 816	5 708 816
Audio and visual	-	-	16 592	16 592
Historical Papers	-	-	12 302	12 302
Library Books	-	-	778 373	778 373
Photographic	-	-	63 550	63 550
	<u>-</u>	<u>-</u>	<u>6 579 633</u>	<u>6 579 633</u>

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

26. Budget differences

Operating income

The 2017 operating income is R 218 310, or 1.42 % less than the amended budget, and the main reasons are:

	2017 Budget	2017 Actual
Income incorrectly budgeted for:		
Decrease in the market value of investments	-	(130 358)
Revenue from Non-exchange transactions	14 468 181	14 113 033
	<u>14 468 181</u>	<u>13 982 675</u>

Operating Expenditure

The 2017 operating expenditure is R 683 419 or 4.49% more than the amended budget, and the main reasons are:

Casual labour	Hiring is on a need-basis, so approximated	120 000	129 819
Equipment expenses	Budgeted for expensed and capitalised items	281 200	6 429
Municipal charges	Department of Arts and Culture's funds paid on behalf of Museum in lieu of municipal charges	-	906 321
		<u>401 200</u>	<u>1 042 569</u>

MSUNDUZI MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

27. Contingent liabilities

The Cultural Institution is requested each financial year by National Treasury to make a motivation for retention of and reconciliation of surpluses at the end of each financial year. The Cultural Institution has therefore disclosed accumulated surpluses by way of a note, awaiting National Treasury approval at the end of the financial year. The accumulated surplus of the Cultural Institution at 31 March 2017 amounted to R 3 019 592 (2016 Restated :R 4 152 300).

	2017	2016
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28. Correction of errors

Property ,plant and Equipment Revaluations

Library books were previously considered as Museums collections and therefore not included in the financial statements. Subsequently the valuation of heritage assets indicated that not all books are heritage assets and therefore should be recognised as Property ,Plant and Equipment .The books were valued by Grant Thornton on 31st March 2017.The books were recognised retrospectively .In 2016, the Museum corrected processing errors that resulted in a fair value adjustment to plant and equipment and intangibles. The correction of the error is accounted for retrospectively, and the comparatives have been restated to the original cost as per the Museum's accounting policy. The effect of the change is as follows:

28.1 Errors in accounting for Plant and Equipment (Note 2)

Plant and Equipment as previously reported	3 238 001
Adjustments as per restated Note 2 - 2016	527 301
	3 765 302
Restated balance at 31 March 2016	3 765 302

28.2 Errors in accounting for Heritage Assets (Note 26)

Heritage Assets as previously reported	-
Adjustments as per restated Note 26 - 2016	6 579 633
	6 579 633
Restated balance at 31 March 2016	6 579 633

As a result of 28.1 and 28.2 above:

Accumulated surplus as previously reported	4 287 087
Adjustments as per restated Note 2 - 2016	(131 825)
	4 155 262
Restated balance at 31 March 2016	4 155 262
Revaluation surplus as previously reported	-
Adjustments as per restated Note 2 - 2016	-
Adjustments as per restated Note 26 - 2016	659 126
	6 579 633
Restated balance at 31 March 2016	7 238 759



MSUNDUZI AND NCOME MUSEUMS



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Reconciliation Bridge



In February 2013, the Reconciliation Bridge was constructed to symbolise the removal of racial and social barriers by connecting two institutions built on one battlefield, narrating the same story (of the Battle of Ncome/"Blood River") from two different perspectives. This bridge moves beyond linking these two institutions to connect and unite citizens through shared history, heritage and values towards unity in diversity and nation building. The bridge is a symbol of reconciliation and a beacon of hope for the citizens of the Republic of South Africa.

Ncome Museum



The Ncome-Blood River heritage site is probably one of the most unique battlefields in South Africa. The site witnessed a major battle between the Voortrekkers and amaZulu on 16 December 1838, and is named after the nearby river known as 'Ncome' in isiZulu and 'Bloedrivier' in Afrikaans.

The site is unique in that it has two museums in close proximity re-interpreting the same events. Visitors are therefore exposed to different interpretations and points of view.

The Ncome Museum building was designed in the shape of buffalo horns, which was the formation, initiated by King Shaka kaSenzangakhona, in which the Zulu army attacked.

The Museum came into being in 1999 as part of the National Government's Legacy project of preserving the histories of all people of South Africa.

The Old Longmarket Street Girls' School



The red brick building was designed by A.D Dainton and was erected during 1902-1910 to be used as the Longmarket Street Girls' School. The building was used as a school until 1972 and then it was taken over by the traffic department of the KwaZulu-Natal Provincial Administration. The building was declared a National Monument in 1975. In 1985 the building became the property of the Museum and since October 1995 it has been used as such.

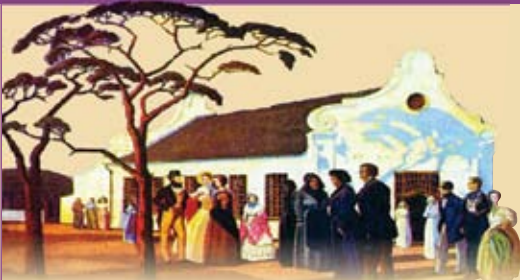
The Voortrekker House



According to historical sources this is the oldest remaining double storey Voortrekker house in Pietermaritzburg. The site was allocated to the widow of Voortrekker Gert Nel in 1840, and later belonged to P G Pretorius, the cousin of Andries Pretorius. The house was built shortly after 1840 and is a good example of Voortrekker architecture.

Like most original Voortrekker buildings in Pietermaritzburg, the walls were built of shale and the roof was thatched. Various additions have been added to the building over the years, but the yellowwood staircase, floors and other woodwork are original. At first there were two rooms downstairs and one large room upstairs. The house was declared a National Monument on 9 September 1979. In 1982 it was bought by the Museum and displayed as a period house. At present an exhibition depicting the Anglo-Boer War is on display in the house.

The Church of the Vow



The church was inaugurated in 1840. The building was erected in accordance with the Vow which the Voortrekkers made with God in 1838, before the Battle of Blood River-Ncome. They vowed that if they managed to defeat the Zulu army, they would erect a church in His honour, a promise that they fulfilled as soon as they settled in what is now Pietermaritzburg.

The building was utilised as a church for only twenty odd years, as a new and bigger church was erected adjacent to it. From 1861 to 1910 the building was used as a school, a blacksmith's workshop, a mineral water factory, a pharmacy and a tea room. In 1910 the original church building was bought by the government and restored, and in 1912 it was opened as a museum. In 1980 it was declared a National Monument.

The Andries Pretorius House



This house belonged to Voortrekker leader Andries Pretorius under whose command the Voortrekkers fought the Battle of Blood River-Ncome.

The house was originally built on his farm 'Welverdiend' just outside Pietermaritzburg in 1842 and rebuilt on the present site in 1981. It was the first double-storied farmhouse to be built in the Republic of Natalia. The back of the house is one-storied and its walls are built of shale. It has a thatched roof.

The house is furnished in the typical pioneer style of the late 1800's. Interesting items of that period are displayed in the house. The yellowwood staircase and most of the floors, doors and door frames are original.



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ISIGCINAMAGUGU



MISSION

"The Msunduzi Museum Incorporating the Voortrekker Complex and Ncome Museums will strive for an excellent cultural experience."

VISION

"The Msunduzi Incorporating the Voortrekker Complex and Ncome Museum will actively preserve, promote and present our cultural heritage to benefit nation building and social cohesion."



Msunduzi Museum Incorporating the Voortrekker Complex and Ncome Museum

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