



an agency of the
Department of Sport, Arts and Culture

ANNUAL REPORT

OF THE UMSUNDUZI MUSEUM

FOR THE YEAR ENDED

31 MARCH 2022

A MUSEUM IN TRANSITION





an agency of the
Department of Sport, Arts and Culture

UMSUNDUZI MUSEUM
ANNUAL REPORT
2021/22

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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Registered name	:	UMsunduzi Museum
Registration number	:	N/A
Physical address	:	351 Langalibalele Street Pietermaritzburg 3201
Postal address	:	P.O. Box 998 Pietermaritzburg, 3200
Telephone number/s	:	(27) 33 394 6834/5/6
Fax number	:	(27) 33 394 6797
Email address	:	mngubane@msunduzimuseum.org.za
Website address	:	www.msunduzimuseum.org.za
External auditors	:	Auditor-General South Africa
Bankers	:	Absa Bank
Company/Board secretary	:	Mrs Lestelle Sewell

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AFRICOM	International Council for African Museums
AGSA	Auditor-General South Africa
AR	Annual Report
B-BBEE	Broad-Based Black Economic Empowerment
COV	Church of the Vow
CFO	Chief Financial Officer
DSAC	Department of Sport, Arts and Culture
HOD	Head of Department
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDPW	National Department of Public Works
PFMA	Public Finance Management Act
SAPS	South African Police Service
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SMART	Specific, Measurable, Achievable, Realistic and Time bound
TKZN	Tourism KwaZulu-Natal

3. FOREWORD BY THE CHAIRPERSON



It is my singular honour and pleasure to submit the Annual Report of the uMsunduzi Museum for the financial year 2021/2022. This is in compliance with section 55 of the Public Finance Management Act 1 of 1999 as amended. This report also entails activities of the Ncome Museum, an undeclared institution attached to uMsunduzi Museum. During the year under review, we continued to contend with the limitations posed by COVID-19 pandemic, albeit with the mitigative intervention of the vaccine rollout. However, we have, in spite of the challenges, continued with diligence to contribute in the cultural heritage sector guided by our vision and mission which reflects our commitment to an empowered and socially cohesive South Africa that is appreciative of its cultural diversity. We have soldiered on to deliver on our strategic outcomes as per our 2020-2025 Strategic Plan. Our programmes and projects which rest on the triad of research, exhibitions and education are anchored on national blueprints such as the National Development Plan, the Medium-Term Strategic Framework, the Department of Sport Arts and Culture's Outcome 14 Targets and the Mzansi Golden Economy have proceeded apace leading to achievement of the majority of our annual targets. All this was notwithstanding the existential reality of financial and capacity constraints.

Among the highlights of this reporting period were various virtual and onsite exhibitions; public engagements, which included the 9th Courageous Conversations Conference, which was held virtually and the Day of Reconciliation Commemoration in which the Premier of KwaZulu Natal, Honourable Sihle Zikalala, delivered his Day of Reconciliation message. Collaborations and partnerships were forged with various stakeholders; these included government departments, higher education institutions and non-governmental organisations. Examples that stand out are, inter alia, the Provincial Department of Arts and Culture and the Office of the Premier which whom we co-hosted the Day of Reconciliation Event; Badminton South Africa and Nal'ibali, with whom we entered into long-term partnerships.

On behalf of the Council, I extend my heartfelt gratitude to the Director and his team for their unstinting commitment to the vision of this institution, the Department of Sports, Arts and Culture for the support and guidance as well as my fellow Council members and chairpersons of various committees for their cooperation and unfaltering dedication. We also appreciate support and collaborations from local and district municipalities, the KwaZulu-Natal Department of Arts and Culture and all our partners.

A handwritten signature in black ink, appearing to read 'M.R. Mchunu', written over a horizontal line.

Dr M.R. Mchunu

Chairperson: uMsunduzi Museum

DATE: 31 July 2022

4. DIRECTOR'S OVERVIEW



In the financial year 2021/22, we continued to operate under the menacing presence of the COVID-19 pandemic. However, the vaccine rollout which commenced during this period came as the proverbial silver lining. It is, therefore, a special occasion for me to report on the activities of the uMsunduzi Museum and the Ncome Museum, an undeclared cultural institution under the auspices of uMsunduzi Museum, for the financial year ending on 31 March 2022. This report will show that, in spite of the challenges experienced in the year under review, we succeeded to deliver on the majority of the targets we had set for ourselves in our Annual Performance Plan in pursuit of our strategic outcomes as articulated in the 2020/2025 Strategic Plan. This was achieved through efficient marshalling of our limited resources for maximum impact. We succeeded to strike a healthy balance across all six strategic outcomes with respect to achieved targets. For the 2021/2022 financial year, the Museum received an unqualified audit report and was able to review eight policies and develop three charters all of which were subsequently approved by Council. This is but a few indicators of our commitment to responsible stewardship, accountability and compliance.

We successfully initiated a range of activities and hosted a number of events which included the 9th Courageous Conversations Conference, which was held virtually, and various commemorative events which were delivered utilising virtual, face-to-face and hybrid avenues. This year saw significant achievements on the partnerships front, both project-based and long-term partnerships. We continued to expand our geographic footprint through our outreach to new areas and there was a modicum of improvement in our visitor numbers owing to a few face-to-face events taking place at both uMsunduzi and Ncome sites, although the set targets were not met.

Notwithstanding persisting capacity constraints, both in terms of financial and human resources, the uMsunduzi Museum has managed to maintain a degree of stability through responsible spending and prudent asset management. Although a semblance of income was made through entrance fees, venue hire and facility rentals, such as parking space; limited resources inevitably limit opportunities for programme innovation and scaling up.

I would like to thank our Council and the Department of Sport, Arts and Culture for the support and guidance. I also extend a word of appreciation to all our stakeholders and partners including the provincial Department of Sport Arts and Culture, local municipalities and non-governmental organisations for the value they add to our work.

A handwritten signature in black ink, appearing to be 'M. Ngubane', written over a horizontal line.

Dr M. Ngubane
Director: uMsunduzi Museum
DATE: 31 July 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report is 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 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 uMsunduzi Museum for the financial year ended 31 March 2022.

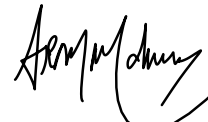
Yours faithfully



Director

Dr M. Ngubane

Date: 31 July 2022



Chairperson of the Board

Dr M.R Mchunu

Date: 31 July 2022

6. STRATEGIC OVERVIEW

Vision

Creative and empowered socially cohesive South African communities that appreciate our diverse cultural heritage.

Mission

To contribute towards creative and empowered socially cohesive South African communities through preserving, promoting and presenting our cultural heritage.

Values

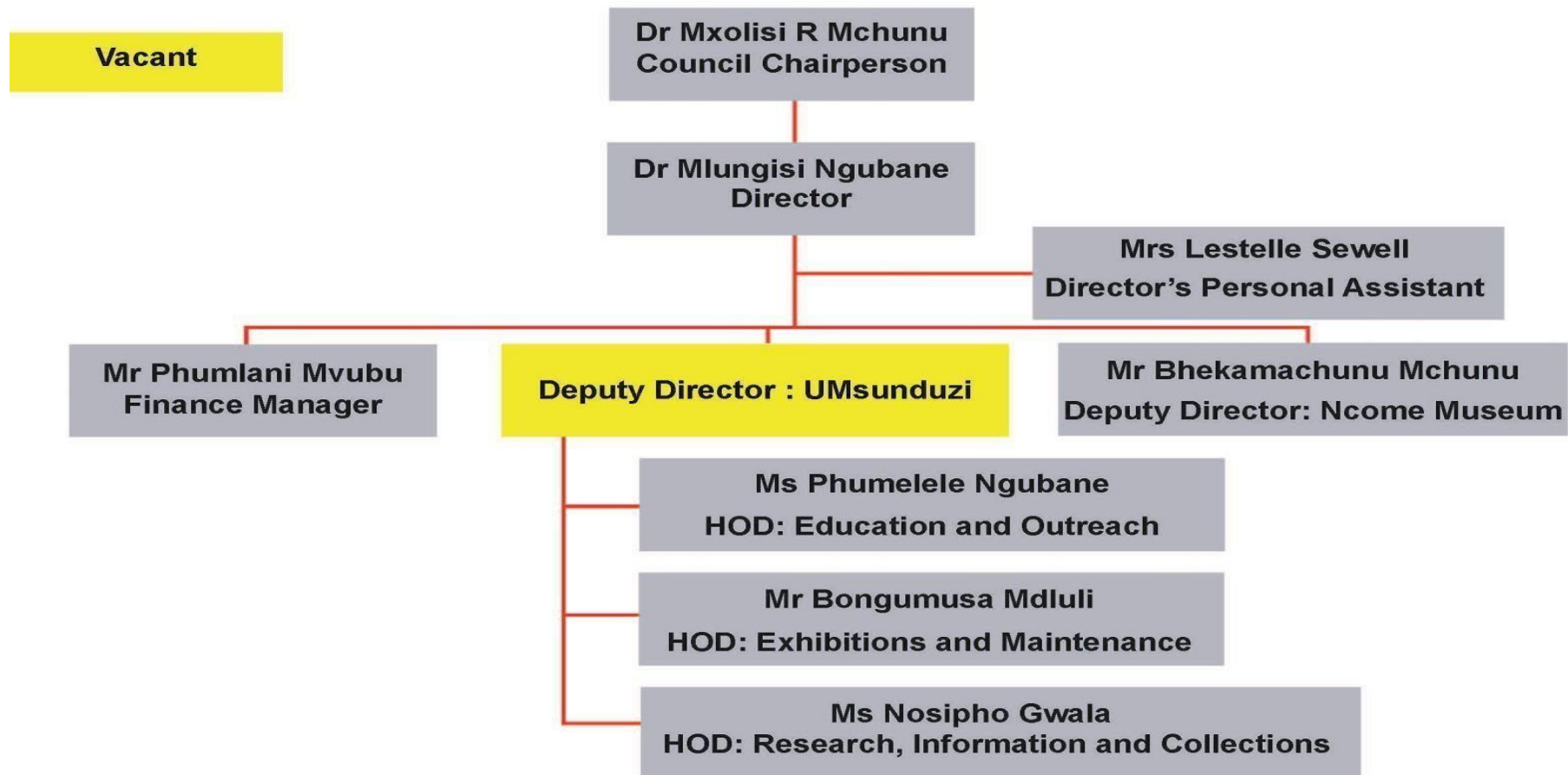
The values of the uMsunduzi Museum are associated with the institution's commitment to service excellence by putting people first and by ascribing to the Batho Pele principles and the philosophy of uBuntu.

- ✚ **Integrity** – We can be relied on to consistently undertake our duties honestly and ethically.
- ✚ **Excellence** – We are committed to achieving our performance goals and for delivering work and services of high quality.
- ✚ **Accountability** – We will be accountable for all our undertakings and for the use and safe guarding of the assets in our care
- ✚ **Socially responsive** – We will offer a museum service which is responsive to our stakeholders and communities.

7. LEGISLATIVE AND OTHER MANDATES

- The Public Entity falls under Schedule 3A in terms of the PFMA.
- The entity is governed in terms of the Cultural Institutions Act 119 of 1998 as amended.
- Public Finance Management Act 1 of 1999 as amended.
- Treasury Regulations.
- Labour Relations Amendment Act 127 of 1998.
- Basic Conditions of Employment Amendment Act 11 of 2002.
- Employment Equity Act 55 of 1998.
- The Policy of Preferential Procurement Framework Act 5 of 2000.
- National Heritage Resources Act 25 of 1999.
- KwaZulu-Natal Heritage Act 4 of 2008

8. HIGH LEVEL ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management, with no material findings being reported under the Predetermined *Objectives* heading in the *Report on the legal and regulatory requirements* section of the auditor's report. Refer to pages 76 to 78 of the Report of the Auditors Report, published as Part E: Financial Information of this report.

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

During the reporting period, the uMsunduzi Museum delivered on its mandate in line with its vision, mission and strategic outcomes which are geared towards developing creative, empowered and socially cohesive South African communities through preserving, promoting and presenting cultural heritage. This was in spite of persisting COVID 19 constraints. The Museum continued to observe and implement COVID 19 protocols even as the restrictions began to relax, following vaccine rollout and a significant reduction in infection rates. Consequently, there was a more balanced mix of onsite and virtual events, the most significant being the 9th Courageous Conversations Conference, which was held virtually, and the Day of Reconciliation Commemoration Event, which was held onsite. There was, however, some disruption of services in December as a result of the storm which caused damage to the roof and floors leading to a complete closure of exhibitions in the uMsunduzi main hall.

2.2 Organisational Environment

The Museum had two resignations, namely: HOD: Research, Information and Collection and the Education Officer. Furthermore, the Deputy Director, Outreach Officer and Museum Guide took early retirement; the Outreach Officer and HOD positions has since been filled. The vacant position will be filled in the new financial year. The significant financial constraints faced by the Museum were exacerbated by the reduction in the grant allocation due to COVID-19. This had a severe impact on staff retention, the upkeep of the institution and the delivery of programmes.

2.3 Key policy developments and legislative changes

Apart from the impact of the COVID-19 regulations there have been no changes in policies and legislation that affected the operations of the Museums during the reporting period.

2.4 Progress towards achievement of institutional Impacts and Outcomes

Impact Statement: A transforming society of informed participative and socially cohesive citizens

In spite of the constraints resulting from the COVID 19 pandemic the Museum worked with other government departments, NGOs and educational institutions to promote arts and culture in the province. We hosted and funded a number of programmes in line with our Strategic and Annual Performance Plans and continued to utilise the Lotto-funded 'mobile museum' as a platform for programmes delivery. Our programmes responded to the institutions mandate and contributed towards the intended impact of building a transforming society of informed, participatory and socially conscious citizens through rigorous pursuit of the following strategic outcomes.

2.4.1 Outcome 1: Effective and efficient administration

During the reporting period an unqualified audit report was received and 8 policies of the Museum were reviewed and approved, in addition 3 charters were developed and approved by Council. The newly acquired artefacts were valuated and a report issued. Strict asset management, accountability, and effective and efficient deployment of resources were maintained. This is a clear reflection of a commitment to compliant and responsible governance in line with the MediumTerm Strategic Framework (MTSF) Priority 1, which underscores the imperative of a capable, ethical and developmental state.

2.4.2 Outcome 2: Efficient resource management for maximum reach and impact

In a bid to maximise our reach and impact, we have continued with sustained vigour in pursuit of strategic partnerships. These include the Ncome Museum's application to Tourism KwaZulu-Natal (TKZN) which is still in the pipeline, a Memorandum of Understanding negotiations with the University of Zululand, now at an advanced stage and two concluded partnerships with Badminton South Africa and Nal'ibali. The Memoranda of Understanding that have so far finalised hold a promise for synergies in areas of education and skills development and a significant contribution to priorities 1, 2 and 3 of the MTSF. The

interaction we have had on various platforms with diverse audiences has ensured that we contribute towards capacity building through access to information and knowledge. Sufficient platforms, including face-to-face, virtual and print avenues, have been created and maintained. This broadening and intensification of interfacing platforms for knowledge and information sharing will help towards achieving social transformation and cohesion which aligns with priority 6 of the MTSF. Our information dissemination and knowledge sharing endeavours contribute to overall empowerment of citizens in congruence with priority 3 of the MTSF.

2.4.3 Outcome 3: Improved accessibility to information and knowledge

A total of 3016 visitors for uMsunduzi Museum and 2316 for Ncome Museum were recorded, adding up to an aggregate of 5332 visitors. Our hosted or installed temporary or travelling exhibitions totalled to 11 (on-site or electronically); these were made up of 10 for uMsunduzi and 1 Ncome. 3 Research projects for exhibitions or publications were completed. 10 articles were made accessible. 7 Publications which included *Ulwazi* vol were designed produced and made accessible. 2 educational/research resource was designed and produced. The museums organised 7 public engagements (4 uMsunduzi, 3 Ncome) which were held on-site. These engagements were associated with Library Week, Book Week and the 9th Courageous Conversations Conference was held virtually. 1 existing publication was translated into an indigenous language and produced and the Museum's libraries increased their collections and improved access to information by purchasing 70 books (34 uMsunduzi, 36 Ncome).

2.4.4 Outcome 4: Improved audience awareness, engagement and participation in museum programmes and projects

18 outreach programmes were delivered in new areas (10 uMsunduzi, 8 Ncome) thereby expanding the footprint of the museum programmes. The expansion in terms of audiences and geographic areas reached has meant that more people are exposed to our programmes and they are empowered through information and knowledge they receive. This stands us in good stead to build on these newly activated areas in future years thus incrementally improving our reach and impact in the area of education and skills development and contributing to priority 3 of the MTSF.

2.4.5 Outcome 5: Better understanding of the museum content and objects by communities from diverse backgrounds

131 presentations (98 uMsunduzi, 33 Ncome) were delivered online or on-site to various communities in uMgungundlovu and uMzinyathi districts. The unavailability of schools for the most part of the year due to Covid-19 lockdown necessitated that we amend our strategic outcome to be more all-encompassing in terms of target audiences. The outcome was amended from “better understanding and delivery of the curriculum by teachers and learners from diverse backgrounds” to a broader focus on diverse communities. As a result of this broadening of scope, we were able to reach a wide spectrum of audiences thus exposing a wider and more diverse range of audiences to our programmes. Our interventions have facilitated access to education and skills in clear resonance with priority 3 of the MTSF.

2.4.6 Outcome 6: Economically and socially transforming, diverse and cohesive communities

11 commemorative events were held online or on-site (5 uMsunduzi, 6 Ncome) these included events such as Freedom Day, Youth Day, Women’s day, Heritage Day, Reconciliation day and Human Rights Day. The themes for the events were aligned to the national themes, ranging from celebrating 27 years of our democracy, youth empowerment, celebrating our country intangible heritage and Human Rights Day addressed the issue of racism in schools, gender-based violence and femicide and depression. The Ncome Museum hosted a Reconciliation Day Commemoration event under the theme *Reconciliation and Social Cohesion, Voice from Below – A Time to Talk*, the day entailed a Reconciliation Day Message delivered by the Premier of KwaZulu Natal, Honourable Sihle Zikalala and a screening of two reconciliation and social cohesion documentaries which was followed by a panel discussion on the content of these documentaries.

A total of 17 skills workshops were held (12 uMsunduzi, 5 Ncome) and 4 people were afforded work exposure opportunities through learnerships/internships/traineeships/in service training (2 uMsunduzi and 2 Ncome). The skills workshops and commemorative events we delivered contributed in promoting appreciation of the diversity of our heritage. The skills gained through workshops as well as exposure and knowledge acquired through commemorative events are critical ingredients for socio-economic empowerment and transformation.



UMSUNDUZI MUSEUM

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide core support, including purchasing, administrative, financial and human resources to the user departments of the museum to ensure that these departments effectively execute their responsibilities. Amongst the interventions of this programme is the review of policies and the effective utilisation of various other avenues to acquire and develop human resource and human capital such as internships, learnerships and traineeships. All these interventions should translate into better service rendered to our patrons and growth of our audience base.

Outcomes/Strategic objectives

Outcome 1: Effective and efficient administration

Outcome 3: Improved accessibility to information and knowledge

Outcome 6: Economically and socially transforming, diverse and cohesive communities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Outputs	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Effective and efficient administration	Unqualified audit report	Unqualified audit report	4 Quarterly reports and 1 Annual report	Unqualified audit report	Unqualified audit report	-	-	-
	Policies of the Museum reviewed and approved	Number of policies of the Museum reviewed and approved	New indicator	4 policies were reviewed and approved	8 reviewed policies :	8 policies were reviewed and approved. 3 Charters were developed	1 charter developed and terms of reference for Audit & Risk, HR and Core Functions	There was a requirement to have Charters in place for the council committees
	Collections accounted for and valued in compliance with GRAP 103	Number of collection valuations and stock takes	Museum collection stock- take and spot check on exhibitions (52 items in collection storage and 48 items in exhibition areas) was undertaken	Stock taking and valuation in progress	-	Stock taking and valuation from the previous year was completed in the first quarter and newly acquired artefacts were valued.	n/a	n/a
Improved accessibility to information and knowledge	Visitors engaging with the museum and its programmes	Number of visitors recorded	8541 visitors were recorded	670 visitors were recorded	10854 visitors recorded	3016 visitors were recorded	Less visitors came to the museum than anticipated.	Knock-on effect of COVID 19 restrictions
Economically and socially transforming diverse and cohesive communities	People with work experience	Number of people afforded work exposure opportunities through learnerships/internships/traineeships/in service training	New indicator	1 person was afforded work exposure opportunity	2 people afforded work exposure opportunities through learnerships/internships/traineeships/in service training	2 interns were afforded work exposure opportunity	n/a	n/a

3.2 PROGRAMME 2: BUSINESS DEVELOPMENT

The purpose of this programme is to develop, preserve and promote the museum's collections as a lasting resource reflecting our national heritage, national identity and the museum's institutional identity. At the centre of this programme is research aimed at knowledge production especially in a manner that contemporaneously draws meaningful parallels between the past and the present and provokes meaningful and substantive engagements with heritage and history. The programme seeks to ensure open access to information and to make available information resources for the benefit of the general public whom we serve.

Outcomes/Strategic objectives

Outcome 3: Improved accessibility to information and knowledge

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Outputs	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved accessibility to information and knowledge	Research projects for exhibitions or publications completed	Number of research projects for exhibitions or publications completed	Text was compiled	5 projects were completed (2 delivered from the previous financial year) and 1 additional project was delivered	2 research projects for exhibitions or publications completed	2 research projects were undertaken for exhibitions final text submitted.	1 research project completed and 1 incomplete	HOD resigned and the acting person did not have enough time to complete the research
	Articles made accessible	Number of articles made accessible	New indicator	52 articles were made accessible	10 articles made accessible	10 articles made accessible.	n/a	n/a
	Public engagements held online or onsite	Number of public engagements held online or onsite	2 public engagements were held (2 uMsunduzi & 1Ncome)	3 public engagements were held	4 public engagements held online or onsite	4 public engagements held onsite.	n/a	n/a

	Library materials purchased	Number of library materials purchased	32 materials were acquired uMsunduzi & Ncome)	29 library materials were purchased	28 library materials purchased	34 library materials purchased	6 extra books purchased	There were excess funds available for library material
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3.3 PROGRAMME 3: PUBLIC ENGAGEMENT

The Public Engagement Programme **comprises two sub-programmes, sub-programme 1: Exhibitions and Maintenance and sub-programme 2: Education and Outreach.** These sub-programmes are primarily associated with the interface between the Museum's audiences and the museum whether it be through delivering programmes or by designing and producing information bearing media such as publications and exhibitions.

3.3.1 SUB-PROGRAMME 1: EXHIBITIONS

This programme exists primarily to expose the public to museum content with a view to educate and inform and also open up opportunities for co-curation, co-creation and joint meaning-making between the museum and its various audiences. The exhibitions also provide an avenue and a platform to publicise museum offerings and to register the museum raison d'être in the minds of various audiences. Exhibitions are great triggers of meaningful engagements leading to production of new knowledge and contributing to appreciation of diverse perspectives.

Outcome/Strategic objective

Outcome 3: Improved accessibility to information and knowledge

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved accessibility to information and knowledge	Publications produced and made accessible	Number of publications designed, produced and made accessible	19 publications were produced and 6 were designed	9 publications were designed, produced and made accessible	3 publications designed, produced and made accessible	5 publications were designed, produced and made accessible	2 extra publications	The 2 extra publications were from the previous financial year
	Publications translated into an indigenous language	Number of existing publications translated into an indigenous language and produced	New indicator	1 publication was translated into two indigenous languages and produced and another publication was translated.	1 existing publication translated into an indigenous language and produced	The target was not met	The final design was not ready for printing before the 31 st March due to corrections that had to be done	n/a
	Educational/research resources produced	Number of educational/research resources designed and produced	New indicator	1 educational /research resource was designed and produced	2educational/ research resources designed and produced	2 resources were designed and produced	n/a	n/a
	Temporary or travelling exhibitions hosted (on site or electronically) or installed	Number of temporary or travelling exhibitions hosted (onsite or electronically) or installed	7 temporary travelling exhibitions were hosted (uMsunduzi & Ncome)	7 temporary travelling exhibitions were hosted	6 temporary or travelling exhibitions hosted (online or electronically) or installed	10 temporary or travelling exhibitions hosted (online or electronically) or installed	4 extra travelling exhibitions travelled	There was a request from local libraries

	Exhibitions produced	Number of permanent exhibitions produced	"Tapestry of Cultures, Connecting Cultures" exhibition concept was developed, various components installed and design of graphics panels undertaken	"Tapestry of Cultures, Connecting Cultures" Exhibition from the previous year was completed	-	-	-	-
		Number of temporary exhibitions produced	New indicator	5 temporary exhibitions were produced	2 temporary exhibitions produced	2 temporary exhibitions were produced	n/a	n/a

3.3.2 SUB-PROGRAMME 2: EDUCATION AND OUTREACH

The programme aims to provide general education to the public on a range of collections in the museum and the roles that these objects play in the promotion of the country's heritage. It also facilitates knowledge acquisition through educational programmes tailored to specific audiences. Furthermore, the programme aims to use museum content and objects to reinforce learning and facilitate curriculum assimilation in schools. It also serves as a platform for development of useful art, craft and herbal skills which could potentially enable participants to engage in, or access gainful economic activities for our audiences.

Outcomes/Strategic objectives

Outcome 3: Improved accessibility to information and knowledge

Outcome 4: Improved audience awareness, engagement and participation in museum programmes and projects

Outcome 5: Better understanding of museum content and objects by communities from diverse backgrounds

Outcome 6: Economically and socially, transforming, diverse and cohesive communities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Better understanding of the museum content and objects by communities from diverse backgrounds	Presentation	Number of presentations delivered online or onsite	149 presented (45 Ncome, 104 uMsunduzi)	17 presentations were delivered	40 presentations delivered online or on-site	98 presentations delivered	58 more delivered	The 58 extra achieved was due to classes being split into smaller groups to allow for social distancing. Each group was recorded as a separate group as it consists of different learners/grades in a school.
Improved audience awareness, engagement and participation in museum programmes and projects	Outreach programmes delivered in new areas	Number of outreach programmes delivered in new areas	New indicator	7 programmes were delivered	5 outreach programmes delivered in new areas	10 outreach programmes delivered	5 more areas were reached.	More as we worked with other government departments and educational and NGO's.
Improved accessibility to information and knowledge	Holiday programmes	Number of holiday programmes held	3 programmes were organised (1Ncome, 2 uMsunduzi)	-	1 holiday programme held	1 holiday programme held	n/a	n/a
Economically	Art/craft/herbal	Number of	18 workshops	8 skills workshops	12 skills workshops	12 workshops	n/a	n/a

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
and socially transforming, diverse and cohesive communities	workshops	skills workshops held	facilitated (15 uMsunduzi, 3 Ncome)	were facilitated	held	facilitated		
	Survey of skills development workshop beneficiaries	Percentage of skills development workshop beneficiaries reporting improved access to economic opportunities	New indicator	-	50% of beneficiaries reporting improved access to economic opportunities	100% beneficiaries reported improved access to economic opportunities.	50% extra	All crafters reported improved access to economic opportunities as they sold their work in the "Crafter's market day" organised by the museum.
	Commemorative events held online or onsite	Number of commemorative events held online or onsite	14 commemorative events were held (6 uMsunduzi, 8 Ncome)	2 commemorative events were held	5 commemorative events held online or on-site	5 commemorative events held	n/a	n/a
	Attendance of commemorative day events by diverse population groups	Percentage of commemorative day events reflective of attendance by diverse population groups	New indicator	-	70% of commemorative day events reflective of inclusive attendance by all population groups: Black African, Coloured, White, Indian, Male, Female, Youth and Adults	40% of commemorative day events were reflected of attendance by diverse population groups.	70 % target was not met	Achieving 70% representation in all events by population groups remained a challenge. We have since revised this target for the remaining years.



An aerial view of Ncome Museum

NCOME MUSEUM

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide core support, including purchasing, administrative, financial and human resources to the user departments of the museum to ensure that these departments effectively execute their responsibilities. Amongst the interventions of this programme is effective utilisation of various other avenues to enhance impact and strengthen resources. In this regard the role of forging strategic partnerships and optimising the use of existing accommodation resources will be undertaken and the development of human resource and human capital through internships, learnerships and traineeships will also take place. All these interventions should translate into better service rendered to our patrons and growth of our audience base.

Outcomes/Strategic objectives

Outcome 2: Efficient resource management for maximum reach and impact

Outcome 3: Improved accessibility to information and knowledge

Outcome 6: Economically and socially, transforming, diverse and cohesive communities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target for 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviation
Efficient resource management for maximum reach and impact	Strategic partnerships	Number of strategic partnerships forged	New indicator	Negotiations in progress 1 with partner (TKZN)	1 strategic partnership forged	2 partnerships forged	1 additional partnership	Overtures made to more than one potential partner and 2 responded positively
	Accommodation bed bookings at Ncome	Percentage of accommodation bed bookings at Ncome museum	New indicator	-	5% annual increase in accommodation bed bookings at Ncome museum	114 beds booked	We resorted to using actual numbers instead of percentage increase	The use of percentage increase proved unrealistic and unachievable. We have revised this KPI from percentage to actual numbers for the remaining years
Economically and socially transforming, diverse and cohesive communities	People with work experience	Number of people afforded work exposure opportunities through learnerships/internships / traineeships/in-service training	New indicator	2 people were afforded work exposure opportunity through as internship	2 people afforded work exposure opportunities through learnerships /internships /traineeships/ In service training	2 people afforded work exposure opportunity.	Both candidates came on board in Q4 instead of 1 in Q3 and 1 in Q4	We were unable to secure a candidate for Q3 due factors beyond our control. We therefore engaged 2 interns in Q4 to make up for Q3.

Improved accessibility to information and knowledge	Visitors engaging with museum the museum and its programmes	Number of visitors recorded	26 794 uMsunduzi 8541, Ncome 18253	943 visitors were recorded	8000 visitors recorded	2316	The annual target of 8000 was not achieved	Deviation was due largely to COVID 19 restrictions on gatherings as well as limitations placed on movement on the part of international tourists
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4.2 PROGRAMME 2: BUSINESS DEVELOPMENT

The purpose of this programme is to develop, preserve and promote the museum's collections as a lasting resource reflecting our national heritage, national identity and the museum's institutional identity. At the centre of this programme is research aimed at knowledge production especially in a manner that contemporaneously draws meaningful parallels between the past and the present and provokes meaningful and substantive engagements with heritage and history. The programme seeks to ensure open access to information and to make available information resources for the benefit of the general public whom we serve.

Outcomes/Strategic objectives

Outcome 3: Improved accessibility to information and knowledge

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Outputs	Output indicators	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target for 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Improved accessibility to information and knowledge	Library materials purchased	Number of library material purchased	32 materials were acquired (uMsunduzi & Ncome)	28 materials were purchased	28 library materials purchased	36 library materials purchased	8 additional materials were purchased in Q4	There were surplus funds from our budget which we utilized for additional 8 titles
	Research projects for exhibitions or publications completed	Number of research projects for exhibitions or publications completed	-	-	1 research project for exhibition or publication completed	1 research project for exhibition or publication completed	n/a	n/a
	Public engagements held online or on-site	Number of public engagements held online or onsite	2 public engagements uMsunduzi & 1 Ncome)	2 public engagements were held	3 public engagements held online or on-site	3 public engagements held (1 online, 2 onsite)	n/a	n/a

4.3 PROGRAMME 3: PUBLIC ENGAGEMENT

4.3.1 SUB-PROGRAMME 1: EXHIBITIONS

This programme exists primarily to expose the public to museum content with a view to educate and inform and also open up opportunities for co-curation, co-creation and joint meaning [1] making between the museum and its various audiences. The exhibitions also provide an avenue and a platform to publicise and market museum offerings and to register the museum raison d'être in the minds of various audiences. Exhibitions are great triggers of meaningful engagements leading to production of new knowledge and contributing to appreciation of diverse perspectives.

Outcomes/Strategic objectives

Outcome 3: Improved accessibility to information and knowledge

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Outputs	Output indicators	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target for 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2021	Reasons for deviations
Improved to accessibility and information knowledge	Temporary or travelling exhibitions hosted (on-site or electronically or installed	Number of temporary or travelling exhibitions hosted (on-site or electronically) or installed	7 temporary travelling exhibitions were hosted (uMsunduzi & Ncome)	1 temporary travelling exhibition was hosted online	1 temporary or travelling exhibition hosted (on-site or electronically) or installed	1 temporary or travelling exhibition hosted online	n/a	n/a

4.3.2 SUB-PROGRAMME 2: EDUCATION AND OUTREACH

The programme aims to provide general education to the public on a range of collections in the museum and the roles that these objects play in the promotion of the country's heritage. It also facilitates knowledge acquisition through educational programmes tailored to specific audiences. Furthermore, the programme aims to use museum content and objects to reinforce learning and facilitate curriculum assimilation in schools. It also serves as a platform for development of useful art, craft and herbal skills which could potentially lead to gainful economic activities for our audiences.

Outcomes/Strategic objectives

Outcome 3: Improved accessibility to information and knowledge

Outcome 4: Improved audience awareness, engagement and participation in museum programmes and projects

Outcome 5: Better understanding of museum content and objects by communities from diverse backgrounds

Outcome 6: Economically and socially, transforming, diverse and cohesive communities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target for 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reason for deviation
Better understanding of museum content and objects by communities from diverse backgrounds	Presentations	Number of presentations delivered online or on-site	149 presented (45 Ncome, 104 uMsunduzi)	16 presentations were delivered	30 presentations delivered online or on-site	33 presentations delivered online or on-site	3 additional presentations were done	The additional presentations resulted from special requests by some local schools

Outcome	output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target for 2021/2022	Actual achievement 2021/222	Deviation from planned target to actual achievement 2021/2022	Reason for deviation
Improved audience awareness, engagement and participation in museum programmes and projects	Outreach programmes delivered in new areas	Number of outreach programmes delivered in new areas	New indicator	4 outreach programmes were delivered in new areas	7 outreach programmes delivered in new areas	8 outreach programmes delivered in new areas	1 additional outreach programme was delivered in Q1	The additional outreach was done as a precautionary measure in the event that COVID 19 restrictions got tighter in subsequent quarters and we were unable to meet our targets for those quarters
Improved accessibility to information and knowledge	Holiday programme	Number of holiday Programmes held	3 programmes were organised (1Ncome,2 uMsunduzi)	-	1 holiday programme held	1 holiday programme held	n/a	n/a
Economically and socially transforming diverse and	Art/craft/herbal workshops	Number of skills workshops held	8 workshops facilitated (15 uMsunduzi,3 Ncome)	2 skills workshops were held	5 skills workshops held	5 skills workshops held	n/a	n/a

cohesive communities	Survey of skills development workshop beneficiaries	Percentage of skills development workshop beneficiaries reporting improved access to economic opportunities	New indicator	-	50% reporting improved access to economic opportunities	The target was not met	A survey was conducted on 10% of the number of the crafters trained 2019/20 and 2020/21.	On the strength of questions asked and responses received, a conclusive determination regarding the 50% target could not be made. More in-depth investigations will be done in subsequent years
	Commemorative events held online or on-site	Number of commemorative events held online or on-site	14 commemorative events were held (6 uMsunduzi, 8 Ncome)	5 commemorative events were held	6 commemorative events held online or on-site	6 commemorative events held (2 online and 5 onsite)	n/a	n/a
	Attendance of commemorative day events by diverse population groups	Percentage of commemorative day events reflective of attendance by diverse population groups	New indicator	-	70% of day commemorative events reflective of inclusive attendance by all population groups: Black African, Coloured, White, Indian, Male, Female, Youth, Adults	16% of commemorative events reflective of inclusive attendance by all population groups (1 out of 6)	The target of 70% was not met	The 70% target has proven not to be SMART, not realistic and achievable. Due to the remoteness of our site and the predominance of one race group, we have struggled to have events that are fully representative. We have since revised this target for the remaining years.



The shields display at Ncome Museum facing the Blood River, representing the 21 Age regiments that were fought in the 1838 battle.

5. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Strategy to overcome areas of underperformance There were no significant deviations related to the achievement of annual performance targets, however the impact of the Corona-19 pandemic did affect performance. There is however no need to make any structural adjustment. In order to address the challenges posed by the Corona-19 virus the entity will also in the forthcoming year remain relevant by offering online programmes especially in those instances where it is not suitable to organise on-site public engagements.

6. REPORTING ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

In response to the Covid-19 pandemic the entity implemented various measures aimed at reducing risk to staff and members of the public while at the same time delivering programmes relevant to the museums mandate and in line with the revised Strategic Plan. Some targets had to be revised in the 2022/2023 Annual Performance Plan as they proved to be unattainable due to Covid restrictions.

7. CHANGES TO PLANNED TARGETS

Some indicators with their technical indicator descriptions were revised as they proved to be unattainable; the changed indicators were attached to the 2022/2023 Annual Performance Plan as Annexure A

8. LINKING PERFORMANCE WITH BUDGETS

	2021/2022			2020/2021		
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	6,200	5,905	295	5,947	5,950	-3
Goods and services	7,549	6,447	1,102	5,599	6,188	-589
Total	13,749	12,352	1,397	11,546	12,138	-592

	2021/2022			2020/2021		
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	4,139	4,125	14	4,169	4,169	0
Goods and services	683	661	22	423	293	130
Total	4,822	4,786	36	4,592	4,462	130

	2021/2022			2020/2021		
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	3,427	3,071	356	3,549	3,549	0
Goods and services	1,310	1,221	89	505	411	94
Total	4,737	4,292	445	4,054	3,960	94

	2021/2022			2020/2021		
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	13,766	13,101	665	13,665	13,668	-3
Goods and services	9,542	8,329	1,213	6,527	6,892	-365
Total	23,308	21,430	1,878	20,192	20,560	-368

9. REVENUE COLLECTION

Summary of financial information

Sources of revenue	2021/2022			2020/2021		
	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	6	5	-1	3	2	-1
Rent	91	107	16	150	59	-91
Curio shop	20	25	5	8	8	0
Donations received	5	37	32	1	50	49
Parking fees	182	197	15	160	149	-11
Investment income	80	113	33	140	653	513
Other income	16	21	5	8	5	-3
Internet income	2	2	0	2	1	-1
Grant subsidy	22,544	22,544	0	18,931	18,931	0
Deferred income	0	0	0	0	6	6
Fair value adjustments for assets	0	0	0	0	0	0

Sale of assets	0	0	0	0	0	0
Transfer from reserves	362	0	-362	789	0	-789
Total	23,308	23,051	-257	20,192	19,864	-328
Other gains/(losses)				0	8	8
Deferred income	100	41	-59	0	0	0

10. CAPITAL INVESTMENT

uMsunduzi Museum consists of a number of old buildings that require increased and ongoing maintenance. The tender for refurbishment of Museum buildings was advertised and service providers appointed to undertake the refurbishment project (Heritage Architect, Mechanical and Electrical consultants). At Ncome a service provider was appointed to fix the roofs and ceilings. Another service provider will be appointed for painting, local labour will be used.

	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Infrastructure projects						
Refurbishment of museum buildings and security upgrade	1,000	2	998	0	0	0
Maintenance and upgrading of Ncome Museum	343	138	205	343	0	-343
Total	1,343	140	1,203	343	0	-343



Display at Maritzburg Christian School in preparation for a presentation

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. EXECUTIVE AUTHORITY

Four Quarterly reports, Annual Performance Plan -2022/2023 were submitted to the Department of Sports, Arts and Culture as per dates below. No issues were raised in the report except the concern on 2 indicators i.e., low visitor numbers and attendance of commemorative events by diverse audiences. These has been attended to by revising the indicators and their technical indicator descriptions in the Annual Performance Plan 2022/2023, attached as annexure A.

Quarterly Reports:

- Quarter 1 report submitted on30 July 2021
- Quarter 2 report submitted on29 October 2021
- Quarter 3 report submitted on28 January 2022
- Quarter 4 report submitted on29 April 2022

Annual Performance Plan – 2022/2023 submitted on..... 15 February 2022

Shareholder's compact – 2022/2023 submitted on..... 15 February 2022

3. THE ACCOUNTING AUTHORITY/BOARD

Introduction

The Council is appointed in terms of the Cultural Institutions Act, 119 of 1998 and provides an oversight supervision of the institution. The term of the present Council commenced 1 December 2020.

The role of the Council is as follows:

- a) To formulate policies.
- b) 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.
- c) To receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1).
- d) To raise funds for the institution.
- e) 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.
- f) 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.
- g) To determine, subject to the Act and with the approval of the Minister, the objects of the declared institution.

Board Charter

Operations of the Council are regulated by the Cultural Institutions Act 119 of 1998. The Council Charter was reviewed and approved by Council in 2021

Composition of the Board

Name	Designation (of the Public in terms of Entity structure) Board	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Dr MR Mchunu	Chairperson	1/12/2020	N/A	PhD	Heritage	Luthuli Museum	N/A	N/A
Mrs Z Dlamini	Deputy Chairperson	1/12/2020	N/A	Bachelor of Management Leadership Post Graduate Diploma in Management Practice	Finance	Zululand District Municipality	Finance Committee	3
Mr T Sithole	Member	1/12/2020	N/A	BSc Engineering Masters in Engineering (Asset Management)	Project Management		Finance Committee Human Resources Committee	2 4
Mrs C Fani	Member	1/12/2020	N/A	BBA Hons	Governance	Western Cape Cultural Commission Western Cape Gambling Board Western Cape Liquor Tribunal	Audit and Risk Committee Core Functions Committee Finance Committee	2 2 2
Mr B Dube	Member	1/12/2020	N/A	B.Tech - Business Management Master of Philosophy in Development Finance	Leadership Governance	CATHSETA	Human Committee Core Functions Committee	4 3
Adv S Magaqa	Member	1/12/2020	N/A	LLB	Law	KZN Museum	Human Resource Committee CORE Functions Committee	4 4

Mr K Govender	Member	1/12/2020	N/A	Chartered Accountant (SAICA) B.Com Honours	Finance	Gauteng Gambling Board Makkinktech (Pty) Ltd	Finance Committee Audit and Risk Committee	3 2
Mr B Daniels	Member	1/12/2020	01/12/2021	MBA	I.T	N/A	Finance Committee Core Functions Committee	1 0

Committees 01 APRIL 2021 TO 30 NOVEMBER 2021

Committee	No. of meetings held	No. of members	Name of members
Finance Committee	3	4	Mr B Daniels (Chairperson) Mr K Govender Mr T Sithole Mrs Z Dlamini

01 DECEMBER 2021 TO 31 MARCH 2022

Committee	No. of meetings held	No. of members	Name of members
Finance Committee	1	3	Mr K Govender (Chairperson) Mr T Sithole Mrs Z Dlamini

01 APRIL 2021 to 31 MAY 2021

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	1	4	Mr M Gwala (Chairperson) Mrs G.S Mthembu Ms C Fani Mr K Govender

01 JUNE 2021 to 31 OCTOBER 2021

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	1	4	Adv M.J Ralefatane (Chairperson) Mr E Sithole Ms C Fani Mr K Govender

01 NOVEMBER 2021 to 31 MARCH 2022

Audit and Risk Committee	2	3	Adv M.J. Ralefatane (Chairperson) Mr E Sithole Ms C Fani
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01 APRIL 2021 TO 31 MARCH 2022

Committee	No. of meetings held	No. of members	Name of members
Human Resources Committee	4	3	Mr T Sithole (Chairperson) Mr T Dube Adv S Magaqa

01 APRIL 2021 TO 31 OCTOBER 2021

Committee	No. of meetings held	No. of members	Name of members
Core Functions Committee	2	3	Adv S Magaqa Ms C Fani Mr T Dube

01 NOVEMBER 2021 TO 31 MARCH 2022

Committee	No. of meetings held	No. of members	Name of members
Core Functions Committee	2	2	Adv S Magaqa Mr T Dube

Remuneration of board members

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 D1 of the said directive.

Council remuneration per each attendance was as follows:

Chairperson's meeting fee for the year ended 31 March 2022 was R 2,109

Vice Chairperson's meeting fee for the year ended 31 March 2022 was R 1,917

Member's meeting fee for the year ended 31 March 2022 was R 1,742

PERIOD 01 APRIL 2021 – 31 MARCH 2022

Name	Remuneration (meeting fee)	Other allowances	Other re-imbursements	Total R'000
Dr MR Mchunu (Chairperson)	92 796	0	4 051	96 847
Mrs Z Dlamini (Deputy Chairperson)	76 680	0	0	76 680
Mr T Sithole (Member)	52 260	0	5 456	57 716
Mrs C Fani (Member)	48 776	0	0	48 776
Mr B Dube (Member)	55 744	0	0	55 744
Adv S Magaqa (Member)	55 744	0	0	55 744
Mr K Govender (Member)	45 292	0	0	45 292
Total	437 744	0	9 507	447 251

PERIOD 01 APRIL 2021 TO 30 NOVEMBER 2021

Name	Remuneration (meeting fee)	Other allowances	Other re-imbursements	Total
Mr B Daniels (Member)	10 452	0	0	10 452

4. RISK MANAGEMENT

The Museum has a Risk Management Policy and has updated the strategic risk register to determine the effectiveness of its risk management strategies and to identify new and emerging risks. Council has established a Risk Committee that reports to it on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Audit Committee advises the entity on risk management and independently monitors the effectiveness of the system of risk management. Risks are grouped into categories, namely: i) Financial ii) Service delivery iii) Human Resources iv) Fraud v) Strategic vi) Security. Management is responsible for managing the risks which transmit into improvements in the Museum performance, and individual staff are tasked to address problems identified. An Operational Risk Management Register is also available.

5. 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. Its tasks are explained below. The administration unit continues to implement relevant internal controls and undertakes continuous assessment of accounting and appropriate internal controls.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit function assists the Museum to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management control and governance processes. The Risk Management Strategy, including the Fraud Prevention Plan. This must be done through furnishing analyses, appraisals, recommendations, counsel and information concerning the activities that have been reviewed as well as regular follow ups.

Key activities and objectives of the Internal Audit firm is to assess the effectiveness of the areas listed below:

- a) Internal control processes
- b) The information systems environment
- c) The reliability and integrity of financial and operational information
- d) The effectiveness of operations of uMsunduzi Museum

- e) Compliance with laws, regulations, policies, contracts and controls
- f) The safeguarding of assets
- g) The economical and efficient use of resources
- h) The achievement of established operational goals and objectives

Key activities and objectives of the Audit committee are:

- a) To provide assurance that the Museums comply with relevant laws and regulations
- b) To provide assurance on the effective delivery of quality service in an efficient, transparent and economical manner
- c) To review the work performed by the Internal Audit firm
- d) To recommend and review accounting policies
- e) To provide assurance on the accuracy of financial information submitted to Council
- f) To advise Council on the current status of the finances and make recommendations, where necessary
- g) To review the AFS submitted to the Auditor-General for statutory audit
- h) viii) To review risk management

COMMITTEES: AUDIT AND RISK 01 APRIL 2021 TO 30 APRIL 2021

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr M Gwala (Chairperson)	B.Tech	External	N/A	01/12/2020	N/A	1
Mrs S Mthembu	LLB	External	N/A	01/12/2020	N/A	1
Mr K Govender	B.Com	Internal	Council Member	01/12/2020	N/A	1
Ms C Fani	BBA Hons	Internal	Council Member	01/12/2020	N/A	1

COMMITTEES: AUDIT AND RISK 01 MAY 2021 TO 31 MARCH 2022

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Adv M.J. Ralefatane (Chairperson)	LLB	External	N/A	21/04/2021	N/A	3
Mr E Sithole	MBA	External	N/A	28/04/2021	N/A	3
Mr K Govender	B.Com	Internal	Council Member	01/12/2020	N/A	1
Ms C Fani	BBA Hons	Internal	Council Member	01/12/2020	N/A	3

Remuneration of Audit Committee Members (External members)

Chairperson's meeting fee for the year ended 31 March 2022 was R 4,317

Member's meeting fee for the year 31 March 2022 was R 2,619

Period from 01 April 2021 to 30 April 2021

Initials and Surname of member	Member's fee R000	Travel Reimbursement R000	Total R000
Mr M Gwala (Chairperson)	8 634	0	8 634
Ms S T Mthembu	0	0	0
TOTAL	8 634	0	8 634

Period from 01 May 2021 to 31 March 2022

Initials and Surname of member	Member's fee R000	Travel Reimbursement R000	Total R000
Adv M.J Ralefatane (Chairperson)	38 853	0	38 853
Mr E Sithole	10 476	0	10 476
TOTAL	57 963	0	57 963

7. 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 attended meetings and training organised by the DSAC and National Treasury.

8. FRAUD AND CORRUPTION

The Museum's Fraud Prevention Policy was reviewed. Staff was work shopped on the importance of reporting untoward, fraudulent and corrupt activities to relevant officials and to the fraud hotline number. Posters on fraud reporting were displayed on Museums notice board. A Fraud Risk Register is in place.

9. 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.

10. CODE OF CONDUCT

The Museums implement the Code of Conduct policy which enforces good behavioural attributes of staff. The code of conduct is visible displayed on the staff notice board.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

There were no significant incidents during the year.

12. COMPANY /BOARD SECRETARY (IF APPLICABLE) N/A

13. SOCIAL RESPONSIBILITY

The Museums have contributed in a variety of ways:

- National days have been commemorated and, on those occasions, whether online or on-site community participation has been encouraged.
- To grow heritage awareness and increase traditional craft and other skills the Museums offers a variety of skills workshops during the year.
- To contribute to the development of the youth, relevant educational programmes are offered to learners.
- Ncome Museum also distributed food parcels to local community members as a contribution related to Mandela Day

14. AUDIT COMMITTEE REPORT

It is with great pleasure to present the Audit and Risk Committee report on the activities for the financial year ended 31 March 2022.

BACKGROUND

The committee's key role is to assist Management and Council in carrying out its responsibilities as they relate to the Museum. This report provides comments on the terms of reference, composition of the committee, meetings proceedings, remuneration of committee members, committees' responsibilities and duties, audit committee performance, effectiveness of the internal controls, assessment of in-year (quarterly basis), assessment of the financial statement, performance management and reported performance against predetermined objectives, regulatory compliance, significant matters, Internal audit, oversight of risk governance, liquidity and going concern, and the conclusion.

TERMS OF REFERENCE

The committee's operation is guided by a detailed term of reference that is informed by the Companies Act, 2008 (as amended) and King IV and approved by the Council. We further report that we have conducted our affairs in compliance with our terms of reference and discharged all our responsibilities as contained therein and as required by the Companies Act, 2008, as amended and PFMA.

RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

We report that we have complied with our responsibilities arising from Section 51 of the PFMA which state that "(1) The Accounting Authority for a public entity (a) must ensure that the public entity has and maintains (I) effective, efficient and transparent systems of financial and risk management and internal control; (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

COMPOSITION OF THE COMMITTEE

The committee is appointed by Council and it consists of at least three external members including the Chairperson and two Council members plus one non-voting Council member. The Head of Internal Audit (Audit Partner if outsourced), the Chief Financial Officer and invitee from the Auditor General/ External Auditors have standing invitation.

MEETINGS ATTENDANCE

The committee met at least four times in the fiscal year as per its approved committee Terms of Reference. During the financial year four meetings were held, consisting of four quarterly meetings and one special meeting. Information on the committee is presented on page 53 of this Annual Report.

REMUNERATION

The remuneration of the committee is contained in this Annual Report under item 7 on page 54 of this Annual Report.

EFFECTIVENESS OF THE INTERNAL CONTROLS

The committee is pleased to state that the internal control system applied by the Museum is efficient and effective. The risk management is effective, efficient and transparency. The Museum followed King IV Report on Corporate Governance. This is evidenced by the clean audit that the Museum has achieved in the year under review.

RISK MANAGEMENT AND LEGAL REQUIREMENTS

The Museum has monitored and reported on the strategic and operational risk identified during the risk assessment. The committee considered the progress reports provided by Management, and the Auditors regarding compliance with legal and regulatory requirements.

INTERNAL CONTROLS

Internal Audit provided the Audit and Risk Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The system of internal control employed by the museum to financial and risk management is adequately designed and operating effectively. However, some weaknesses were identified in internal control system during the audit which required management's attention for improvement in order to ensure that the Museum achieves its objectives and that the risk of fraud and corruption is minimised.

INTERNAL AUDIT

We have engaged with the Internal Audit to ensure that the function is executed effectively and objectively (from Management). We are satisfied with the content and quality of Quarterly reports prepared and issued by the Internal Auditors of the Museum during the year under review. We reviewed the in-year quarterly reports submitted in terms of the Public Finance Management Act (PFMA) together with internal audit comments thereon and noted the improvement in the content and quality of the reports prepared and submitted by management. The Internal Audit followed-up on internal and external audit findings, and review of Annual Financial Statement.

ASSESSMENT AND EVALUATION OF FINANCIAL STATEMENTS

The Audit and Risk Committee jointly with Finance Committee have evaluated the Annual Financial Statements for the year ended 31 March 2022 prior to submission to the Office of the Auditor-General and were satisfied that it complied in all material respects with the requirements of the Act and have recommended them for adoption by the Council. The review that was conducted by the committee and Finance Committee is a high-level review after the Internal Audit has performed the detail review of the transactions. The Internal Audit provided assurance report to the joint committees that they have audited financial statements and there were no financial misstatements identified and errors noted have been corrected. Examined the Annual Financial Statements and other financial information made public, prior to their approval by the Council; considered the appropriateness of accounting policies and any changes made. Following the review by the committees of the Annual Financial Statements of the Museum for the year ended 31 March 2022, the committees are of the view that, in all material respects, it complies with the relevant provisions of the Companies Act and South African Statements of Generally Recognised Accounting Practice and fairly presents the financial position at that date and the results of its operations and cash flows for the year.

Having achieved its objectives for the financial year, the committees recommended the Annual Financial Statements for the year ended 31 March 2022 for the approval by the Council.

PERFORMANCE MANAGEMENT AND REPORTED PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

The year under review had its own challenges brought about the Covid-19 pandemic. Further that the budget cut by the executive authority has also impacted on the financial resources required for the operations of the Museum.

While noting that the year was not a smooth one, the committee is pleased to report that it has reviewed the information on predetermined objectives and found that the Museum has achieved its pre-determined objectives as revised. There were no reviews of significant judgements resulting from the audit including the on interim financial statements as prepared by the Museum. In the premise, the committee concurred with the Auditor-General's conclusions on the Annual Financial Statements.

LIQUIDITY AND GOING CONCERN

The committee has considered and assessed the Museum's liquidity and going concern status in the preparation of the AFS. Upon the review of the Museum's cash flow forecast and the net assets, the committee was satisfied that the Museum is a going concern as also confirmed by the Internal Audit's review that the annual financial statements were prepared on the going concern basis. However, it would not be comforting if the executive authority decides to cut the budget further.

REGULATORY COMPLIANCE

The committee exercises oversight on compliance with accounting standards, financial reporting requirements and legal statutory compliance. A formal process is in place ensuring compliance with laws, regulations and policies which was comforting to find that even disclosure of conflicts of interest, risk management processes and delegation of authority are in place and adhered to.

PREVALENCE OF FRAUD, CORRUPTION, UNETHICAL BEHAVIOUR AND IRREGULARITIES

As the Committee, we have no evidence suggesting that fraud, corruption and unethical behaviour has occurred in the period under review. Therefore, we wish to encourage management to continuously ensure that the system of internal controls is adequate and effective to ensure that the risk of fraud, corruption and unethical behaviour is minimised if not eradicated, and where it occurs, it is identified and investigated promptly. During these times of COVID-19 pandemic which dictates and compels businesses to change the way they trade therefore making technology the leader of businesses survival, it would be prudent that issues of fraud and corruption are closely managed as they can easily occur. COVID-19 pandemic is a top risk that presented what can be called "the new normal" with employees operating technology off site with limited physical supervision. Cyber security is becoming even more preciously relevant during these technological and digital worlds.

AUDITOR'S REPORT

"We have reviewed the public entity's implementation plan 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 external auditor 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.

CONCLUSION

On behalf of the committee, I would like to thank the Museum employees, the Audit and Risk Committee, Internal Audit for the hard work that resulted in the Museum obtaining an unqualified audit. We thank the Council for the good leadership provided throughout the period under review.

Yours sincerely

On behalf of the Audit and Risk Committee


ADV. MOTLATJO RALEFATANE

Chairperson of the Audit Committee

On behalf of the Audit and Risk Committee

uMsunduzi Museum

Date: 31 July 2022

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a preferential procurement policy?	Yes	The Museum has a SCM policy in place
Determining qualification criteria for the sale of state owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Overview of Human Resources matters at the Museum.

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

Provide commentary on the following:

- Overview of HR matters at the public entity
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements
- Challenges faced by the public entity

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

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

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

The museum appointed a Finance Manager during the reporting period thereby filling the post of CFO which was vacated during the previous financial year.

Due to the budget cuts associated with the Covid-19 pandemic staff were not able to receive planned cost of living salary increases. Salary packages remain a constraint with regard to retaining and recruiting personnel.

Employee performance management framework

During the reporting period, performance reviews were done as planned. Due to Covid 19 budget cuts staff did not receive a performance bonus. Performance related leave will however still be granted to qualifying staff.

Employee wellness programmes

In collaboration with health institutions the entity organised a Wellness Day at Ncome Museum during December 2020. A Covid – 19 workshop was held for staff in July 2020 at uMsunduzi Museum.

Policy development

The entity developed 3 charters which were approved by the Council for implementation.

Challenges faced by the Museums

During the reporting period the entity continued to face financial constraints resulting in challenges associated with the recruitment of employees to fill vacant senior level posts. Consequently, this has affected the human capital resources.

Future HR plans / goals

The entity plans to perform job grading for all posts when funds are available as well as develop policies and review policies that are due for review and table them for approval by Council

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme: Permanent staff

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as	No. of employees	Average personnel cost per employee (R'000)
Administration	21, 431	5,747	26,82%	22	261
Public Engagement		4,045	18.87%	11	367
Business Development		3,063	14.29%	6	510
Total	21, 431	12,855	59.98%	39	330

Personnel Cost by programme: Temporary staff and Internship

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	21,431	158	0.74%	17	9
Public Engagement		80	0.37%	6	13
Business Development		8	0.04%	4	2
Total	21,431	246	1.15%	27	9
Total compensation of employees		13,101	61.13%	66	339

Personnel cost by salary band

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)
Top Management	21,431	2,837	13,24%	3	946
Senior Management		1,683	7,85%	3	561
Professional qualified		1,703	7,95%	3	568
Skilled		5,159	24,07%	19	271
Semi-skilled		1,719	8,02%	11	156
Total	21,431	13,101	61,13%	39	336

Performance rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'00)
Top Management	0	0	0%
Senior Management	0	0	0%
Professional qualified	0	0	0%
Skilled	0	0	0%
Semi-skilled	0	0	0%
Unskilled	0	0	0%

TOTAL	0	0	0%
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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 p employee
Administration	13,101	0	49	9	5
Business Development		0	31	4	8
Public engagement		0	26	11	2
Total	13,101	0	106	24	4

Employment and vacancies

Programme	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2021 Vacancies	% of vacancies
Administration	22	22	22	0	0%
Business Development	8	8	6	2	25.00%
Public engagement	12	12	11	1	8.33%
Total	42	42	39	3	7.14%

Programme	2020/2021 No. of Employees	2021/22 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Top Management	4	4	3	1	25%
Senior Management	3	3	3	0	0
Professional qualified	4	4	3	1	25%
Skilled	20	20	19	1	5%
Semi-skilled	11	11	11	0	0
Unskilled	0	0	0	0	0
TOTAL	42	42	39	3	7.14%

Explanations: The attempts made to fill the posts of Top Management were done, advertised but the first suitable candidate declined the offer.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	1	3
Senior Management	3	1	1	3
Professional qualified	4	0	1	3
Skilled	20	0	1	19
Semi-skilled	11	0	0	11
Unskilled	0	0	0	0
Total	42	1	4	39

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Resignation	2	40%
Dismissal	0	0
Retirement	3	60%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	5	100%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	4
Final Written warning	0
Dismissal	0
Total	4

Equity target and employment equity status

Levels	MAL E							
	African		Coloured		Indi an		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0
Professional qualified	1	0	0	0	0	0	0	0
Skilled	6	0	0	0	1	0	0	0
Semi-skilled	6	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	17	0	0	0	1	0	0	0

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	1	0	0	0	0	0	1	0
Skilled	10	0	2	0	0	0	0	0
Semi-skilled	5	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	18	0	2	0	0	0	1	0

Disabled Staff				
Levels	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	1	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	1	0

Utilization of Leave

Item	Number of staff	Percentage
Number of staff with less than 5 days to take leave	0	0
Number of staff with more than 5 days to take leave	39	60%
Number of staff not eligible to take accrued leave	26	40%
TOTAL	65	100%



Museum herb garden, used for herbal workshops

PART E: FINANCIAL INFORMATION

Report of the auditor-general to Parliament on the Msunduzi Museum

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Msunduzi Museum set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

Responsibilities of accounting authority for the financial statements

6. 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the museum's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the museum or to cease operations, or has no realistic alternative but to do so.

Auditor-General of South Africa
Msunduzi Museum
Audit report for year ended 31 March
2022

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

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

Report on the audit of the annual performance report

Introduction and scope

10. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the museum's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the museum enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. 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 programme 3: Public engagement presented on pages xx to xx and xx to xx in the annual performance report of the museum for the year ended 31 March 2022.
13. 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.
14. I did not identify any material findings on the usefulness and reliability of the reported information for the selected programme.

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. The annual performance report on pages xx to xx sets out information on the achievement of planned targets for the year and explanations provided for the under- and over-achievement of targets.

Adjustment of a material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for the Public engagement programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on compliance with legislation

Introduction and scope

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

Other information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report 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 does 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 programme presented in the annual performance report, or my knowledge obtained during the audit or otherwise appears to be materially misstated.
23. The other information I obtained prior to the date of this auditor's report is the directors report and chairperson's foreword. The audit committee's report is expected to be made available to me after 31 July 2022.
24. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

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

27. I did not identify any significant deficiencies in internal control.

Auditor-General

Pietermaritzburg

29 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNUAL FINANCIAL STATEMENTS

MSUNDUZI MUSEUM

ANNUAL FINANCIAL STATEMENTS
at 31 March 2022

The statements set out below comprise the Annual financial statements, set out on pages 3 to 32

	PAGE
Approval of the annual financial statements	1
Council members	2
Statement of financial position	3
Statement of financial performance	4
Statement of changes in net assets	5
Cash flow statement	6
Notes to the annual financial statements	7 - 32

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 31 March 2022, set out on pages 3 to 32 were approved by the Museum Council and are signed on its behalf by:



DR M Mchunu
Chairperson of the Council

MSUNDUZI MUSEUM

**ANNUAL FINANCIAL STATEMENTS
at 31 March 2022**

Council Members

Director for the period

Dr M Ngubane (01 April 2021 - 31 March 2022)

Council Members for the period

(01 April 2021 - 31 March 2022)

Dr M R Mchunu (Chairperson)

Ms Z Dlamini (Deputy chairperson)

Mr T Sithole

Mr B Daniels (01 April 2021 -30 November 2021)

Ms C Fani

Mr T Dube

Mr K Govender

Advocate S Magaqa

Audit committee (External members)

(01 April 2021 - 31 March 2022)

Advocate M J Ralefatane (Chairperson)

Mr D E Sithole

Secretary of Council

Ms Lestelle Sewell (01 April 2021 - 31 March 2022)

Bankers

ABSA Bank

Auditors

Auditor General of South Africa

Registered office

P O Box 998, Pietermaritzburg, 3200

Msunduzi Museum Building

351 Langalibalele Street, Pietermaritzburg, 3201

STATEMENT OF FINANCIAL POSITION
at 31 March 2022

	Notes	2022 R	Restated 2021 R
ASSETS			
<i>Non-current assets</i>		12 707 129	12 407 094
Plant and equipment	2	3 301 809	3 018 704
Intangibles	3	31 984	48 804
Heritage Assets	23	9 373 336	9 339 586
<i>Current assets</i>		22 706 455	19 498 546
Accounts receivable and prepaid expenses	4	44 351	33 318
Inventory	5	92 608	91 440
Cash and cash equivalents	6	22 569 497	19 373 788
<i>Total assets</i>		<u>35 413 585</u>	<u>31 905 640</u>
FUNDS AND LIABILITIES			
<i>Funds</i>		17 659 176	15 306 134
Accumulated surplus	33	8 838 283	6 485 242
Revaluation reserve	34	8 820 892	8 820 892
<i>Current liabilities</i>		17 754 409	16 599 506
Accounts payable and advance deposits	7	1 048 965	470 697
Leave pay Provision	8	578 138	847 077
Bonus and performance awards accrual	9	369 633	397 719
Deferred income	10	15 757 674	14 884 013
<i>Total funds and liabilities</i>		<u>35 413 585</u>	<u>31 905 640</u>

MSUNDUZI MUSEUM

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022**

		2022	2021
REVENUE	Notes	R	R
Revenue from Non-Exchange Transactions		22 762 236	18 987 336
Government Grant and Subsidies	11	22 725 339	18 937 267
Public Contributions and Donations	27	36 897	50 069
Revenue from Exchange transactions		1 044 495	876 355
Sale of Goods & Rendering of Services	28	249 881	164 246
Rental of Facilities and Equipment	29	107 230	58 845
Interest Earned - External Investments	30	687 384	653 264
TOTAL REVENUE		23 806 730	19 863 691
EXPENDITURE		(21 453 988)	(20 559 638)
Employee Related Costs	13	(13 123 108)	(13 667 825)
Repairs and Maintenance	32	(451 996)	(105 926)
Depreciation and Amortisation Expense	2-3	(413 972)	(946 830)
General Expenses	31	(7 464 912)	(5 839 057)
TOTAL EXPENSES		(21 453 988)	(20 559 638)
OTHER GAINS / (LOSSES)	26	300	8 425
TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD		2 353 042	(687 522)

MSUNDUZI MUSEUM

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

	REVALUATION SURPLUS	ACUMULATED SURPLUS	TOTAL
	R	R	R
Balance at 01 April 2020	7 078 954	7 172 764	14 251 718
(Deficit) for the year	0	(687 522)	(687 522)
Increase in the Revaluation reserve	1 741 938	0	1 741 938
Balance at 31 March 2021	8 820 892	6 485 242	15 306 134
Surplus for the year	0	2 353 042	2 353 042
Balance at 31 March 2022	8 820 892	8 838 283	17 659 176
	34	33	

MSUNDUZI MUSEUM

CASH FLOW STATEMENT
for the year ended 31 March 2022

	Note	2022 R	2021 R
Net cash retained in/(utilised by)/ operating activities			
Receipts			
Transfers and subsidies		22 544 000	18 931 000
Sale of goods and services		360 258	224 293
		<u>22 904 258</u>	<u>19 155 293</u>
Payments			
Cash paid to suppliers		(6 298 042)	(6 015 041)
Cash paid to employees		(13 417 934)	(13 518 648)
		<u>3 188 282</u>	<u>(378 396)</u>
Interest received		687 384	653 264
Cash generated/(utilised) by operating activities	A	<u>3 875 666</u>	<u>274 868</u>
Cash flow from investing activities			
Additions to property, plant, equipment and intangibles		(679 958)	(518 616)
Net increase / (decrease) in cash and cash equivalents		3 195 707	(243 749)
Cash and cash equivalents at the beginning of the year		19 373 790	19 617 538
Cash and cash equivalents at the end of the year	B	<u><u>22 569 497</u></u>	<u><u>19 373 789</u></u>

MSUNDUZI MUSEUM

NOTES TO THE CASH FLOW STATEMENT
For the year ended 31 March 2022

	2022	2021
Note A		
Reconciliation of surplus to cash flows from operations		
Surplus / (Deficit) for the year	2 353 042	(687 522)
Adjustments for :		
Donations in kind	(33 750)	(48 867)
Depreciation and Amortisation	413 972	946 830
Interest received	0	0
De-recognition of heritage assets	-	7 450
(Decrease)/Increase in leave pay provision	(268 940)	85 113
Reversal of accumulated depreciation	(300)	(8 425)
(Decrease)/Increase in bonus accrual	(28 086)	26 943
Operating deficit before working capital changes	2 435 938	321 522
Working capital changes		
(Increase)/Decrease in trade and other receivables	(11 033)	(5 759)
(Increase)/Decrease in inventory	(1 168)	(2 969)
(Decrease)/Increase in deferred income	873 661	(6 267)
(Decrease)/Increase in trade and other payables	578 268	(31 659)
Cash generated from /(utilized by) operations	3 875 666	274 868
Note B		
Cash and cash equivalents		
Nedbank Money Market	424 223	419 570
ABSA 32 Day Notice	837 816	828 745
ABSA Call Account	2 073 711	710 104
Petty cash	3 500	2 500
ABSA Current Account	667 841	340 689
ABSA Savings Account	1 957	225
ABSA Liquidity Plus	18 560 449	17 071 956
	22 569 497	19 373 789

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

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) and complies with GRAP1 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. Financial assets and financial liabilities are measured at fair value and amortized cost. They are presented in South African Rand, rounded to the nearest R1. Standards of GRAP approved by the Accounting Standards Board and applicable to the Cultural Institution.

It is the responsibility of Management to prepare the Annual Financial Statements and it is our view they fairly present the entities Financial Position, Financial Performance and its Cashflows for the period that has just ended.

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 21 Impairment of Non-cash-generating Assets
GRAP 23 Revenue from Non-exchange Transactions
GRAP 24 Presentation of Budget Information
GRAP 25 Employee Benefits
GRAP 26 Impairment of Cash-generating Assets
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 20 Related Party Disclosures

GRAP standards approved but not yet effective:

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

Management is in a process of reviewing these requirements of the standard to assess the impact of the standard on the entity.

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

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

The Cultural Institution derives its revenue from the National Department of Sports, Arts and Culture, however the Cultural Institution has other sources of income, mainly Parking fees, Entrance Fees, Rentals of Office facilities which are insignificant in nature, these income streams amounts to 1 -2% of the total Revenue. The impact of COVID-19 will have immaterial effect on the going concern principle. The Cultural Institution will still meet its obligations and commitments as they fall due. The going concern principle will be severely affected if the Department of Sport, Arts and Culture stop funding the Cultural Institution and there is no current indication it will do so in the foreseeable future, at least for the next 3 years as medium term expenditure framework has been confirmed for budgeting and planning purposes.

1.2 Plant and equipment and intangible assets

1.2.1 Initial recognition

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

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

1.2.3 Subsequent measurement

Property, plant and equipment are subsequently stated using the cost model i.e at historical cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is written off on a diminishing balance method using rates deemed to be suitable for writing off the property, plant and equipment over their expected economic life to their estimated residual value. 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.

1.2.4 Depreciation

Assets are depreciated over the following periods, according to the diminishing balance 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

1.2.5 Intangible Assets

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

The management of the Cultural Institution assesses the carrying value of each intangible asset annually for impairment and impairment loss is recognised if the asset is determined to be impaired. 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	2 years
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Useful lives and residual values of property ,plant and equipment

The estimated useful lives as translated into depreciation rates are detailed in property,plant and equipment policy note in the annual financial statements. These rates and the residual values of the assets are reviewed annually taking cognisance of the forecast commercial and economic realities and through benchmark accounting treatment in industry.

The amortisation period method for an intangible asset with finite useful life shall be reviewed at least each reporting date.

If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly.

If there has been a change in expected pattern of consumption of the future economic benefits or service potential embodied in asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates.

1.2.6 Land and buildings

The land and buildings are made available to Msunduzi Museum under section 9 of the Cultural Institutions Act and are owned by Department of Public works.

MSUNDUZI MUSEUM

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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

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 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

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.

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 within every five years 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
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

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 Cash and cash equivalents

Cash and cash equivalents with banks including money market are reflected at fair value.

1.6 Financial Instruments

Financial instruments are initially measured at fair value.

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

Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost(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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

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.

Conditional grants

1.10 Revenue from Exchange Transactions

Revenue from Exchange Transactions is recognized when it is probable that future economic benefits will flow to the entity, and its benefits can be measured reliably. Revenue from the sale of goods and services is recognized when significant risks and rewards of ownership of the goods have been transferred to the purchaser.

Revenue from letting out of parking space and facilities is recognized when the service has taken place.

1.11 Gifts and Donations

Donations are recognised as income as and when the cash is received. Donations are disclosed on at net basis.

Gifts and Donations, including goods in kind are recognized as Assets and Revenue when it is probable that the future economic benefits or service potential will flow to the Cultural Institution and the fair-value of these Assets can be measured reliably.

1.12 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.

1.13 Irregular and fruitless and wasteful expenditure

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

1.14 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.

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

1.15 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.

1.16 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.

1.17 Comparative figures

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

1.18 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
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

1.19 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 2021 to 31 March 2022. The financial statements and the budget are prepared on the same basis of accounting.

1.20 Contingencies

Contingent liabilities are disclosed if there is a possible or present obligation that may, but probably will not, require an outflow of resources. The entity discloses for each class of contingent at the reporting date, a brief description of the nature of the contingent liability.

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

Contingencies are disclosed in note 27.

1.21 Leases

Operating leases-lessee

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

Finance lease-lessee

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Finance leases are recognised as assets and liabilities in the statement of financial position. Finance lease is stated at historical less accumulated depreciation and any impairment losses.

2. Plant and equipment

	Library Books R	Equipment R	Computer Equipment R	Furniture & Fittings R	Motor Vehicles R	Total R
Year ended 31 March 2022						
Opening carrying amount	222 554	1 336 392	506 769	481 319	471 669	3 018 703
Gross carrying amount	659 126	5 040 970	1 166 103	1 793 969	1 428 646	10 088 814
Accumulated depreciation	(436 572)	(3 704 578)	(659 334)	(1 312 650)	(956 977)	(7 070 111)
Additions	-	262 755	32 614	5 273	369 851	670 492
Accum dep (Reversal)	0	300	0	0	0	300
Depreciation	(32 596)	(146 743)	(51 606)	(42 053)	(114 690)	(387 687)
Closing carrying amount	189 958	1 452 703	487 778	444 539	726 830	3 301 808
Gross carrying amount	659 126	5 303 725	1 198 717	1 799 242	1 798 497	10 759 306
Accumulated depreciation	(469 168)	(3 851 021)	(710 940)	(1 354 703)	(1 071 667)	(7 457 498)

No assets have been pledged as security.

2.1 Repairs and Maintenance Expenditure

Repairs and maintenance comprises of general maintenance of R 451 996. Included in the cost of repairs and maintenance were repairs relating to Equipment and fumigation of storage for library books, and collection.

	2022 R	2021 R
Repairs to Equipment	37 093	13 064
Fumigation of conservation centre and Library	28 402	25 560
	<u>65 495</u>	<u>38 624</u>

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

2. Plant and equipment (continued)

	Library Books R	Equipment R	Computer Equipment R	Furniture & Fittings R	Motor Vehicles R	Total R
Year ended 31 March 2021						
Opening carrying amount	298 740	1 392 801	477 312	629 747	674 760	3 473 360
Gross carrying amount	659 126	4 700 768	1 047 277	1 777 023	1 428 646	9 612 840
Accumulated depreciation	(360 386)	(3 307 967)	(569 964)	(1 147 276)	(753 887)	(6 139 480)
Additions	-	340 202	118 826	16 946	0	475 974
Accum dep (Reversal)	0	8 325	100	0	0	8 425
Depreciation	(76 186)	(404 936)	(89 470)	(165 374)	(203 090)	(939 056)
Closing carrying amount	222 554	1 336 392	506 768	481 319	471 670	3 018 703
Gross carrying amount	659 126	5 040 970	1 166 103	1 793 969	1 428 646	10 088 814
Accumulated depreciation	(436 572)	(3 704 578)	(659 334)	(1 312 650)	(956 977)	(7 070 111)

No assets have been pledged as security.

	2022 R	2021 R
3. Intangibles		
Net carrying amount at the beginning of the year	48 803	13 936
Gross carrying amount	180 099	137 457
Accumulated amortisation	(131 296)	(123 521)
Amortisation	(26 285)	(7 775)
Additions	9 465	42 642
Net carrying amount at the end of the year	31 984	48 803
Gross carrying amount	189 564	180 099
Accumulated amortisation	(157 581)	(131 296)
The amortisation charge is included with the depreciation charge in Note 2 for disclosure purposes in the Statement of Financial Performance.		
Total depreciation and amortization	(413 972)	(946 830)
4. Accounts receivable and prepaid expenses		
Sundry debtors	44 351	33 318
	<u>44 351</u>	<u>33 318</u>

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

	2022 R	2021 R
5. Inventory		
Comprised of goods for sale	92 608	91 440
	<u>92 608</u>	<u>91 440</u>
 No inventory has been pledged as security.		
6. Cash and cash equivalents		
Nedbank Money Market	424 223	419 570
ABSA 32 Day Notice	837 816	828 745
ABSA Call Account	2 073 711	710 104
Petty Cash	3 500	2 500
ABSA Current Account	667 841	340 689
ABSA Savings Account	1 957	225
ABSA Liquidity Plus	18 560 449	17 071 956
	<u>22 569 497</u>	<u>19 373 789</u>

7. Accounts payable and advance deposits

Accounts payable	919 487	376 387
Advance deposits	128 630	94 310
	<u>1 048 117</u>	<u>470 697</u>

8. Leave pay Provision

Balance at 01 April 2021	847 077	761 965
(Decrease) / Increase	(268 940)	85 113
Balance at 31 March 2022	<u>578 136</u>	<u>847 077</u>

9. Bonus and performance awards accrual

Bonus Accrual		
Balance at 01 April 2021	380 119	353 176
(Decrease) / Increase	(28 086)	26 943
Balance at 31 March 2022	<u>352 033</u>	<u>380 119</u>
Performance awards accrual		
Balance at 01 April 2021	17 600	17 600
Increase / (Decrease)	0	0
Balance at 31 March 2022	<u>17 600</u>	<u>17 600</u>
Total bonus and performance awards accrual	<u>369 633</u>	<u>397 719</u>

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

10. Deferred income : Grants

Transformation grants

Year ended 31 March 2022

Balance at 01 April 2021

Expended

Unexpended at 31 March 2022

Ncome
R

Msunduzi
R

Total
R

1 147

-

1 147

-

-

-

1 147

-

1 147

Year ended 31 March 2021

Unexpended at the beginning of the year

Expended

Unexpended at 31 March 2021

1 147

-

1 147

-

-

-

1 147

-

1 147

National lottery grant

Year ended 31 March 2022

Balance at 01 April 2021

National Lottery 1: Unexpended at beginning of the year

National Lottery 2: Unexpended at beginning of the year

National Lottery 1: Expended

National Lottery 2: Expended

Balance at 31 March 2022

National Lottery 1

National Lottery 2

Year ended 31 March 2021

National Lottery 1 Unexpended at beginning of the year

National Lottery 2 Unexpended at beginning of the year

Balance at 1 April 2020

Expended (National Lottery 1)

Expended (National Lottery 2)

Balance at 31 March 2021

National Lottery 1

National Lottery 2

111 248

826 302

937 550

111 248

249 075

360 322

0

577 228

577 228

0

(7 899)

(7 899)

0

(32 885)

(32 885)

111 248

785 518

896 766

111 248

241 176

352 424

-

544 342

544 342

111 248

255 341

366 589

577 228

577 228

111 248

832 569

943 817

0

(6 267)

(6 267)

0

0

0

111 248

826 302

937 550

111 248

249 075

360 322

0

577 228

577 228

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. In 2022 the expenditure amounted to R40 785 (2021: R 6 267). The closing balance at 31 March 2022 was R 896 766 (2021: R 937 550). The R 1 700 000 grant was approved by National Lottery Commission in 2015/2016.

Department of Sport, Arts & Culture: Capital works grant

Year ended 31 March 2022

Balance at 01 April 2021	-	13 945 316	13 945 316
Received	-	1 055 000	1 055 000
Expended	-	(140 554)	(140 554)
Unexpended balance at 31 March 2022	-	<u>14 859 762</u>	<u>14 859 762</u>

Year ended 31 March 2021

Balance at 01 April 2020	-	13 945 316	13 945 316
Unexpended balance at 31 March 2021	-	<u>13 945 316</u>	<u>13 945 316</u>

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. In 2017/2018 financial year an additional R 1000 000 was received from DAC for the restoration of buildings and Security upgrade. In the financial year 2021/2022 R 1 055 000 amount was received (2021: nil)

Total deferred income

15 757 674

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

11. Revenue from non-exchange transactions

	2022 R	2021 R
Operating grant	22 544 000	18 931 000
National lottery grant funds expended	40 785	6 267
Department of Arts & Culture grant funds expended	140 554	-
	<u>22 725 339</u>	<u>18 937 267</u>

12. Related Parties

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

	2022			2021		
	Members Fees	Travel	Total	Members Fees	Travel	Total
Dr MJ Ndlovu	0	0	0	60 898	2 149	63 047
Mr ZS Gumede	0	0	0	42 898	2 712	45 610
Mr T Nemaheni	0	0	0	34 840	0	34 840
Ms SV Mabilane	0	0	0	29 614	0	29 614
Dr T Ngoma	0	0	0	11 106	0	11 106
Mr S Magaqa	55 744	0	55 744	40 284	0	40 284
Dr M Mchunu	92 796	4 051	96 847	55 576	0	55 576
Mr T Sithole	52 260	5 456	57 716	39 122	0	39 122
Mr BA Daniels	10 452	0	10 452	32 010	0	32 010
Mr TB Dube	55 744	0	55 744	24 388	0	24 388
Ms Z Dlamini	76 680	0	76 680	22 654	0	22 654
Ms C Fani	48 776	0	48 776	17 420	0	17 420
Mr K Govender	45 292	0	45 292	19 162	0	19 162
	<u>437 744</u>	<u>9 507</u>	<u>447 251</u>	<u>429 972</u>	<u>4 861</u>	<u>434 833</u>

12.2 Gross Remuneration for Audit Committee Members (External members)

	2022			2021		
	Members Fees	Travel	Total	Members Fees	Travel	Total
Mr MK Gwala (01 April 2021 - 31 May 2021)	8 634	0	8 634	36 696	0	36 696
Ms Z Khanyile (01 April 2020 - 30 November 2020)	0	0	0	3 272	0	3 272
Ms ST Mthembu (01 April 2020 - 30 November 2020)	0	0	0	5 892	0	5 892
Mr DE Sithole	10 476	0	10 476	0	0	0
Advocate Ralefatane	38 853	0	38 853	0	0	0
	<u>57 963</u>	<u>0</u>	<u>57 963</u>	<u>45 860</u>	<u>0</u>	<u>45 860</u>

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

	2022 R	2021 R
12. Related parties (continued)		
12.3 Directors' and Senior Managers' emoluments		
Dr Mlungisi Ngubane (Museum Director / CEO) (01 April 2021 – 31 Mar 2022)		
Basic salary	736 499	736 499
Housing subsidy	10 524	10 524
13th Cheque Annual Bonus	61 375	61 375
Long service award	1 500	0
Travel allowance	174 463	174 463
Group funeral cover	412	412
Pension	119 681	119 681
UIF	2 069	1 785
Medical Aid	18 000	18 000
	1 124 523	1 122 739
Mr Robert Osler Luyt (Deputy Director: Core functions) (01 Apr 2021 – 30 Sept 2021)		
Basic salary	250 443	486 299
Housing allowance	2 100	4 200
13th Cheque Annual Bonus	41 741	40 525
Leave pay	69 816	0
Travel allowance	34 052	66 120
Group funeral cover	206	412
Pension	40 697	79 023
UIF	1 006	1 785
Medical Aid	9 000	18 000
	449 061	696 363
Mr Bhekamachunu Mchunu (Deputy Director: Ncome Museum Manager) (01 April 2021 – 31 Mar 2022)		
Basic salary	471 524	457 790
Housing allowance	4 200	4 200
13th Cheque Annual Bonus	39 294	38 149
Travel allowance	111 346	129 061
Group funeral cover	412	412
Pension	76 622	74 391
UIF	2 069	1 785
Medical Aid	16 500	18 000
	721 966	723 789

Mr Phumlani Sibusiso Mvubu (Finance Manager)

(01 April 2021 – 31 Mar 2022)

Basic salary	480 546	466 550
Housing allowance	4 200	1 750
13th Cheque Annual Bonus	40 046	0
Group funeral cover	412	172
Pension	78 088	31 589
UIF	2 069	1 785
	<u>605 360</u>	<u>501 846</u>

Ms Phumelele Ngubane (Acting Deputy Director: Core functions)

(01 Oct 2021 – 31 Mar 2022)

Basic salary	240 273	0
Acting allowance	100 178	0
Housing allowance	2 100	0
Group funeral cover	206	0
Pension	52 059	0
UIF	1 063	0
Medical Aid	9 000	0
	<u>404 878</u>	<u>0</u>

Total

3 305 788 3 044 737

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

12. Related parties (continued)

12.4 National Department of Arts & Culture

Operating grants received for the financial year ending 31 March 2022 amounted to :R 22 544 000 (2021 : R 18 931 000).

The baseline grant allocation for 2022/2023 will amount to R23 409 000, however due to prevailing pandemic situation, the baseline allocation may be reduced, but chances are slim.

12.5 Department of Public Works

The department is the legal owner of land and buildings occupied by the Cultural Institution through the National Department of Sport, 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.

The Municipal charges are paid into the Public Works account. The Municipal charges for the year amounted to R1 477 457 (2021: R1 310 693)

12.6 Council

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

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

	2022 R	2021 R
13. Employee related costs		
Basic Salaries	9 262 819	9 689 232
13th Cheque bonuses	761 688	770 249
Housing Subsidy	57 273	63 412
Performance bonuses	0	0
Long service awards	12 500	9 000
Housing Allowance	142 100	144 550
Acting allowances	201 790	0
Travel allowance	319 860	369 644
Leave Pay	206 828	0
Unpaid Leave	(29 591)	0
Group Funeral cover	16 464	16 773
Pension	1 627 909	1 652 329
UIF	74 467	69 242
Medical Aid	490 693	573 520
	<u>13 144 798</u>	<u>13 357 949</u>
Medical Aid (Pensioners)	27 000	36 000
	<u>13 171 798</u>	<u>13 393 949</u>
Debt net off against staff expenditure		
Mr Ntuli - Leave/Bonus Payable	(16 596)	16 596
	<u>13 155 205</u>	<u>13 410 545</u>
Casual Wages	246 136	124 699
	<u>13 401 342</u>	<u>13 535 244</u>
Other Employee Related Costs		
Workmen compensation	18 792	20 527
Leave Expenditure	(268 940)	85 112
Bonus provision	(28 086)	26 942
	<u>(278 235)</u>	<u>132 581</u>
Total Compensation of employees	<u><u>13 123 108</u></u>	<u><u>13 667 825</u></u>

Number of employees

39

42

14. Financial instruments

14.1 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

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

14. Financial instruments (continued)

14.2 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.

14.2.1 Accounts receivables

The Cultural Institution has no significant exposure to credit risk. The credit risk applicable to the Cultural Institution at 31 March 2022 amounted to: R44 351 (2021: R33 318).

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.

14.2.2 Cash and cash equivalents

The Cultural Institution limits its exposure to credit risk by investing only with approved banks.

14.3 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 2022 was R 22 569 497 (2021:R 19 373 789)

14.4 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 2022 amounted to R NIL

(2021: R NIL).

14.4.1 Currency risk

The Cultural Institution does not engage in foreign currency transactions and is thus not exposed to this risk. The institution uses South african rand as a reporting currency.

14.4.2 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.

14.5 Fair values

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

14.6 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.

14.7 Prepayments

Prepayments for goods and services which are to be provided in the future years are recognised as prepayments. Prepayments are recorded in accounts receivable and prepaid expense.

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

15. Tax exemption

The Public Cultural Institution is exempt from taxation in terms Section 10 (1) (cA) (I) of the Income Tax Act (no 58 of 1962)

16. Lease agreements

16.1 Operating Lease - Museum as lessee

At 31 March 2022 the total commitment was Nil (2021 R 63 048).

Photocopier

	Not later than one year	Later than one year not later than five years	Total
2022			
Rental photocopier - Msunduzi and Ncome Museum	<u>0</u>	<u>0</u>	<u>0</u>
2021			
Rental photocopier - Msunduzi and Ncome Museum	<u>63 048</u>	<u>0</u>	<u>63 048</u>

The new photocopier will be acquired in the new financial year.

17. Post retirement obligations

17.1 Pension fund

	No of employees	Employer's contribution	Employees contribution	Monetary Value R
2022				
Defined Benefits Scheme	10	20,0%	7,5%	448 400
Defined Contribution Scheme	29	15,0%	7,5%	1 179 510
Total	<u>39</u>			<u>1 627 910</u>
2021				
Defined Benefits Scheme	12	20,0%	7,5%	486 665
Defined Contribution Scheme	30	15,0%	7,5%	1 165 664
Total	<u>42</u>			<u>1 652 329</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 March 2021 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 31 March 2022 is R nil. (2021: R nil)

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

17. Post retirement obligation (continued)

17.2 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 number of pensioners at 31 March 2022 was 2 (2021: 3). The total amount paid for medical aid towards pensioners amounted to R 27 000 (2021: R36 000) The other pensioner passed away during the year. The medical aid is paid out of goodwill, there are no contractual obligations.

18. Subsequent events

The COVID-19 virus will have an impact on the Cultural Institutions income streams going into the future. All other sources of income will be affected. Revenue from other sources of income, mainly parking fees, entrance fees and rentals of facilities will be reduced substantially for at least a year. Depending on the extent of COVID-19, the Department may further cut the operating grant anticipated to be received in the 2021/2022 financial year.

COVID-19 is a non-adjusting event and its impact on the revenue and operation cannot be quantified. This is a unique event globally and there is no record of past events incurred to simulate an expected outcome

19. 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.

20. 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.

21. Revenue from non-exchange transactions

Included in the 2021/2022 income is R181 339 (2021: R6 267) to compensate for grant funds expended during the year.

The 2021/2022 income is to compensate the following expenditure during the year:

Capital expenditure

Operating expenditure

2022	2021
R	R
0	0
181 339	6 267
<u>181 339</u>	<u>6 267</u>

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

22. Irregular expenditure

	2022 R	2021 R
Opening balance*	2 867 669	2 867 669
Irregular expenditure identified current year	0	0
Condoned by Authority	0	0
	<u>2 867 669</u>	<u>2 867 669</u>

*Irregular expenditure awaiting condonement by National Treasury

Incidents	
Declaration of interest not provided by service providers	849 622
Expired contracts still in use	654 939
BBBEE not submitted	76 562
Reason for deviation not meet sole or Emergency (2016/2017)	169 794
Quotations not obtained(2017/2018)	13 176
Contracts granted to non tax compliant suppliers	789 750
Amount by which the Budget has been Exceeded	313 826
	<u>0</u>
	<u>2 867 669</u>

National Treasury did not approve the application for condonation citing other more information needed to be submitted for further consideration. The Museum will make another submission with a view to address deficiencies identified by National Treasury.

23. 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.

	2022			2021		
	Cost/ Valuation	Accumulated impairment loss	Carrying Value	Cost/ Valuation	Accumulated impairment loss	Carrying Value
Arts and artefacts	7 944 342	-	7 944 342	7 925 842	-	7 925 842
Audio and visual	26 742	-	26 742	26 642	-	26 642
Historical Papers	104 782	-	104 782	99 032	-	99 032
Library Books	1 174 435	-	1 174 435	1 174 435	-	1 174 435
Photographic	123 035	-	123 035	113 635	-	113 635
	<u>9 373 336</u>	<u>-</u>	<u>9 373 336</u>	<u>9 339 586</u>	<u>-</u>	<u>9 339 586</u>

Reconciliation of Heritage Assets - 2022

	Opening balance Restated	Additions	Revaluation increase/decrease	De-recognition	Total
Arts and artefacts	7 925 842	18 500	0	0	7 944 342
Audio and visual	26 642	100	0	0	26 742
Historical Papers	99 032	5 750	0	0	104 782
Library Books	1 174 435	-	0	0	1 174 435
Photographic	113 635	9 400	0	0	123 035
	<u>9 339 586</u>	<u>33 750</u>	<u>0</u>	<u>0</u>	<u>9 373 336</u>

Reconciliation of Heritage Assets - 2021

	Opening balance	Additions	Revaluation increase/decrease	De-recognition	Total
Arts and artefacts	6 544 376	45 391	1 343 125	-7050	7 925 842
Audio and visual	17 237	50	9 355	0	26 642
Historical Papers	96 752	1 180	1 100	0	99 032
Library Books	789 700	1 846	382 889	0	1 174 435
Photographic	108 165	400	5 470	-400	113 635
	<u>7 556 230</u>	<u>48 867</u>	<u>1 741 939</u>	<u>-7450</u>	<u>9 339 586</u>

The Entity is restricted from disposing of Heritage assets in accordance with the provisions of the the National Heritage Act and had no contractual commitments for the acquisition ,maintanance
No assets have been pledged as security.

Expenditure incurred to repair and maintain heritage assets in the current period amounted to nil (2021: Nil).

MSUNDUZI MUSEUM

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS, will put after cash flow statement
for the year ended 31 March 2022**

24. Budget differences

Statement of Comparison of Actual and Budget amounts

	Notes	Actual R	Original budget R	Adjustments R	Difference between Final budget and actual R	Final budget R	Variance %
Revenue from exchange transactions							
Curio shop sales	24,1	24 824	19 000	1 500	4 324	20 500	17,42%
Entrance fees	24,2	5 192	6 822	- 822	809	6 000	-15,57%
Interest Income	24,3	687 384	142 000	62 140	607 524	79 860	88,38%
Internet income	24,4	1 695	4 000	1 800	505	2 200	-29,79%
Other income	24,5	3 417	11 800	7 800	583	4 000	-17,06%
Parking income	24,6	196 753	160 000	22 000	14 753	182 000	7,50%
Insurance Claims		18 000	0	12 105	5 895	12 105	32,75%
Transfer from reserves		0	390 000	28 267	361 733	361 733	0,00%
Rent received	24,7	107 230	100 000	8 900	16 130	91 100	15,04%
Revenue from Non-exchange transactions							
Transfers received	24,8	22 725 339	22 544 000	-	181 339	22 544 000	0,80%
Donations received	24,9	36 897	514	3 986	32 397	4 500	87,80%
Total Revenue		23 806 730	23 378 136	- 70 138	498 732	23 307 998	2,09%
Total Expenditure							
Employee related costs		21 453 988	23 378 136	- 266 135	966 283	23 307 998	4,15%
Staff expenditure	24,10	13 155 205	14 084 955	-716 063	213 687	13 368 892	1,60%
Casual wages	24,11	246 136	155 000	114 281	23 145	269 281	8,59%
Provision for Performance awards		0	0	0	0	0	0,00%
Workmen compensation		18 792	18 000	9 000	8 208	27 000	30,40%
Leave pay provision		(268 940)	0	127 741	396 681	127 741	0,00%
Bonus provision		(28 086)	0	0	28 086	0	0,00%
		13 123 108	14 257 955	- 465 041	669 806	13 792 914	40,59%
Repair and Maintenance							
General repair and maintenance	24,12	311 442	273 433	45 077	7 068	318 510	2,22%
Refurbishment of buildings Capital works	24,12	140 554	0	0	-140 554	0	0,00%
		451 996	273 433	45 077	133 486	318 510	-41,91%
Depreciation and amortisation	24,13	413 972	4 948	0	-409 024	4948	-8266,45%
Bad debts	24,14	-	0	0	0	0	0,00%
		13 989 076	14 536 336	(419 964)	127 296	14 116 372	0,90%

Other Gains / (Losses)						
Change in accounting estimate	300	0	0	-300	0	100,00%
Other General expenses	7 464 912	8 144 800	153 829	838 987	8 298 629	10,11%
Total surplus / (Deficit) for the period	2 353 042	0	195 997 -	467 851	0	-19,88%

Other general expenses include the following

		Actual	Original budget	Adjustments	Difference between Final budget and actual	Final budget	Variance
Accounting fees	24,15	20 201	60 000	-5 206	34 593	54 794	63,13%
Advertising and marketing	24,16	149 886	80 000	86 536	16 650	166 536	10,00%
Audit committee expenses	24,17	57 963	106 000	9 296	57 333	115 296	49,73%
Auditors remuneration	24,18	767 880	748 000	38 240	18 360	786 240	2,34%
Bank charges	24,19	48 730	80 000	-27 542	3 728	52 458	7,11%
Cleaning materials	24,20	116 621	112 000	4 340	-281	116 340	-0,24%
Computer expenses	24,21	117 390	157 000	5 930	45 540	162 930	27,95%
IT Upgrade	24,22	0	75 000	-75 000	0	0	0,00%
Cost of sales		16 801	17 000	8 980	9 179	25 980	35,33%
Conferences	24,23	0	4 000	0	4 000	4 000	100,00%
Conference : courageous conversation	24,24	8 800	35 000	0	26 200	35 000	0,00%
Conservation and collection		1 846	10 000	-308	7 846	9 692	80,95%
Education and outreach	24,25	164 695	125 000	34 950	-4 745	159 950	-2,97%
Entertainment / Refreshments		23 581	20 000	-4 825	-8 406	15 175	-55,40%
Equipment expenses (less than capital threshold)		47 154	35 000	-7 000	-19 154	28 000	-68,41%
Exhibition openings		0	20 000	0	20 000	20 000	100,00%
Functions (Living Heritage)	24,26	32 371	65 000	0	32 629	65 000	50,20%
Furniture (less than capital threshold)		9 553	30 000	-5 000	15 447	25 000	61,79%
Lecture		14 723	60 000	-1 362	43 915	58 638	0,00%
Honoraria	24,27	437 744	350 000	19 220	-68 524	369 220	-18,56%
Human resource fee		0	1 000	14 000	15 000	15 000	100,00%
Insurance	24,28	236 829	266 000	-20 000	9 171	246 000	3,73%
Interior décor and display	24,28.1	5 765	125 000	-7 000	112 235	118 000	95,11%
Internal audit function	24,29	184 050	220 000	137 804	173 754	357 804	48,56%
Legal expenses	24,30	16 675	30 000	-5 000	8 325	25 000	33,30%
Library books		20 247	25 000	-2 400	2 353	22 600	10,41%
Library week / events		23 532	48 000	-4 200	20 268	43 800	46,27%
				0	0		

	Actual	Original budget	Adjustments	Difference between Final budget		
Municipal charges	1 477 457	1 493 000	0	15 543	1 493 000	1,04%
National Lottery Fund:Activity 2-Phamphlets-VM	7 899	0	0	-7 899		
National Lottery Fund: Mobile Van Rubbeization	32 885	0	0	-32 885		
Ncome Accessories (DAC sponsored projects)	3 993	0	0	-3 993		
Ncome labour (DAC sponsored projects)	19 916	0	0	-19 916		
Ncome Cleaning Material (DAC sponsored projects)	9 600	0	0	-9 600		
Blood river bridge maintainance Costs-DAC	317 000	317 000	0	0	317 000	0,00%
Penalties and Interest	5 270					
Photographic	0	200	0	200	200	100,00%
Photocopier rental	24,32 95 032	166 000	-1 000	69 968	165 000	42,40%
Postage	2 880	16 800	-4 300	9 620	12 500	76,96%
Printing and stationery	24,33 86 807	145 500	-19 050	39 649	126 450	31,36%
Security	24,34 910 277	837 000	21 000	-52 277	858 000	-6,09%
Staff training	24,35 105 743	160 000	0	54 257	160 000	33,91%
Subscriptions	70 693	77 800	-6 780	327	71 020	0,46%
Subsistence allowance	25 003	36 000	-9 000	1 997	27 000	7,40%
Sundries	3 494	12 000	-4 450	4 056	7 550	53,72%
Tools	1 602	9 000	0	7 398	9 000	82,20%
Signage	62 030	132 000	-33 000	36 970	99 000	37,34%
Telephone and fax (less recoveries)	24,36 174 530	220 000	-11 720	33 750	208 280	16,20%
Travel and accommodation (Council costs)	24,37 21 861	98 000	-44 254	31 885	53 746	59,33%
Tools of trade(Council costs)	22 400	60 500	-35 350	2 750	25 150	10,93%
Travel and motor vehicle expenses	24,38 327 004	434 000	-67 130	45 866	366 870	12,50%
Translation costs	9 063	6 000	12 063	9 000	18 063	0,00%
Uniforms	33 125	40 000	11 000	17 876	51 000	35,05%
Valuation of asset costs	1 122 316	980 000	151 347	9 031	1 131 347	0,80%
	7 464 912	8 144 800	153 829	838 987	8 298 629	10,11%
Assets Capitalized						
Computer Equipment	32 614	150 000	-15 000	102 386	135 000	75,84%
Office Equipment	262 755	187 000	71 000	-4 755	258 000	-1,84%
Software/ Intangibles	9 465	0	70 000	60 535	70 000	86,48%
Furniture	5 273	110 000	-30 000	74 727	80 000	93,41%
Vehicles	369 851	250 000	100 000	-19 851	350 000	0,00%
Total Assets Capitalized	679 958	697 000	196 000	213 042	893 000	23,86%

Actual Operating Expenditure Versus Budget

Budget variance explanation

Revenue

Budget information notes

24.1. Curio shop sales

Income from Curio shop picked up, especially at Nquthu division, due in part to easing off of Covid19 lockdown regulations.

24.2 Entrance fees

Fewer tourists visited the Cultural Institution for the period as a result of COVID19 regulations.

24.3. Interest income

Grants received are transferred to a call account to generate interest, furthermore Capital Works grant is invested in the Call account when the project is yet to start or in progress.

24.4 Internet income

Due to fewer students making use of the facility and COVID19 regulations.

24.5. Other income

Other income received from customers was also affected due to COVID19.

24.6. Parking income

Rentals for parking improved by a high margin due to relaxation of COVID19 regulations.

24.7. Rent Received

This relates to letting out of the facilities to the public, Rent received was on a positive growth due to relaxation of COVID19 regulations., albeit the growth was off a low base

24.8. Transfers Received

Operating grant was in line with MTEF allocation

24.9. Donations Received

This relates to donation of heritage assets in kind (R33 750), cash donation (R3 147)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

Expenditure

Budget information notes continued

24.10. Staff expenditure

There were some three vacancies at the Museum at 31 March 2022, posts are likely to be filled in the first quarter.

24.11 Casual labour

Less expenditure incurred than expected and curtailing on some other work.

24.12. Repair and Maintenance

Expenditure in line with projections.

24.13. Depreciation and amortization

Non cash item was not included the budget, if included it will result in budget deficit which is not allowed as per PFMA.

24.14 Bad debts

No provision for doubtful debts

24.15. Accounting fees

Expenditure in line with projections.

24.16. Advertising and Marketing

Advertising of posts contributed to high expenditure

24.17. Audit Committee expenses

Two independent members in the committee

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

Budget information notes continued

24.18. Auditors remuneration

Expenditure incurred was in line with the projection

24.19. Bank charges

Bank charges were slightly lower than projected budget.

24.20. Cleaning materials

Slightly higher than projected budget due to COVID19, more sanitizers bought and other related consumables.

24.21. Computer expenses

Significant savings were achieved.

24.22. I T Upgrade

Expenditure will occur in the new financial year

24.25. Education and outreach

Fewer savings achieved

24.26. Functions (Living Heritage)

Fewer savings, limited activity due to COVID19

24.27. Honararia

More meetings than expected.

24.28. Insurance

Expenditure incurred was in line with the projection

28.1 Interior décor and display

Most expenditure was capitalized, R91 000

24.29. Internal audit function

internal auditor was only appointed in the second quarter

24.30. Legal expenses

It was anticipated more fees will be incurred due to investigation that was happening in Ncome Museum and other unforeseen legal costs

24.31. Municipal charges

In line with the allocation

24.32. Photocopier Rental

Less expenditure incurred than expected.

24.33. Printing and stationery

fewer savings

24.34. Security

Higher than expected

24.35. Staff training

In line with the projection, albeit fewer savings

24.36. Telephone

Fewer savings

24.37. Travel and accomodation (Council costs)

Less expenditure incurred than expected, due in part of COVID19, all meetings were held via Zoom or Microsoft teams.

24.38. Travel and motor expenses

They were in line with projections.

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

25. 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 surpluses by way of a note, awaiting National Treasury approval at the end of the financial year. The surplus of the Cultural Institution at 31 March 2022 amounted to R 8 838 283 (2021: R6 645 242).

26. Change in Accounting Estimate

At the end of the Financial Year under review, the Cultural Institution assessed the useful life of fully depreciated assets of certain assets. This resulted in a net increase of R 300.

	2022 R	2021 R
Net effect on Statement of financial performance		
Increase in sale of goods and rendering of services		
Other Income	300	8 425
Net effect on statement of financial position		
Increase in assets		
Property, Plant and Equipment - Furniture and Fittings	0	0
Property, Plant and Equipment - Equipment	0	8 325
Property, Plant and Equipment - Computer equipment	0	100

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

27. Public Contributions and Donations

The Cultural Institution received donations of heritage assets from numerous individuals and communities other than donations in cash from visitors. These Heritage assets donations are recorded as Donation Income.

Name of Organisati	Nature of Gifts, Donations or Sponsorships	2022 R	2021 R
Received in cash			
Tourist/vis	Museum Operations	3 147	1 202
FAK	Purchasing of Cabinet for Museum collection	-	-
Received			
Communities/ Individu	Artefacts/ Historical Papers	33 750	48 867
Total		36 897	50 069

Assets donated in kind in the current year amounted R48 867 (2020: R192 455).

28	Sale of Goods & Rendering of Services		2022 R	2021 R
	Parking income		196 753	148 483
	Entrance fees		5 192	2 329
	Curio Shop sale	28,1	24 824	7 730
	Other income		3 417	4 703
	Insurance claims		18 000	0
	Internet fees		1 695	1 001
			249 881	164 246
28,1	Sales		24 824	7 730
	Cost of sales		(16 801)	(5 115)
	Inventory at the beginning of the year		91 440	88 471
	Purchases		17 969	8 084
	Inventory at the end of the year		(92 608)	(91 440)
	Gross profit		8 023	2 615

29	Rental of Facilities and Equipment		
	Rent recieved	107 230	58 845
		107 230	58 845
30	Interest Earned - banks		
	Interest received	687 384	653 264
		687 384	653 264
31	General Expenses		
	Included in General Expenses are the following:	7 464 912	5 839 057
	Accounting fees	20 201	52 462
	Advertising and marketing	149 886	7 041
	Audit committee expenses	57 963	53 250
	Auditors remuneration	767 880	735 495
	Bank charges	48 730	51 187
	Cleaning materials	116 621	104 429
	Computer expenses	117 390	92 852
	Cost of sales	16 801	5 115
	IT Upgrade	0	15 105
	Conference : courageous conversation	8 800	0
	Conservation and collection	1 846	2 000
	Education and outreach	164 695	56 130
	Entertainment / Refreshments	23 581	22 324
	Equipment expenses (less than capital threshold)	47 154	48 441
	Functions (Living Heritage)	32 371	3 000
	Furniture (less than capital threshold)	9 553	4 883
	Lecture	14 723	0
	Honoraria	437 744	429 973
	Insurance	236 829	247 812
	Interior décor and display	5 765	15 900
	Internal audit function	184 050	102 718
	Legal expenses	16 675	5 175
	Library books	20 247	11 361
	Library week /events	23 532	4 728
	Municipal charges	1 477 457	1 310 693
	National Lottery Fund:Activity 2-Phamphlets-VM	7899,35	0
	National Lottery Fund:Activity 4-	0	1 266
	National Lottery Fund:Activity 3-	0	5 000
	National Lottery Fund:Mobile Panel Van	32 885	0
	Ncome Accessories (DAC sponsored projects)	3993	0

MSUNDUZI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2022

Ncome labour (DAC sponsored projects)	0	31 463
Ncome Cleaning Material (DAC sponsored projects)	9 600	0
Ncome Maintenance of facilities (DAC sponsored projects)	19 916	0
Blood river bridge maintainance Costs-DAC	317 000	300 000
Penalties and other interest	5 270	0
Photocopier rental	95 032	123 268
Postage	2 880	9 089
Printing and stationery	86 801	108 616
Security	910 277	819 910
Staff training	105 743	79 959
Subscriptions	70 693	56 294
Subsistence allowance	25 003	19 678
Sundries	3 494	8 110
Tools	1 602	1 596
Signage	62 030	20
Telephone and fax (less recoveries)	174 530	199 497
Travel and accommodation (Council costs)	21 861	8 148
Tools of trade(Council costs)	22 400	60 360
Travel and motor vehicle expenses	321 004	219 007
Translation costs	9 063	3 840
Uniforms	33 125	46 599
Valuation of asset costs	1 122 317	355 262
	7 464 912	5 839 057

32 **Repair and Maintenance**
Repair and Maintenance

451 996 **105 926**

33 Accumulated Surpluses

Accumulated surpluses are the result of the accumulation of annual operating income, less additions to capital projects and physical assets. Accumulated surpluses are used to fund capital projects and the Cultural Institution's programmes identified by Management. However an approval is always sought from National Treasury to retain accumulated surpluses supported by a motivation. Accumulated surplus for the year amounted to R8 838 283 (2021: R6 485 242)

34 Revaluation Reserve

Revaluation reserve is a non cash resrve created to reflect the true value of Heritage assets when the market value of certain category of asset changes. Its purpose is to reflect the real and fair value of Heritage assets. Any increase or impairment loss on Heritage assets is reflected and adjusted in the Revaluation reserve. Revaluation reserve for the year amounted to R8 820 892 (2021: R8 820 892)

ANNUAL REPORT OF THE UMSUNDUZI MUSEUM

FOR THE YEAR ENDED 31 MARCH 2022



an agency of the
Department of Sport, Arts and Culture

UMSUNDUZI MUSEUM

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