DEPARTMENT OF ARTS AND CULTURE PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT 2021/22

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PART A:

GENERAL INFORMATION

1.3.1. KWAZULU-NATAL DEPARTMENT OF ARTS AND CULTURE

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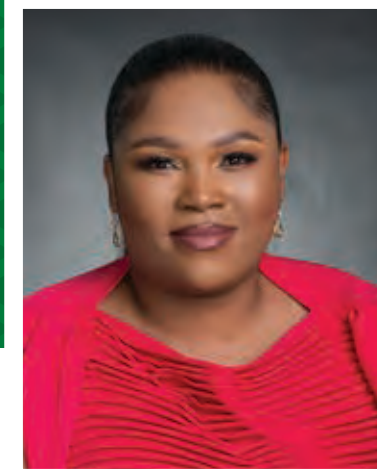
1.3.2 LIST OF ABBREVIATIONS /ACRONYMS

AO	Accounting Officer
AGSA	Auditor-General of South Africa
AFS	Annual Financial Statements
CFO	Chief Financial Officer
DORA	Division of Revenue Act
HR	Human Resources
MPSA	Minister of Public Service and Administration
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
TR	Treasury Regulations
H: A&C	Head: Arts and Culture
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan
APP	Annual Performance Plan
KZNDAC	KwaZulu-Natal Department of Arts and Culture
KZNDSAC	KwaZulu-Natal Department of Sport Arts and Culture
ROM	Regional Office Management
LAM	Libraries Archives and Museums
DDM	District Development Model
DOM	District Operations Management
M and E	Monitoring and Evaluation
OTP	Office of the Premier
DPM and E	Department of Performance Monitoring and Evaluation
NAAIRS	National Automated Archival Information Retrieval System
KZNPGNC	KwaZulu-Natal Provincial Geographic Naming Committee

KZNPLC	KwaZulu-Natal Provincial Language Committee
KZNACC	KwaZulu-Natal Arts and Culture Council
FCAC	Federation of Community Art Centres
SAMA	South African Museums Association
EPWP	Expanded Public Works Programme
IDP	Integrated Development Programme
MPAT	Management Performance Assessment Tool
e-QPR	Electronic Quarterly Performance Report
KZNPO	KwaZulu-Natal Philharmonic Orchestra
MOU	Memorandum of Understanding
SLA	Service Level Agreement
KZNDEDTEA	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs
CATHSETTA	Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority
K-CAP	KwaMashu Community Advancement Programme
SCMR	Social Cohesion and Moral Regeneration
COVID 19	Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)
CCIFSA	Cultural and Creative Industry Federation of South Africa
KUMISA	KwaZulu-Natal United Music Industry Association.



FOREWORD
BY THE MEC

HON. AMANDA BANI-MAPENA
MEC FOR DEPARTMENT OF ARTS AND CULTURE

In the past year, the Province of KwaZulu-Natal suffered several setbacks in the socio-economic spheres. While the Province was still navigating turbulent times brought by the outbreak of COVID-19, we were hit by the unprecedented civil unrest which left a trail of destruction to infrastructure and impacted adversely on the livelihoods. The event led to over 300 lives being lost and many others sustaining injuries. This happened at a time when the arts and culture sector was navigating towards recovery following the devastation by the COVID-19-induced lockdown. It is without a doubt that both COVID-19 and the July unrest will be events that will forever define the work of the Six Administration.

Ramifications of the July civil unrest were not limited to the economy, but there were secondary incidences that destabilized the race relations particularly in eThekwini. Racial tensions that surfaced between mainly Indian residents of Phoenix and neighbouring communities, particularly in the PINK area, further threatened not only peace and stability efforts, but social cohesion.

The Department of Arts and Culture had to take the lead in supporting Provincial Government-led efforts to bring peace through community conversations and/or dialogues. The project was a success as we rolled out more than 27 community conversations in various parts of the Province.

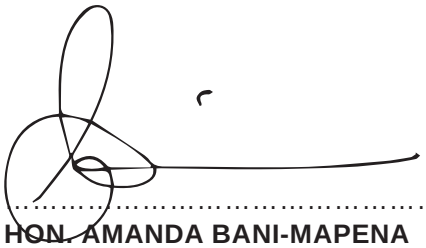
Efforts to resuscitate the creative industry gained momentum with the implementation of various projects like “Keeping Arts Alive”, ward-based intervention programme, supply of the music instruments to various deserving artists, and other initiatives. The Keeping Arts Alive programme reached over 3000 beneficiaries who were given opportunities to showcase their talents and record their singles without having to travel to big cities.

In an effort to uplift the mood of the Province, while at the same time assisting the creative sector with its recovery, the Department successfully implemented the KZN Heritage and Cultural Experience at Ugu Sports and Leisure Centre in Ugu District. Over 100 artists and crafters were able to perform and exhibit their work. We are committed to continue with this project and grow it to become a well-recognized annual festival in the province and nationally.

All these efforts, combined, were able to uplift the spirits of people in KZN by ensuring there were entertainment activities taking place within the COVID constraints across the Province.

Increasing access to information and libraries remains our main objective and to this end we have ensured that we increase our library infrastructure by completing four modular libraries this year at KwaNkosi Khumalo, KwaKhetha, Nibela and Franklin. We also completed renovations at four other libraries at Qhudeni, Nkandla, Mondlo and Ladysmith. It is envisaged that the additions and renovations will enable library users an improved usability. We also strive to make libraries become spaces that accommodate various demographics by procurement of Early Childhood Development collection, Toys and computer and TV games for teenagers. These collections will attract young people to libraries and begin to use their spare time productively compared to idleness that is prevalent in many of our communities. Braille material, blind assistive devices, hearing aids are some of the specialized materials the department provides to make these facilities accessible to the vulnerable groups.

I would like to take this opportunity to thank the Acting Accounting Officer, his team for steering the ship under these difficult times. Lastly, to the whole departmental employees who have ensured that we are slowly getting closer to our vision to prosper through arts and culture to enable us to eventually achieve this elusive cohesion.



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HON. AMANDA BANI-MAPENA

REPORT OF THE ACCOUNTING OFFICER

MR N.P. CHONCO
ACCOUNTING OFFICER

Overview of the Departmental Performance

Year 2021/22 is a year of new beginnings in that while the KZN Department of Arts and Culture ceased to exist, it heralded the beginning of the KZN Department of Sport, Arts and Culture (KZNDSAC). KZNDSAC came to effect because of a merger between the erstwhile departments of Sport & Recreation and Art & Culture. As a Department we are humbled to serve the cultural and creative arts fraternity in the Province. We partnered with many stakeholders, faced challenges, achieved some important milestones together in our endeavor to achieve prosperity and social cohesion through arts, culture and heritage.

This annual report of the Provincial Department of Arts and Culture reflects achievements made with regards to the implementation of National Development Plan, the 2019-2024 Medium Term Strategic Framework and the KZN Provincial Growth and Development Plan. As a department we remain steadfast in pursuing the vision of Social cohesion and nation building as derived from the National Development Plan. In the current financial year, we came back stronger after the derailment by COVID 19 pandemic and July 2021 social unrest.

Social cohesion and nation building are a people centered phenomenon. To this end the Department has implemented many projects that seeks to promote a socially cohesive communities and the regeneration of morals. The Department organized and hosted 17 community conversations and or dialogues. The conversations and/or dialogues focused on various themes that seeks to build the nation and promote active and responsible citizenship, there were but not limited to,

- Diversity management
- Discrimination (Xenophobia, homophobia etc)
- Intergenerational and intercultural dialogues.
- Awareness campaigns on National Symbols and orders
- Rites of passages (Girls and Boys).

The Department in partnership with other government bodies also organised and hosted the celebration of National days viz Africa day (eThekwini), Youth Day (Msunduzi), Reconciliation Day (Ncome), Heritage Day, Human Rights Day to name but a few. The celebration of these days contributed enormously in nurturing a cohesive South Africa. The Department envisages to intensify these programmes in light of the confrontations tensions between South Africans and mainly people from the African continent about economic opportunities.

The Department continued with the development of Library Infrastructure as means to create enabling environment for a socially cohesive communities. During the year under review the Department finished four modular libraries i.e., KwaNkosi Khumalo, KwaNibela, Franklin and KwaKhetha. There were also 14 renovations and or upgrades that were finalized and these include Nongoma, Qhudeni, Ladysmith,

eMondlo. Furthermore, there are more than 5 projects that are currently on and are expected to be finalized in the near future. They include amongst others Ofabeni, Dokodweni, Nquthu, Kwa Mdakane, Shayamoya Libraries etc. We will continue with building and maintenance of library infrastructure so as to enable South Africans to ready themselves with the demands of the fourth industrial revolution in terms of education and skills requirements.

In the previous financial year, the Province of KwaZulu-Natal suffered a number of setbacks which amongst others included the outbreak of the COVID pandemic, July unrest, loss of jobs due to various reasons etc. We had no option but to bounce back as a department as arts practitioners had already lost income and assets because of the prolonged lockdown. Once the regulations were eased, we accelerated the implementation of programmes that seeks to salvage the sector from COVID-19. The Department proceeded from where it had left off with the implementation of the Keeping Arts Alive programme. The Department sponsored 21 marketing platforms were sponsored by the Department across the Province so that artists were able to access to make income.

KZNDSAC further supported private individuals and businesses that hosted various events and created employment for various creative sector role players. These individuals and businesses organized and hosted various festivals, exhibitions and other events. The gains from this is that they also hired local and national artists to showcase their talents. One of the highlights of this period was that the Department also hosted its inaugural KZN Heritage and Cultural Experience event in the Ugu district. The event was very successful in that it appealed to all categories of artists and benefitted many that are based in the Province. We are determined to continue with this programme in an effort to ensure that migration of artists in the Province is kept to the minimum.

Lastly, I would like to extend my heartfelt appreciation to the political leadership of the Department and the entire government, the staff in the department and all other role players in the sector for fruitful collaboration as we steer the arts and culture ship.

Overview of the financial results of the department:

1. Departmental receipts

Departmental Receipts	2021/22			2020/21		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
		R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	428	348	80	515	385	130
Fines, penalties and forfeits	86	63	23	81	21	60
Interest, dividends and rent on land	43	-	43	41	6	35
Sale of capital assets	50	4 374	-4 324	1 000	-	1 000
Financial transactions in assets and liabilities	377	744	-367	350	422	-72
Total	984	5 529	-4 545	1 987	834	1 153

The nature of departmental revenue collected is in respect of the hiring of departmental campsites, a cultural hall, rental received from officials occupying state owned property, parking fees paid by departmental officials, sale of tender documents for advertised departmental tenders, commission received by the department for the deductions of insurance premiums and garnishee orders, interest received from departmental debts, fines received for lost library material from public libraries and recovery of departmental debts.

The Department reviews the tariffs for all categories of revenue annually and the proposed tariffs are submitted to the Provincial Treasury for approval.

Total actual revenue collected by the department amounted to R5.529 million against the Final Appropriation of R984 000. The net over-collection of R4.545 million is explained as follows:

- *Sale of capital assets* relates to the sale of redundant vehicles which were higher than budgeted for.
- *Transactions in financial assets and liabilities* collected revenue of R744 000 against the budget of R377 000. This category relates to recoveries of staff debts such as breached bursary contracts, etc. The over-collection was due to higher than anticipated staff debt recoveries.

The over-collection was offset to some extent by an under-collection against the following categories:

- *Sale of goods and services other than capital assets.* The under-collection is mainly due to decreased utilisation of the department's hall and campsites, and lower than anticipated commission received from insurance premiums and garnishee orders. Revenue from the hall and campsites depends on the interest from the public, which makes it difficult to budget for.
- *Fines, penalties and forfeits*: The under-collection was mainly due to lower-than-expected fines charged for late or lost library materials.
- *Interest, dividends and rent on land* collected was nil, this relates to lower than anticipated interest on staff debts.

Programme Expenditure

Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000
1. Administration	187 251	142 022	45 229	138 231	137 061	1 170
2. Cultural Affairs	308 474	284 385	24 089	209 294	205 072	4 222
3. Library and Archive Services	521 246	470 029	51 217	459 494	442 990	16 504
Total	1 016 971	896 436	120 535	807 019	785 123	21 896

The departmental expenditure as at 31 March 2022 was R896.436 million against the adjusted budget of R1.016 971 billion. The under expenditure of R120.535 million was incurred under all programmes. This under-expenditure was predominately, under *Compensation of employees* which was due to vacant posts not being approved by the Office of the Premier as a result of the merged organisation structure for the joint department not being finalised.

The Community Library Services grant under Programme 3 was under-spent by R20 986 million due to the department finalising the process of appointing a panel of service providers for the supply of library books in December 2021. However, the procurement process was further delayed by appeals raised by unsuccessful service providers who raised queries with the bidding process. Provincial Treasury assisted the department in January 2022, by appointing a team to investigate the process and make recommendations on the way forward. The department was given approval to proceed with the process in January 2022, upon finalisation of the investigation.

Due to the Covid-19 pandemic the operational costs under Programme 1 led to savings being incurred under training, operational leases and travel and subsistence. Most meetings and events were being held virtually as well as fewer events being hosted. The department under-spent against *Machinery and equipment* due to the delayed delivery of motor vehicles and computer equipment ordered from an overseas supplier. The vehicles were ordered from the Department of Transport as per the transversal contract, however there were challenges with the supply and delivery of motor vehicles due to a global shortage.

Funds were provided for the construction of the plinth upon which the statue of King Shaka KaSenzangakona will be erected at the King Shaka International Airport. The department paid for the first tranche and the balance was not invoiced by the supplier, thus savings were incurred against Heritage Assets.

The under-expenditure against *Buildings and other fixed structures was* ascribed to the department undertaking various repairs and renovation programmes for public libraries under the conditional grant. The nature of these projects was assessed, and these were classified as current maintenance. Therefore, the expenditure was journalized from this category to Goods and Services as a 13th month adjustment. The expenditure was therefore expensed as the nature of these projects were current in nature. This resulted in under-spending against this category.

In addition, the delays with the upgrade of the Winston Churchill Theatre and the uThungulu Art Centre funded by the equitable share under Programme 2, also contributed to the under-expenditure. The department was unable to commence the upgrade of the Winston Churchill Theatre due to illegal occupants living at the accommodation portion of the theatre.

With regards to the uThungulu Art Centre, the existing structure was vandalised, and the site was waterlocked. The department appointed project managers to assess the site and the existing condition of the centre prior to commencement of the upgrade. This assessment was to be presented to the department's MEC, Arts and Culture Portfolio Committee, Premier and Provincial Treasury's Infrastructure unit. Feedback from these stakeholders took longer than anticipated.

2.1 Programme 1: Administration

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of MEC	21 559	13 881	7 678	11 659	10 967	692
Corporate Services	165 692	128 141	37 551	126 572	126 094	478
Total	187 251	142 022	45 229	138 231	137 061	1 170

The programme under-spent by R45.230 million mainly due to the under-spending under *Compensation of employees* as a result of not filling budgeted critical vacant posts, such as the Director: Executive Support Services and Deputy Director: Policy and Planning Corporate Strategy. The Office of the Premier did not approve the filling of posts due to the new joint organogram for the merged department not being finalized.

The under-expenditure under *Goods and Services* also contributed to the over-all under-expenditure against this programme. Some of the areas of under-spending included, training, travel and subsistence, and operating leases. The expenditure under training was due to lower than budgeted costs as a result of physical contact training not being attended by staff due to the Covid-19 pandemic. Only virtual

training was undertaken, and these costs were lower than the physical contact training. Travel and subsistence costs were lower than budgeted for due to less travelling being undertaken by officials for departmental events and meetings due to the Covid-19 pandemic. The department hosted many departmental events and meetings through hybrid platforms. The cleaning contract for the department's offices was only finalized toward the end of the financial year, largely due to SCM capacity constraints. The department used the EPWP Integrated Grant for Provinces grant contract employees to clean the department's offices as an interim measure until the cleaning contract was finalised.

Transfers and subsidies to: Provinces and municipalities was under-spent by R164 000 in respect of payments for motor vehicle licenses was as a result of the number of vehicles decreasing during the financial year due to the disposal process. Therefore, fewer vehicles required licensing.

Transfers and subsidies to: Households, the under-expenditure reflected was due to the department receiving fewer applications for external bursaries relating to studies in the arts and culture field.

*Machinery and equipmen*t: The under-spending was as a result of non-delivery of motor vehicles ordered by year-end. The Department of Transport (DOT) is mandated to procure motor vehicles for departments within the province. The DOT is a participant in a transversal contract for the supply and delivery of motor vehicles for the state. There were challenges with the supply and delivery of motor vehicles due to a global shortage. The contractor indicated various reasons for the shortage, such as the impact of the Covid-19 pandemic interrupting the supply on the Southeast regions and port congestion and shipping container shortages which affected global distribution networks.

An amount of R1.500 million budgeted for the installation of an electronic signature software, as well as procurement of Wi-Fi and uninterruptible power supply (UPS) was not spent against *Software and other intangible assets*. The UPS is an electrical apparatus that provides emergency power to a load when the input power source mains fails. The appointment of the service provider to install the software was only concluded at the end of the financial year due to lengthy SCM procedures. The installation of the electronic signature software commenced by year-end and will be concluded in May 2022. The department has ordered the Wi-Fi devices and is awaiting delivery before payment can be made. Challenges were experienced with the procurement of the UPS and these are largely SCM issues. The request for a quotation for the UPS was sent to suppliers for more than three times with no responses received. The response was finally received around March 2021 and was further delayed with the verification of the supplier's tax compliance status.

The expenditure against Payments *for financial assets* was respect of staff debt write-offs older than three years which were deemed irrecoverable.

2.2 Programme 2: Cultural Affairs

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	4 828	3 535	1 293	4 418	3 441	977
Arts and Culture	180 689	165 975	14 714	101 263	99 914	1 349
Museum Services	33 492	30 645	2 847	33 083	31 600	1 483
Language Services	20 636	19 795	841	14 050	14 017	33
Heritage Resource Services	68 829	64 435	4 394	56 480	56 100	380
Total	308 474	284 385	24 089	209 294	205 072	4 222

The expenditure under this programme was R284,060 million against the final appropriation of R308.474 million. The outcome was under- expenditure of R24.414 million as explained below.

Under *Compensation of employees* the under-spending was as a result of not filling budgeted critical vacant posts, such as the Director: Arts Development, Heritage Services and the Deputy Director: uMzinyathi District. The Office of the Premier did not approve the filling of posts due to the new joint organogram for the merged department not being finalized.

Goods and services reflect under-expenditure largely due to the spending in respect of planned departmental events, such as Africa Day in May 2021 and Youth Day in June 2021, being lower than projected due to the national lockdown restrictions. These events were held but ,with fewer attendees not exceeding 50 attendees and these were held using a hybrid model where other attendees could log in virtually. In addition, the operational costs for the KZN Music House were under-spent as the centre was closed due to renovations being undertaken.

Transfers of subsidies to: Public corporations and private enterprises were under spent as the department did not transfer to Fact Durban Rocks due to one of the events planned for the year being cancelled in view of the Covid-19 pandemic.

Buildings and other fixed structures was under-spent by R8,9million. The budget against this category included the upgrade of the uThungulu Art Centre and upgrade to the Winston Churchill Theatre. There were delays with the upgrade of the Winston Churchill Theatre due to delays with the appointment of the contractor. The bid for the appointment of a contractor closed at the end of October 2021. The department was unable to commence the upgrade of the Winston Churchill Theatre due to illegal occupants living at the accommodation portion of the theatre. The department commenced the process of evicting the occupants, however, the occupants have taken the department to court. The department has decided to do the project in two phases, phase one being to upgrade the theatre first and phase two including the upgrade to the accommodation portion. The contractor was appointed in February 2022 and the site was handed over to the appointed contractor in March 2022. The department anticipates completing the project in September 2023.

With regards to the uThungulu Art Centre, the existing structure was vandalised, and the site was waterlocked. The centre had to be upgraded. The department appointed project managers to assess the site and the existing condition of the centre prior to commencement of the upgrade. This assessment was to be presented to the department's MEC, Arts and Culture Portfolio Committee, Premier and Provincial Treasury's Infrastructure unit. Feedback from all of these stakeholders took longer than anticipated. The MEC has now approved for the project to commence, and the department is planning on advertising the tender for the appointment of a contractor in June 2022.

To mitigate the under-expenditure against this category, the department undertook erecting of park-homes in three districts within Western Region Cluster, one was erected at Osizweni Art Centre (Amajuba District), and Dundee Library Depot (uMzinyathi District), and the last one at the NGR Building in Ladysmith (bought from Transnet through the Department of Public Works). These are all on government structures owned by provincial government.

The department budgeted R4.8 million against *Heritage assets* for the construction of the plinth upon which the statue of King Shaka KaSenzangakona will be erected at the King Shaka International Airport. The department under-spent by R3.673 million against this category due to no further invoices relating to the construction of the plinth being submitted.

Machinery and equipment was over-spent due to the procurement of motor vehicles which was not budgeted for. The department identified the need to replace two motor vehicles as some of the existing fleet had become obsolete.

2.3 Programme 3: Library and Archive Services

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	2 777	615	2 162	1 896	1 717	179
Library Services	284 587	260 089	24 498	262 760	261 801	959
Archives	33 107	29 536	3 571	27 468	27 305	163
Community Library Services Grant	200 775	179 789	20 986	167 370	152 167	15 203
Total	521 246	470 029	51 217	459 494	442 990	16 504

The expenditure under this programme was R470.354 million against the final appropriation of R521.246 million. The outcome was under-expenditure of R50.892 million. This under-expenditure was ascribed to the under-spending under *Compensation of employees* as a result of the non- filling of various budgeted critical vacant posts, such as the Chief Director, Library and Archives Services, the Director Library Services and Assistant Director: Promotional Support and Publishing Division. The Office of the Premier did not approve the filling of posts due to the new joint organogram for the merged department not being finalized, however, only eight posts under the Community Library Services grant were approved. The department has requested for a roll-over of the conditional grant portion of the funds under-spent.

The under-spending was predominately under *Goods and Services* due to delays in the procurement of library books and materials due to the process of aligning the procurement of library books and material to the SCM procurement processes taking longer than anticipated. The department finalised the process of appointing a panel of service providers for the supply of library books in December 2021. However, the procurement was further delayed by appeals raised by unsuccessful service providers who raised queries with the bidding process. Provincial Treasury assisted the department in January by appointing a team to investigate the process and make recommendations on the way forward. The department was given approval to proceed with the process in January 2022, upon finalisation of the investigation. The department requested quotations from the service providers on the panel and one service provider was approved. An amount of R7.788 million was paid for the delivery of magazines, however, this payment was returned by the service provider's bank due to the amount exceeding the limit of R5 million set by the bank thus resulting in the payment being cancelled.

Transfers and subsidies to: Provinces and municipalities was under-spent by R1.067 million due to the department not transferring funds to the Mtubatuba Municipality in respect of staffing and operational costs for the Dukuduku library. The municipality delayed signing the MOA between the department and the municipality. There were internal issues within the municipality which required legal intervention, thus resulting in delays in signing the MOA. After the 2021/22 local elections, there were management challenges within the municipality which resulted in the involvement of court proceedings and the municipality not having management available to sign the MOA. The issues were resolved by the municipality and the MOA was only signed in March 2022.

Transfers and subsidies to: Households reflects under-expenditure of R29 000 due to lower than budgeted staff exit costs.

Machinery and equipment: The under-spending was as a result of delayed delivery of computer equipment ordered from an overseas supplier. There was a higher demand world-wide due to most department and organisations purchasing computers for their employees to enable them to work from home as a result of the Covid-19 pandemic.

The under-expenditure against *Buildings and other fixed structures was* attributed to the department undertaking various repairs and renovation programmes for public libraries under the conditional grant.

However, the expenditure was expensed as the nature of these projects were current in nature. This resulted in under-spending against this category.

2. Roll-over requested from 2021/22 financial year to the 2022/23 year

Conditional grant: R 20.662 million

The department requested for **R 20.662 million** to be rolled over from the 2021/22 financial year against the Community Library Services Grant.

The under-expenditure on *Goods and Services* was as a result of the delay in the procurement of library material. The Department finalized the process of appointing a panel of service providers for the supply of books, after reviewing the systems, in early December 2021. There were delays caused by unsuccessful service providers who were questioning the bidding process through Provincial Treasury. In response to this, Provincial Treasury had to appoint a team to investigate the processes and make a recommendation on the way forward. The Department was only advised in January 2022 to proceed with the process, upon finalisation of the investigation by Provincial Treasury. The Department, thereafter, requested quotations from the service providers on the panel in compliance with the SCM prescripts. The department paid the supplier for magazine subscriptions for KZN Libraries totalling R7.788 million in March 2022, which was returned by the supplier's banker, thus resulting in the payment being cancelled, therefore the funds were requested to be rolled over.

The under-expenditure on *Transfer and subsidies to Local Government* of R1.067 million was for Mtubatuba Municipality. An addendum for staffing & operational costs for Dukuduku Library was prepared and the agreement was only signed late in March 2022. This was due to the issue of management within the municipality, the matter was placed on hold until it was resolved legally.

The under-expenditure on *Machinery and Equipment under Payment of Capital Assets* was due to the delayed delivery of computer equipment. The Department appointed a service provider for the delivery of computers for a multi-year period. The order was issued to the service provider; however, it was highlighted by the service provider that there was limited stock of computers globally due to COVID 19 pandemic and delivery can only be expected around May/June 2022. This then resulted in this amount not being spent

Equitable share : R3.943 million

The department requested for R3. 943 million to be rolled over from the 2021/22 financial year against the equitable share for the following:

Heritage Assets: Construction of the Plinth for the King Shaka statue: R 3. 673 million

The department budgeted R4.897 million in the current 2021/22 financial year for construction of the plinth for the King Shaka Statue. The first tranche payment of R1.224 million paid and the balance of R3.673 million was the balance requested to be for rolled over, as the project is not completed, and funds have not been provided in the 2022/23 financial year.

Transfers and subsidies to: Non – profit institutions: Art Council – R269 823.00

In the 2021/22 financial year, the department requested approval from Provincial Treasury for the ''Shifting of funds" for transfers approved under the Grants-in-Aid category for the Art Council under non-profit institutions. Entities registered under the category, *Transfers, and subsidies to: ''Public corporations and private enterprises''* applied for funding and met the criteria to be funded under the grant in aid category. This was approved by the Provincial Treasury as the "shifting of funds" as the purpose of the funds remained unchanged and approval was at the discretion of the department's Accounting Officer. The approval from the Provincial Treasury was only received on the 6th of April 2022, as a result thereof, these payments could not be processed in the previous financial year. Therefore, a request for the roll-over of funds for the following entities classified as *Transfers and subsidies to: Public corporations and private enterprises*.

The department has also requested for approval of adjustments for these transfers in the current 2022/23 financial year. These transfers were recommended by the departmental Transfer Payment Committee and approved by the Accounting Officer: Department of Arts and Culture. In addition, the department has signed Memorandum's of agreement with each of the listed entities. Copies of the signed agreements are attached as proof of the department's commitments to these entities.

Below is a summary of each of the four entities summarized proposals, being submitted for approval as *Transfers and Subsidies to: Public Corporations and Private Enterprises.*

Vengwa Holdings – R89 095: Their proposal is aiming at up skilling the youth of Ray Nkonyeni municipality through craft work.

Dumolwakhe Academy – R90 364: This organization is under the uThukela district municipality and their aim is to purchase machines for sewing, beads & leather making with materials and accessories to assist in equipping the previously disadvantaged people of their community.

Nhlanhla Enkulu – **R90 364**: This organization is based in Bulwer under the Harry Gwala district and is helping the disabled, unemployed youth, women, and elderly by equipping them through sewing, beadworks and other craft work. They intend purchasing machines & materials for sewing and beadwork.

3. Virements undertaken as post adjustments

The virement outlined below was applied in the preparation of the annual financial statements and was within the prescripts of the PFMA and was within the main divisions of the main vote.

Movement of funds within Programme 1: Administration

The following amounts were moved within this programme:

- R200 000 from *Compensation of employees* (COE) to: *Transfers and Subsidies: Social benefits* for staff exit costs within the sub-programme – Corporate Services.
- R369 000 from within Corporate Services, under *Goods and Services* to the *Payment of financial assets* for debts that were written off in line with the legal opinion received.
- R 3000 under *Interest and rent on land due to interest* that was incurred against invoices from Telkom. The funds were also moved from *Goods and Services* within Corporate Services to offset the over-expenditure.

Movement of funds within Programme 2: Cultural Affairs.

- R173 000 from *Compensation of employees* (COE) to: *Transfers and Subsidies: Social benefits for staff exit costs,* of which R42 000 was within the sub-programme Museum Services and R131 000 within the sub-programme Arts and Culture.
- R 2000 under *Interest and rent on land due* to interest that was incurred against invoices from Telkom. The funds were also moved from *Goods and Services* within Arts and Culture.
- Shifting of funds within the sub-programme Arts and Culture. A submission was made to the Provincial Treasury for approval for the introduction of 21 new transfers which was subsequently approved and appropriated in the 2021/22 adjustment estimates, under the category: *Transfers and subsidies to Private enterprises*. However, after National Treasury commenced with the process of creating the item codes for these new entities, it was then discovered that some of the entities were registered as non-profit institutions. The purpose of the funds remained the same, therefore this movement is classified as a shifting of funds. R1.293 million is therefore being shifted from Transfers and Subsidies: Private enterprises to Non – profit institutions.

Movement of funds within Programme 3: Library and Archive Services

- R 3000 under *Interest and rent on land* due to interest that was incurred against invoices from Telkom. The funds were also moved from Goods and Services within Archives.
- R 2000 under *Interest and rent on land* due to interest that was incurred against invoices from Telkom. The funds were also moved from Goods and Services within Library Services

4. Fruitless and wasteful expenditure

The fruitless and wasteful expenditure opening balance was R1.487 million which was identified in the 2020/21 audit process, as a possible duplication of internet connectivity provided by Telkom to public libraries. The matter was investigated by the departmental Internal Control and Risk Management unit. Following the determination test, the official responsible was identified but has since left the department. Therefore, the expenditure was assessed as irrecoverable and approved by the Accounting Officer as a write off.

In addition, the two transactions totalling R1.326 million identified during the audit process in the 2020/21 financial year, were identified as possible fruitless and wasteful expenditure as they did not go through the assessment process in terms of the fruitless and wasteful framework at that stage. These amounts related to repairs to the MECs vehicle and the variation order for the payment of Expanded Public Works Programme for the Bilanyoni Library. Both transactions were therefore disclosed as fruitless and wasteful expenditure to be assessed, in the annual financial statements in the previous financial year. The latter matter was investigated by departmental Internal Control and Risk Management unit and following the determination test, the official responsible was identified. However, the official has since left the department and the amount was assessed as irrecoverable. The amount was approved by the Accounting Officer for write off. With regards to the repairs to the MECs vehicle, this matter was escalated to the Office of the Premier for a forensic investigation. This matter has not been concluded; therefore, this amount will remain under investigation.

In addition, the department incurred expenditure in respect of “no shows “for accommodation booked for staff and later cancelled. The department was charged R18 720 ,00. These transactions will be investigated.

Other amounts that were included in this note were interest charged on overdue accounts relating predominately to Telkom invoices. These transactions were investigated and based on the investigation there were delays from the invoice date from Telkom until the original invoices was emailed to the Department. No official was found to have caused the delay in processing the invoices hence no consequence management was recommended. Subsequently, these amounts were approved for write by the Accounting Officer.

The amount relating to the prior year was for invoices not submitted for personal protective equipment for the modular libraries. The expenditure was not adequately supported as no evidence could be found for the receipt of invoices therefore, an amount of R1.177 million was included as fruitless and wasteful expenditure.

5. Supply chain management

The policies, processes and systems have been put on place to speed up appointment of contractors and suppliers and service delivery. The SCM policies and standard operating procedures for the procurement of library books have been reviewed and are in place. The delays experienced with regards to the SCM processes have been partly due to the due to capacity constraints in both SCM and infrastructure, in the previous financial years. The backlogs in processing and finalising a number of projects and contracts have been cleared.

6. Gifts and Donations provided

The department made sponsorships and donations to the total value R1.306 million.

The amounts paid were as follows:

The department sponsored the Kholwa Brothers with an amount of R1.200 million for travelling costs to participate in the World Championships of the Performing Arts in Los Angeles. The trip was originally planned to take place in July 2021; however, it was initially postponed due to the World Championships being postponed until November 2021. The trip has subsequently been postponed to 2022 due to the uncertainty of the Covid-19 pandemic. In addition, other amounts were paid to the Bayview Residents (R22 000), 1860 Heritage Centre (R51 000) for the Indian Indentured Labourers Memorial project.

A further R80 000 was paid for the Youth Day celebrations during youth month. An amount of R7 000,00 was donated toward the 100th birthday of Gogo Z. Gwala, a centenarian. The department celebrated the centenarian due to the important role she played in society regarding imparting beneficial indigenous knowledge. Details of the donations are reflected in Annexure: Transfers to Households in the Annual Financial Statements.

7. Exemptions and deviations received from the National Treasury

There were no exemptions and deviations from Treasury guidelines.

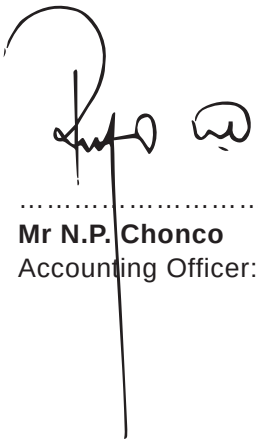
8. Events after the reporting date

The department merged with the Department of Sport and Recreation as at 1 April 2022, to a newly established department under Vote 10 : Sport, Arts and Culture. A joint budget under the new department was appropriated.

9. Other

There are no other material fact or circumstances, which may influence the understanding of the financial state of affairs, not addressed elsewhere in this report.

Approval and sign off



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Mr N.P. Chonco
Accounting Officer: Department of Arts and Culture

1.3.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

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 modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

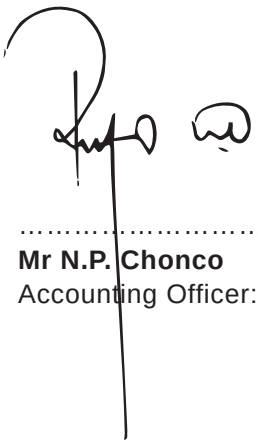
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that 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 my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



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Mr N.P. Chonco
Accounting Officer: Department of Arts and Culture

1.3.6. STRATEGIC OVERVIEW

1.6.1. Vision

Prosperity and social cohesion through arts, culture and heritage.

1.6.2. Mission

To provide integrated arts culture and heritage services for the people of KwaZulu-Natal by:

Developing and promoting arts, culture and heritage in the Province and mainstreaming its role in socio economic development.

1.6.3. Values

In turn values identify the principles for the conduct of the institution in carrying out its mission.

Value	What it means for KZNDAC in practice
Patriotism	• We strive to actively pursue opportunities to uplift the communities of KZN, socially and economically by challenging the status quo and implementing our mandate with passion and dedication whilst remaining true to the values of loyal service to the people. • We are proud of our heritage and committed to the radical transformation agenda of the government of the day. We aim to address the needs of the marginalised and impoverished and will use all available resources to elevate the image of the Province as a significant cultural hub. • We demonstrate our commitment to the nation and the Province by participating in all key government activities and events which we view as opportunities to lobby for key programmes, to stimulate partnerships and to engage with stakeholders about our desire and plans to move our nation and our Province forward.
Ubuntu (care and concern for people)	• Acknowledging cultural diversity in the Province and the needs of the citizens of KZN, particularly the less fortunate, we work with care, empathy and kindness in striving for a better life for all the people of our Province. • We focus on collaboration, working together as a cross-functional team and sharing insights and expertise in order to achieve our goal of creating value in the arts and culture sector in the Province. • We work hard at maintaining a safe and healthy work environment, protecting our assets and scarce resources, developing our people and promoting a healthy work / life balance.
Creativity	• We make listening and comprehending the needs of our stakeholders in the arts and culture sector the foundation of which to proactively innovate, through the creation of new approaches to what we do and new products and services. • We understand the constraints of government, particularly the lack of resources, to pursue all programmes to the full. It is with this in mind that we proactively focus on turning ideas into cutting edge, best in class and ''outside the box'' approaches and solutions.
Integrity	• We understand that our stakeholders value and seek openness, honesty, consistency and fairness from us at KZNDAC. In order to achieve these ideals we have adopted a mind-set of doing what is right and acting in good faith at all times, especially when nobody is watching. • We are committed to ethical behaviour and have a zero tolerance stance towards corruption of any form in the arts and culture sector. Humility, justice and honour underpin our behavioural standards. • We exercise care not to disclose confidential information.
Accountability	• Our accountability to the people of KZN is based on us providing them with high quality services; cost effectively and with the least possible wastage. • We commit to keeping our promises, reporting accurately on our performance and commitments, and taking ownership of the task to ensure that it is done correctly the first time around. • We are driven by purpose and work tirelessly towards achieving our goals, displaying a winning attitude to the achievement and reporting on results and being held to account for our performance.

1.3.7. LEGISLATIVE AND OTHER MANDATES

The Executive Authority, the MEC for Arts and Culture, is responsible for the development and promotion of arts and culture including languages. The Constitution of the Republic of South Africa and other pieces of legislation mandates the provision of library, archives and museum services in the Province by the Executive Authority, The MEC for Arts and Culture.

The mandate of the Department is covered in at least 16 acts and ordinances, some of which dates back to before 1994 and are in urgent need of review. The Rationalisation of Laws project will address this anomaly by repealing obsolete laws, reducing duplication, removing inconsistencies and ensuring that all laws are in line with the spirit of the Constitution. Currently, the Department's mandate is derived from the following laws:

Constitution of the Republic of South Africa, Act 108 of 1996

The Department derives its mandate from Schedules 4 and 5 of the Constitution of the Republic of South Africa. The Constitution provides for the administration of cultural matters as well as a language policy and the regulation of official languages as concurrent functions of the national and provincial spheres of government. Library services, other than national libraries, and museum services are an exclusive function of the provincial government.

In addition, Chapter 2 of the Constitution deals with the Bill of Rights and the Department must ensure that sections 16, 30 and 31 as outlined in this chapter are not compromised.

Chapters 10 and 13: As a public institution, the Department of Arts and Culture must ensure that it is governed in accordance with the said chapters which revolve around public administration and financial matters.

Section 41: Principles of cooperative government and inter-governmental relations are also considered to be critical. The Department of Arts and Culture interacts and interfaces with all spheres of government. In terms of its mandate, it has to work closely with the national Department of Arts and Culture and Municipalities within the Province of KwaZulu-Natal.

Arts and culture legislation

- Cultural Promotion Act No. 119 of 1998
- Cultural Affairs Act No. 43 of 1996
- National Arts Council Act No. 56 of 1997
- South African Geographical Names Council Act No. 118 of 1998
- National Language Policy Framework, 2003
- Pan South African Language Board (PanSALB) Act No. 59 of 1995
- KwaZulu-Natal Parliamentary Official Languages Act No. 10 of 1998
- KZN Archives and Records Management Act No. 8 of 2011
- KZN Provincial Archives and Records Management Regulations, 2014
- National Archives and Records Service of South Africa Act, 1996
- KwaZulu Library Act No. 18 of 1980
- Ordinance 26 of 1973 and its regulations
- Museum Ordinance 26 of 1973
- Regulation 113 of 1975
- Regulation 69 of 1998
- Regulation 187 of 1990
- National Heritage Resources Act No. 15 of 1999

Other legislation and regulations in the public service

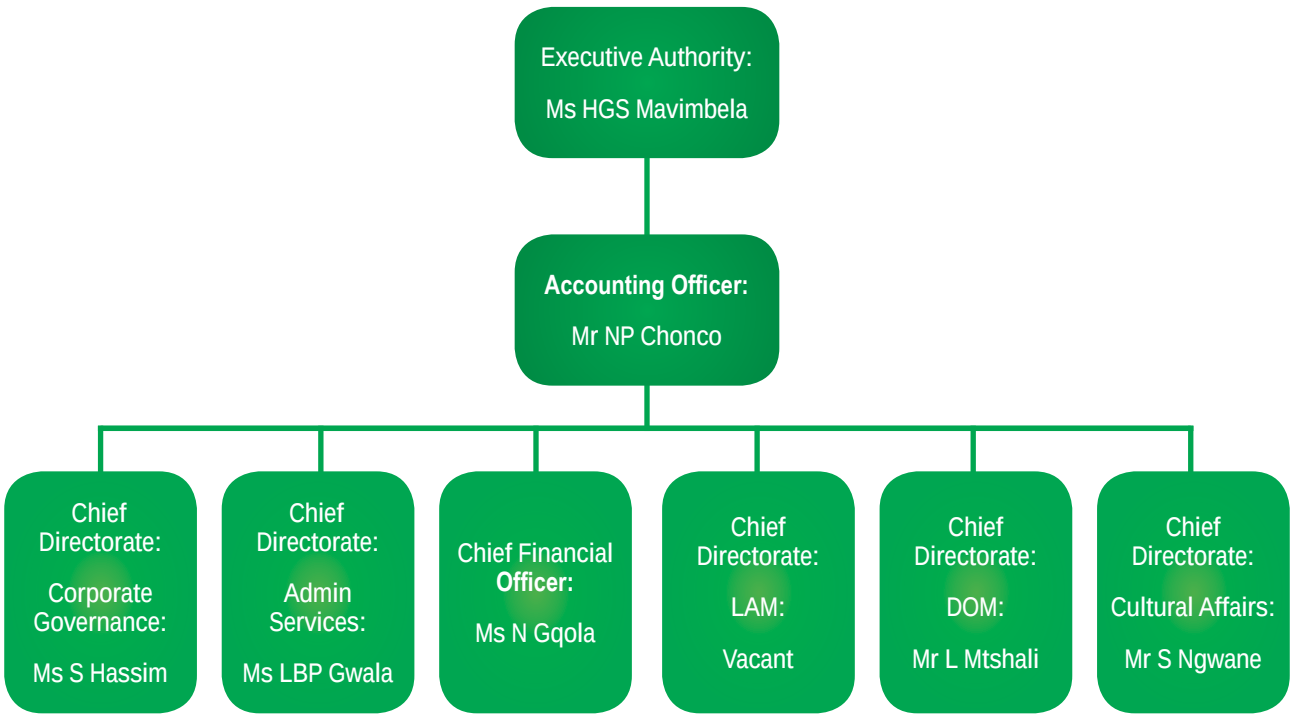
- Basic Conditions of Employment Act (BCEA)
- Public Service Act No. 103 of 1994
- Labour Relations Act No. 66 of 1995
- Occupational Health and Safety Act No. 85 of 1993
- Prevention and Treatment of Drug Dependency Act No. 20 of 1992
- Employment Equity Act No. 55 of 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000
- Skills Development Act No. 97 of 1998
- Electronic Communications Act No. 37 of 2007
- Compensation for Occupational Injuries and Diseases (Workmen's Compensation) Act No. 130 of 1993
- Unemployment Insurance Act No. 32 of 2003
- Long-term Insurance Act No. 53 of 1995
- Government Employees Pension Law Act No. 21 of 1996
- Usury Act No. 73 of 1968
- Medical Schemes Act No. 131 of 1998
- Prevention of Family Violence Act No. 133 of 1993
- Income Tax Amendment Act No. 168 of 1993
- Public Audit Act No. 25 of 2004
- VAT Act No. 61 of 1993
- Tax Amnesty Act No. 19 of 1995
- Companies Act No. 71 of 2008
- Public Finance Management Act No. 1 of 1999
- Preferential Procurement Policy Framework Act
- Broad-based Black Economic Empowerment (BBBEE) Act No 53. Of 2003
- King III report on Corporate Governance
- Intergovernmental Relation Framework Act
- Skills Development Act
- Promotion of Administrative Justice Act No. 3 of 2000
- Protection of Personal Information Act No. 4 of 2013 (POPI)
- Promotion of Access to Information Act No. 2 of 2000
- Prevention and Combating of Corrupt Activities Act No. 12 of 2004

There were no significant changes to the Departments' legislative and other mandates. The Department is in a process of updating its statute book by rationalizing legislation governing arts and culture, archives, library and museum Services.

No legislative changes were finalised during the period under review. However, the following legislation is currently under review and at different stages of finalisation:

- Culture Promotion Act No. 35 of 1983
- Cultural Affairs Act No. 65 of 1989
- Library Policy
- KZN Languages Bill

1.3.8. ORGANISATIONAL STRUCTURE



1.3.9. ENTITIES REPORTING TO THE MINISTER/MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The KwaZulu-Natal Amafa and Research Institute	Heritage preservation and promotion	Transfer of funds	Heritage authority

PART B:

PERFORMANCE INFORMATION

2.4.1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion on the performance against the predetermined objectives and is included in the report to management.

Refer to part E (Financial Information), pages 100-104 of this report for the Auditor-Generals' report.

2.4.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

During the period under review the creative sector continued weathering the COVID 19 storm. A "new normal" is a term introduced by the arrival of the COVID 19 pandemic in the country. It meant the change on how we do things as people. Changes included the reduction of crowds in the public places, reduction of the number of people physically attending meetings and other social events. The need to observe a standing protocol i.e social distancing of at least one metre in our sitting arrangements and queues and periodic sanitizing and or handwashing of our hands using soap. This was done as per the recommendations of the scientists to mitigate the effects of the pandemic while there was still no vaccine available. At the beginning of 2021, the government published a rollout vaccine strategy which prioritized healthcare workers for vaccination, followed by essential services workers. Senior citizens etc. Indeed healthcare workers and other prioritized groups vaccinated in their numbers once their turn has come. Vaccination drive was moving with speed until news surfaced that because of the mutating nature of the virus people who had vaccinated before were still not immune to the virus. This and other negative rumours about vaccine led to a decline in the rate at which people were vaccinated.

As a result of the mutating nature, several COVID waves came and gone and the effects of them were common in that, it increased the number of deaths. As at 31 March 2022 more than 100 000 COVID 19 related deaths had been recorded across South Africa while only about 37% of adults in KZN had been fully vaccinated. More and more jobs were lost due to poor performing economy and the effects of COVID. Employers also reduced the production capacity by laying off thousands and thousands of workers. This combined with other political factors blew the situation out of proportions in KwaZulu-Natal and certain parts of Gauteng. People embarked on a business looting spree. Shops, factories, wholesalers, warehouses etc in the KZN were looted in the broad daylight. It is estimated that damage to property combined with looted goods was worth more than R20 billion. The looting that lasted for about a week had more devasting effects to the South African economy in a sense that a number of small to medium enterprises that were affected could not proceed with their business activities due to damage of property and equipment, loss of stock and capital goods etc. This resulted to further lay off of workers.

Again the government came to the party by establishing interventions like the Social Relief of Distress, Presidential stimulus package and other forms of compensating lost income for the business and individuals. The Social Relief of Distress made provision for the payment of R350 allowance to all unemployed individuals over the age of 18. Business stimulus packages were also provided to all the SMME's whose businesses were affected by both the COVID19 and the social unrest. By this time unemployment rate in the country had risen to 35.3%. These figures are official figure as issued by STATSSA but other people and economists dispute them on the basis that they are based on official number of people actively seeking employment and does not include those who have gave up. Rising inflation as a result of poor performing rand was another factor worth consideration when assessing the economic climate under which the department operated in the year under review.

As a sector we were part of all these economic ills. It could be that the creative sector has been the worst affected given the nature of how the industry operates. Artists and other creative workers were automatically laid off when the Presidency announced the ban on public gatherings. Only those with other means to make income survived under the circumstances. Otherwise many artists and creatives relied on government grants. The issuing of grants was on its own clouded by allegations of nepotism as there were complaints from various circles that those in power were only giving them to their friends and acquaintances. This led to a series of protests and or sit-ins in government offices. Other complaints were around the value of the grants. Some artists claim to make R100 000 per month and with this income were able to pay their mortgage bonds, cars,

school fees etc and there were allegations that government had set the grant ceiling to R15 000 per person and for this amount, they were unable to cover all their expenses.

At a national level and immediately before the country experienced the incidence of the COVID 19, our economy had already slipped into recession. Cultural industries as a major player in the Gross Domestic Products (GDP) of the country was dealt a major blow, as this means there would be less income derived from the goods and services offered by the sector. On the one hand, the increasing demand for the basic services, free education, social grants & social relief of distress etc as promised by government put a strain in the fiscus. Moreover, the imminent merger between the erstwhile Departments of Sport and recreation and Arts and Culture imposed moratorium in the filling of posts from both Departments.

The scenario directly affected the delivery of Arts and Culture services. The department does not encourage rolling of small programmes that has no impact. Instead, funding for the small programmes were pooled together and attempted to deliver one impactful programme. Keeping arts alive is the programme in which the department pooled resources together with a view to achieve this impact.

In an effort to stimulate the sector economically, the department supported various organizations that are in the business of promoting and developing arts and culture in the Province. The group of organizations funded by the department includes Community based arts and culture organizations such as uZulu Arts & Heritage, Ubuntu Arts, Afropolitan Explosiv, Sagiya Foundation, Nela Kahle, EVET Creations, Schomane entertainment etc. These have a very important role they play in communities, in that they ensure youth don't idle instead keep themselves occupied by involving themselves in various arts related projects. Those who excel sometimes break into the mainstream creative industry and some perfect their craft and make a living out of it. The department also use this as poverty alleviation vehicles as they serve as a start- up for various arts and crafts initiatives. The other group of funded organization includes establishments like the Playhouse Company, KZN Music House and KZN Philharmonic orchestra etc. These are the main players in the entertainment and tourism sectors in the Province. They provide employment to a number of people, provide support to emerging artists and communities in various ways. They are the means with which the Province attempt to retain local artists in the Province rather than migrating for greener pastures to other Provinces. 37 of these organizations were funded during the period under review.

In order to attribute to the outcome on access to education, the department built 4 new modular libraries and funded municipalities that are in partnership with the department in the delivery of Library services. The department did not do very well with regards to procurement of new books and this was a result of the fact that it had to revise the standard operating procedure. This revision took longer than anticipated which then had a negative effect on the books purchased.

Heritage unit was also fully incorporated into the department. The unit supported the Amafa Heritage and Research institute to deliver quality heritage service to the Province. The partnership between various municipalities and the Heritage unit assisted in efficient maintenance of the Heroes Acres in gravesites like Imbali and Chesterville. The oral history project continued very well during the period under review with more participants' becoming aware of it and willing to contribute. The Department was able to cover additional themes that were never covered before within the Indigenous Knowledge System (IKS) .

2.4.3 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

OUTCOMES AND IMPACTS	PROGRESS TOWARDS ACHIEVEMENT
Increased economic contribution of the creative industry to the GDP.	• 37 Arts and Culture Organizations were supported. • Supported the hosting of various festivals/ performances. • Supported the hosting of national and historical days. • Supported literature development programme (writing and publishing of two books). • Supported hosting of provincial signature event. • Implemented “Keeping Arts Alive” programme. • Implemented midlands extravaganza. • Created more than 20 marketing platforms for creatives. • Supported exhibitions in the malls
Improved participation of cultural communities in arts and culture platforms (Ethnic groups, Foreigners, races, gender, sexual orientation)	• Hosted music performances and festivals. • Hosted Social Cohesion and Moral Regeneration Committee meeting. • Partnered with various institutions like Blind SA, in furthering the mandate of Arts and Culture. • Implemented the 3 Liberation routes. • Hosted the 150 years commemoration of Charlotte Maxeke and John Dube. • Hosted national day • Hosted community dialogues/ conversation.
Communities utilizing library and archive services	• Built 4 Modular libraries. • Provided free internet services to 153 libraries. • Renovated 4 libraries. • Hosted 6 Oral history projects. • Hosted 17 records and registry management courses. • implemented a reading programme for under 10 year olds in partnership with Family Literacy Project. • Hosted reading competitions for primary school learners • Provided ECD & blind collection to specialized libraries. • Developed feasibility study for the establishment of the Archives repository.

During the beginning of the term of the sixth administration, President Cyril Ramaphosa announced a need to reconfigure government in an effort to minimize wastage and duplication. One of his announcement was that, Departments of Sport and Recreation & Arts and Culture must merge to make one department. At a national level this was done immediately. Flowing from this decision the Premier of the province announced as well that the two departments will merge. Effective from 1 April 2022, these departments ceased to exist and the new one under the leadership of Dr Ndlovu as the Acting Accounting Officer came into effect. The new KwaZulu-Natal Department of Sport Arts and Culture is still operating on different locations and this is mainly due to a lack of appropriate space in the Pietermaritzburg.

The period leading up to the establishment of the new department has been to a certain extent a challenging one for both the erstwhile departments of Sport and Recreation and Arts and Culture in that they had to impose moratorium on the filling of vacant posts especially in the Administration services components while the process of merger was unfolding. This was done so as to ensure that none of the incumbents from the two departments ends up being in excess to the posts establishment. This has had some negative effects on the service delivery as some of these support service functionary are key towards the delivery of core services. The department have nonetheless soldiered on to arrive where it is are today.

During the period under review there were changes that occurred at the Top-Level management of the Department i.e The new Acting Head of Department was appointed with effect from 06.04.2022. One Chief Director was unwell and went for an extended sick leave. The next person in the hierarchy (Director) had already passed away. The Department appointed an incumbent to the Director position on an acting capacity. The other position of Chief Director: Libraries and Archives had been vacant for some time and no acting appointment was made against this post. The Director: Library services was also occupied by an acting incumbent. Overall, the female representation at the top level management was more than 50%.

At a national level, the sixth administration introduced the District Delivery Model which is somewhat similar to the Operation Sukuma Sakhe. The department had already configured its service delivery model to suit the DDM model albeit with 3 or 4 districts clustered into one region. These developments justified that the department put more focus on resourcing the districts. It is the intention of the department to have district offices located in the actual district. Currently personnel servicing districts sit on the four locations i.e Durban Central (eThekwini metro and iLembe) Ulundi (King Cetshwayo, Zululand and uMkhanyakude) Pietermaritzburg (Ugu, uMgungundlovu and Harry Gwala). There are still challenges with respect to the accommodation to house (uThukela, amaJuba and uMzinyathi districts offices) which the department is working on. While the situation is currently like this, it has to be mentioned that district personnel is moving to their district locations on an ad-hoc basis.

As it stands the department is represented to all DDM structures where departmental services are fed into the basket of services offered by the district. On the other hand the department is working closely with the districts arts and culture forums, CCIFSA, KUMISA and other Arts and Culture formations in identifying solutions that responds directly to the sector challenges. Due to limited resources, the department took a conscious decision to abandon too many small-scale projects and programmes and replace them with one or fewer high impact programmes. This led to the birth of programmes like the District arts and culture festivals which are scheduled to take place once a year in each district. The Arts and Culture Signature Event scheduled to take place annually branded KZN Cultural Heritage Experience. In these events, the department does all it can to ensure that all arts forms benefit and are accommodated. It is the intention of the department to grow these events to a level where they become self-reliant by roping in other partners both in the public and private sector. The interaction between the department and the arts and culture forums has made it possible for individual artists affected by the decision of the department to understand and cooperate with a revised vision.

The new vison of the department has come with some benefits in a sense that administration of the too many small-scale low impact events have eased. All the resources relieved from the small-scale low impact programmes have been re-directed for the one or few projects with high impact. The other benefit has been the easing of audit requirements with regards to the many small projects as opposed to one or few.

Employment of creative industry practitioners came to a halt on the day the President announced lockdown due to COVID 19. The sector generates income through shows, events, festivals, exhibitions etc. Due to lockdown and social distancing it became impossible to host these events hence the inability to generate income and subsequent contribution to the GDP. While there are no statistics at this stage, but it is evident that the sector's contribution to the GDP was severely affected. The various COVID waves that saw the President adjusting COVID alert levels so that some activities resumes did not assist the creative sector that much. Besides the direct employment opportunities created by the sector there are also indirect employment opportunities that were adversely affected by the non-functioning creative sector. The short-term job opportunities created in hotel establishments, transport services, etc due to festivals all vanished.

The progress as demonstrated by the achievements above was the minimum the Department could do towards the implementation of these plans. That being said, we have to be mindful of the fact that the department was

hard at work trying to come up with ways and means to mitigate the impact of the pandemic in the sector. This entailed hosting hybrid events, sourcing suitable venues for some events to accommodate the required numbers. The department was successful in organizing some virtual events in which many artists benefitted.

Since the promulgation of the Department in 2004 it has incorporated both Museums and Heritage functions previously with the Office of the Premier. Interestingly, each time the function is shifted it is done so with only the budget salaries and not goods and services. Heritage services was transferred from the Office of the Premier to the department but that was without operational budget. The Department had to find monies from existing programmes if Heritage has to deliver on their programmes. This will done until the Heritage and Museum services are fully accommodated within the small Arts and Culture budget.

On receipt of the two components the department placed them under programme two (Cultural Affairs). Since the inception of the sixth administration there were reports that the two department's have to be one i.e Arts and Culture & Sport and Recreation will be merged to form one department. As reported earlier both departments were negatively affected in a sense that some vacant posts in programme one cannot be filled. This is done to ensure that there are no double parkings in one post since programme one functions are similar across departments.

2.4.4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The table below reflects performance indicators in programme 1.

Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Perfor-mance 2019/ 2020	Audited Actual Perfor-mance 2020/ 2021	Planned Annual Target 2021/ 2022	*Actual Achieve-ment 2021/ 2022	Devia-tion from planned target to Actual Achieve-ment 2021/ 2022	Reasons for deviations
Departmental clean audit opinion	Strategic plans and APP submitted in line with the required prescripts	Number of APP submitted in line with the required prescripts	1	1	1	1	-	No deviation
	Annual report submitted in line with the required prescripts	Number of annual reports submitted in line with the required prescripts.	1	1	1	1	-	No deviation
	Invest more resources to implement the HR plan • Recruitment of staff in line with the approved priority list. • Recruitment in line with employment equity targets • Capacity building of staff.	% vacancy rate	8.33%	7.90%	10%	4.54%	5.46%	% is favourable at less than 10% threshold.
		% of people with disabilities employed in Department	-	1.70%	2%	1.60%	0.40%	There was moratorium in the filling of vacant posts pending the merger of the DAC and DSR.
		% of females in SMS level	-	33%	50%	45.45%	4.55%	There was moratorium in the filling of vacant posts pending the merger of the DAC and DSR.
		% payroll spend on training.	2.3%	1%	1%	1%	-	No deviation
	Compliance with governance	Number of risk management plans monitored	1	1	1	1	-	No deviation
		Number of compliance audit reviews.	25	25	25	28	3	There were 3 more urgent reviews that had to be completed in the year.
		Number of ICT frameworks implemented.	1	1	1	1	-	No deviation

Programme 1 : Administration								
Outcome	Output	Output Indicator	Audited Actual Perfor-mance 2019/ 2020	Audited Actual Perfor-mance 2020/ 2021	Planned Annual Target 2021/ 2022	*Actual Achieve-ment 2021/ 2022	Devia-tion from planned target to Actual Achieve-ment 2021/ 2022	Reasons for deviations
	Promoting economic transformation	Total % value of orders awarded to youth women and people with disabilities	-	-	30%	80.13%	50.13%	Most of goods and services sought by the department were readily available from the targeted groups and over achievement bodes well with the aims of economic transformation.
		% of payments with requisite supportive documents made within 30 days	96.91%	98%	100%	99.2%	0.8%	Suppliers submitted invalid account details and were afforded an opportunity to rectify this before payments were done.
	Sound financial management	Number of consolidated asset registers updated in accordance with asset management policies.	1	1	1	0	1	The department experienced technical glitches with regards to HARDCAT hence the under-achievement.
		Number of clean audit opinion received.	0	0	1	0	1	The department received a qualified audit.
		% variance on expenditure on budget.	2%	2.7%	2%	<2% (11%)	(9%)	Delays in infrastructure development due to various issues like site confirmations, inclement weather, late delivery of materials, unrest etc

Strategy to overcome areas of under performance

Under performance on budget expenditure is mainly attributed to factors the department have limited control over such as site confirmations, inclement weather, late delivery of materials and unrest and that affected Infrastructure development and spending in the department. In another area it would be negligence on the

part of service providers who do not submit valid banking details hence the non-achievement of payment of suppliers within 30 days. System failure in the case of HARDCAT is another factor that is beyond the control of the department and has negatively affected the updating of the asset register. Equity targets are by nature very unstable as people are continuously seeking greener pastures and quite often targeted groups are the ones moving around quicker. On the other hand natural attrition, deaths, resignation have knock on effects in the maintenance of the equity balance. Abled people exiting or entering the service of the department also have effect on the maintenance of the equity balance. Generally, the supply and demand of designated groups regarding Employment Equity does not match. There is a huge demand of people with disabilities and female (SMS) employees whereas there is no matching supply in the market, and this make those available to job hop constantly and causing shortages in the departmental numbers.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The annual performance plan of the department incorporates both the standardized and non-standardized indicators together with concurrent outputs hence nothing will be disclosed under this section.

Reporting on the Institutional Response to the COVID-19 Pandemic

The department procured and delivered to all departmental offices, regions and library depots across the Province personal protective equipment including masks, sanitizers, surgical gloves, counter protective screens etc for employees and clients in the department.

SUB-PRAGRAMMES IN CULTURAL AFFAIRS:

- *District Operations Management.*
- *Cultural Affairs*
- *Heritage Services*
- *Museums Services*
- *Language Services.*

The table below reflect indicators in programme 2 : Cultural Affairs

Programme 2 / Cultural Affairs:								
Outcome	Output	Output Indicator	Audited Actual Perfor-mance 2019/ 2020	Audited Actual Perfor-mance 2020/ 2021	Planned Annual Target 2021/ 2022	**Actual Achieve-ment 2021/ 2022	Devia-tion from planned target to Actual Achieve-ment 2021/ 2022	Reasons for deviations
Increased economic contribution of the creative industry to the GDP.	Financial and non-financial support to cultural and creative industry	No of community structures supported	15	33	15	15	-	No deviation
		Number of cultural and creative industries supported.	29	-	37	37	-	No deviation
	A capacity building strategy that is responsive to the needs of creative industry practitioners.	No of practitioners benefitting from capacity building opportunities.	572		640	645	5	Popularity of some programmes led to increased intake
	Platforms/ opportunities created for cultural and creative industry practitioners to exhibit.	No of marketing opportunities provided to cultural and creative industry practitioners.	35		21	21	-	No deviation
	Partnerships with higher education institutions implemented. Partnerships with DUT,MUT, UKZN, UZ.	Number of partnerships with higher education institutions implemented.	-	-	4	1 UKZN-LPDO	(3)	The requisite number of partnerships were not secured during the year
	Partnerships with civil society, other departments and business.	Number of partnerships implemented to grow the creative industry.	-		4	4 Gcina-masiko KWAF CCA	-	No deviation

Programme 2 / Cultural Affairs:								
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
	Government driven signature event that will draw tourists to the Province and benefit the artists of KZN.	Number of signature events held	-	-	1	1	-	No deviation
	Major provincial government driven events that will draw tourists to the Province: Rural Drakensberg extravaganza. Urban NYE celebration (eThekwini)	Number of major provincial event strategies implemented.	-	1	1	1	-	No deviation
	No of programmes implemented to improve social mood in the Province.	Number of programmes implemented to improve social mood in the Province.	-		1	1	-	No deviation
	Awareness and education campaigns conducted on communities and schools on different cultures. • Cultural exchange programme at school in partnership with DoE.	Number of cultural exchange programmes supported.	-	-	1	1	-	No devition
		Number of Provincial resistance and liberation sites developed.	-	3	3	3	-	No deviation
		Number of exhibitions staged.	-		3	3	-	No deviation

Programme 2 / Cultural Affairs:								
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
	• Multi-cultural exhibitions to highlight cultures. • Community conversations and dialogues. • Programmes to integrate communities. • Sharing of cuisines. • Leisure activities, township tours etc.	Number of community conversations/ dialogues conducted to foster social interaction	22		16	17	1	One additional conversation was prioritized due to conflict that erupted after July social unrest.
		Number of programmes to integrate communities implemented	-	-	1	1	-	No deviation
	Programmes conducted on reconstructing national identity • Community outreach at schools and communities. • Engaging with and documenting the lives of political and arts and culture icons. • "One township one book" initiative assist in writing, publication and ensuring they are available at libraries and book stores. • Awareness in national historical days.	Number of community outreach programmes in libraries. Museums and archives.	162		29	28	(1)	The shortfall in Q1 in was was addressed during Q2-4 however one of the targeted stakeholder (1) was not secured during this year.
		Number of public awareness on "I am the flag campaign".	-		25	27	2	The over achievement was a result of Ad hoc request from client offices.
		Number of Oral History projects undertaken.	4		6	6	-	No deviation
		Number of national and historical days celebrated.	11	10	12	6	(6)	All the planned Imikhosi events were not achieved as the issue of the successor was under challenge
		Number of "One township –one book" initiatives supported.	-	2	4	4	-	No deviation

Programme 2 / Cultural Affairs:								
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
		Number of comprehensive programmes developed in support of heroes and heroines of the Province of KZN.	-	1	1	1	-	No deviation
		Number of commemorative programmes hosted (Charlotte Maxeke and JL Dube).	-		1	1	-	No deviation
	Social cohesion and moral regeneration council functional.	Number of SCMR council supported.	-	1	1	1	-	No deviation
	Integrated Social Cohesion and Moral Regeneration programmes implemented.	Number of integrated Social Cohesion and Moral Regeneration programmes implemented.	-		1	1	-	No deviation
	Management of the transformation of the heritage sector in the Province	Number of new statues constructed	-	-	2	1	(1)	There were challenges experienced with the current service provider for King Shaka Plinth.
		Number of provincial heritage resources authority maintained.	-	-	1	1	-	No deviation
		Number of entity performance monitoring reports generated.	-	-	5	4	(1)	The Q1 report was not submitted timeously hence as at year end only 4 out 5 reports were received.
		Number of heritage related policies developed.	-	-	1	0	(1)	The policy was developed and not approved as at year end

Programme 2 / Cultural Affairs:								
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
		Number of conditional assessment reports generated on the Heroes Acre	-	-	2	2	-	No deviation
	• Programme conducted to promote multi-lingualiism. • English Mother tongue speakers to develop conversational competency in Another African Language (Knowing each other's language can promote understanding and social cohesion)	Number of programmes implemented to support multi-lingualism	-	1	2	2	-	No deviation
	Platforms/ opportunities created for Authors to exhibit their literary works.	Number of platforms created to promote women youth emerging Authors	-	1	1	1	-	No deviation
	• Literature writing workshops. • Literature writing competitions. • Publishing of winning books	Number of capacity building opportunities to cultivate emerging Authors implemented.	-		3	3	-	No deviation

Strategy to overcome areas of under performance

Under performance in the programme is attributed to various factors including the inability to secure requisite number of partnerships with institutions of higher learning. The department will investigate and explore other areas of partnerships moving forward. One stakeholder could not be secured to complete one outstanding outreach programme. This will be made up and included in the 22/23 performance. The other area that was

negatively affected was the national and or historical days celebrated. This was mainly due to government decision not to support the royal household events while there were still challenges around the heir to the throne. Once these have been resolved and the government will continue supporting royal households events. Underachievement was also recorded in the statues constructed. The service provider appointed to produce King Shaka statue experienced challenges towards the end of the project and discontinued. He has since met with the department and agreed to proceed with the project. Entity performance reporting was not achieved because of the misalignment between the entity reporting and the department. These will be aligned in the coming year. Heritage policy was developed but was still not approved at the time of the report. This is going to be finalized in the 2022/23 financial year.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions.

Reporting on the Institutional Response to the COVID-19 Pandemic

Programme 2

Support to Arts and Culture institutions

In line with a government call to accelerate economic transformation, the department financially supported 20 Community based arts and culture organizations and 17 small to medium sized business entities that are in the business of developing and promoting arts and culture in the Province. Support to the community-based organizations followed a process where the department advertised sponsorship or funding of arts and culture projects. Qualifying organizations submitted their applications with a comprehensive project proposal to the department. The Transfer Payment Committee in the department adjudicates the received proposals/ applications and subsequently awarded 21 organizations. 1 organization was unable to fullfil the required payment documentation and was subsequently not supported. The Selection criteria entailed amongst other the following;

- Projects that may create employment opportunities for other people.
- Projects that will unearth and benefit raw talent.
- Projects that will improve socio economic conditions of the area.

The department also financially supported other small to medium sized business entities towards the hosting of various festivals and other arts and cultural activities. It is estimated that during the year under review more than 15000 short term employment opportunities were created through these initiatives. Business establishments in the mainstream economy also benefitted through increased visitors coming to spend money in these events and area (place) generally. The department envisage continuing with the programme as it proves to be of assistance to many artists trying to break in the industry.

Keeping Arts Alive Programme

The devasting effects of the COVID pandemic, July civil unrest and just the poor performance of the South African economy, specifically its inability to create job opportunities, all these contributed to the birth of a sombre and depressing mood amongst and within people in the Province. The implementation of the lockdown regulations further exacerbated the situation the creative sector was already facing. Artists would no longer go out to work to make a living. To mitigate against all these odds, the Department conceptualized multiple programmes that culminated in a ward-based intervention programme. The ward-based intervention programme was aimed at facilitating relief to both perfoming and non-perfoming artists. Over 3000 job opportunities were created through this initiative. To keep the creative sector afloat and while improving the social mood in the Province, the department extended the duration of this programme and enriched it with more artistic genres and renamed as Keeping Arts Alive. Various new ways of hosting events and exhibitions in compliance with COVID protocols were explored. Keeping arts alive alive activities included amongst other the following;

- Arts alive music and dance competitions.
- Social hangouts and pop up visual arts galleries.

- Social cohesion dialogues.
- Mobile studio sessions for artists at a local level.
- Beautification of public spaces

To assist in the rolling out of some of the projects listed above, the department recruited the Cultural and Creative industry volunteers from all local municipalities for the duration of 6 months. Music instruments including sewing machines were distributed to 207 Arts organizations. Overall the programme was able to stimulate the sector, created short-term employment (EPWP), benefitted mainly women, youth and disabled people operating in the creative space. The department will continue with this programme to ensure that impact of the COVID 19 and other negative economic and social occurrences experienced in the past few years are reduced to the minimum.

Marketing opportunities

In spite of the challenging conditions under which the country found itself i.e COVID pandemic, the department had to device ways and means in which artists will make a living. Limitations in terms of events severely affected the sector during the first and the second quarters of the 2021/22 performance year. In quarter 3, when the President had announced the easing of alert level, the department made all that it can to make up for the lost opportunities in the previous 3 quarters. Out of 15 marketing opportunities planned for this quarter, a total of 18 was achieved. During this period many artists were able to secure bookings for performance in various entertainment venues across the Province. It is important to note that these were departmental initiated events. Over and above these there were also event hosted by private entities/ individuals in which artists were also supported to participate like the exhibitions in the pavilion mall. The department also initiated and hosted a week-long event at Ogwini municipality that saw massive support towards the creative sector in the Province. Visual artists, musicians, crafters, comedians etc all found a niche and were able to showcase their talents.

Arts and Culture Structures

The department supports the establishment of the total of 15 Arts and Culture structures to ensure effective delivery of its services.

Arts and Culture forums are a district based structure that supports and assist in the co-ordination during the implementation of the Arts and Culture programmes. It is made mainly by representatives from the various LM's in that District. Arts and Culture forum members receives a monthly stipend for the services they provide to the Forum.

Federation of Community Art centres – This is a forum for government sponsored community art centres who help the department with the furtherance of its mandate. The department uses their infrastructure and resources for the benefit of artists.

Cultural and Creative Industry Federation of South Africa (CCIFSA) – This is a forum that looks after the overall well being of the sector and its sub-sectors. They ensure all sub-sectors in the creative sector are serviced by the department while also represents the interest of the artists and the sector in general.

KwaZulu-Natal United Music Industry Association (KUMISA) – This is an association of the KZN based musicians whose mission is to to ensure that KZN based musicians interests are looked after. They also aims at working with the government and other sectors as a collective rather than as individuals.

KwaZulu-Natal Provincial Geographic Naming Committee – This a committee responsible to make recommendation to the national Minister of arts and Culture regarding names that are to be changed. The department assist the committees by executing the administrative functions and secretariat.

Celebration of National and Historical days.

Human Rights Day Celebrations

The department in partnership with the Office of the premier hosted the Human Right celebrations at Ixopo on the 21 March 2021. In some parts of the Province people are still experiencing forced marriages all in the pre-text that it is customary practice. In a democratic dispensation this is regarded as a criminal offence. It is against this background that the Provincial Government felt the need to highlights these facts in the meetings with the communities.

Freedom Day Celebrations

As part of cementing the national identity, the department in partnership with the Office of the Premier successfully hosted the freedom day celebrations in eNanda in eThekwini metro on 27 April 2021. The occasion came while the country was still under lockdown, however Leaders were emphatic that as South Africa has registered so many gains under the democratic dispensation that needs to be safeguarded against there many threats that we see on daily basis.

Africa Day

This is one of the fastest growing events in the departmental calendar and celebrations for the Africa day were held in Thoyane eThekwini metro on 25 May 2021. Considering the rising incidents of xenophobia and unsavoury racial exchanges from various quarters of the community, it has become even important to preach and instill diversity awareness amongst the people of this Province. To this, end the department implements other initiatives like community conversation/ dialogues to support what Africa Day wants to achieve.

Youth Day

National Youth day was commemorated in the umsunduzi municipality. On this day the President also addressed the nation on the many issues affected youth including the high unemployment rate, substance and drug, gender related abuse etc.

Day of Reconciliation

Day of Reconciliation was held at Income Museum on June 16. On this day years ago heroes perished in the battle of the blood river that was between the Zulu warriors and Voortrekkers. The day is now commemorated as a sign of reconciliation in South Africa.

Royal Household events (Imikhosi kaZulu)

Ordinarily the department supports many if not all the Imikhosi kaZulu. However, during the period under review various dynamics like – Internal Royal Households challenges regarding the throne and the resultant decision by the KZN Cabinet to stop support until the matter is finalized were by and large contributory to their non-support of Imikhosi by the department. At some point the period of mourning and the COVID 19 restrictions somewhat led to disturbances. It is encouraging that the Presidency has since gave the necessary guidance and direction on the matter and as such process have reversed back to normal. Moving forward, the department envisages supporting all the Royal Households event as was before including the flagship Reed dance.

Oral History

Oral history project was introduced by the department close to a decade ago mainly for ensuring that unrecorded history is preserved for the posterity of future generations. Elders and the so called “Organic Intellectuals” are the main participants in this programme. Organic intellectuals is a term used by the department to refer to those who have knowledge of historical events that are of value for the purposes of Oral History. During the period under review, oral history was recorded and transcribed covering the themes listed here-under;

- Inyosi uMdletshe.
- People living with disabilities.
- Indigenous Knowledge Systems
- Clergy and church history
- Impi Yensangu
- Liberation/Resistance struggle

South African national symbols and orders

In a drive to pupularise the national symbols and instil a sense of identity and pride to South Africans, the department implemented an “I am the flag project”. The project entails amongst others sensitizing schools learners on how to correctly hoist the national flag. The department explains what the colours in the flag represents. Learners are also taught on other South African national symbols and orders and their significance towards the South African identity. Presentation of South African

Provincial and liberation sites

Provincial and Liberation routes are the next big thing coming from the Arts Culture and Heritage sector. DCO Matiwane, Albert Luthuli and Johnny Makahathini were identified as the three sites that will be developed over a period of time so that liberation heritage is preserved for the posterity of future generations. Moreover these initiatives has a potential of boosting tourism to the Province. These projects are ongoing and multi-pronged. Various other government agencies will come to the party and contribute towards the attainment of this initiatives. In the past the, interventions like enhancement of collections in selected museums and memorial lectures were hosted.

Maintenance of Heroes Acre

Despite limitations imposed by the COVID 19 pandemic, the department was able to maintain two heroes acre sites i.e. Chesterville and Imbali. Heroes acres are gravesites where some of the mortal remains of South African heroes are. Their proper maintenance and care is very important as some of them were not only heroes to South Africans but to other foreign nationals who inter-acted with them during their lives. Furthermore, proper maintenance makes it easy for visiting tourists who have interest of knowing more about them to be shown their place of rest.

Commemoration of Charlotte Maxeke and John Dube

Poetry competititions, exhibitions and community dialogues were part of activities the Department rolled out to commemorate these stalwarts. The Westville correctional centre hosted the Poetry competition and various museums hosted exhibitions and or displays in relation to the lives and times of this Hero and Heroine. Roundtable discussion and or dialogues in relation to were also held to commemorate the lives of the two individuals

Literature Development Programmes

In an effort to empower local writers' particularly indigenous writers, the department is supporting the one township one book/ one village one book initiave. This is an initiave that seeks to document township/ village stories from the KwaZulu-Natal Province while at the same time empowering the indigenous writers. Historically writers, who writes stories mostly in indigenous languages like isiZulu, isiXhosa or any other South African native language have difficulty in getting support from the well-established publishers. To this end the department has taken an initiave to assist them with funding their research and publishing their work. The department also ensure that their rights in term of the copyright act are protected by walking them through the process of registering their work. The department supported four books during the period under review and these are "ezaseMlaza, ezaseSundumbili, ezaseSikhakeni and ezakwa Mandlakazi".

Multilingualism Programmes

Development of previously marginalized languages is amongst the priorities of the current administration, especially in light of the need to increase access to government services to the citizens through the language of their choice. A lot of people, however are still not aware of their rights pertaining to access to information in a Language they understand. It is for this reason that the department organize and host advocacy programmes to sensitize people on their language rights. As part of the UNESCO calendar the department organized and hosted the commemoration of International Mother Tongue and International translation days. These events assists the department in spreading the message about language equity. Such commemorations will continue in the years to come.

PROGRAMME 3

The table below reflect indicators in programme 3.

Programme 3 / Library, Archive and Museum Services:								
Outcome	Output	Output Indicator	Audited Actual Perfor-mance 2019/ 2020	Audited Actual Perfor-mance 2020/ 2021	Planned Annual Target 2021/ 2022	**Actual Achieve-ment 2021/ 2022	Devia-tion from planned target to Actual Achieve-ment 2021/2022	Reasons for deviations
Communities utilizing library services		Number of library materials procured	180 034	-	90 000	11 371	(78 629)	Book buying process commenced late in the year as it was preceded by the SOP review process..
		Number of "reading for understanding for under 10 year olds" programme supported.	-	-	1	1	0	No deviation
		Number of reading competitions conducted.			12	12	-	No deviation
		Number of MoA with national library services.	=	1	1	0	1	Although the MOA was signed and money transferred. Delivery of some Blind assistive devices were not delivered within the reporting period hence it was regarded as un-achieved.
		Number of new libraries built/ modular libraries supported per financial year	1	5	12	4	(8)	There were infrastructure bottlenecks during the year i.e Site confirmations, inclement weather, unrest, late delivery of materials etc.
		Number of libraries with internet connectivity	-	141	167	143	(24)	3 libraries were not ready in terms of other requirements like electricity, furniture etc.

Programme 3 / Library, Archive and Museum Services:								
Outcome	Output	Output Indicator	Audited Actual Perfor-mance 2019/ 2020	Audited Actual Perfor-mance 2020/ 2021	Planned Annual Target 2021/ 2022	**Actual Achieve-ment 2021/ 2022	Devia-tion from planned target to Actual Achieve-ment 2021/2022	Reasons for deviations
								The Department was engaging with two Municipalities covering 11 Libraries to support with internet connectivity. This did not materialize. 10 more Libraries were under renovation/ refurbishments as such could not provide the internet service.
		Number of existing facilities upgraded for public library purposes.	2	-	2	16	14	Qhudeni and Nongoma. An additional 14 repairs and renovations were made during the period under review
		Number of records management training courses presented to government bodies.	31	-	12	17	5	Additional requests were received hence the overachievement

Procurement of new Library material

The department had in the past few years had challenges regarding the adverse opinion of the Auditor-General in relation to the procurement of new library material. To this end, the department reviewed the procurement of books system and such review led to the development of the new standard operating procedure effective in the 2021/22 financial year. It is worth noting that the review and development of the new SOP was finalized in the second Quarter of this financial year. This resulted to a backlog in terms of the procurement of the new books process. Orders to purchase books were issued in the third quarter. As at the close of the 2021/22 financial years 11 371 new books were purchased as opposed to the target of 90 000.This was to a certain extent that many suppliers were having stock challenges from the publishers. The direct results of these challenges were an extended waiting period from the placement of order until the actual delivery of books. It is envisaged that the department will buy more books this year to steadily make up for the shortfall. Once purchased, the books will be sent to various community libraries across the Province to ensure far and wide access to information.

Provision of Internet to Community Libraries

In keeping with demands of the fourth industrial revolution, the department does everything it can to ensure that all Provincial Libraries are installed and connected to the internet for the benefit of users. During this period more and more people needed to use internet for reasons like online shopping, applying for the jobs and for communication of various important messages. The many limitations imposed by the COVID 19 globally, saw a shift from the traditional ways of doing business i.e personal visits to new virtual methods. During hardlock down in South Africa people were forced to purchase many of the goods and services they needed online. The easing of lock-down came but for many this became the new way of doing things and business. During the period under review connectivity was initially at 141 libraries and this number had increased to 143 at the end of the financial year. It has to be mentioned that this number ought to have increased beyond 153 if the other finished libraries had electricity essential to run the internet, there were no disruptions as a result of renovations/refurbishments to other Libraries and if the department able to take over connectivity in other municipal run libraries.

Blind Collection

To ensure access to information especially for the vulnerable, the department in conjunction with the South African National Library establish a minimum of four blind collection to the existing community libraries. These collection includes specialised equipment like computers, hearing aids, braille materials etc exclusively for the use by visually impaired community. During the year under review these collections were established at Georgedale, Sundumbili and Ncotshane. Furthermore, the department supports the existing blind collections to the more than hundred libraries to date. It supports them by stocking up the braille material and other blind assistive devices. The department intends continuing with this programme until the majority if not all libraries have these collections.

Reading for the under 10 year olds' programme.

The department supports the early childhood development by procurement and supply of Early Childhood material to public libraries. An average of four toy corners are established in mainly rural libraries to ensure that young children learn to visit libraries at their early ages. Toy stories, appropriate books, selected games etc are purchased and delivered to selected libraries solely for the establishment of the ECD collection. Furthermore, the department in partnership with family Literacy projects organize and hosts a series of reading for understanding workshops for under ten year olds across all the districts in the Province. Reading for understanding project is aimed at increasing literacy in the Province and ensure that literacy gaps are addressed at an early age. To make the programme even more vibrant, reading competitions are hosted for various age categories. During the year under review 12 reading competitions were held in various municipalities. The programme is so popular In the rural areas that it ends up attracting adults especially the Senior Citizens. The department does so to achieve broad aims of government like increasing access to Libraries and information especially to the previously marginalized communities.

Building of new libraries

The department continuously builds new libraries in the quest to increase access to education and instill reading and writing culture amongst South Africans, mainly blacks. During the year under review 4 Modular libraries were built and they are KwaNkosi Khumalo, KwaKhetha, Nibela and Franklin. As we have seen during the height of COVOD 19 where tertiary students were sent back home and the online learning replaced the face to face classes, many households became overcrowded and negatively affected those students. The introduction of the Modular libraries some few years ago meant to alleviate problems like these. In the rural communities where there are generally many people within one household, young people enrolled with various institutions like schools universities etc can make use of the study space provided by the modular libraries. It has to be mentioned that the department had targeted to build a total of 10 libraries in the year

under review. However, challenges related to sites confirmations, protests, devastating COVID and July 2021 social unrest all contributed in one way or the other towards the non-finalization of some of these projects. The department will implement an accelerated recovery strategy towards the finalization of these projects in the 2022/23 performance year.

Renovations to existing Libraries

Except building new libraries, the department also ensures that existing libraries are fit for purpose, meaning they are in a usable state. Resultant leaks because of wear and tear have over the years at Nongoma, eMondlo and Ladysmith libraries been problematic and could no longer be tolerated. The department made its intention clear by including these libraries for repairs/ renovations in the 2021/22 annual performance plan. Tenders were advertised and service providers appointed to refurbish and fix what needed attention in the above-mentioned libraries. Most of these rojects lasted for not more than six months and libraries were back to usable state. Maintenance of our infrastructure is key towards the fulfillment of our mandate. For this reason, the department will continue with renovations/ refurbishment to our arts centres, libraries, museums and archives repositories as and when a need arises. The department over achieved in this respect, the Department was able to deal with additional upgrades and refurbishments at the allowing institutions Mondlo, Ladysmith, eDumbe, Dundee, Wartburg, Greytown, Gamalakhe, uMzinto, Harding, Stanger Manor, Darnall, Umhlali and Farleigh.

Records Management

Records management is one of the critical areas identified by the Provincial Leadership to help the Provincial and local government achieve clean governance. It is against this background that records management at Public and Government bodies have been prioritized. Our Archives unit have for the past decade or so been part of the “Back to Basics” project. A project that seeks to renew and revive efficient and effective ways of conducting service delivery. Over the years they have appraised records, conducted records inspections in various municipalities, public institutions and other governmental bodies. During the year under review, records management unit conducted a total of 14 records management training courses and these were attended by employees from various municipalities, hospitals, government departments etc. There has been a general consensus in government that these training courses has led to an improvement with regards to governance and accountability of the departments, municipalities and other government bodies.

Strategy to overcome areas of under performance

Under performance is a mainly attributed to challenges like site confirmations, inclement weather, unrest and late delivery of materials related to Infrastructure development. Delays in the review of the Standard operating procedure for book buying was also another cause for under-achievement.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions.

Reporting on the Institutional Response to the COVID-19 Pandemic

Format of disclosure

The following table must be presented with the relevant information. Include any narratives after the table.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Sub- Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	138 231	137 061	1 170	187 251	142 022	45 229
CULTURAL AFFAIRS	209 294	205 072	4 222	308 474	284 385	24 089
LIBRARY AND ARCHIVE SERVICES	459 494	442 990	16 504	521 246	470 029	51 217
Total	807 019	785 123	21 896	1 016 971	896 436	120 535

2.4.5 TRANSFER PAYMENTS

Transfer payments to Public Entities

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
KwaZulu-Natal Amafa and Research Institute	Research and development of heritage matters in the Province.	57 786 000	57 786 000	Refer to the entity;s annual report

The column for the achievements will be a narrative description.

KZN Amafa and research Institution

The entity has got its own annual report where a detailed activities and achievements are disclosed. The following is a summary key achievements by the entity.

- 4 heritage sites were formally protected as Provincial Heritage Sites as opposed to a target of 1.
- 5 heritage sites formally protected as Provincial Heritage Sites as opposed to a target of 1.
- 17 Ancestral and liberation sites were marked.
- 5 Conservation or Management Plans or Heritage Statements for heritage sites developed.
- 3 commemorative or historical days hosted.
- 3 research projects finalized.
- 2 research publications generated.
- Hosted 2 seminars and or workshops.
- 2 research projects presented at academic or community forum.

Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Last Dance	Private	Festival	Yes	1 100	1 100	
Durban Rocks	Private enterprise	Festival	Yes	1 000	1 000	
Umthayi	NPO	Festival	Yes	500	500	
Drakensburg Extravaganza	Private enterprise	Festival	Yes	1 000	1 000	
Youth own your power	Private enterprise	Festival	Yes	1 000	1 000	
Indoni SA	NPO	Moral Regeneration	Yes	500	500	
Just Gold event and production	Private enterprise	Festival	Yes	350	350	
Mashicolo	Private enterprise	Arts Development	Yes	350	350	
Virtual jazz Concert	Private enterprise	Festival	Yes	350	350	
Nela Kahle Art and Craft	Private enterprise	Arts and Craft festival	Yes	350	350	
Legends and Legacies entertainment	Private enterprise	Arts Development	Yes	350	350	
We inspire Nations	Private enterprise	Arts Development	Yes	103	103	
Saleso Animation	Private enterprise	Arts Development	Yes	350	350	
Ezakithi Digital campaigns	Private enterprise	Arts Development	Yes	350	350	
Yoyo Trading	Private enterprise	Arts Development	Yes	350	350	
MHP Holdings	Private enterprise	Arts Development	Yes	249	249	
Lo'Tamiz Fashion College	Private enterprise	Fashion	Yes	240	240	
Omni music production		Arts Development	Yes	281	281	
COVID 19 Mural project		Arts Development	Yes	350	350	
Evet creations	Private enterprise	Arts Development	Yes	148	148	
Unlimited crew entertainment	Private enterprise	Arts Development	Yes	350	350	
BJ Ngubane Trading	Private enterprise	Arts Development	Yes	349	349	

2.4.6 CONDITIONAL GRANTS

Conditional grants and earmarked funds paid

The table/s below detail the conditional grants and ear marked funds paid for the period 1 April 2021 to 31 March 2022.

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	None
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DORA	-
Amount transferred (R'000)	-
Reasons if amount as per DORA not transferred	-
Amount spent by the department/ municipality	-
(R'000) **Reasons for the funds unspent by the entity**	-
Monitoring mechanism by the transferring department	-

Conditional grants and earmarked funds received

Department who transferred the grant	National Department of Sport, Arts and Culture
Purpose of the grant	To enable communities to access neoformation and knowledge that will improve their socio-economic well being. It is aimed at transforming urban and rural community library infrastructure, facilities and services (primarily targeting the previously disadvantaged communities) through a recapitalized programme at national, provincial and local government level.
Expected outputs of the grant	• Procurement of newl library material. • Building of new libraries. • Upgrading of existing libraries. • Provision of ICT infrastructure. • Improving the culture of learning. • Establish and maintain monitoring and evaluation system. • Establishment of blind services in specialized libraries.
	• Appointment of additional staff. • Provision of capacity building programmes.
Actual outputs achieved	• All outputs were achieved with the exception of the following that were partially achieved. • New libraries built • Procurement of new library material • Establishment of blind services (partially achieved).
Amount per amended DORA	R 200 775 000
Amount received (R'000)	R 200 775 000
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R'000)	R 179 789 000
Reasons for the funds unspent by the entity	Delays in infrastructure development due to challenges like site confirmations, inclement weather, Poor service on part of the contractors etc
Reasons for deviations on performance	Same as above
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

2.4.7 DONOR FUNDS

Donor Funds Received

The table/s below details the donor funds received during for the period 1 April 20YY to 31 March 20ZZ.

Name of donor	
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

2.4.8 CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

Infrastructure projects	2020/2021			2021/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	77 939	51 419	26 520	68 170	63 075	5 095
Existing infrastructure assets				-	-	-
Upgrades and additions	7 500	17 932	(8 376)	91	91	-
Rehabilitation, renovations and refurbishments	24 854	27 846	(15 309)	8 811	6 294	2 517
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	5 000	5 000	0
Current	13 519	13 519	0			
Capital	110 293	107 458	2 835	9 500	9 500	0
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	264 105	218 174	5 670	115 846	71 587	44 259

PART C:

GOVERNANCE

2.5.1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2.5.2. RISK MANAGEMENT

The department has and maintains a risk management policy and strategy which is approved annually by the Accounting Officer. Risk assessments are conducted annually per business unit to identify emerging risks which are then incorporated into the department risk register. Progress on the implementation of the risk mitigating strategies are presented to the Departmental Risk Committee which is chaired by the Accounting Officer and these are also presented before the Cluster Audit and Risk Committee on a quarterly basis.

The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter and regulates its affairs during the discharge of its responsibilities in compliance with the Risk Management Charter. The Committee comprises of the Accounting Officer, Chief Directors and selected Directors who represent core operational functions within the DAC. The Committee held four (4) meetings during the 2021/22 financial year with an average attendance rate of 90%. The Department's Risk Management Unit maintained the following policies,

- Fraud prevention plan
- Risk management policy

2.5.3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Strategy and maintained fraud prevention and investigation policies. A whistle-blowing policy is in place and fully applied.

The Department has maintained processes to collate and send all fraud reported by employees received through walk-in, etc. to the Risk Management Directorate, including the escalation of all allegations received from the Public Service Commission. All reported allegations are escalated to the Accounting Officer for preliminary investigations and follow-up

2.5.4. MINIMISING CONFLICT OF INTEREST

All departmental employees are obliged to declare their financial interest on an annual basis using the financial disclosure form. Level 1-10 declare to the Executive Authority while MMS/SMS members declare to the Office of the Public Service Commission through the online submission administered by the Department of Public Service and Administration. All employees declared their interest as expected for the year under review.

Employees who wish to undertake remunerative work in addition to them being full-time employees of the Department are obliged to seek permission from the Executive Authority. Performance of such work without permission is treated as a serious transgression and as such those who are found doing it without permission are subjected to disciplinary processes.

2.5.5. CODE OF CONDUCT

The Department has made positive strides in ensuring that excellent conduct and good ethics are observed across the all levels in the department**.** The department appointed an Ethics Officer some few years ago to drive monitoring and compliance to generally accepted public sector ethics.

The Department fully subscribes to the Public Service Code of Conduct as issued by the Office of the Public Service Commission. Employees who are in breach of the code are subjected to disciplinary processes applicable to all public service employees.

2.5.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

All departmental buildings have safety and health representatives who have been trained to assist employees in cases of emergency. The department has recently appointed a Health and Safety Officer following the transfer of the previous incumbent some few years ago. It is envisaged that the newly appointed official will lead activities that ought to be executed like Fire drills, safety workshops etc.

2.5.7. PORTFOLIO COMMITTEES

Date	Subject	Brief Detail	Resolution	Responsibility	Time frame	Status
08/06/2021	Evaluation Process	Noting that no evaluations on libraries, Arts centres and Archives been undertaken in the financial year 2021/22	03/06/2021 The outcomes to be separately presented before the Committee prior the APP adjustment	Department		In Progress
24/08/2021	Manyiseni	Noting the number of challenges that need urgent intervention on the library building	01/08 Dept. should urgently liaise with Local Municipality to resolving issues that need their attention	Department	Next meeting	In progress
24/08/2021	KZN Music House	Noting that the report has been forwarded to the Cabinet for the operation of the Music House.	02/08 Final report on the Operation of the Music House to be presented before the Committee	Department	Next Meeting	Matter has been finalised
19/11/21	Infrastructure	Noting the delays in the commencement of construction of infrastructure projects due to delays in the appointment of contractors.	01/11 The Department should regularly give progress report on the construction of Msinga, Nquthu, kwaDlangezwa and Ndaleni libraries.	Department		Progress reported on 3RD report of the Department
	Filling of critical post	Noting the under spend incurred due to delay in filling the budget critical posts.	02/11 Provide a detailed report on the status quo of the filling of the critical budget vacant posts.			Reported on the 29th of April 2022 of the joint Sports and Arts and Culture committees

Date	Subject	Brief Detail	Resolution	Responsibility	Time frame	Status
		Noting the delay in obtaining approval of the conditional assessment and concept report to proceed to design and documentation stage in respect of the uThungulu Arts Centre	03/11 The department should provide a progress report on the conditional assessment and concept report			Progress reported on the 3rd of June 2022 , fourth Q report of DAC
		Noting the delays in procurement of library materials due to the process of aligning the procurement of library books to the SCM.	04/11 Progress report in relation to the goods and services spending and several library materials procured			Progress reported on the 3rd of June 2022, fourth Q report of DAC
		Noting the pending discussion between the entity and DOPW regarding the renovation of the existing building.	05/11 Amafa and Research Institute should provide a progress report on their discussions with Department of Public Works whether to acquire a newly constructed building or renovate an existing one.			Reported on the 3rdQ report of the entity on the 18th of March 2022
01/02/2022	Dukuduku library	Noting several concerns and challenges in respect of the construction and completion of Dukuduku library.	01/02 Detailed report with written responses to be furnished to the Committee within 10 days from the date of the visit.	Department	10 Feb 2022	Report received on the 9th of March 22
01/02/22	Infrastructure projects	Noting delays in commencement of construction of libraries that were allocated budget	02/02 Progress report to be presented before the Committee on the construction of Msinga, Nquthu, kwaDlangezwa and Ndaleni libraries.		Next committee meeting	Received on 03/06 2022

The Portfolio Committee exercises oversight over the service delivery performance of departments.

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and how has the department addressed these matters

2.5.8. SCOPA RESOLUTIONS

Scopa meeting with the Department was held on the 3rd March 2020 and the follow up meeting is scheduled for 30 June 2022.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 93/2022	Overpayments on Infrastructure projects	An amount of R4 030 million was fraudulently paid.	R2 488 million has been offset. Criminal investigation is ongoing.	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 93/2022	Overpayment	Overpayment of R 563 946	Disciplinary matter will be referred to national department where the employee in now employed	No
94/2022	AFS not prepared in accordance with the prescribed reporting framework	AFS not prepared in accordance with the prescribed reporting framework	-	No
Resolution 95/2022:	Fruitless and wasteful expenditure relating to duplicate payments for internet services -	R1.487 million in 2020/21 (relating to Resolution 286/2021)	The official responsible resigned before disciplinary action could be finalised and is no longer employed by the State.	Yes
Resolution 96/2022:	Irregular Expenditure - R74,322 million in 2020/21 (Prior years' irregular expenditure of R372.786 million not yet condoned) (relating to Resolution 287/2021	An amount of R92.417 million was condoned in respect of submission 1 (R212.971 million). The balance was not condoned due to the lack of supporting documents provided for transactions relating to the 2013/14 financial year amounting to R8.523 million and for value for money not being demonstrated for transactions totalling R111.640 million	-	No
Resolution 97/2022: Investigations (relating to Resolution 289/2021	Internal and externa investigations on various cases.	Details are available on various investigations reports.	Some investigations are complete and some are not.	Refer to each investigation report.
Resolution 98/2022:	Filling of Critical Posts (relating to Transversal Resolution 290/2021	-	Filling of 8 critical vacant posts in Libraries have been approved.	Yes

2.5.9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the Audit report.

2.5.10. INTERNAL CONTROL UNIT

The Internal control unit performed its mandatory audit and the department received an unqualified audit outcome. They have supported the functioning of the Audit Committee in executing their functions in terms of the Public Finance Management Act, as amended. For further information refer to the Audit Committee report below

2.5.11. INTERNAL AUDIT AND AUDIT COMMITTEES

Refer to Audit Committee Report below.

2.5.12. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 15 – DEPARTMENT OF ARTS AND CULTURE

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Arts and Culture is served by the Social Protection, Community and Human Development (SPCHD) Cluster.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

Subsequent to the year-end the department has merged with the Department of Sports and Recreation to form the Department of Sports, Arts and Culture, as promulgated on 6 April 2022. The merger has no impact on the future operations of the Department of Arts and Culture which will continue to operate as a separate programme within the newly formed department.

1. Audit Committee Members and Attendance

The PARC and SPCHD CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	SPCHD CARC Meetings Attended
1.	Ms T Njozela (Acting Chairperson of the SPCHD Cluster)	2 of 2	1 of 1
2.	Mr P Christianson	2 of 2	1 of 1
3.	Mr D O'Connor	2 of 2	1 of 1
4.	Mr S Simelane	2 of 2	N/A*
5.	Mr V Ramphal	2 of 2	N/A*
6.	Mr M Tarr	2 of 2	N/A*

**refers to PARC members who did not serve on the SPCHD CARC*

The contracts of five members ended on 31 October 2021 following a two-term of 3 years each. On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. The new Provincial Audit and Risk Committee met on 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year; and held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year. The table below provides details of the newly constituted PARC and attendance of meetings held subsequent to the financial year-end:

#	Name of Member	PARC Meetings Attended	SPCHD CARC Meetings Attended
1.	Mr Z Zulu (PARC Chairperson)	2 of 2	1 of 1
2.	Mr M Tarr	2 of 2	1 of 1
3.	Ms S Makhathini	2 of 2	1 of 1
4.	Mr S Mthethwa	2 of 2	N/A*
5.	Ms R Ramphal	2 of 2	N/A*
6.	Mr S Maharaj	2 of 2	N/A*

2. **The Effectiveness of Internal Control**

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted the Departments improvement of results of the audit. However, there were still weaknesses identified in the control environment, specifically noting the weaknesses in controls over the monitoring and record keeping of financial information, performance information and compliance with key legislation.

Although management interventions on certain control weaknesses were considered by the Committee, the Accounting Officer of the Department of Sports, Arts and Culture is urged to urgently implement strategies that will address the control weaknesses.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct fourteen (14) audit assignments for the period under review, of which ten (10) were finalised, three (3) were deferred to the next financial year and one (1) was cancelled.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2022/23 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the risk management operational plan.

As at the end of the 2021/22 financial year, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
No of identified risk	07	16	16	06	03	48
No of agreed action plans	18	47	39	06	03	113
No of implemented action	15	42	39	06	03	105
No of completed action plans as a (%)	83%	89%	100%	100%	100%	93%

The Committee notes the progress made by the Department in implementing 93% of its risk mitigation plans. The Department is advised to: 1) implement the outstanding risk mitigation plans, particularly for risks classified as critical and major and to re-rate all risks that have completed action plans; and 2) implement the approved Provincial Risk Management and Combined Assurance Frameworks.

5. Quality of in year management and monthly/quarterly reports

Due to the Committee not being constituted for the full financial year, the Committee did not review all reports in respect to in year management and quarterly performance prepared and issued by the Accounting Officer during the year under review in terms of the PFMA and the Division of Revenue Act. The newly appointed Committee will in the 2022/23 financial year ensure that all its responsibilities are met.

Based on the report of the Auditor General, the Committee noted with concern the material underspending of budget related to programmes 1, 2, and 3. The Committee also noted that there were material misstatements on the reported performance information of library and archive services program of the Department. The management of the Department has been urged to implement the appropriate improvement strategies in order to prevent further regression.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted around the failure of the Department to prepare the Annual Financial Statements in accordance with the prescribed financial reporting framework resulting in material adjustments to the Annual Financial Statements. Concerns were further noted on the inadequate expenditure and revenue management, and the failure of the Department to prevent fruitless and wasteful expenditure as a result of inadequate controls over expenditure management;
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department noting the material misstatements reported in performance information of library, archive and museum services programme.

7. Forensic Investigations

The Committee draws attention to paragraph 38 in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

8. Auditor-General's Report

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with findings, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.

……

Mr Z Zulu
Acting Chairperson: Provincial Audit and Risk Committee
15 August 202

2.5.13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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?		
Developing and implementing a preferential procurement policy?		The Department uses the provisions – PPPFA Act 5 of 2000 and its Regulations 2017. It applies pre-qualification criteria for purchase of certain commodities i.e. Level 1 or 2 (EME/QSE) and as provided for in the PPPFA Regs 2017 and also as a condition in the sub-contracting arrangements
Determining qualification criteria for the sale of state-owned enterprises?		
Developing criteria for entering into partnerships with the private sector?		
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?		

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information provided in this part is prescribed by the:

- Basic Conditions of Employment Act, no.75 of 1997, as amended;
- Codes of Good Practice;
- Employment Equity Act, no.55 of 1998 as amended;
- Employee Health and Wellness Strategic Framework, 2009
- Gender Equity Strategic Framework, 2010;
- Labour Relations Act, no.66 of 1995, as amended;
- Occupational Health and Safety Act, no.85 of 1993;
- Promotion of Administrative Justice Act (PAJA), Act, no.3 of 2000;
- Promotion of Access to Information (PAI), Act, no.2 or 2000;
- Protected Disclosure Act, Act, no. 26 of 2000;
- Public Finance Management Act, no.1 of 1999;
- Public Service Act, no.30 of 1994;
- Public Service Amendment Act of 2007
- Public Service Coordinating Bargaining Council (PSCBC) resolutions;
- Public Service Regulations, 2016;
- Public Service Training and Education White Paper;
- Skills Development Act, no.97 of 1998;
- The Constitution of the Republic of South Africa, Act, no.108 of 1996;
- Transforming the Public Service Green Paper;
- Treasury Regulations of 2005;
- White paper on Affirmative Action in the Public Service;
- White Paper on Human Resource Management in the Public Service;
- White Paper on Transformation of the Public Service; and
- White Paper on Transforming Public Service Delivery;

2. OVERVIEW OF HUMAN RESOURCES

Status of the Human Resources in the Department

Public Service Regulations, 2016 and the Human Resource Planning Strategic Framework Vision 2015 mandate human resource planning in all Government Departments to be undertaken. The Department of Arts and Culture has an approved Human Resource Plan (2021-2023) which was developed to address the current and future workforce Human Resources challenges within the Department.

The Plan is aimed at determining the demand and supply of skills that are critical to achieve the strategic objectives of the Department. This Plan is aimed at analysing the gaps between the demand and supply in order to develop strategies that will assist in closing those gaps. The success of any organisation is dependent on the availability of employees who have appropriate competencies, skills and knowledge required for enabling the Department to be competitive, forward looking, and focused on achieving its priorities.

The current Departmental HR Plan for 2021-2025 is assessed annually to determine whether an adjustment is required in the event that a change to the Departmental strategy has occurred and it might have an impact on the current HR priorities. Subsequently, the Department has merged with the Department of Sport and Recreation which will necessitate a review/adjustment of the plan. This current approved HR Plan sets out to review human- resource-capacity needs systematically to ensure that the Department ultimately has the right number and type of Human Resources and practices to deliver relevant, comprehensive, professional and efficient public-sector service to the people of KwaZulu-Natal. It also sets out to ensure that the composition of the Department becomes more representative of the society it serves.

Over and above meeting the compliance criteria, this Human Resource Plan is an important tool which will be used to analyse the strategic objectives of the Department within the political, environmental, social, technological, economical and legal factors which impact on the Department. The analysis was done in terms of the workforce within the Department of Arts and Culture before the merge to determine whether it will achieve its strategic objectives within the prevailing applicable factors.

HR challenges identified in the Departmental HR Plan

The Department experiences a number of human resource related strategic issues or challenges which were identified in the Draft HR Plan as follows:

- Delays in finalizing some evaluated posts including by the DPSA due to no system available;
- Lack of implementation of targeted Change Management strategies;
- Delays in approval of the reviewed Departmental Organisational Structure which include Department of Sport and Recreation;
- Lack of understanding of legislative prescripts and its implementation;
- Shortage of personnel or capacity due to budget constraints;
- High labour turnover;
- Gaps in Wellness Management;
- Inadequate office space and implementation of SHERQ measures;
- Insufficient training and development budget to address all the skills gaps; and
- Inability to reach employment equity targets;

Human Resource prioritised HR Strategies and their impact

The Department prioritised the following HR Strategies to address issues and challenges identified and mentioned above:

- Make follow ups on progress with regards to the finalisation of the new system to ensure that jobs are properly graded or benchmarked timeously;
- Evaluate all jobs required by the new Organisational structure to ensure that these posts are properly graded;
- Implement the approved Change Management policy with roles and responsibilities attached to all role players to ensure that all stakeholders play a part in the implementation of the Change Management;
- Finalise consultation of the reviewal of the Organisational Structure and implement it so that it assists the Department in meeting its strategic goals;
- Map business processes for distribution and consideration/adherence by all business units to ensure graphic illustration of the processes and streamlining business processes to cut costs and improve turnaround times in delivering the services;

- Conduct further workshops on labour relations matters to capacitate officials for better understanding of the prescripts and procedures to reduce misconducts;
- Attract and recruit suitably qualified and competent personnel to ensure adequate supply of personnel within units so as to meet the Departmental Strategic Objectives;
- Implement the reviewed Retention Policy and strategies to reduce labour turnover;
- Monitor leave management to ensure full accountability by supervisors of leave taken by their subordinates;
- Implement approved EHWP operational plans i.e. Wellness Management, HIV & AIDS, TB, Health and Productivity Management and SHERQ to ensure that the Department has employees that are healthy, productive and dedicated to their work;
- Provide regular office inspections and advise in terms of suitability of offices to ensure the safety of Departmental officials;
- Provide efficient and effective development programmes to ensure a skilled workforce that will assist in achieving the strategic goals of the Department;
- Recruit in line with Employment Equity targets of the Department to ensure equity in the work place;

Highlighted HR Plan achievements in the reporting period in question

The following are some of the HR Plan achievements noted in the last financial year:

- Implemented the Departmental Change Management Policy to facilitate Departmental change initiatives as well as trained the Departmental Change Management Steering Committee;
- Held consultative meetings with business units and all stakeholders to discuss their structural inputs as part of the consultations.
- Participated in the Provincial PMOG committee and work streams dealing with the merger between KZN DAC and KZN DSR;
- Drafted the Organisational Structure of the new Department (Sport, Arts and Culture);
- Recruited 4 permanent personnel, Contract 28 and EPWP 384;
- Reduced the vacancy rate to 4.27% which is below the acceptable 10%;
- Vetted and verified qualifications for all newly appointed personnel;
- Conducted safety evacuation workshops in some Departmental offices;
- Conducted Voluntary Health Screening sessions;
- Trained Safety Representatives in fire fighting and conducted fighting drills;
- Conducted safety audits / inspections and decongested offices to comply with COVID-19 regulations;
- Implemented the policy on Promoting Physical Exercises & Sports, Recreation & Relaxation Activities Amongst Employees;
- Participated in the District Soccer League;
- Conducted various virtual and physical workshops on COVID 19 management and compliance matters;
- Distributed condoms in some offices;
- Compiled the ATR and WSP which was submitted to the PSETA by 30 April 2021 and subsequently implemented it;
- Rolled out 20 training programmes for the 2020/21 financial year;
- Trained 275 permanent employees;
- Awarded 12 bursaries to employees for 2021 academic year and 15 for the 2022 academic year;
- Awarded 14 bursaries to external students for the 2021 academic year;

- Trained 30 graduate interns;
- Trained 12 student interns;
- Trained 33 young patriots (funded by NYDA through the National Department of Sport, Arts and Culture;
- Achieved 61.29% representation of women at all levels against the 54% target, 47.62% representation of women at SMS levels against 50% target, and 1.61% representation for People with Disabilities (PWD's) against 2% target;
- Conducted HR Policy workshops to all employees on 10 policies including Employment Equity policy and EPMDS Policy;
- Coordinated the moderation of all performance reports and payments of performance incentives;
- Facilitated submissions of those performing remunerative work outside their work; and
- Facilitated submissions with regard to disclosure of financial interests.

Future HR Plans/ goals

The assumptions and objectives on which the Departmental HR Plan are valid as they were researched within the Department and the Public Service. The plan for 2021-2023 was approved and implemented. Most milestones from the previous plan were achieved, although some of the strategies have taken longer to implement because of the scarce resources (mostly finance and staff), but their continuous availability will certainly assist in achieving the departmental goals and objectives. The HRM&D has aligned all the identified new HR Strategies of the Departmental HR Plan to the Directorate's Operational Plans. These strategies are monitored through monthly, quarterly, annual HR Implementation Reports or Close Out reports, amongst others. There is also periodic reporting to all the various institutions as legislated and amongst them are: the DPSA, Department of Employment and Labour, Office of the Premier and CATHSSETA.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	141971	69100	527	0	49	388
CULTURAL AFFAIRS	285532	87370	91	0	31	183
LIBRARY & ARCHIVE SERVICES	480858	72800	0	0	15	359
Total as on Financial Systems (BAS)	908361	229270	618	0	25	267

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Personnel expenditure (R'000) incl. transfers	% of total personnel cost	No. of employees	Average personnel cost per employee
01 Lower skilled (Levels 1-2)	4722	2	25	188888
02 Skilled (Levels 3-5)	31813	13	113	281529
03 Highly skilled production (Levels 6-8)	74061	30	173	428098
04 Highly skilled supervision (Levels 9-12)	76050	31	101	752970
05 Senior management (Levels >= 13)	25351	10	21	1207180
10 Contract (Levels 1-2)	249	0	1	248537
11 Contract (Levels 3-5)	746	0	2	372806
12 Contract (Levels 6-8)	746	0	29	25711
13 Contract (Levels 9-12)	4474	2	5	894733
14 Contract (Levels >= 13)	4225	2	3	1408376
20 Abnormal Appointment	8947	4	385	23242
TOTAL	231383	93	858	269677

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	59987	78	438	0,60	1570	2	3065	4
CULTURAL AFFAIRS	75271	78	174	0,20	2287	2	4225	4
LIBRARY & ARCHIVE SERVICES	60566	81	0	0,00	2886	4	5660	8
TOTAL	195824	79	612	0,20	6743	3	12950	5

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	3406	73	0	0,00	314	7	494	11
02 Skilled (Levels 3-5)	23821	73	184	0,60	1915	6	3410	10
03 Highly skilled production (Levels 6-8)	63514	82	270	0,30	2866	4	6226	8

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
04 Highly skilled supervision (Levels 9-12)	70688	86	158	0,20	1283	2	2561	3
05 Senior management (Levels >= 13)	24583	83	0	0,00	347	1	194	1
10 Contract (Levels 1-2)	146	91	0	0,00	0	0	0	0
11 Contract (Levels 3-5)	838	97	0	0,00	0	0	0	0
12 Contract (Levels 6-8)	670	87	0	0,00	0	0	65	9
13 Contract (Levels 9-12)	4232	73	0	0,00	18	0	0	0
14 Contract (Levels >= 13)	3926	86	0	0,00	0	0	0	0
20 Abnormal Appointment	0	0	0	0,00	0	0	0	0
TOTAL	195824	79	612	0,20	6743	3	12950	5

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment (Incl. Intern and Temp posts)	Number of **posts filled (Incl.** Intern and Temp posts)	Vacancy Rate	Number of employees / posts additional to the establishment
ADMINISTRATION	150	141	1.83	28
CULTURAL AFFAIRS	151	150	0.20	0
LIBRARY & ARCHIVE SERVICES	193	182	2.24	0
Grand Total	494	473	4.27	28

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment (Incl. Intern and Temp posts)	Number of **posts filled (Incl.** Intern and Temp posts)	Vacancy Rate (permanent posts)	Number of employees / posts additional to the establishment
Lower Skilled (Levels 1-2), Permanent	26	25	0.20	0
Skilled (Levels 3-5), Permanent	114	113	0.20	0
Highly Skilled Production (Levels 6-8), Permanent	182	173	1.83	0
Highly Skilled Supervision (Levels 9-12), Permanent	109	101	1.63	0
Senior Management (Levels 13-16), Permanent	23	21	0.41	0
Other	28	28	0	28
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	2	2	0	0
Contract (Levels 6-8)	1	1	0	0
Contract (Levels 9-12)	5	5	0	0
Contract (Levels 13-16)	3	3	0	0
TOTAL	494	473	4.27	28

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts **filled**	Vacancy Rate	Number of employees / posts additional to the establishment
Curator	2	2	0	0
Archivist	20	20	0	0
Collections Practitioner	2	2	0	0
TOTAL	24	24	0	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

  a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

  b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

  c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

  d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts **filled**	% of SMS **posts filled**	Total number of SMS posts vacant	% of SMS posts vacant
MEC Salary Level 16	1	1	4.17	0	0
HOD Salary Level 15	1	1	4.17	0	0
Salary Level 14	5	5	20.83	0	0
Salary Level 13	17	15	62.5	2	8.33
Total	24	22	91.67	2	8.33

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts **filled**	% of SMS posts **filled**	Total number of SMS posts vacant	% of SMS posts vacant
MEC Salary Level 16	1	1	4.17	0	0
Head of Department	1	1	4.17	0	0
Salary Level 15	1	1	4.17	0	0
Salary Level 14	6	6	25	0	0
Salary Level 13	16	15	62.50	1	4.17
Total	24	23	95.83	1	4.17

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per **level filled in 6 months of** becoming vacant	Number of vacancies per **level not filled in 6 months but filled in 12 months**
MEC Salary Level 16	0	0	0
HOD Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	0
Total	1	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Merger between DAC and DSR

Reasons for vacancies not filled within twelve months
Merger between DAC and DSR

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Merger between DAC and DSR

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2), Permanent	26	0	0	0	0	0	0
Skilled (Levels 3-5), Permanent	114	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8), Permanent	182	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12), Permanent	109	0	0	0	0	0	0
Senior Management (Levels 13-16), Permanent	23	0	0	0	0	0	0
Other	28	0	0	0	0	0	0
Contract (Levels 1-2)	1	0	0	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0	0	0
Contract (Levels 6-8)	1	0	0	0	0	0	0
Contract (Levels 9-12)	5	0	0	0	0	0	0
Contract (Levels 13-16)	3	0	0	0	0	0	0
TOTAL	494	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Library Assistant	02	04	05	Resolution 3 of 2009
Administration Clerk Supervisor	02	07	08	Resolution 3 of 2009
Assistant Director	01	09	10	Resolution 3 of 2009
Deputy Director	01	11	12	Resolution 3 of 2009
Total number of employees whose salaries exceeded the level determined by job evaluation				06
Percentage of total employed				1,2%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	03	00	01	00	04
Male	02	00	00	00	02
Total	05	00	01	00	06

Employees with a disability	0	0	0	0	0

Notes

If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following

Total number of Employees whose salaries exceeded the grades determine by job evaluation	

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	26	0	1	3.80
Skilled (Levels 3-5)	123	0	10	8.10
Highly skilled production (Levels 6-8)	182	3	11	3.30
Highly skilled supervision (Levels 9-12)	105	1	6	3.80
Senior Management Service Bands A	16	0	1	6.30
Senior Management Service Bands B	6	0	1	16.70
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	1		0	0
Contracts	24	590	256	1066.00
Periodical Remuneration	0	0	0	0
Abnormal Appointment	0	0	0	0
Total	483	594	286	

Table 3.5.2 **Annual** turnover rates by critical occupation for the period *1 April 2021 and 31 March 2022*

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Curator	2	0	0	0
Archivist	20	1	0	0
Collection Practitioner	2	0	0	0
Restoration and Conservation Practitioner	1	0	0	0
TOTAL	25	1	0	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	6	2.10
Resignation	11	3.84
Contract	256	89.51
Periodical Remuneration	0	0
Abnormal Appointment	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	2	0.70
Retirement	4	1.40
Transfer to other Public Service Departments	7	2.45
Other	0	0
Total	286	100
Total number of employees who left as a % of total employment	33	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Curator	2	0	0	2	100%
Archivist	20	0	0	20	100%
Collection Practitioner	2	0	0	2	100%
Restoration and Conservation Practitioner	1	0	0	1	100%
TOTAL	25	0	0	25	100

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2) Permanent	26	0	0	25	96.15%
Skilled (Levels 3-5) Permanent	123	0	0	117	95.12%
Highly skilled production (Levels 6-8) Permanent	182	1	0.54	176	96.70%
Highly skilled supervision (Levels 9-12) Permanent	105	2	1.90	105	100%
Senior Management (Level 13-16) Permanent	24	0	0	20	83.33%
Other	12	0	0	0	0
Contract (Levels 1-2)	1	0	0	1	100%
Contract (Levels 3-5)	2	0	0	2	100%
Contract (Levels 6-8)	1	0	0	1	100%
Contract (Levels 9-12)	5	0	0	5	100%
Contract (Levels 13)	2	0	0	2	100%
Total	483	3	2.44	454	94%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational Categories	FEMALE				MALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	9	0	2	0	12	0	1	0	24
Professionals	54	2	6	3	36	0	1	4	106
Technicians and Associate Professionals	94	4	11	6	45	2	3	0	165
Clerks	80	3	0	1	53	0	2	1	140
Labourers and Related Workers	15	1	0	0	20	0	2	0	38
Grand Total	252	10	19	10	166	2	9	5	473
Employees with Disabilities	2	0	1	0	3	0	1	0	7

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational Bands	FEMALE				MALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Permanent)	1	0	0	0	0	0	0	0	1
Senior Management (Permanent)	8	0	2	0	9	0	1	0	20
Prof Qual & Exp Mid-Management (Permanent)	51	2	6	3	34	0	1	4	101
Skilled Qual & Jun-Management (Permanent)	97	4	11	7	47	2	4	1	173
Semi-Skilled (Permanent)	60	4	0	0	47	0	2	0	113
Unskilled (Permanent)	11	0	0	0	13	0	1	0	25
Other	18	0	0	0	10	0	0	0	28
Top Management (Contract)	0	0	0	0	1	0	0	0	1
Senior Management (Contract)	0	0	0	0	2	0	0	0	2
Prof Qual & Exp Mid-Management (Contract)	3	0	0	0	2	0	0	0	5
Skilled Qual & Jun-Management (Contract)	1	0	0	0	0	0	0	0	1
Semi-Skilled (Contract)	1	0	0	0	1	0	0	0	2
Unskilled (Contract)	1	0	0	0	0	0	0	0	1
Total	252	10	19	10	166	2	9	5	473

Table 3.6.3 Recruitment for the period 1 April 2021 and 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0		0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contracts	151	0	0	0	439	0	0	0	590
Contract level 13	0	0	0	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0	0
Total	152	0	0	0	442	0	0	0	594
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2021 and 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0		0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	2	0	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2021 and 31 March 2022

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Permanent)	0	0	0	0	0	0	0	0	0
Senior Management (Permanent)	2	0	0	0	0	0	0	0	2
Prof Qual & Exp Mid-Management (Permanent)	4	0	0	0	1	0	0	1	6
Skilled Qual & Jun-Management (Permanent)	4	0	0	2	4	0	0	1	11
Semi-Skilled (Permanent)	5	0	0	0	5	0	0	0	10
Unskilled (Permanent)	1	0	0	0	0	0	0	0	1
Other [interns]	0	0	0	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0	0
Senior Management (Contract)	0	0	0	0	0	0	0	0	0
Prof Qual & Exp Mid-Management (Contract)	0	0	0	0	0	0	0	0	0
Skilled Qual & Jun-Management (Contract)	0	0	0	0	0	0	0	0	0
Semi-Skilled (Contract)	82	0	0	0	174	0	0	0	256
Unskilled (Contract)	0	0	0	0	0	0	0	0	0
Total	98	0	0	2	184	0	0	2	286

Table 3.6.6 Disciplinary action for the period 1 April 2021 and 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
0	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2021 and 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers 13-15	5	0	1	0	6	0	2	0	14
Professionals 9-12	17	0	0	1	24	2	2	1	47
Technicians and associate professionals 7-8	23	0	0	0	41	0	3	0	67
Clerks 4-6	4	0	0	1	17	0	0	0	22
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations 1-3	2	0	0	0	0	0	0	0	2
Interns & Patriots	9	0	0	0	27	0	0	0	36
Total	60	0	1	2	115	2	7	1	188
Employees with disabilities	0	0	0	0	0	0	1	0	1

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
MEC Salary Level 16	1	1	1	100%
Head of Department Salary Level 15	1	1	1	100%
Salary Level 14	6	6	5	83.33%
Salary Level 13	16	15	12	80%
Total	24	23	19	82.61%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2017.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
Non-Compliance.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2020

Reasons
• List of Non-compliant officials was forwarded to Employee relations for further processing.
• Non-compliant officials will not be granted related benefits.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

2.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 and 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of **beneficiaries**	Number of employees	% of total within group	Cost	Average cost per employee
African	4	378	1.06%	87 310	21 927.50
Male	2	151	1.32%	43 780	21 890.00
Female	2	227	0.88%	43 530	21 765.00
Asian	0	28	0	0	0
Male	0	9	0	0	0
Female	0	19	0	0	0
Coloured	0	12	0	0	0
Male	0	2	0	0	0
Female	0	10	0	0	0
White	0	15	0	0	0
Male	0	5	0	0	0
Female	0	10	0	0	0
Total	4	433	0.92%	87 310	21 927.50
Employees with a disability	0	7	0	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 and 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure (000)
	Number of **beneficiaries**	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1-2), Permanent	0	25	0	0	0	0
Skilled (Levels 3-5), Permanent	3	113	2.65%	R 69 930	23 310	0.03%
Highly Skilled Production (Levels 6-8), Permanent	0	173	0	0	0	0
Highly Skilled Supervision (Levels 9-12), Permanent	1	101	0.99%	R 17 380	17 380	0.01%
Other	0	28	0	0	0	0
Contract (Levels 1-2)	0	1	0	0	0	0
Contract (Levels 3-5)	0	2	0	0	0	0
Contract (Levels 6-8)	0	1	0	0	0	0
Contract (Levels 9-12)	0	5	0	0	0	0
TOTAL	4	449	0.89%	87 312	21 828	0.04%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of **beneficiaries**	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Curator	0	2	0	0	0
Archivist	0	20	0	0	0
Collections Practitioner	0	2	0	0	0
TOTAL	0	24	0	0	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 and 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure (000)
	Number of **beneficiaries**	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	15	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	22	0	0	0	0

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
-	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
-	0	0	0	0	0	0

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% Days with Medical **certification**	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	117	88.90	13	5.30	9	68
Skilled (levels 3-5)	518	81.70	78	31.70	7	465
Highly skilled production (levels 6-8)	818	81.70	106	43.10	8	1279
Highly skilled supervision (levels 9 -12)	247	87.00	39	15.90	6	676
Top and Senior management (levels 13-16)	92	95.70	10	4.10	9	410
Periodical appointment	0	0	0	0	0	0
Contract	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	1792	83.60	246	100	7	0

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% Days with Medical **certification**	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	6	100	2	10	3	4
Skilled (Levels 3-5)	144	100	8	40	18	112
Highly skilled production (Levels 6-8)	235	100	7	35	34	654
Highly skilled supervision (Levels 9-12)	143	100	3	15	48	335
Senior management (Levels 13-16)	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	528	100	20	100	26	805

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	541.00	24	23
Skilled Levels 3-5)	3004.75	120	25
Highly skilled production (Levels 6-8)	4039.00	174	23
Highly skilled supervision(Levels 9-12)	2246.00	103	22
Senior management (Levels 13-16)	374.00	20	19
Periodical Remuneration	0	0	0
Abnormal Appointment	0	0	0
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	26.00	4	7
Contract (Levels 6-8)	0	0	0
Contract (Levels 9-12)	0	0	0
Contract	0	0	0
Contract (Levels 13-16)	10.00	1	10
Total	10240.75	446	23

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on end of period
Lower skilled (Levels 1-2)	0	0	0	48
Skilled Levels 3-5)	0	0	0	29
Highly skilled production (Levels 6-8)	1	1	1	43
Highly skilled supervision(Levels 9-12)	0	0	0	48
Senior management (Levels 13-16)	0	0	0	70
Periodical Remuneration	0	0	0	0
Abnormal Appointment	0	0	0	0
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Total	1	1	1	42

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2021/22	128	3	42 667.00
Current leave payout on termination of service for 2021/22	553	22	68 521.00
Total	681	25	1 11 188.00

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/ his name and position.	X		Acting Director: Human Resources Management and Development Mr NZ Hlongwa. Now this is the responsibility of Ms LBP Gwala, Chief Director: Admin Services.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Employee Health and Wellness Unit, Two EHW Practitioners and acting deputy director Mr NZ Hlongwa. Approximately R400 000 budget is set aside for the component.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Employee Health and Wellness Programme has the following four components:- HIV & AIDS and TB Management, Health and Productivity Management, Safety, Health, Environment, Risk and Quality Management and Wellness Management Pillars
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	No committee has been established
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV and AIDS Management Policy Occupational Health and Safety (SHERQ), Health and Productivity Management, COVID-19 Containment policy, Labour Relations and People Management Policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV and AIDS and TB Management, Health and Productivity Management as well as COVID-19 Containment Policies
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Employees attend Health Screenings when the GEMS/ DOH is on site. No officials tested HIV Positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		The Department utilises the Assessment Readiness Tool as well as the EHW Integrated Reports to monitor and evaluate the impact of the programme.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

None	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Combination sanctions: Three months suspension without pay and a Final Written Warning	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	0	0

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	0

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Failure to follow procedure and Irregular conduct regarding subsidized vehicle	1	100
Total	1	100

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	8	100
Number of grievances not resolved	0	0
Total number of grievances lodged	8	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes settled (Please note Baqwa Labour Court matter was settled but it was not part of Employee Relations database for this financial year. It was referred to Legal Services and was settled at that level as per Labour Court Order- it may show up under legal costs)	1	20
Number of disputes dismissed/withdrawn (3 dismissed and 1 withdrawn)	4	80
Disputes pending	0	0
Total number of disputes lodged	5	100

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	R0.00

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	n/a
Cost of suspension(R'000)	R0.00

3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of Employees	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female			• Monitoring and Evaluation		7
				• Change Management		11
				• Diversity Management		7
	Sub total	11				25
	Male			• Monitoring and Evaluation		7
				• Change Management		7
				• Diversity Management		4
				• Internal Control and Risk Management		1
	Sub total	12				19

Occupational category	Gender	Number of Employees	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female			• Communication and Report Writing		1
				• Facilitation and Presentation Skills		3
				• Supervisory Skills		2
				• Financial Management		1
				• Monitoring and Evaluation		1
				• Policy Development		8
				• Assessor Training		2
				• Internal Control and Risk Management		3
	Sub total	62				21
	Male			• Communication and Report Writing		2
				• Facilitation and Presentation Skills		1
				• Policy Development		5
				• Assessor Training		1
	Sub total	44				9
Technicians and associate professionals	Female			• Communication and Report Writing		11
				• Facilitation and Presentation Skills		10
				• Supervisory Skills		12
				• Monitoring and Evaluation		5
				• Financial Management		13
				• Policy Development		3
				• Curating Proposals for Artists		2
				• Assessor Training		4
				• Registry and Records Management		12
				• Office Administration		1
				• Project Management		17
				• Customer Care		2
				• Diversity Management		4
				• Curating Proposals for Artists		4
				• Customer Care		1
	Sub total	117				101
	Male			• Communication and Report Writing		1
				• Facilitation and Presentation Skills		3
				• Supervisory Skills		4
				• Monitoring and Evaluation		1
				• Financial Management		3
				• Curating Proposals for Artists		2
				• Assessor Training		2
				• Project Management		10
				• Diversity Management		1
				• Advanced Driving		1
				• Curating Proposals for Artists		4
				• Customer Care		1
	Sub total	54				33
Clerks	Female			• Communication and Report Writing		14
				• Facilitation and Presentation Skills		5
				• Supervisory Skills		2
				• Financial Management		2
				• Customer Care		8
				• Office Administration		8
	Sub total	71				39

Occupational category	Gender	Number of Employees	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male			• Communication and Report Writing		13
				• Facilitation and Presentation Skills		4
				• Supervisory Skills		3
				• Financial Management		1
				• Office Administration		4
				• Customer Care		2
	Sub total	51				27
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female			• Registry and Records Management		1
				• Office Administration		1
				• Customer Care		3
	Sub total	15				5
	Male			• Registry and Records Management		1
				• Customer Care		3
	Sub total	23				4
Sub Total	Female	276				191
	Male	184				92
Total		460				283

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 31 March 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11		• Virtual Computer Training on Microsoft Office 365 Teams		2
				• Online Time Stress and Conflict		4
				• Management		1
				• Leading Innovation in Public Service		3
				• Virtual Joint Gender Forum Information Session		2
				• Women in Management Virtual Consultation with HOD		1
				• Office Management Skills		8
	Sub total			• Bid Committees Workshop		21

Occupational category	Gender	Number of employees as at 31 March 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male			• Virtual Computer Training on Microsoft Office 365 Teams		1
				• Online Time Stress and Conflict		3
				• Management		3
				• Virtual Joint Gender Forum Information Session		1
				• Women in Management Virtual Consultation with HOD		1
	Sub total	11		• Bid Committees Workshop		9
Professionals	Female			• Virtual Computer Training on Microsoft Office 365 Teams		12
				• Online Time Stress and Conflict		1
				• Management		4
				• Online Monitoring and Evaluation		11
				• Virtual Joint Gender Forum Information Session		11
				• Women in Management Virtual Consultation with HOD		6
				• Online Re-Orientation		2
				• Office Management Skills		2
				• Assessor Training		5
				• Online Compulsory Induction for levels 6-12		5
	Sub total	62		• Bid Committees Workshop		59
	Male			• Virtual Computer Training on Microsoft Office 365 Teams		12
				• Delegations Workshop		1
				• Online Time Stress and Conflict		2
				• Management		3
				• Online Monitoring and Evaluation		5
				• Virtual Joint Gender Forum Information Session		6
				• Online Re-Orientation		1
				• Office Management Skills		1
				• Assessor Training		2
				• Online Compulsory Induction for levels 6-12		3
				• OHS Act Briefing Session		3
	Sub total	39		• Videography		39
Technicians and associate professionals	Female			• Virtual Computer Training on Microsoft Office 365 Teams		13
				• Delegations Workshop		1
				• Virtual Joint Gender Forum Information Session		4
				• Women in Management Virtual Consultation with HOD		2
				• Online Re-Orientation		6
				• Office Management Skills		4
				• Assessor Training		4
				• Online Compulsory Induction for levels 6-12		6

Occupational category	Gender	Number of employees as at 31 March 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
				• Bid Committees Workshop		4
				• OHS Act Briefing Session		4
				• Videography		1
				• Roles and responsibilities of PA's		12
				• Curating Proposal for Artists		3
	Sub total	114				64
	Male			• Virtual Computer Training on Microsoft Office 365 Teams		7
				• Online Monitoring and Evaluation		1
				• Virtual Joint Gender Forum Information Session		4
				• Online Re-Orientation		1
				• Office Management Skills		1
				• Online Introduction to Strategic Management		1
				• Assessor Training		1
				• Online Compulsory Induction for levels 6-12		3
				• Curating Proposal for Artists		3
	Sub total	50				22
Clerks	Female			• Virtual Computer Training on Microsoft Office 365 Teams		2
				• Online Monitoring and Evaluation		2
				• Virtual Joint Gender Forum Information Session		1
				• Office Management Skills		4
				• Compulsory Induction for Level 5 and below		3
				• Bid Committees Workshop		3
				• OHS Act Briefing Session		1
	Sub total	66				16
	Male			• Virtual Computer Training on Microsoft Office 365 Teams		1
				• Virtual Joint Gender Forum Information Session		1
				• Office Management Skills		1
				• Compulsory Induction for Level 5 and		1
				• Bid Committees Workshop below		2
	Sub total	45				6
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					

Occupational category	Gender	Number of employees as at 31 March 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary Occupations	Female					0
	Sub total	14				0
	Male			• Compulsory Induction for Level 5 and below		2
	Sub total	22				2
WIL/ Inservice Patriots Interns	Female					10
						17
						19
	Sub total	18				46
	Male					2
						7
						11
	Sub total	10				20
EPWP	Female			• Office Management Skills		1
				• Basic Computing Skills		4
	Sub total					5
	Male			• Office Management Skills		1
	Sub total					1
Sub Total	Female	285				211
	Male	177				99
Total		462				310

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	7	100

3.15 Utilisation of Consultants N/A

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

a. The rendering of expert advice;

b. The drafting of proposals for the execution of specific tasks; and

c. The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Asset Management	2	7 Months	R367 000

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	2	7 Months	R367 000

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Asset Management	100%	100%	2

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
	None		

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
	None		

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	None		

3.16 Severance Packages N/A

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
		None		

PART E:

FINANCIAL INFORMATION

2.7.1 REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 15: Department of Arts and Culture

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Arts and Culture set out on pages 106 to 125, which comprises of the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as 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 Department of Arts and Culture as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa,1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2021 (Act No. 9 of 2021) (Dora).

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 this auditor's report.
4. I am independent of the department 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.

Emphasis of matter

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

Material underspending of the votes

6. As disclosed in note 4 of the appropriation statement, the department materially underspent its budget by R120,54 million. Programme 1 – Administration was underspent by R45,23 million due to the non-filling of vacant posts as a result of the joint organogram for the newly merged departments of Sport and Recreation and Arts and Culture not being finalised and approved. Programme 2 – Cultural Affairs was underspent by R24,09 million due to the spending against the departmental events being lower than the budget as a result of events being hosted with fewer attendees due to the lockdown restrictions. Programme 3 – Library and Archive was underspent by R51,22 million as a result of delays in the procurement of library books and materials due to the process of aligning the procurement of library books and materials to the SCM procurement processes taking longer than anticipated.

Other matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 168 to 186 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the department'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 department or to cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the audit of the annual performance report

Introduction and scope

13. 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.

14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department'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 department 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.

15. 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 – library, archives and museum services presented on pages 46 to 49 of the annual performance report of the department for the year ended 31 March 2022.

16. 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.

17. The material findings on the usefulness and reliability of the performance information of the selected programme is as follows:

Programme 3 - Library and archive services

Various indicators

18. The source information and method of calculation for measuring the planned indicators were not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievements reported against the targets in the annual performance report for the indicators detailed in the table below:

Indicator	Planned Target	Reported Achievement
Number of MOA's with National Library services implemented	1	0
Number of reading for understanding for under ten year old programmes supported	1	1

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report on pages 33 to 49 includes information on the achievement of planned targets for the year and management explanations provided for the under and over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3: library, archive and museum services. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of commitments identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

25. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R2,03 million as disclosed in note 32 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments of goods and service not received by the department. .

26. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Revenue management

27. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Other information

28. The accounting officer 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 the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

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

30. 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 in the audit, or otherwise appears to be materially misstated.

31. The other information I obtained prior to the date of this auditor's report is the draft annual report, and the audit committee report as well as the final annual report are expected to be made available to us after 31 July 2022.

32. 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 of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

34. 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. The matters reported below are limited to the significant internal control

deficiencies that resulted in the findings on predetermined objectives and findings on compliance with legislation included in this report.

35. Monitoring of financial information and compliance with key legislation was not effective to ensure that the objectives of transparency, credible and reliable reporting was achieved as certain disclosure accounts in the financial statements were not accurately disclosed and supported by valid and reliable supporting evidence.

36. The process for compiling, collecting and reporting performance information has not been appropriately designed and there was an inadequate review of reported achievements; therefore, significant findings were noted on performance information.

Other reports

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

38. Six internal investigations were conducted and finalised by the department's internal control and risk management unit during the 2021-22 financial year. Two investigations led to fruitless and wasteful expenditure, which was ultimately condoned. One of the investigations resulted in disciplinary action being instituted against an official, while one case was referred to a higher authority for further investigation. Recommendations are being implemented by the department for the remaining two completed investigations.

39. A further nine investigations, were performed by oversight department of which three were completed and recommendations are being implemented by the department.

Auditor-General

Pietermaritzburg

30 July 2022

Annexure – Auditor-general's responsibility for the audit

40. 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 the selected programme and on the department's compliance with respect to the selected subject matters.

Financial statements

41. 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 department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department of Arts and Culture 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 department 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

42. I communicate with the accounting officerregarding, 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.

43. I also provide the accounting officerwith 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.

2.7.2 ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per programme									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000		R'000					R'000
Programme									
1. Administration	187 251			187 251	142 022	45 229	75,8%	138 231	137 061
2. Cultural Affairs	308 474			308 474	284 385	24 089	92,2%	209 294	205 072
3. Library and Archives Services	521 246			521 246	470 029	51 217	90,2%	459 494	442 990
Subtotal	1 016 971			1 016 971	896 436	120 535	88,1%	807 019	785 123
TOTAL	1 067 971			1 067 971	896 436	120 535	88,1%	807 019	785 123
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				5 529				834	
Actual amounts per statement of financial performance (total revenue)				1 022 500				807 853	
Actual amounts per statement of financial performance (total expenditure)						896 436			785 123

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per economic classification									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	498 575	-	(742)	497 833	407 316	90 517	81,8%	359 680	349 375
Compensation of employees	278 326	-	(373)	277 953	229 268	48 685	82,5%	233 717	226 589
Salaries and wages	243 267	-	(373)	242 894	195 830	47 064	80,6%	200 030	193 037
Social contributions	35 059	-	-	35 059	33 438	1 621	95,4%	33 687	33 552
Goods and services	220 245	-	(379)	219 866	178 034	41 832	81,0%	125 963	122 784
Administrative fees	1166	-	-	1166	1 083	83	92,9%	645	399
Advertising	6 732	-	(369)	6 363	5 212	1 151	81,9%	920	2 666
Minor assets	28 175	-	(4)	28 171	3 028	25 143	10,7%	8 788	1 381
Audit costs: External	4 812	-	-	4 812	4 275	537	88,8%	4 953	4 110
Bursaries: Employees	30	-	-	30	166	(136)	553,3%	258	325
Catering: Departmental activities	2 365	-	-	2 365	208	2 157	8,8%	564	13
Communication	4 780	-	-	4 780	2 964	1 816	62,0%	3 276	2 744
Computer services	32 443	-	-	32 443	28 667	3 776	88,4%	29 556	31 138
Consultants: Business and advisory services	7 970	-	-	7 970	367	7 603	4.6%	1 138	5 655
Infrastructure and planning services					1 290	(1 290)			
Legal services	30	-	-	30	1 157	(1 127)	3856,7%	246	274
Contractors	14 431	-	(3)	14 428	39 800	(25 372)	275,9%	7 718	10 131
Agency and support / outsourced services	13 477	-	-	13 477	10 924	2 553	81,1%	4 646	4 038
Entertainment	370	-	-	370	-	370	-	228	-
Fleet services	4 023	-	-	4 023	4 228	(205)	105,1%	1 462	8 042

Appropriation per economic classification									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	175	-	-	175	1 353	(1 178)	773,1%	400	-
Consumable supplies	11 311	-	(3)	11 308	1 090	10 218	9,6%	8 585	5 525
Consumable: Stationery, printing and office supplies	8 052	-	-	8 052	6 202	1 850	77,0%	2 043	1 339
Operating leases	14 950	-	-	14 950	10 248	4 702	68,5%	16 055	11 771
Property payments	21 600	-	-	21 600	25 425	(3 825)	117,7%	25 851	17 889
Transport provided: Departmental activity	6 963	-	-	6 963	2 206	4 757	31,7%	627	224
Travel and subsistence	22 104	-	-	22 104	16 626	5 478	75,2%	2 020	8 108
Training and development	4 413	-	-	4 413	622	3 791	14,1%	1 040	274
Operating payments	1 608	-	-	1 608	1 882	(274)	117,0%	2 195	2 751
Venues and facilities	1 031	-	-	1 031	1 425	(394)	138,2%	30	
Rental and hiring	7 234	-	-	7 234	7 586	(352)	104,9%	2 719	3 987
Interest and rent on land	4	-	10	14	14	-	100,0%	-	2
Interest	4	-	10	14	14	-	100,0%	-	2
Rent on land	-	-	-	-	-	-	-		
Transfers and subsidies	373 581	-	373	373 954	370 484	3 470	99,1%	359 968	357 238
Provinces and municipalities	265 985	-	-	265 985	264 754	1 231	99,5%	275 828	274 236
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	265 985	-	-	265 985	264 754	1 231	99.5%	275 828	274 236
Municipal bank accounts	265 985	-	-	265 985	264 754	1 231	99,5%	275 828	274 236

Appropriation per economic classification									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	66 360	-	-	66 360	66 360	-	100,0%	56 888	56 888
Departmental agencies	66 360	-	-	66 360	66 360	-	100,0%	56 888	56 888
Public corporations and private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Other transfers to private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Non-profit institutions	25 877	1 293	-	27 170	27 170	-	100,0%	19 370	18 903
Households	3 948	-	373	4 321	3 606	715	83,5%	3 208	2 537
Social benefits	1 594	-	373	1 967	1 871	96	95,1%	1 961	1 909
Other transfers to households	2 354	-	-	2 354	1 735	619	73,7%	1 247	628
Payments for capital assets	144 598	-	-	144 598	118 050	26 548	81,6%	86 829	77 968
Buildings and other fixed structures	110 293	-	-	110 293	96 186	14 107	87,2%	76 992	69 460
Buildings	110 293	-	-	110 293	96 186	14 107	87,2%	76 992	69 460
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	27 808	-	-	27 808	20 540	7 268	73,9%	9 757	8 428
Transport equipment	6 077	-	-	6 077	5 696	381	93,7%	773	4 841
Other machinery and equipment	21 731	-	-	21 731	14 844	6 887	68,3%	8 984	3 587
Heritage assets	4 997	-	-	4 997	1 324	3 673	26,5%	80	80
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 500	-	-	1 500	-	1 500	-		
Payments for financial assets	217	-	369	586	586	-	100,0%	542	542
TOTAL	1 016 971	-	-	1 016 971	896 436	120 535	88,1%	807 019	785 123

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 1: ADMINISTRATION									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	21 559	-	-	21 559	13 881	7 678	64,4%	11 659	10 967
2. Corporate Services	165 692	-	-	165 692	128 141	37 551	77,3%	126 572	126 094
Total for sub programmes	187 251	-	-	187 251	142 022	45 229	75,8%	138 231	137 061
Economic classification									
Current payments	173 973	-	(569)	173 404	134 504	38 900	77,6%	132 609	132 333
Compensation of employees	92 945	-	(200)	92 745	69 080	23 665	74,5%	67 363	66 869
Salaries and wages	80 986	-	(200)	80 786	59 984	20 802	74,3%	55 719	57 732
Social contributions	11 959	-	-	11 959	9 096	2 863	76,1%	11 644	9 137
Goods and services	81 028	-	(372)	80 656	65 421	15 235	81,1%	65 246	65 462
Administrative fees	723	-	-	723	574	149	79,4%	303	359
Advertising	4 515	-	(369)	4 146	1 856	2 290	44,8%	800	952
Minor assets	1 316	-	-	1 316	101	1 215	7,7%	254	16
Audit costs: External	4 812	-	-	4 812	4 275	537	88,8%	4 953	4 110
Bursaries: Employees	30	-	-	30	166	(136)	553,3%	258	325
Catering: Departmental activities	481	-	-	481	73	408	15,2%	75	1
Communication	1 749	-	-	1 749	1 308	441	74,8%	617	1 086
Computer services	13 506	-	-	13 506	18 209	(4 703)	134,8%	15 261	15 866
Consultants: Business and advisory services	95	-	-	95	225	(130)	236,8%	400	1 584
Legal services	30	-	-	30	171	(141)	570,0%	246	66

Programme 1: ADMINISTRATION									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	1 159	-	(3)	1 156	405	751	35,0%		337
Agency and support / outsourced services	30	-	-	30	1 895	(1 865)	6316,7%		994
Entertainment	328	-	-	328	-	328	-	210	
Fleet services	1 196	-	-	1 196	2 628	(1 432)	219,7%	318	8 042
Consumable supplies	545	-	-	545	550	(5)	100,9%	4 324	1 326
Consumable: Stationery, printing and office supplies	1 947	-	-	1 947	1 240	707	63,7%	237	744
Operating leases	13 618	-	-	13 618	10 205	3 413	74,9%	14 883	11 275
Property payments	20 055	-	-	20 055	14 848	5 207	74,0%	20 305	13 081
Transport provided: Departmental activity	346	-	-	346	-	346	-	-	-
Travel and subsistence	10 335	-	-	10 335	5 453	4 882	52,8%		4 380
Training and development	3 107	-	-	3 107	531	2 576	17,1%	595	176
Operating payments	700	-	-	700	579	121	82,7%	1 207	571
Venues and facilities	201	-	-	201	-	201	-	-	-
Rental and hiring	204	-	-	204	129	75	63,2%		171
Interest and rent on land	-	-	3	3	3	-	100,0%		2
Interest	-	-	3	3	3	-	100,0%		2
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 350	-	200	1 550	700	850	45,2%	1 748	1 129
Provinces and municipalities	233	-	-	233	69	164	29,6%	261	261
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-		-	-	-	-

Programme 1: ADMINISTRATION									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipalities	233	-	-	233	69	164	29,6%	261	261
Municipal bank accounts	233	-	-	233	69	164	29,6%	261	261
Households	1 117	-	200	1 317	631	686	47,9%	1 487	868
Social benefits	207	-	200	407	340	67	83,5%	539	539
Other transfers to households	910	-	-	910	291	619	32,0%	948	329
Payments for capital assets	11 711	-	-	11 711	6 232	5 479	53,2%	3 332	3 057
Machinery and equipment	10 211	-	-	10 211	6 232	3 979	61,0%	3 332	3 057
Transport equipment	5 287	-	-	5 287	233	5 054	4,4%	773	773
Other machinery and equipment	4 924	-	-	4 924	5 999	(1 075)	121,8%	2 559	2 284
Software and other intangible assets	1 500	-	-	1 500	-	1 500	-	-	-
Payments for financial assets	217	-	369	586	586	-	100,0%	542	542
TOTAL	187 251	-	-	187 251	142 022	45 229	75,8%	138 231	137 061

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 2: CULTURAL AFFAIRS									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	4 828	-	-	4 828	3 535	1 239	73,2%	4 418	3 441
2. Arts and Culture	180 689	-	-	180 689	165 975	14 714	91,9%	101 263	99 914
3. Museum Services	33 492	-	-	33 492	30 645	2 847	91,5%	33 083	31 600
4. Language Services	20 636	-	-	20 636	19 795	841	95,9%	14 050	14 017
5. Heritage	68 829	-	-	68 829	64 435	4 394	93,6%	56 480	56 100
Total for sub programmes	308 474	-	-	308 474	284 385	24 089	92,2%	209 294	205 072
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	163 829		(173)	163 656	152 086	11 570	92,9%	109 516	106 788
Compensation of employees	94 128		(173)	93 955	87 373	6 582	93,0%	85 886	84 717
Salaries and wages	81 666		(173)	81 493	75 280	6 213	92,4%	73 999	72 894
Social contributions	12 462		-	12 462	12 093	369	97,0%	11 887	11 823
Goods and services	69 701		(2)	69 699	64 711	4 988	92,8%	23 630	22 071
Administrative fees	228		-	228	397	(169)	174,1%	138	20
Advertising	1 778		-	1 778	2 747	(969)	154,5%	-	1 711
Minor assets	2 061		(2)	2 059	5	2 054	0,2%	1 138	55
Catering: Departmental activities	1 687		-	1 687	78	1 609	4,6%	400	-
Communication	1 834		-	1 834	545	1 289	29,7%	1 110	594
Computer services	51		-	51	68	(17)	133,3%	(467)	-
Consultants: Business and advisory services	7 683		-	7 683	142	7 541	1,8%	556	2
Infrastructure and planning services	-		-	-	1 290	(1290)	-	-	-

Programme 2: CULTURAL AFFAIRS									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Legal		-	-	-	986	(986)	-	-	208
Contractors	11 433		-	11 433	27 554	(16 121)	241,0%	7 510	9 722
Agency and support / outsourced services	12 898	-	-	12 898	7 092	5 806	55,0%	4 646	2 925
Entertainment	23	-	-	23	-	23	-	-	-
Fleet services	2 308	-	-	2 308	758	1 550	32,8%	708	-
Consumable supplies	3 345	-	-	3 345	221	3 124	6,6%	434	72
Consumable: Stationery, printing and office supplies	2 475	-	-	2 475	2 149	326	86,8%	892	276
Operating leases	469	-	-	469	-	469	-	367	129
Property payments	751	-	-	751	1 758	(1 007)	234,1%	438	940
Transport provided: Departmental activity	5 340	-	-	5 340	1 933	3 407	36,2%	627	194
Travel and subsistence	9 128	-	-	9 128	8 452	676	92,6%	1 748	2 969
Training and development	188	-	-	188	91	97	48,4%	190	98
Operating payments	436	-	-	436	1 149	(713)	263,5%	446	1 425
Venues and facilities	483	-	-	483	1 425	(942)	295,0%	30	
Rental and hiring	5 102	-	-	5 102	5 871	(769)	115,1%	2 719	731
Interest and rent on land	-	-	2	2	2	-	100,0%	-	-
Interest (Inc. interest on Unitary payments PPP)	-	-	2	2	2	-	100,0%	-	-
Transfers and subsidies	117 908	-	173	118 081	116 558	1 523	98,7%	97 597	96 124
Provinces and municipalities	14 923	-	-	14 923	14 923	-	100,0%	17 354	16 399
Municipalities	14 923	-	-	14 923	14 923	-	100,0%	17 354	16 399

Programme 2: CULTURAL AFFAIRS									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal bank accounts	14 923	-	-	14 923	14 923	-	100,0%	17 354	16 399
Departmental agencies and accounts	66 360	-	-	66 360	66 360	-	100,0%	56 888	56 888
Departmental agencies	66 360	-	-	66 360	66 360	--	100,0%	56 888	56 888
Public corporations and private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Other transfers to private enterprises	11 411	(1 293)	-	10 118	8 594	1 524	84,9%	4 674	4 674
Non-profit institutions	23 367	1 293	-	24 660	24 660	-	100,0%	17 510	17 043
Households	1 847	-	173	2 020	2 021	(1)	100,0%	1 171	1 120
Social benefits	440	-	173	613	614	(1)	100,2%	872	821
Other transfers to households	1 407	-	-	1 407	1 407	-	100,0%	299	299
Payments for capital assets	26 737	-	-	26 737	15 741	10 996	58,9%	2 181	2 160
Buildings and other fixed structures	20 000	-	-	20 000	12 185	7 815	60,9%	1 620	1 617
Buildings	20 000	-	-	20 000	12 185	7 815	60,9%	1 620	1 617
Other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	1 740	-	-	1 740	2 232	(492)	128,3%	481	463
Transport equipment	790	-	-	790	1 860	(1 070)	235,4%		
Other machinery and equipment	950	-	-	950	372	578	39,2%	481	463
Heritage assets	4 997	-	-	4 997	1 324	3 673	26,5%	80	80
Payments for financial assets	-	-	-	-	-	-	-		
Total	308 474	-	-	308 474	284 385	24 089	92,2%	209 294	205 072

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 3: LIBRARY SERVICES									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	2 777	-	-	2 777	615	2 162	22,1%	1 896	1 717
2. Library Services	284 587	-	-	284 587	260 089	24 498	91,4%	262 760	261 801
3. Archives	33 107	-	-	33 107	29 536	3 571	89,2%	27 468	27 305
4. Community Library Services Grant	200 775	-	-	200 775	179 789	20 986	89,5%	167 370	152 167
Total for sub programmes	521 246	-	-	521 246	470 029	51 217	90,2%	459 494	442 990
Current payments	160 773	-	-	160 773	120 726	40 047	75,1%	117 555	110 254
Compensation of employees	91 253	-	-	91 253	72 815	18 438	79,8%	80 468	75 003
Salaries and wages	80 615	-	-	80 615	60 566	20 049	75,1%	70 312	62 411
Social contributions	10 638	-	-	10 638	12 249	(1 611)	115,1%	10 156	12 592
Goods and services	69 516	-	(5)	69 511	47 902	21 609	68,9%	37 087	35 251
Administrative fees	215	-	-	215	112	103	52,1%	204	20
Advertising	439	-	-	439	609	(170)	138,7%	120	3
Minor assets	24 798	-	(2)	24 796	2 922	21 874	11,8%	7 396	1 310
Catering: Departmental activities	197	-	-	197	57	140	28,9%	89	12
Communication	1 197	-	-	1 197	1 111	86	92,8%	1 549	1 064
Computer services	18 886	-	-	18 886	10 390	8 496	55,0%	14 762	15 272
Consultants: Business and advisory services	192	-	-	192	-	192	-	182	4 069
Contractors	1 839	-	-	1 839	11 841	(10 002)	643,9%	208	72
Agency and support / outsourced services	549	-	-	549	1 937	(1 388)	352,5%	-	119

Programme 3: LIBRARY SERVICES									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	19	-	-	19	-	19	-	18	-
Fleet services	519	-	-	519	842	(323)	162,2%	436	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	175	-	-	175	1 353	(1 178)	773,1%	400	-
Consumable supplies	7 421	-	(3)	7 418	319	7 099	4,3%	3 827	4 127
Consumable: Stationery, printing and office supplies	3 630	-	-	3 630	2 813	817	77,5%	914	319
Operating leases	863	-	-	863	43	820	5,0%	805	367
Property payments	794	-	-	794	8 819	(8 025)	1110,7%	5 108	3 868
Transport provided: Departmental activity	1 277	-	-	1 277	273	1 004	21,4%		30
Travel and subsistence	2 641	-	-	2 641	2 721	(80)	103,0%	272	759
Training and development	1 118	-	-	1 118	-	1 118	-	255	-
Operating payments	472	-	-	472	154	318	32,6%	542	755
Venues and facilities	347	-	-	347	-	347	-		
Rental and hiring	1 928	-	-	1 928	1 586	342	82,3%		3 085
Interest and rent on land	4	-	5	9	9	-	100,0%		
Interest	4	-	5	9	9	-	100,0%		
Transfers and subsidies	254 323	-	-	254 323	253 226	1 097	99,6%	260 623	259 985
Provinces and municipalities	250 829	-	-	250 829	249 762	1 067	99,6%	258 213	257 576
Provinces	-	-	-	-	-	-	-		
Municipalities	250 829	-	-	250 829	249 762	1 067	99,6%	258 213	257 576
Municipal bank accounts	250 829			250 829	249 762	1 067	99,6%	258 213	257 576

Programme 3: LIBRARY SERVICES									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	2 510	-	-	2 510	2 510	-	100,0%	1 860	1 860
Households	984	-	-	984	954	30	97,0%	550	549
Social benefits	947	-	-	947	917	30	96,8%	550	549
Other transfers to households	37	-	-	37	37	-	100,0%	-	-
Payments for capital assets	106 150	-	-	106 150	96 077	10 073	90,5%	81 316	72 751
Buildings and other fixed structures	90 293	-	-	90 293	84 001	6 292	93,0%	75 372	67 843
Buildings	90 293	-	-	90 293	84 001	6 292	93,0%	75 372	67 843
Other fixed structures									
Machinery and equipment	15 857	-	-	15 857	12 076	3 781	76,2%	5 944	4 908
Transport equipment					3 603	(3 603)			4 068
Other machinery and equipment	15 857	-	-	15 857	8 473	7 384	53,4%	5 944	840
Total	521 246			521 246	470 029	51 217	90,2%	459 494	442 990

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets
Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	187 251	142 022	45 229	24%

The under-expenditure was predominately under Compensation of employees, which was due to the non-filling of vacant posts as a result of the joint organogram for the new merged departments of Sport and Recreation and Arts and Culture not being finalised and approved. Under Goods and Services, the under-expenditure was related to operational costs such as training, travel and subsistence and operational leases for building leases. Under the category Machinery and Equipment, the department ordered state vehicles and computers which were not delivered at year-end.

Programme 2: Cultural Affairs	308 474	284 385	24 089	8%

The under-expenditure against Compensation of employees was also due to the non-filling of posts as a result of the joint organogram for the new merged department of Sport, Arts and Culture not being approved. The category Goods and Services was also under-spent due to the spending against the departmental events being lower than the budget as a result of these events being hosted with fewer attendees due to the lock down restrictions. Buildings and other fixed structures was also under-spent as a result of delays with the upgrades of the uThungulu Art Centre and the Winston Theatre. The department appointed project managers to assess the existing condition of the uThungulu Art Centre prior to commencement of the upgrade. The Winston Churchill Theatre was delayed by the appointment of the contractor and due to illegal occupants living at the accommodation portion of the theatre.

Programme 3: Library and Archive Services	521 246	470 029	51 217	10%

The under-expenditure under this programme was mainly under the sub-programmes Library Services and the Community Library Services Grant. The under spending was also due to the under-spending under Compensation of employees ascribed to the joint organogram not being approved for the new Department of Sport, Arts and Culture. The category Goods and Services was under-spent as a result of delays in the procurement of library books and materials due to the process of aligning the procurement of library books and material to the SCM procurement processes taking longer than anticipated. The department finalised the process of appointing a panel of service providers for the supply of library books in December 2021. However, the procurement was further delayed by appeals raised by unsuccessful service providers who raised queries with the bidding process. Provincial Treasury assisted the department in January by appointing a team to investigate the process and make recommendations on the way forward. The approval was received in January 2022. Transfers and subsidies to: Provinces and municipalities was under-spent by R1.067 million due to the department not transferring funds to the Mtubatuba Municipality in respect of staffing and operational costs for the Dukuduku library. The municipality delayed signing the MOA between the department and the municipality. Under Buildings and fixed structures, the department undertook various repairs and renovation programmes for public libraries, however the expenditure was expensed as the nature of these projects were current in nature. Thus, resulting in under-spending against this category.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	277 953	229 268	48 685	18%
Goods and services	219 866	178 034	41 832	19%
Interest and rent on land	14	14	0	0%
Transfers and subsidies				
Provinces and municipalities	265 985	264 754	1 231	0%
Departmental agencies and accounts	66 360	66 360	0	0%
Public corporations and private enterprises	10 118	8 594	1 524	15%
Non-profit institutions	27 170	27 170	0	0%
Households	4 321	3 606	715	17%
Payments for capital assets				
Buildings and other fixed structures	110 293	96 186	14 107	13%
Machinery and equipment	27 808	20 540	7 268	26%
Heritage assets	4 997	1 324	3 673	74%
Software and other intangible assets	1 500	0	1 500	100%
Payments for financial assets	586	586		0%

The under-spending against Compensation of employees is attributed to the non-filling of vacant posts as a result of the joint organogram for the new merged department of Sport, Arts and Culture not being approved. The savings under Goods and services is predominately due to delays in the procurement of library material and reduced operational costs resulting from the covid restrictions on events and attendance of meetings and training. These were held on hybrid platforms. Under Transfers and subsidies to: Provinces and municipalities the under-spending of R1.067 million was due to the department not transferring funds to the Mtubatuba Municipality in respect of staffing and operational costs for the Dukuduku library. The municipality delayed signing the MOA between the department and the municipality. The category Transfers and Subsidies to Public Corporations and private enterprises was under-spent mainly due to the department not transferring funds to Fact Durban Rocks due to one of the two annual events being cancelled in view of the Covid-19 pandemic. Under Buildings and other fixed structures department undertook repairs and renovations to public libraries which were initially incurred under Buildings and other fixed structures and subsequently corrected to Goods and Services as the work performed was current in nature. This explains the under-spending under Buildings and other fixed structures.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Community Library Services Grant	200 775	179 789	20 986	10%
Expanded Public Works Programme	1 960	1 960	0	0%

The under-spending against the grant was mainly attributed to Compensation of employees relating to the joint organogram structure not being approved. The over-expenditure under Goods and Services is due to the department undertaking repairs and renovations to public libraries which were initially incurred under Buildings and other fixed structures and subsequently corrected to this category as the work performed was current in nature. This explains the under-spending under Buildings and other fixed structures. Transfers and subsidies to: Provinces and municipalities was under-spent by R1.067 million due to the department not transferring funds to the Mtubatuba Municipality in respect of staffing and operational costs for the Dukuduku library. The municipality delayed signing the MOA between the department and the municipality.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
REVENUE			
Annual appropriation	1	1 016 971	807 019
Statutory appropriation		-	
Departmental revenue	2	5 529	834
TOTAL REVENUE		1 022 500	807 853
Current expenditure			
Compensation of employees	3	229 268	226 589
Goods and services	4	178 034	122 784
Interest and rent on land	5	14	2
Total current expenditure		407 316	349 375
Transfers and subsidies			
Transfers and subsidies	7	370 484	357 239
Total transfers and subsidies		370 484	357 239
Expenditure for capital assets			
Tangible assets	8	118 050	77 967
Total expenditure for capital assets		118 050	77 967
Payments for financial assets	6	586	542
TOTAL EXPENDITURE		896 436	785 123
SURPLUS/(DEFICIT) FOR THE YEAR		126 064	22 730
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		120 535	21 896
Annual appropriation		99 549	6 693
Conditional grants		20 986	15 203
Departmental revenue and NRF Receipts	14	5 529	834
Aid assistance			
SURPLUS/(DEFICIT) FOR THE YEAR		126 064	22 730

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
ASSETS			
Current assets		128 148	28 026
Unauthorised expenditure	9	1 369	1 369
Cash and cash equivalents	10	120 350	25 533
Other financial assets			
Prepayments and advances	11		
Receivables	12	6 429	1 124
Loans			
Aid assistance prepayments			
Aid assistance receivable			
Non-current assets		10 893	10 740
Investments			
Receivables	12	10 893	10 740
Loans			
Other financial assets			
TOTAL ASSETS		139 041	38 766
LIABILITIES			
Current liabilities		120 731	36 892
Voted funds to be surrendered to the Revenue Fund	13	120 535	21 896
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	16	75
Bank overdraft			
Payables	15	180	14 921
Aid assistance repayable			
Aid assistance unutilised			
Non-current liabilities			
Payables	16	15 000	865
TOTAL LIABILITIES		135 731	37 757
NET ASSETS		3 310	1 009
Represented by:			
Capitalisation reserve			
Recoverable revenue		3 310	1 009
Retained funds			
Revaluation reserves			
TOTAL		3 310	1 009

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

	Note	2021/22	2020/21
		R'000	R'000
Capitalisation Reserves			
Opening balance			
Transfers:			
Movement in Equity			
Movement in Operational Funds			
Other movements			
Closing balance			
Recoverable revenue			
Opening balance		1 009	925
Transfers:		2 301	84
Irrecoverable amounts written off	6.1	(584)	(315)
Debts revised			
Debts recovered (included in departmental receipts)		(131)	(119)
Debts raised		3 016	518
Closing balance		3 310	1 009
Retained funds			
Opening balance			
Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY)			
Utilised during the year			
Other transfers			
Closing balance			
Revaluation Reserve			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance			
TOTAL		3 310	1 009

CASH FLOW STATEMENT
for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 018 126	807 853
Annual appropriated funds received	1.1	1 016 971	807 019
Statutory appropriated funds received			
Departmental revenue received	2	1 155	828
Interest received	2.3		6
NRF Receipts			
Aid assistance received			
Net (increase)/decrease in working capital		-20 046	17 855
Surrendered to Revenue Fund		-27 484	(37 433)
Surrendered to RDP Fund/Donor			
Current payments		-407 302	(349 373)
Interest paid	5	-14	(2)
Payments for financial assets		-586	(542)
Transfers and subsidies paid		-370 484	(357 239)
Net cash flow available from operating activities	17	192 210	81 119
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received			
Payments for capital assets	8	-118 050	(77 967)
Proceeds from sale of capital assets	2.4	4 374	
(Increase)/decrease in loans			
(Increase)/decrease in investments			
(Increase)/decrease in other financial assets			
(Increase)/decrease in non-current receivables	12	-153	(3 913)
Net cash flows from investing activities		-113 829	(81 880)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 301	84
Increase/(decrease) in non-current payables		14 135	729
Net cash flows from financing activities		16 436	813
Net increase/(decrease) in cash and cash equivalents		94 817	52
Cash and cash equivalents at beginning of period		25 533	25 481
Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	18	120 350	25 533

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

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Comparative information
5.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
5.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
6	Revenue
6.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
6.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

6.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
7	Expenditure
7.1	Compensation of employees
7.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
7.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
7.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8	Payments for Financial assets Debts are written off when identified as irrecoverable
9	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
10	Leases
10.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
10.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
11	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

12	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
13	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
14	Financial assets
14.1	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2004 (as approved by the KZN Treasury) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Heritage assets Heritage assets are assets that have cultural, historical, environmental, natural, scientific or technological significance that are held indefinitely for the benefit of present and future generations. Heritage assets are initially recorded in the notes to the financial statements at cost. Heritage assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of the heritage assets cannot be determined accurately, the heritage assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.
16.4	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2004 (as approved by the KZN Treasury) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.5	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
18	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
19	Unauthorised Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
20	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

22	Changes in accounting policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
23	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
24	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
25	Related party transactions Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
26	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.
27	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1 Annual Appropriation

	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	
P1: Administration	187 251	187 251	-	138 231	138 231	-
P2:Cultural Affairs	308 474	308 474	-	209 294	209 294	-
P3: Library & Archive Services	521 246	521 246	-	459 494	459 494	-
Total	1 016 971	1 016 971		807 019	807 019	

1.2 Conditional grants

	Note	2021/22	2020/21
		R'000	R'000
Total grants received	*35*	202 735	167 370
Provincial grants included in Total Grants received			

2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	*2.1*	348	385
Fines, penalties and forfeits	*2.2*	63	21
Interest, dividends and rent on land	*2.3*		6
Sales and capital assets	*2.4*	4 374	
Transactions in financial assets and liabilities	*2.5*	744	422
Transfer received			
Total revenue collected		5 529	834
Less: Own revenue included in appropriation	*14*		
Departmental revenue collected		5 529	834

The revenue collected is higher than the previous financial year due to the sale of state vehicles .

2.1 Sales of goods and services other than capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
Sales of goods and services produced by the department		348	385
Sales by market establishment		184	221
Administrative fees			
Other sales		164	164
Sales of scrap, waste and other used current goods			
Total		348	385

2.2 Fines, penalties and forfeits

	Note	2021/22	2020/21
	2	R'000	R'000
Fines			
Penalties		63	21
Forfeits			
Total		63	21

2.3 Interest, dividends and rent on land

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		-	6
Dividends			
Rent on land			
Total		-	6

2.4 Sale of capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
Tangible assets		4 374	
Buildings and other fixed structures	41		
Machinery and equipment	39	4 374	
Heritage assets	39,41		
Specialised military assets	39		
Land and subsoil assets	41		
Biological assets	39		
Intangible assets			
Software	40		
Mastheads and publishing titles	40		
Patents, licences, copyright, brand names, trademarks	40		
Recipes, formulae, prototypes, designs, models	40		
Services and operating rights	40		
Total		4 374	

2.5 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
	2	R'000	R'000
Receivables		664	369
Other Receipts including Recoverable Revenue		80	53
Total		744	422

2.6 Donations received in-kind (not included in the main note)

	Note	2021/22	2020/21
		R'000	R'000
List in-kind donations received			
45 tablets donated by MTN		130	
Total		130	

The department received 45 SAMSUNG GALAXY tablets from MTN as a donation

3. Compensation of employees

3.1 Salaries and Wages

	Note	2021/22	2020/21
	3	R'000	R'000
Basic salary		152 896	158 748
Performance award		87	77
Service Based		390	236
Compensative/circumstantial		2 503	1 282
Periodic payments			
Other non-pensionable allowances		39 954	32 694
Total		195 830	193 037

3.2 Social contributions

	Note	2021/22	2020/21
	3	R'000	R'000
Employer contributions			
Pension		19 946	20 597
Medical		12 951	12 739
UIF		88	32
Bargaining council		50	50
Official unions and associations			
Insurance		403	134
Total		33 438	33 552
Total compensation of employees		229 268	226 589
Average number of employees		493	499

4. Goods and services

	Note	2021/22	2020/21
		R'000	R'000
Administrative fees		1 083	399
Advertising		5 212	2 666
Minor assets	4.1	3 028	1 381
Bursaries (employees)		166	325
Catering		208	13
Communication		2 964	2 744
Computer services	4.2	28 667	31 138
Consultants: Business and advisory services		367	5 655
Infrastructure and planning services		1 290	
Legal services		1 157	274
Contractors		39 800	10 131
Agency and support / outsourced services		10 924	4 038
Entertainment			
Audit cost – external	4.3	4 275	4 110
Fleet services		4 228	8 042
Inventory	4.4	1 353	
Consumables	4.5	7 292	6 864
Operating leases		10 248	11 771
Property payments	4.6	25 425	17 889
Rental and hiring		7 586	3 987
Transport provided as part of the departmental activities		2 206	224
Travel and subsistence	4.7	16 626	8 108
Venues and facilities		1 425	
Training and development		622	274
Other operating expenditure	4.8	1 882	2 751
Total		178 034	122 784

The department spent funds on current maintenance and repairs on public libraries

4.1 Minor assets

	Note	2021/22	2020/21
	4	R'000	R'000
Tangible assets		3 028	1 381
Machinery and equipment		3 028	1 381
Total		3 028	1 381

4.2 Computer services

	Note	2021/22	2020/21
	4	R'000	R'000
SITA computer services		10 107	10 989
External computer service providers		18 560	20 149
Total		28 667	31 138

4.3 Audit cost – External

	Note	2021/22	2020/21
	4	R'000	R'000
Regularity audits		4 275	4 110
Performance audits			
Investigations			
Environmental audits			
Computer audits			
Total		4 275	4 110

4.4 Inventory

	Note	2021/22	2020/21
	4	R'000	R'000
Learning and teaching support material		1 353	
Total		1 353	

4.5 Consumables

	Note	2021/22	2020/21
	4	R'000	R'000
Consumable supplies		1 090	5 525
Uniform and clothing		82	175
Household supplies		607	3 635
Building materials and supplies			902
Communication accessories			5
IT consumables		62	60
Other consumables		339	748
Stationery, printing and office supplies		6 202	1 339
Total		7 292	6 864

4.6 Property payments

	Note	2021/22	2020/21
	4	R'000	R'000
Municipal services		3 926	3 926
Property management fees			1
Property maintenance and repairs		5 122	634
Other		16 377	13 328
Total		25 425	17 889

Included under "Other" are payments made for the Security contract for which the number of sites were increased.

4.7 Travel and subsistence

	Note	2020/21	2020/21
	4	R'000	R'000
Local		16 626	8 070
Foreign			38
Total		16 626	8 108

4.8 Other operating expenditure

	Note	2021/22	2020/21
	4	R'000	R'000
Professional bodies, membership and subscription fees		8	20
Resettlement costs		637	1 811
Other		1 237	920
Total		1 882	2 751

5. Interest and rent on land

	Note	2021/22	2020/21
		R'000	R'000
Interest paid		14	2
Rent on land			
Total		14	2

6. Payments for financial assets

	Note	2021/22	2020/21
		R'000	R'000
Debts written off	6.1	586	542
Total		586	542

6.1 Debts written off

	Note	2021/22	2020/21
	6	R'000	R'000
Nature of debts written off			
Recoverable revenue written off			
Leave without pay		584	255
Loss/ Damage to assets			60
Total		584	315
Other debt written off			
Bursary debt			23
Over-payment to service provider			5
Tax debt			17
Salary overpayment		2	182
		2	227
Total debt written off		586	542

7. Transfers and subsidies

		2021/22	2020/21
		R'000	R'000
	Note		
Provinces and municipalities	36, 37	264 754	274 237
Departmental agencies and accounts	Annexure 1B	66 360	56 888
Public corporations and private enterprises	Annexure 1C	8 594	4 674
Non-profit institutions	Annexure 1D	27 170	18 903
Households	Annexure 1E	3 606	2 537
Total		370 484	357 239

8. Expenditure for capital assets

	Note	2021/22	2020/21
		R'000	R'000
Tangible assets		118 050	77 967
Buildings and other fixed structures	32.1	96 185	69 460
Heritage assets	30.1	1 324	80
Machinery and equipment	30.1	20 541	8 427
Total		118 050	77 967

8.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds	Total
	R'000	R'000
Tangible assets	118 050	118 050
Buildings and other fixed structures	96 185	96 185
Heritage assets	1 324	1 324
Machinery and equipment	20 541	20 541
Total	118 050	118 050

8.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Total
	R'000	R'000
Tangible assets	77 967	77 967
Buildings and other fixed structures	69 460	69 460
Heritage assets	80	80
Machinery and equipment	8 427	8 427
Total	77 967	77 967

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2021/22	2020/21
		R'000	R'000
Tangible assets			
Machinery and equipment		1 798	1 594
Total		1 798	1 594

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		1 369	1 369
Prior period error			
As restated		1 369	1 369
Unauthorised expenditure – discovered in current year (as restated)			
Closing balance		1 369	1 369
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation		1 369	1 369
Unauthorised expenditure approved without funding and not derecognised			
Total		1 369	1 369

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2021/22	2020/21
	R'000	R'000
Current	1 369	1 369
Capital		
Transfers and subsidies		
Total	1 369	1 369

The unauthorised expenditure of R1,369 m was approved with funding. The Bill was passed on the 31 March 2022, but the funds will be received in the 2022/23 financial year

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2021/22	2020/21
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	1 369	1 369
Total	1 369	1 369

Include discussion here where deemed relevant

10. Cash and cash equivalents

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General Account		155 077	25 528
Cash receipts			
Disbursements		-34 732	
Cash on hand		5	5
Total		120 350	25 533

11. Prepayments and advances

11.1 Advances paid (Expensed)

	Note	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Other entities						
Total						

	Note	Amount as at 1 April 2020	Less: Received in the current year	**Add or Less: Other**	Add: Current Year advances	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Other entities		807	()	(807)		
Total		807	()	(807)		

Final costs were paid for the Charlestown library and the library has since been transferred to the Newcastle municipality, all costs have been spent against funds transferred.

12. Receivables

		2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	4 000	5 484	9 484		5 484	5 484
Staff debt	12.3	17	23	40	29	26	55
Other receivables	12.4	2 412	5 386	7 798	1 095	5 230	6 325
Total		6 429	10 893	17 322	1 124	10 740	11 864

12.1 Claims recoverable

	Note	2021/22	2020/21
	12 and Annex 3	R'000	R'000
National departments		9 484	5 484
Provincial departments			
Foreign governments			
Public entities			
Private enterprises			
Total		9 484	5 484

The claims against the National department has increased by R4,000 million due to a claim for the Coastal Cultural Heritage signature event funded by the National Department of Arts and Culture. This amount was settled in the 2022/23 financial year.

12.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22	2020/21
	12	R'000	R'000
Disall Damage & Losses: Recover: CA		-102	(69)
Disall Damages & Losses: CA		102	69
(Group major categories, but list material items)			
Total			

12.3 Staff debt

	Note	2021/22	2020/21
	12	R'000	R'000
Tax debt		1	54
Salary overpayment			1
Loss of assets			
Leave without pay		2	
Damage / loss of assets		36	
Other (Buy back of cell phones)		1	
Total		40	55

12.4 Other receivables

	Note	2021/22	2020/21
	12	R'000	R'000
Suppliers		5 494	5 940
Suppliers (Dukuduku)		2 263	
Ex-employee debt		41	385
Total		7 798	6 325

12.5 Impairment of receivables

	Note	2021/22	2020/21
		R'000	R'000
Estimate of impairment of receivables			217
Total			217

13. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		21 896	36 594
Prior period error			
As restated		21 896	36 594
Transfer from statement of financial performance (as restated)		120 535	21 896
Add: Unauthorised expenditure for current year	9		
Voted funds not requested/not received	1.1		
Paid during the year		(21 896)	(36 594)
Closing balance		120 535	21 896

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		75	80
Prior period error			
As restated		75	80
Transfer from Statement of Financial Performance (as restated)		5 529	834
Paid during the year		(5 588)	(839)
Closing balance		16	75

15. Payables – current

	Note	2021/22	2020/21
		R'000	R'000
Amounts owing to other entities			
Advances received	15.1		14 808
Clearing accounts	15.2		9
Other payables	15.3	180	104
Total		180	14 921

15.1 Advances received

	Note	2021/22	2020/21
	15	R'000	R'000
National departments	Annex 8B		14 808
Provincial departments			
Public entities			
Other institutions			
Total			14 808

15.2 Clearing accounts

	Note	2021/22	2020/21
	15	R'000	R'000
Description			
Private Telephone			9
Total			9

15.3 Other payables

	Note	2021/22	2020/21
	15	R'000	R'000
Description			
Sal: Income Tax		16	26
Tax debt over-deduction			
Sal: GEHS Refund		163	45
Sal: Pension Fund: CI			1
Sal: ACB Recalls		1	32
Total		180	104

16. Payables – non-current

	Note	One to two years R'000	Two to three years R'000	More than three years R'000	2021/22 Total R'000	2020/21 Total R'000
Amounts owing to other entities						
Advances received		15 000			15 000	633
Other payables	16.1					232
Total		15 000			15 000	865

16.1 Advances received

	Note	2021/22	2020/21
	16	R'000	R'000
National departments		15 000	
Provincial departments			
Public entities			
Other institutions			633
Total		15 000	633

Include discussion here where deemed relevant

16.2 Other payables

	Note	2021/22	2020/21
	16	R'000	R'000
Description			
Private Telephones (Payment due to service provider-Vodacom)			232
Sal: Income Tax: CI			
Total			232

17. Net cash flow available from operating activities

	Note	2021/22	2020/21
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		126 064	22 730
Add back non cash/cash movements not deemed operating activities		66 146	58 389
(Increase)/decrease in receivables		(5 305)	4 822
(Increase)/decrease in payables current		(14 741)	13 033
Proceeds from sale of capital assets		(4 374)	
Expenditure on capital assets		118 050	77 967
Surrenders to Revenue Fund		(27 484)	(37 433)
Net cash flow generated by operating activities		192 210	81 119

18. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General account		155 077	25 528
Cash receipts			
Disbursements		(34 732)	
Cash on hand		5	5
Total		120 350	25 533

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

		Note	2021/22	2020/21
			R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees			
Housing loan guarantees	Employees			
Other guarantees				
Claims against the department		Annex 2A	2 873	5 219
Intergovernmental payables (unconfirmed balances)		Annex 4	487	910
Total			3 360	6 129

The claims against the department includes a compensation claim from an ex-employee of the Stable Theatre for outstanding salaries and an alleged unfair dismissal.

19.2 Contingent assets

	Note	2021/22	2020/21
		R'000	R'000
Nature of contingent asset			
Claim against contractor		864	864
IDT programme balance		3 188	3 091
Total		4 052	3 955

IDT was appointed in 2013/14 as an implementing agent for infrastructure projects. An agreement was entered between the department and IDT and based on the agreement funds were transferred in advance. The funds that remained in the bank account were for projects that were placed on hold.

20. Capital commitments

	Note	2021/22	2020/21
		R'000	R'000
Buildings and other fixed structures		295 835	34 159
Machinery and equipment		8864	11 389
Intangible assets		5 685	
Heritage assets		3 672	
Total		314 056	45 548

21. Accruals and payables not recognised

21.1 Accruals

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	12 340	4 495	16 835	2 454
Transfers and subsidies				
Capital assets				
Other	80		80	
Total	12 420	4 495	16 915	2 454

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Programme 1: Administration		3 109	1 055
Programme 2: Cultural Affairs		3 309	794
Programme 3: Library and Archive Services		10 497	605
Total		16 915	2 454

21.2 Payables not recognised

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	9 250	4 626	13 876	13 572
Transfers and subsidies	1 067		1 067	1 108
Capital assets	13 293	906		244
Other				
Total	23 610	5 532	29 142	14 924

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Programme 1: Administration		3 018	5 996
Programme 2: Cultural Affairs		5 298	2 717
Programme 3: Library and Archive Services		20 826	6 211
Total		29 142	14 924

	Note	2021/22	2020/21
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other departments	Annex 5	3 363	5 660
Confirmed balances with other government entities	Annex 5		
Total		3 363	5 660

22. Employee benefits

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		16 965	17 276
Service bonus		5 977	6 253
Performance awards		220	220
Capped leave		6 935	7 409
Other		421	1 837
Total		30 518	32 995

23. Lease commitments

23.1 Operating leases

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-		90	90
Later than 1 year and not later than 5 years	-	-			
Later than five years	-	-			
Total lease commitments	-	-		90	90

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	2 950	39	2 989
Later than 1 year and not later than 5 years	-	-			
Later than five years	-	-			
Total lease commitments	-	-	2 950	39	2 989

The department has a lease agreement with Konica Minolta South Africa for the rental of office machines and with the Department of Public Works for the leases of office buildings has expired. The building lease agreements with the Department of Public Works have expired and the Department of Public Works is currently in the process of renewal. The Department currently pays R991 000 per month.

23.2 Finance leases

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 182	1 182
Later than 1 year and not later than 5 years				644	644
Later than five years					
Total lease commitments				1 826	1 826

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year				1 214	1 214
Later than 1 year and not later than 5 years				516	516
Later than five years					
Total lease commitments				1 730	1 730

The finance leases are in respect of commitments for the balance of contract periods in respect of cell phone contracts and data costs in terms of the transversal contract with Vodacom and the new transversal contract with MTN

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2021/22 R'000	2020/21 R'000
Opening balance		442 869	368 547
Prior period error			
As restated		442 869	368 547
Add: Irregular expenditure – relating to prior year			4 239
Add: Irregular expenditure – relating to current year		8 254	70 083
Less: Prior year amounts condoned			
Closing balance		451 123	442 869
Analysis of awaiting condonation per age classification			
Current year		8 254	70 083
Prior years		442 869	372 786
Total		451 123	442 869

24.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/ criminal proceedings	2021/22 R'000
SCM Non -compliance		1 357
Appointment of Architects – prior year non-compliant SCM process		3 821
BAC not constituted		3 076
Total		8 254

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		1 487	
Prior period error			
As restated		1 487	
Fruitless and wasteful expenditure – relating to prior year		1 871	
Fruitless and wasteful expenditure – relating to current year		159	1 487
Less: Amounts recoverable	*15.6*		
Less: Amounts written off		(2 051)	
Closing balance		1 466	1 487

25.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/ criminal proceedings	2021/22 R'000
Invoices not submitted from suppliers for PPEs for the modular library structures		1 177
Charge incurred by the Travel Agent for "No Shows"		19
Bilanyoni Library - Variation over payment for EPWP		564
Internet connectivity paid for libraries that were not operational for Ngolokodo & KwaMthethwa		260
Installation charges for Danny, Dalton & Franklin		10
Total		2 030

25.3 Details of fruitless and wasteful expenditure written off

Incident	2021/22
	R'000
The department has investigated the duplication of internet services, however the official responsible has since left the department, therefore the Accounting Officer has approved for write off.	1 487
The amount was reflected in the prior year under note 32,6. This matter was investigated and deemed to be fruitless and wasteful. However ,the official found accountable has since left the department and therefore the amount was irrecoverable. This amount was approved for write off.	564
Total	2 051

25.4 Prior period error

	Note	2020/21
		R'000
Nature of prior period error		
Relating to 2020/21		
Total		

25.5 Details of fruitless and wasteful expenditures under assessment (not included in the main note)

Incident	2021/22
	R'000
Repairs to the MECs vehicle	762
Transfer made to libraries not open for public Ngolokodo & KwaMthethwa	3 233
Total	3 995

26 Related party transactions

The Department of Arts and Culture shares the same MEC with the Department of Sport and Recreation.

27 Key management personnel

	No. of Individuals	2021/22	2020/21
		R'000	R'000
Political office bearers (provide detail below)	1	2 000	1 978
Officials:			
Head of Department: Level 15	1	1 934	1 885
Chief Directors: Level 14	6	8 022	9 348
Directors: Level 13	21	21 574	20 095
Family members of key management personnel	1	591	601
Total		34 121	33 907

28 Provisions

	Note	2021/22	2020/21
		R'000	R'000
Retentions		1 656	3 561
Legal Dispute			
Relocation disputes of ex-employees		37	300
Total		1 693	3 861

28.1 Reconciliation of movement in provisions – 2021/22

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	3 861			3 861
Increase in provision	1 656			1 356
Settlement of provision	(3 824)			(3 824)
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	1 693			1 693

Reconciliation of movement in provisions – 2020/21

	Provisions 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	2 393	29		2 422
Increase in provision	3 561		300	3 861
Settlement of provision	(2 393)			(2 393)
Unused amount reversed		(29)		(29)
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	3 561		300	3 861

29 Non-adjusting events after reporting date

	2021/22
Nature of event	R'000
Total	

Arts and Culture has merged with the Sport and Recreation as at 1 April 2022

30 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	1 366		100		1 466
Heritage assets	1 366		100		1 466
MACHINERY AND EQUIPMENT	94 215		19 192	36 221	77 186
Transport assets	40 927		5 786	20 723	25 990
Computer equipment	18 653		10 722	4 675	24 700
Furniture and office equipment	14 356		1 305	1 797	13 864
Other machinery and equipment	20 279		1 379	9 026	12 632
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	95 581		19 292	36 221	78 652

Vehicles were disposed off at an auction during the year. The proceeds received from the auction amounted to R4 479 500 (inclusive of R111 987,50 paid as commission to Spokes Auctioneers CCO

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		
Machinery and equipment	628	13 676
Specialised military assets		
Biological assets		

Assets under investigation relate to movable assets. Management has commissioned an investigation into this matter.

30.3 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	1 366				1 366
Heritage assets	1 366				1 366
MACHINERY AND EQUIPMENT	90 445	(233)	14 930	10 927	94 215
Transport assets	36 316		5 466	855	40 927
Computer equipment	18 376	(183)	1 403	943	18 653
Furniture and office equipment	13 866		1 066	576	14 356
Other machinery and equipment	21 887	(50)	6 995	8 553	20 279
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	91 811	(233)	14 930	10 927	95 581

30.3.1 Prior period error

	Note	2020/21
Nature of prior period error		R'000
		(233)
Disposals relating to 2016/17 processed in the current year		(233)
Computer equipment (incorrectly mapped to other machinery and equipment)		50
Other Machinery and equipment		(50)
Relating to 2019/20		
Prior period disposals		
Total prior period errors		(233)

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance			1 263	438 857		437 120
Value adjustments						
Additions				5 012		5 012
Disposals				4 047		4 047
TOTAL MINOR ASSETS			1 263	436 822		438 085

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets			87	65 537		65 624
Number of minor assets at cost			3 515	3 362 517		3 366 032
TOTAL NUMBER OF MINOR ASSETS			3 602	3 428 054		3 431 656

Minor Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Specialised military assets		
Intangible assets		
Heritage assets		
Machinery and equipment	2 605	1 581
Biological assets		

These relate to assets that could not be found during the verification process

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance			1 263	437 847		439 110
Prior period error						
Additions				2 192		2 192
Disposals				4 182		4 182
TOTAL MINOR ASSETS			1 263	435 857		437 120
Number of R1 minor assets			87	66 698		66 785
Number of minor assets at cost			3 515	3 401 788		3 405 303
TOTAL NUMBER OF MINOR ASSETS			3 602	3 468 486		3 472 088

25.4.1 Prior period error

	Note	2020/21
		R'000
Nature of prior period error		
2018/19 Disposals prior period error		(2 698)
Disposals relating to 2016/17 processed in the current year		(50)
Pending disposals incorrectly included in the prior year Library books reconciliation as an addition.		(2 648)
Total prior period errors		(2 698)

Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				18 167		18 167
TOTAL MOVABLE ASSETS WRITTEN OFF				18 167		18 167

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off						
TOTAL MOVABLE ASSETS WRITTEN OFF						

31 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE					
TOTAL INTANGIBLE CAPITAL ASSETS					

31.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE				
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS				

31.2 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	77			77	
TOTAL INTANGIBLE CAPITAL ASSETS	77			77	

25.2.2 Prior period error

	Note	2020/21
		R'000
Nature of prior period error		
Relating to the reclassification of hardware		
Total prior period errors		

32 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	108 566		29 964	34 893	103 637
Dwellings					
Non-residential buildings					
Other fixed structures	108 566		29 964	34 893	103 637
HERITAGE ASSETS			16 834		16 834
Heritage assets			16 834		16 834
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	108 566		46 798	34 893	120 471

The additions under Heritage Assets includes the transfer of Heritage Assets from the Office of the Premier to the Department of Arts and Culture following the asset verification undertaken by both departments

Movement for 2020/21

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	209 506		37 455	138 395	108 566
Dwellings					
Non-residential buildings					
Other fixed structures	209 506		37 455	138 395	108 566
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	209 506		37 455	138 395	108 566

32.1.1 Prior period error

	Note	2020/21
		R'000
Nature of prior period error		
The error relates to prior year cost not recognised relating to Charelestown Library and the Ngolookodo modular library which was ready to use in the 2018/19 as per the S42 certificate.		
Total prior period errors		

32.1 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Note	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets		80	5 891		5 971
Buildings and other fixed structures		96 209	98 518	29 852	164 875
Machinery and equipment					
Intangible assets					
TOTAL		96 289	104 409	29 852	170 846

The amount reflected under current year WIP for Heritage Assets is in respect of the construction of the plinth for the King Shaka Statue

Payables not recognised relating to Capital WIP	*Note*	2021/22	2020/21
		R'000	R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]		10 198	
Total		10 198	

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR)) / Contracts terminated	Closing balance 31 March 2021
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Heritage assets				80		80
Buildings and other fixed structures		68 437		55 829	28 057	96 209
TOTAL		68 437		55 909	28 057	96 289

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Buildings and other **fixed** structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				
TOTAL IMMOVABLE ASSETS WRITTEN OFF				

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Buildings and other **fixed** structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				
TOTAL IMMOVABLE ASSETS WRITTEN OFF				

33. Department acting as the agent

33.1. Revenue received for agency activities

	2021/22	2020/21
	R'000	R'000
National Heritage Council		
National Department of Arts and Culture		
Total		

The department entered into a principal agent relationship with the National Heritage Council for infrastructure projects on identified heritage sites.The advance was received in the 2019/20 f.y.The department assumed the role of an implementing agent on behalf of the National Heritage Council. The closing balance includes the balance of the funds after the processing of disbursements.The department also entered into a principal agent relationship witht the National Department of Arts and Culture for the first phase of the Enyokeni Cultural prescint. The advance was recieved in the 2020/21f.y. The closing balance includes the amounts disbursed against the advance.

33.1.2 Reconciliation of funds and disbursements – 2021/22

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Advance received from the National Heritage Council		441
Total		441

Reconciliation of funds and disbursements – 2020/21

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Advance received from the National Heritage Council	-	1 067
Advance received from the National Department of Arts and Culture	15 000	192
Total	15 000	1 259

The department received an advance from the National Heritage Council for infrastructure for identified heritage sites of which payments were disbursed in 2020/21 f.y.

Payables

Name of principal entity	Opening balance 1 Apr 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 Mar 2022
	R'000	R'000	R'000	R'000
National Heritage Council	633	(441)		192
National Department of Arts and Culture	14 808			14 808
Total	15 441	(441)		15 000

Payables

Name of principal entity	Opening balance 1 Apr 2020	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000
National Heritage Council	1 700	(1 067)		633
National Department of Arts and Culture	-	(192)	(15 000)	14 808
Total	1 700	(1 259)	(15 000)	15 441

34. Prior period errors

34.1 Correction of prior period errors

Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Minor assets - Prior period error to opening balances	39	438 555	(2 698)	435 587
Net effect		438 555	(2 698)	435 857

The prior period error in respect of immovable assets pertains to costs for projects that were not recognised under the note as a completed ready to use asset. Under minor assets the error is as a result of assets not disposed.

Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Immovable current year capital WIP	39	60 431	(4 602)	55 829
Prior period error relating to assets that should have been disposed off		18 376	(233)	18 143
Net effect		78 807	(4 835)	73 972

Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Net effect				

35. Transfer of functions and mergers

Transfer of functions

The Heritage Services function shift occurred in the 2019/20 financial year from the Office of the Premier to the Department of Arts and Culture. The budget for the Heritage function was therefore allocated to the Department of Arts and Culture from the 2019/20 financial year onwards. Due to the lengthy verification process performed by officials from the Office of the Premier, Provincial function was therefore included in the 2019/20 financial year. The assets could not be transferred at that time, due to the lengthy verification process. This process was therefore undertaken by officials from the Office of the Premier, Provincial Treasury, Arts and Culture and the Heritage Office. The assets transferred included assets that were "functional" damaged requiring repairs" and " not included in the books of the Office of the Premier". Heritage assets totaling R21.501 million was transferred to the Department of Arts and Culture in the 2021/22 financial year in terms of heritage assets. R52 000 was in respect of furniture and computer equipment. Included in the R21 501 million, R4.667 million is the work in progress for the King Shaka statue.

35.1 Notes

	Note	Balance before transfer date	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
		R'000	R'000	R'000	R'000	R'000
Movable tangible capital assets		90 445	52			90 497
Immovable tangible capital assets		108 566	21 501			130 067

The assets totaling R21.501 million as per the S42 transfer between the Office of the Premier and the Department of Arts and Culture has been included under the category - Immovable tangible capital assets. These assets are recorded as Heritage Immovable tangible capital assets. Included in the R21.501 is an amount of R4.667 million which is work in progress in respect of the King Shaka Statue. Under the category, Movable tangible capital assets an amount of R52 000 is included for furniture and computer equipment.

Provide a reference to the proclamation or declaration giving effect to the transfer of functions

Proclamation No. 5 of 14 December 2018

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

Proclamation 5 of 2018 by the Premier of the province of KwaZulu Natal gave effect to the transfer of the Heritage Function from the Office of the Premier to the Department of Arts and Culture. In terms of the proclamation, i) (b) "transfer" the function "Provincial Cultural matters" and the administration of all provincial laws relating to the functional areas, currently entrusted to the Premier in terms of the Premier's minute No.2 of 28th September 2016, and the relevant legislation, to the Member of the Executive Council of KwaZulu-Natal responsible for cultural matters. Included in this transfer of functions is the public entity the KZN Amafa and Research Institute. As the assets remained in the books of the Office of the Premier from 2019/20 the control of these assets remained with the Office of Premier until the S42 transfer of assets in March 2022.

Where the accounting for the transfer of functions is incomplete, include information as required by paragraph .47
The transfer of assets at this stage is not complete. There are 12 statues of the previous ANC Presidents which were not included as the values were not determined.

36. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/21	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Overspend-ing)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Community Library Service Grant	185 572	15 203			200 775	200 775	179 789	20 986	90%	167 370	152 167
EPWP	1 960				1 960	1 960	1 960		100%		
	187 532	15 203			202 735	202 735	181 749	20 986		167 370	152 167

37. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-alloca-tions by National Treasury or National Depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of vailable funds spent by depart-ment	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	
Summary by province													
Kwazulu-Natal (Motor Licencing fees)	233			233					69			221	260
TOTAL	233			233					69			211	260
Summary by grant													
Motor Licensing Kwazulu-Natal	233			233					69			221	260
	233			233					69			221	260

38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2021/22							2020/21	
	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%		
eThekwini	74 954			74 954	74 954			85 761	85 761
Umdoni	9 731			9 731	9 731			9 338	9 338
Umuziwabantu	1 859			1 859	1 859			1 768	1 768
Ray Nkonyeni	14 886			14 886	14 886			14 447	14 447
Umshwathi	3 048			3 048	3 048			2 940	2 940
Umngeni	4 451			4 451	4 451			4 284	4 284
Mpofana	2 338			2 338	2 338			2 248	2 248
Impendle	2 113			2 113	2 113			2 035	2 035
Msunduzi	16 878			16 878	16 878			21 674	21 674
Mkhambathini	1 910			1 910	1 910			1 816	1 816
Richmond	3 048			3 048	3 048			2 940	2 940
Okhahlamba	3 071			3 071	3 071			2 933	2 933
iNkosi Langalibalele	6 765			6 765	6 765			6 512	6 512
Alfred Duma	7 536			7 536	7 536			7 229	7 229
Endumeni	5 423			5 423	5 423			5 196	5 196
Nqutu	3 821			3 821	3 821			3 631	3 631
Msinga	1 228			1 228	1 228			1 179	1 179
Umvoti	2 338			2 338	2 338			2 248	2 248
Newcastle	9 661			9 661	9 661			9 448	9 448
Emadlangeni	1 859			1 859	1 859			1 768	1 768
Dannhauser	2 244			2 244	2 244			1 131	1 131
Edumbe	3 231			3 231	3 231			3 080	3 080
Uphongolo	2 355			2 355	2 355			2 261	2 261

NAME OF MUNICIPALITY	2021/22							2020/21	
	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%		
Abaqulusi	4 763			4 763	4 763			4 660	4 660
Nongoma	2 541			2 541	2 541			2 405	2 405
Ulundi	1 910			1 910	1 910			1 816	1 816
Zululand District Municipality	1 911			1 911	1 911			1 911	956
Umhlabuyalingana	2 795			2 795	2 795			2 672	2 672
Jozini	5 517			5 517	5 517			5 186	5 186
Mtubatuba	5 633			5 633	4 566			4 378	4 378
The Big 5 Hlabisa	4 401			4 401	4 401			4 172	4 172
Umfolozi	3 037			3 037	3 037			2 898	2 898
Umhlathuze	11 979			11 979	11 979			11 591	11 591
Umlalazi	6 150			6 150	6 150			5 917	5 917
Mthonjaneni	1 177			1 177	1 177			1 131	1 131
Nkandla	1 859			1 859	1 859			1 768	1 768
Mandeni	4 214			4 214	4 214			4 029	4 029
KwaDukuza	8 561			8 561	8 561			11 319	11 319
Ndwedwe	1 910			1 910	1 910			1 816	1 816
Maphumulo	2 550			2 550	2 550			2 383	2 383
Greater Kokstad	3 037			3 037	3 037			2 898	2 261
Ubuhlebezwe	1 177			1 177	1 177			1 131	1 131
Umzimkulu	1 910			1 910	1 910			1 816	1 816
Dr Nkosazana Dlamini Zuma	3 972			3 972	3 972			3 803	3 803
TOTAL	265 752			265 752	264 685			275 567	273 975

39 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

40 COVID 19 Response Expenditure

	Note	2020/21 R'000	2019/20 R'000
	ANNEXURE 8		
Compensation of employees		-	-
Goods and services		118	5 144
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total		118	5 144

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-alloca-tions by National Treasury or National Depart-ment	Amount received by municipal-ity	Amount spent by municipal-ity	Unspent funds	% of available funds spent by municipal-ity	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
eThekwini	74 954			74 954	74 954			74 954	68 998		92%	85 761	85 761
Umdoni	9 731			9 731	9 731			9 731	9 731		100%	9 338	9 338
Umuziwabantu	1 859			1 859	1 859			1 859	1 859		100%	1 768	1 768
Ray Nkonyeni	14 886			14 886	14 886			14 886	14 886		100%	14 447	14 447
Umshwathi	3 048			3 048	3 048			3 048	3 048		100%	2 940	2 940
Umngeni	4 451			4 451	4 451			4 451	4 451		100%	4 284	4 284
Mpofana	2 338			2 338	2 338			2 338	2 338		100%	2 248	2 248
Impendle	2 113			2 113	2 113			2 113	2 113		100%	2 035	2 035
Msunduzi	16 878			16 878	16 878			16 878	16 647		99%	21 674	21 674
Mkhambathini	1 910			1 910	1 910			1 910	1 910		100%	1 816	1 816
Richmond	3 048			3 048	3 048			3 048	3 048		100%	2 940	2 940
Okhahlamba	3 071			3 071	3 071			3 071	3 071		100%	2 933	2 933
iNkosi Langalibalele	6 765			6 765	6 765			6 765	6 336		94%	6 512	6 512
Alfred Duma	7 536			7 536	7 536			7 536	7 536		100%	7 229	7 229
Endumeni	5 423			5 423	5 423			5 423	5 423		100%	5 196	5 196
Nqutu	3 821			3 821	3 821			3 821	3 821		100%	3 631	3 631
Msinga	1 228			1 228	1 228			1 228	1 228		100%	1 179	1 179
Umvoti	2 338			2 338	2 338			2 338	2 338		100%	2 248	2 248
Newcastle	9 661			9 661	9 661			9 661	9 639		100%	9 448	9 448
Emadlangeni	1 859			1 859	1 859			1 859	1 859		100%	1 768	1 768

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart-ment	Amount received by municipal-ity	Amount spent by municipal-ity	Unspent funds	% of available funds spent by municipal-ity	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Dannhauser	2 244			2 244	2 244			2 244	2 244		100%	1 131	1 131
Edumbe	3 231			3 231	3 231			3 231	3 231		100%	3 080	3 080
Uphongolo	2 355			2 355	2 355			2 355	2 355		100%	2 261	2 261
Abaqulusi	4 763			4 763	4 763			4 763	4 763		100%	4 660	4 660
Nongoma	2 541			2 541	2 541			2 541	2 541		100%	2 405	2 405
Ulundi	1 910			1 910	1 910			1 910	1 910		100%	1 816	1 816
Zululand District Municipality	1 911			1 911	1 911			1 911			100%	1 911	956
Umhlabuyalingana	2 795			2 795	2 795			2 795	2 795		100%	2 672	2 672
Jozini	5 517			5 517	5 517			5 517	5 517		100%	5 186	5 186
Mtubatuba	5 633			5 633	4 566			4 566	4 566		100%	4 378	4 378
The Big 5 Hlabisa	4 401			4 401	4 401			4 401	2 530		57%	4 172	4 172
Umfolozi	3 037			3 037	3 037			3 037	3 037		100%	2 898	2 898
Umhlathuze	11 979			11 979	11 979			11 979	11 979		100%	11 591	11 591
Umlalazi	6 150			6 150	6 150			6 150	6 150		100%	5 917	5 917
Mthonjaneni	1 177			1 177	1 177			1 177	1 177		100%	1 131	1 131
Nkandla	1 859			1 859	1 859			1 859	1 859		100%	1 768	1 768
Mandeni	4 214			4 214	4 214			4 214	4 214		100%	4 029	4 029
KwaDukuza	8 561			8 561	8 561			8 561	8 561		100%	11 319	11 319
Ndwedwe	1 910			1 910	1 910			1 910	1 910		100%	1 816	1 816
Maphumulo	2 550			2 550	2 550			2 550	2 550		100%	2 383	2 383
Greater Kokstad	3 037			3 037	3 037			3 037	3 037		100%	2 898	2 261
Ubuhlebezwe	1 177			1 177	1 177			1 177	1 177		100%	1 131	1 131

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-alloca-tions by National Treasury or National Depart-ment	Amount received by municipal-ity	Amount spent by municipal-ity	Unspent funds	% of available funds spent by municipal-ity	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Umzimkulu	1 910			1 910	1 910			1 910	1 910		100%	1 816	1 816
Dr Nkosazana Dlamini Zuma	3 972			3 972	3 972			3 972	3 972		100%	3 803	3 803
TOTAL	265 752			265 752	264 685			264 685	254 265			275 567	273 975

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
The Playhouse Company	8 574			8 574	8 574	100%	5 944
Prov DA: KZN Amafa & Research Inst	57 786			57 786	57 786	100%	50 944
TOTAL	66 360			66 360	66 360		56 888

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers	11 411			11 411	8 594	75,3%			4 674
Durban Blues Festival						100,0%			74
Drakensberg Extravaganza	1 000			1 000	1 000	100,0%			
Last Dance	1 100			1 100	1100	100,0%			1 100
Durban Rocks	1 000			1 000					3 000
Umthayi	500			500	474	94,8%			500
Indoni SA	500			500	500	100,0%			
Youth Own Your Power	1 000			1 000	1 000	100,0%			
Just Gold Event & Production	350			350	350	100,0%			
Mashicolo	350			350	350	100,0%			
Virtual Jazz Concert	350			350	350	100,0%			
Nale Kahle Art Craft	350			350	350	100,0%			
Legends and Legacies Entertainment	350			350					
We inspire nations	103			103	103	100,0%			
Saleso Animation	350			350	350	100,0%			
Ezakithi Digital Campaign	350			350	350	100,0%			
Ubuntu Arts	160			160					
Yoyo Trading	350			350	350	100,0%			
MHP Holdings	249			249	249	100,0%			
Dikianga NPC	231			231					

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Lo'Tamiz Fashion Collage	240			240	240	100,0%			
Omni Music Production	281			281	281	100,0%			
uZulu Artist Project	350			350					
Covid-19 Mural Projects	350			350	350	100,0%			
Event Creation	148			148	148	100,0%			
Unlimited Crew Entertainment	350			350	350	100,0%			
Afro Politan Explosive	350			350					
Marry Gray Projects	350			350					
BJ Ngubane Trading	349			349	349	100,0%			
TOTAL	11 411			11 411	8 594	75,3%			4 674

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers	-	-	-				
KZN Philharmonic Orchestra	8 000			8 000	8 000	100,0%	5 000
COMMUNITY ART CENTRES							
Bat Centre	1 441			1 441	1 441	100%	1 441
Ewushini Art Centre	250			250	250	100,0%	250
Gobhela Art Centre	196			196	196	100%	196
Jambo Art Centre	153			153	153	100,0%	153
Rorkes Drift Art Centre	250			250	250	100,0%	250
Kwamashu community centre	1 129			1 129	1 129	100,0%	1 129
Arts and culture support							
Arts in the park	60			60	60	100,0%	
Centre for creative Arts UKZN	300			300	300	100,0%	213
KZN Women Authors Forum	100			100	100	100,0%	
CCFSA	1 500			1 500	1 500	100,0%	
Dexter and Matu Zama Academy	100			100	100	100,0%	
Ntelezi Msane Heritage centre	500			500	500	100,0%	
Institute of Afrikology	250			250	250	100,0%	
Durban school of music	650			650	650	100,0%	461
East Griqualand Festival	350			350	350	100,0%	248
Hilton Arts Festival	100			100	100	100,0%	
Love to Live	80			80	80	100,0%	
Sakhisizwe Organisation				-			50
Bhodloza Talent Development							400

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Gcina Amasiko	100			100	650	100%	71
Isigqi samaHostela NPC	1 200			1 200	1 200	100%	1 000
Community Library Services Conditional rant							
Family Literacy Project	650			650	650	100%	
SA Library for the blind	1 860			1 860	1 860	100%	1 860
Arts Council	1 500			1 500	1 500	100%	1 988
Museum Subsidies							
Baynesfield Museum	255			255	255	100%	255
Comrades House Museum	318			318	318	100%	318
DCO Matiwana	381			381	381	100%	381
Deutsche Schule Hermannsburg	318			318	318	100%	318
East Griqualand Museum Trust	451			451	451	100%	318
Himeville Museum	381			381	381	100%	381
Mazisi Kunene Museum	318			318	318	100%	318
Mpophomeni Museum	318			318	318	100%	318
Phansi Museum	255			255	255	100%	255
Richmond, Byrne & District Museum	255			255	255	100%	388
Utrecht museum	381			381	381	100%	381
Heritage Centre: Doc centre	381			381	381	100%	381
Prince Mangosuthu Buthelezi Museum	446			446	446	100%	446
Project gateway	202			202	202	100%	202
Marry Gray Projects	350			350	350	100%	
Ubuntu Arts	160			160	160	100%	

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
uZulu Artist project	350			350	350	100%	
Legends and legacies Entertainment	350			350	350	100%	
Afro Politian Explosive	350			350	350	100%	
Dikianga NPC	231			231	231	100%	
TOTAL	27 170	-	-	27 170	27 170	-	19 370

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Donations and gifts	1 360	-	-	1 360	1 360	100%	
Service benefits: Leave gratuity	1 594		373	1 967	1 871	95%	1 015
External Bursaries	914			914	242	26%	948
Claims against the state - relocation	74	-	-	74	127	172%	
Acts of grace	6	-	-	6	6	100%	
TOTAL	3 948		373	4 321	3 606		1 963

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
Received in cash			
Subtotal			
Received in kind		130	
The department received 45 tablets from MTN			
Subtotal		130	
TOTAL		130	

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Compensation Claims	842				842
Acting Allowance – Dept official	767		767		-
Creditor Claims	1 833				1 833
Remuneration Benefits	203		5		198
Goods and services (eThekwini Metro)	1 574		1 574		
TOTAL	5 219		2 346		2 873

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department National Department of Arts and Culture	4 000		5 484	5 484	9 484	5 484		
TOTAL	4 000		5 484	5 484	9 484	5 484		

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ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Transport	445	234	56	423	501	657		3 000
Department of Works	2 314	5 302	431	407	2 745	5 709		7 000
Government Printing Works		1				1		
SAPS	26	45		45	26	90		
Department of Agriculture		21				21		
Department of Justice	48	57		35	48	92		
Provincial Treasury	530				530			
Subtotal	3 363	5 660	487	910	3 850	6 570		
TOTAL INTERGOVERNMENT PAYABLES	3 363	5 660	487	910	3 850	6 570		10 000

ANNEXURE 5

INVENTORIES

Inventories for the year ended 31 March 2022	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance					
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases – Cash	1 353				1 353
Add: Additions - Non-cash	(1 353)				(1 353)
(Less): Disposals					
(Less): Issues					
Add/(Less): Received current, not paid (Paid current year, received prior year)					
Add/(Less): Adjustments					
Closing balance	-				

Include discussion where deemed relevant

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets	80	5 891		5 971
BUILDINGS AND OTHER FIXED STRUCTURES	96 209	98 518	29 852	164 875
Other fixed structures	96 209	98 518	29 852	164 875
TOTAL	96 289	104 409	29 852	170 846

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS			80		80
Heritage assets			80		80
BUILDINGS AND OTHER FIXED STRUCTURES	68 437		55 829	(28 057)	96 209
Other fixed structures	68 437		55 829	(28 057)	96 209
TOTAL	68 437		55 909	(28 057)	96 289

ANNEXURE 7

INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Department of Arts and Culture		14 808				14 808
OTHER ENTITIES						
Current						
National Heritage Council						
Non-current						
National Dept of Arts and Culture	15 000				15 000	
National Heritage Council		633				633
Subtotal	15 000	15 441			15 000	15 441
TOTAL	15 000	15 441				15 441
Current		14 808				14 808
Non-current	15 000	633				633

ANNEXURE 8

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	34		84		118	5 144
List all applicable SCOA level 4 items						
CONS SUPPLIES	34		84		118	4 455
Agency and outsourced cleaners						100
CONS: Bus& Adv services – occ safety						589
Transfers and subsidies						
List all applicable SCOA level 4 items						
Expenditure for capital assets						
List all applicable SCOA level 4 items						
Other expenditure not listed above						
List all applicable SCOA level 4 items						
TOTAL COVID 19 RESPONSE EXPENDITURE	34		84		118	5 144

3. ANNEXURES

3.1 Annexure A: Statement of Responsibility and Confirmation of Accuracy

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 throughout the annual report are consistent.

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 modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

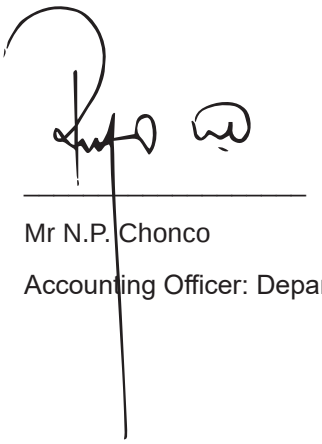
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that 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 my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



Mr N.P. Chonco

Accounting Officer: Department of Arts and Culture