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Nelson Mandela Museum | Annual Report 2022-23

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2022 / 23
ANNUAL REPORT

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PART A

GENERAL INFORMATION



PUBLIC ENTITIES GENERAL INFORMATION

Legal form of entity	Public Entity
Registered office	Cnr Owen Street & Nelson Mandela Drive Bhunga Building Mthatha 5100
Business address	Cnr Owen Street & Nelson Mandela Drive Bhunga Building Mthatha 5100
Controlling entity	Department of Sport, Arts and Culture
Telephone number	047 501 9500
Fax Number	047 532 3345
Email address	Info@nelsonmandelamuseum.org.za
Website	www.nelsonmandelamuseum.org.za
Bankers	ABSA Bank Sutherland Street, Mthatha
External Auditors	Auditor General South Africa
Secretary	Taleni Kupiso Godi Inc



ACRONYMS

AFS	Annual Financial Statements
ANC	African National Congress
BBBEE	Broad-Based Black Economic Empowerment
BBC	British Broadcasting Corporation
CCMA	Commission for Conciliation, Mediation and Arbitration
CCTV	Close Circuit Television
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNN	Central News Network
DSAC	Department of Sport, Arts and Culture
DSRAC	Department of Sports, Recreation, Arts and Culture
HOD	Head of Department
ICT	Information Communication Technology
IPAP	Industrial Policy Action Plan
KSD	King Sabata Dalindyebo Municipality
MGE	Mzansi's Golden Economy
NGO	Non- Governmental Organisation
NMM	Nelson Mandela Museum
ORT	OR Tambo District Municipality
PFMA	Public Finance Management Act
SABC	South African Broadcasting Corporation
SASSA	South African Social Security Agency
TR	Treasury Regulations



FOREWORD BY THE CHAIRPERSON

BACKGROUND

It is with pleasure to present the annual report for the 2022/23 financial year on behalf of the incoming council of the Nelson Mandela Museum. A nine-member council was appointed by the former Minister Nathi Mthethwa in November 2022, following the expiry of the term of the previous council in October 2022. Thus, during the year under review, the work of the entity traversed through two different governing councils, with measures for continuity and sharing of institutional memory being adhered to. Without any delay, the new council set an induction and inaugural council meeting in November 2022 to immediately launch its role towards ensuring oversight and that governance principles are further entrenched within the museum.

In enhancing good governance, the council reconfigured its committees to ensure that it remains at a strategic and oversight level, and that its structure aligns with best practice. The Council, in its collective, played a. Five Council Committees, namely the Strategy and Performance Oversight, the Finance, Investment and Fundraising; Infrastructure and ICT, Human Resources and Remuneration as well as the statutory Audit and Risk committees all conducted the business of council and enabled the council as a collective, to play significant role in its oversight functions. ICT plays a pivotal role in creating online access to the museum and placing it at the finger tip of the users world-wide through various digital platforms. Thus, the decision to elevate ICT to an oversight function was based on ensuring effective ICT governance and using ICT as a strategic enabler.

At the start of the fourth quarter, the council held a strategic planning session in January 2023, with the view of reviewing its strategic objectives in compliance with Section 30.1.3 of Treasury Regulations, which prescribes that the strategic plan must be updated annually on a rolling basis. As part of this review, the council endorsed the same long-term vision of the Nelson Mandela Museum of "an African museum that inspires positive change in society through the legacy and values of Nelson Mandela." Strategic outcomes were revised and subsequently been incorporated into the Annual Performance Plan (APP) for the ensuing year. Whilst, the Nelson Mandela Museum is primarily a cultural institution that preserves, protects and promotes the values, legacy and heritage of the late Nelson Mandela, it further positions itself as a driving force behind the transformation of the South African heritage landscape. Through using the values and legacy of the global icon Nelson Mandela namely freedom, non-racialism, justice and fairness, accountability, dignity and pride, courage and persistence, selflessness and service, humility, forgiveness and reconciliation and principled leadership, the museum seeks to be in the mainstream of social change, cultural and economic transformation.

While the council has deliberated on the strategy and has shared profound strategic and innovative ideas towards enhancing the work of the NMM, a decision to further engage various stakeholders was taken. This is in keeping with the acknowledgement of the critical role of other players such as Eastern Cape Departments - Sports, Recreation, Arts and Culture as well as Cooperative Governance and Traditional Affairs; OR Tambo District Municipality and the KSD Municipality including the private sector and civil society. As a result, the museum continues to harness strategic and operational partnerships with various social partners to develop sustainable and impactful programs. The partnerships extend from universities to various state departments, organisations and institutions whose focus is to uproot all forms of social injustice and promote education. Of interest is collaboration with economic development entities, such as Eastern Cape Development Corporation and the provincial tourism agency with the view of advancing economic gains from the rich heritage of Mandela in order to stimulate economic growth and facilitate opportunities for the society. Education, social justice and creating opportunities formed the core part of Mandela's struggle for economic liberation. Hence, during the year under review, the museum continued and heightened its efforts to promote sustainable education programs that target young people across the nation.

The Museum has maintained an unqualified audit outcome once again for the year under review for the seventh consecutive year. This demonstrates the commitment to good corporate governance and accountability. However, it is only fair and ethical to acknowledge that, as in the previous financial year, there are still audit findings that are concerning to the council. These require a more focussed approach towards strengthening internal controls and monitoring.

During the year under review, the council has met all its statutory reporting requirements as well as the legislative requirement of meeting with the Executive Authority and had signed the shareholders compact. It is the compact that helps to regulate an effective relationship between the council and its appointing authority. So far, the council has maintained good working relations and is forever grateful for the support



rendered by the Department of Sport, Art and Culture to sustain the work of the museum. Therefore, as the Council of the Nelson Mandela Museum, we wish to extend profound gratitude to the Honourable Minister Zizi Kodwa who took the baton from the previous minister and supported the museum as well as the entire department of Sport, Arts and Culture personnel for the continued support in the execution of our oversight responsibility.

At this juncture, it is crucial for me to acknowledge the commitment showed by fellow councillors who have actively participated in the affairs of the museum and attended to the business of council. Our journey has not been devoid of challenges. In this process, I continue to learn that ethical leadership is not about making the most noise. It requires leaders who do not stand by the way side during the times of difficulties but immerse themselves in processes of finding common solutions. It involves taking difficult and unpopular decisions as long as they accord with the moral values and principles of corporate governance, which demand from all of us a high degree of honesty, integrity and accountability in real and practical terms.

We are also pleased to commend the dedication shown by the management and all employees of NMM, who continue to strive under difficult human and financial constraints. Due to this collective effort, the museum has been able to implement and achieve some of its critical targets and corrective measures have been put in place for those targets that were not met within the reporting period, as shall be shown in this report.

Ms Phumeza Skoti

Chairperson: Nelson Mandela Museum





CEO OVERVIEW

The Nelson Mandela Museum was established on the 11 February 2000, and just ten (10) years after Nelson Mandela was released from prison. It was established as a result of Cultural Institutions Act (Act 119 of 1998) as amended by Cultural Laws Amendment Act (Act 69 of 2001). Subsidiary legislation includes the national Heritage Resources Act (Act 25 of 1999) and the National Heritage Council Act (Act 11 of 1999). The Department of Arts and Culture classifies the Nelson Mandela Museum as one the legacy project as endorsed by the cabinet of the government of South Africa. Thus, the Nelson Mandela Museum is repositioned as a sign post for the transformation of the heritage landscape in South Africa.

The Nelson Mandela Museum, is operating in two sites, namely Bhunga building in Mthatha. The Bhunga building is the place that serves as museum and a place where the priceless collection of Nelson Mandela's gifts are exhibited, studied, researched, preserved, conserved and stored. The Bhunga building is also serving as key administrative point of the museum.

The Nelson Mandela Youth and Heritage Centre is a facility of the Nelson Mandela Museum that is situated in Qunu and in the heart of the village where Nelson Mandela grew up. It is a museum site that still have the famous sliding stone where Nelson Mandela used to play as boy and the remnants of the church where Nelson Mandela was Christianised. The Qunu facility is hosting youth development and empowerment programs and at the same time it is a facility that boosts of accommodation, conference, catering and sporting facilities. It is a key and strategic tourist attraction that benefits people of Qunu village and surrounding villages. As it stands the Qunu provides job opportunities to youth and women of Qunu and it also serves as facility that generates the third-stream income for the museum.

During the financial year of 2022-2023, the Department of Sport, Arts and Culture incorporated these two strategic sites into Nelson Mandela Museum. The two sites are OR Tambo Garden of Remembrance in Nkantolo, Bizana and Ingquza Hill Memorial Site in Flagstaff. The OR Tambo Garden of Remembrance is located in the heart of the village where Oliver Reginald Tambo was born in Kantolo.

The Ingquza Hill Memorial is located on the foot of the famous Ingquza Hill that is known, a place where the Mpondo revolt took place. These sites are part of the National Liberation Heritage Route, a route that traces, connects and integrates all the South African heritage sites that are associated with the South African liberation history. Today these sites are an integral part of Nelson Mandela Museum and are administered and managed by Nelson Mandela Museum.

The department of Sport, Arts and Culture signed a Memorandum of Understanding (MOU) with Nelson Mandela Museum that resulted into the development of the Implementation Protocol (IP) whose objective is to ensure that these two sites are well managed, administered and programmed for the benefit of the local communities.

The 2022-2023 financial year was a productive and year that yielded good results for Nelson Mandela Museum management. For instance, the Nelson Mandela Museum management managed to be given back the Nelson Mandela Youth and Heritage Centre in Qunu that was renovated by Department of Public Works and Infrastructure since 2018. The DPWI was doing a condition-based maintenance of the facility which resulted to the closure of the facility for the past five years. The Qunu operationalization plan has been developed by the management. The focus of this operational plan is to market the Qunu facilities like the accommodation, conference facilities, catering facilities, exhibition spaces and marketing of the famous sliding stone. The purpose is to attract the tourists and the local people to visit and use Qunu facility.

According to the 2022-2023 annual report the museum has performed very well with all its departments namely marketing and public engagement, heritage and conservation meeting their key indicators. This is a clear indication that the museum is committed in ensuring that the Annual Performance Plan is implemented in a conducive environment and by extension the strategic objectives are met as planned.

The Nelson Mandela Museum has received an unqualified audit for 2022-2023, this is the seventh time that Nelson Mandela Museum is getting an unqualified audit outcome. This implies that the Nelson Mandela Museum is serious about issues of control and compliance with policies and laws that govern the operations of the museum. However, there is more work that needs to be done to strengthen the museum risk management plan and audit implementation plan.

The museum has is implementing its plans for the stakeholder management and engagement. The purpose is to ensure that the museum is having footprints that are outside Mthatha and Eastern Cape province. It is through this vigorous stakeholder management and engagement that the Nelson Mandela Museum seeks to achieve its well-conceived vision. The Nelson Mandela Museum is more than just preserving Nelson Mandela's legacy and exhibiting the gifts he received from the peoples of the world, it is a platform for social dialogue and promotion of the ideals and values that Nelson Mandela represented.

Our programming ethos as outlined in this report reflects an organisation whose plans are deeply steeped in education, social dialogue and community development over and above the necessary heritage resources



management requirements. This programming responds to Outcome 14 of the NDP that DSAC is mandated to work on, which is social cohesion and nation building. The Nelson Mandela Museum stakeholders are mobilised around the vision and mission of the museum and towards the achievement of outcome fourteen (14) of the national development plan (NDP)

The collection of the museum is properly preserved and conserved utilising the approved conservation management plan. The plan is used to ensure that the collection of the museum is managed and conserved using the international standards and best practices. The collection of the Nelson Mandela Museum is a unique and priceless collection. Thus, the Nelson Mandela Museum prioritizes its safety, security and well managed storage infrastructure and exhibition spaces with a well-defined environment and climate. And key to the management of the collection is the digitization of the collection and to develop a comprehensive collections inventory that is in line with precepts of the South African Heritage Resources Act No 25 of 1999 and to develop a good storage infrastructure and facilities that appropriate for collection.

Total revenue Generated for the period is R 42 185 158 compared to R35 562 345 budget. The variance above is due to the infrastructure-related interest received that has been ring-fenced to only infrastructure-related projects and there was an underspending on the capital budget due to DPWI delaying the Qunu and Heritage Centre maintenance. Again, there was payment effected to DPWI in the current year due to the poor workmanship on the works that was cofounded by the NMM. The DPWI is currently working on the site to mend the works.

The total expenditure for the period under review is R 34 683 472 compared to budget of R 33 010 000. The primary driver of this R1 673 472 variance is the capital spending budgeted under the infrastructure budget secondly, the depreciation that is not being budgeted as it is a non-cash item.

The following funds are earmarked for roll-over to the next financial year

• Heritage Assets curation and Digitisation	R7 590 000
• Library infrastructure	R500 000
• Procurement of Motor Vehicles	R 1000 000
• Procurement of Accounting and Payroll system	R 700 000
• Reopening of Qunu	R 2 400 000

The museum incurs an irregular expenditure in the year under review amounting to R331 075 details of this irregular expenditure is in Part E of this report

Supply Chain Management

There were no unsolicited bids during the year in question. The internal controls and operating systems were effective for the major of year. As a result of the effectiveness of controls, there was limited irregular expenditure that was incurred as reported above.

The museum still faces document management challenges where the bid documents were not stored in one place. Yet, had sent an employee to document management training to manage the risk effectively.

Events after reporting date

No event happened after reporting date.

New programmes, including Training Programme, e-legacy programme, the Women's Dialogue, and International Summit, have enabled the Museum to diversify its programming, accommodating new audiences. Through the International Summit, the museum was able to invite international speakers to participate.

Finally, This Annual Report is also a confirmation by the Museum through its Council that it has played its role in fulfilling the mandate. The 2022/2023 financial year saw the Museum rekindling Nelson Mandela's values, engaging international platforms, and contributing to economic activities as in the previous year's Covid 19 pandemic was a threat.

Dr Vuyani Booi
Chief Executive Officer





Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part F) have been prepared in accordance with the Statement of General Reporting Accounting Standards.

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

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

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

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

Yours

Chief Executive Officer

Dr V Boo

31 August 2023

Chairperson of the Board

Ms Pumeza Skoti

31 August 2023



Strategic Overview

Vision

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela

Mission

A centre of excellence that preserves, researches, disseminates knowledge and interprets the legacy and values of Nelson Mandela.

Values

The following values will inspire the leadership and staff of the Museum and will become an organic part of the iconic posture the Museum will assume as a centre for cultural life:

Ubuntu

To help without looking for personal gain

Stewardship

Custodians of Nelson Mandela's legacy

Integrity

To inculcate honesty and respect

Service excellence

To ensure qualitative and satisfactory service delivery

Development and learning

To be the hub of information sharing

Innovation

To be creative in developing new ideas



Legislative and other Mandates

The Nelson Mandela Museum is a Schedule 3A Public Entity under the PFMA.

Constitutional Mandates

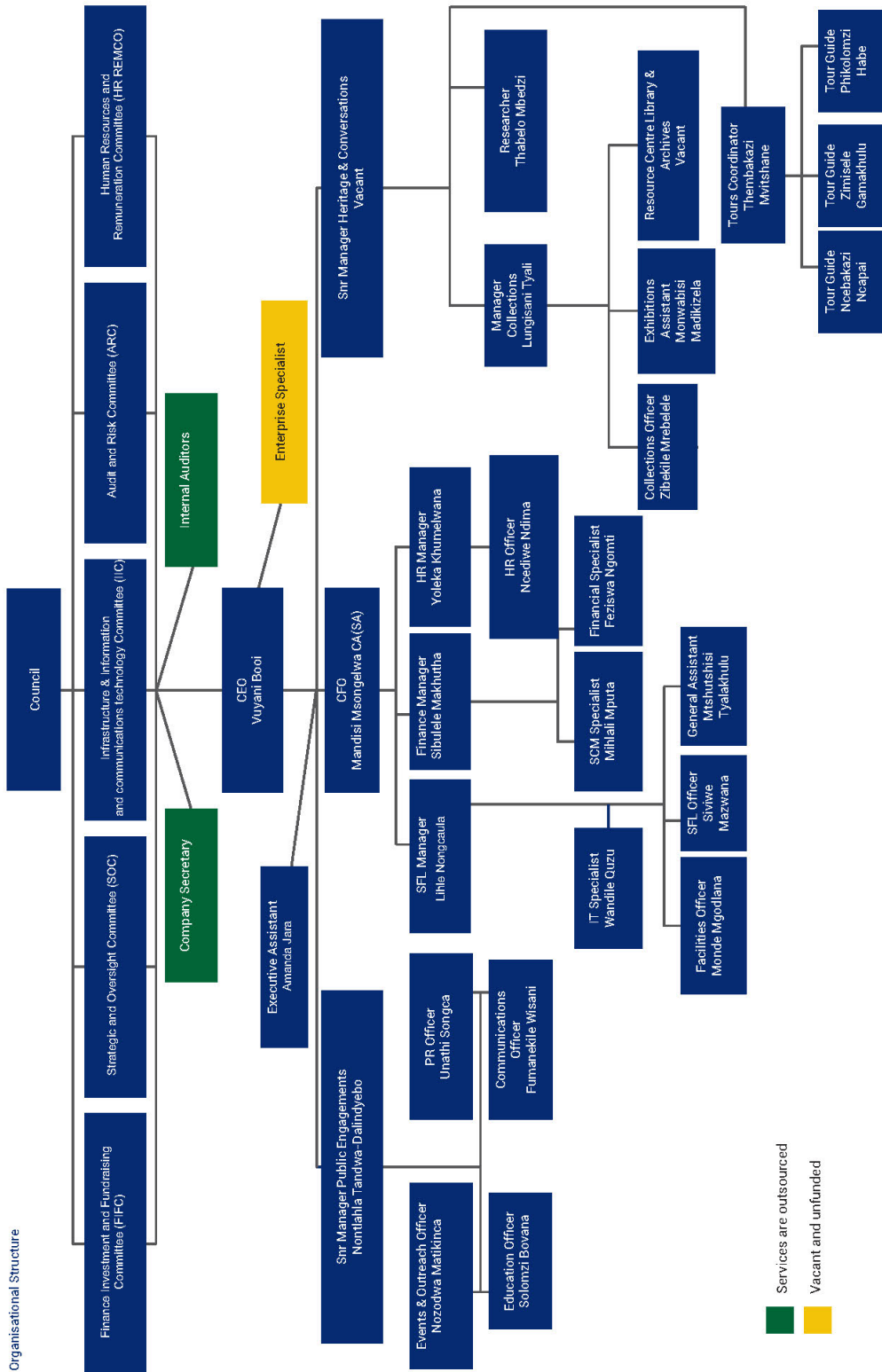
Source	Directives in terms of the constitution
Constitution of the Republic of South Africa	<p>Recognises the injustices of the past; Honour those who suffered for justices and freedom in our land; Respect those who have worked to build and develop our country. Adopted this Constitution to:</p> <p>Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.</p>

Legislative Mandates

- Cultural Institutions Act, 119 of 1998, as amended in 2001,
- National Heritage Resources Act, 25 of 1999,
- Public Finance Management Act 1 of 1999 as amended and Treasury Regulations,
- Labour Relations Act, 66 of 1995,
- Basic Conditions of Employment Act, 5 of 1997,
- Employment Equity Act No 55 of 1998,
- Public Service Regulations R1 of 5 January 2001 as amended,
- Electronic Communications and Transactions act, 25 of 2002,
- Preferential Procurement Policy Framework Act, 50 of 2000,
- Promotion of Access to Information Act, 2 of 2000,
- Promotion of Administrative Justice Act amendment act no 53 of 2002

Policy Mandates

- Deed of Donation between Arts and Culture and President Nelson Mandela, 2005.
- White Paper on Arts and Culture, 1996.
- Policy Paper on Legacy Projects, 2007.
- Public Sector Transformation, 1995.
- Broad-Based Black Economic Empowerment (BBBEE) Framework, 2007.
- Performance Management and Development System, 2010.
- Mzansi's Golden Economy and Industrial Policy Action Plan (IPAP2), 2011.





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PART B

PERFORMANCE INFORMATION



AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the management report, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to pages 93-103 of the Auditors Report, published as Part F: Financial Information.

Overview of Performance

Service Delivery Environment

This Annual report presents opportunities for the Museum to accelerate its national audience reach, particularly in the rural landscape that has not seen a museum before. Through its travelling exhibitions and colloquia, the Museum will increase its audience. Opportunities also include the leadership training programmes, targeting the rural youth and unemployed graduates, and working with reputable universities. As the Museum is working towards programming that will deliver in the new and well maintained Qunu youth and heritage site, the vibrant and thought-provoking programmes are planned for youth.

While there are general capacity challenges, there is comfort with skills within the management to enhance the Museum's ability to execute the APP. The completion of a heritage assets valuation is still a highlight NMM categorises as a big significant stone. This has enabled the Museum to be GRAP 103 compliant. This does not exempt the Museum to continue with its mandate of conservation and this has been done in a right way. This has been confirmed by the audit outcomes from the current and previous periods.

As the Nelson Mandela Museum finalised the Annual Report, there are significant trends that are taking place in South Africa concerning the legacy of Nelson Mandela.

These are trends throughout the heritage and museum sector, such as:

- Virtual tours, travelling exhibitions, App development, Social media, Active citizenry, growing demand for heritage, dialogues, the expectation for museums to contribute to economic activities, Partnerships with national and international institutions, youth engagements, etc.
- Also, due to Covid 19 pandemic challenges, the Museum is being forced to focus more on digitising its work for conservation purposes and to reach existing and new audiences through the digital spaces.
- Focusing on revenue generation as the funds from fiscus are depleting.
- Creation of more sustainable opportunities for people living with disability and youth out of school.

The White Paper Policy review may have an impact on all heritage institutions. In addition, institutions are operating in an environment where there is an economic meltdown globally and the government calls for stricter measures on how funds are utilised. This also impacts institutional flexibility on the kind of projects the Museum can participate in.

The Museum also operates under a strict financial environment, which affects the planning and implementation of various programmes.

The issue of skills is another matter that has received much attention. Though museums generally have skills challenges due to the ageing workforce and its geographical location, the Nelson Mandela Museum is affected by lower skill levels. The restructuring process also misplaced those with particular skills in areas they had no prior knowledge of. The job evaluation and grading was a success in the year, the NMM anticipate that it will pride itself with joyful workforce and will be able to attract a better pool from the market.

The extended time taken to complete Qunu maintenance by the DPWI has brought some financial strain to the Museum as it was a revenue-generating facility. Since its closure, the Museum had to terminate the contracts of other employees and service providers, putting more pressure in the community that is already in the financial difficulty. Furthermore, the programmes arranged for the facility are no longer taking place, and therefore, the community is suffering. The Museum has received numerous calls from the media regarding the opening of Nelson Mandela's grave to the public. The Museum is also inundated with the same calls from its clientele. The Museum is aware that this is a family affair and cannot make any comment to that effect.



Organisational environment

The Museum's Accounting Authority is the Council. The stable Council has allowed the Museum to function effectively and with the management team to run the Museum daily. The Council also plays its oversight role while also providing strategic direction. The existing Council was appointed beginning November 2022 taking over from the old Council that was functional since November 2019 for a term of three years. Council was fully functional with its five committees, which are:

Existing Council

- Finance Investment and Fundraising Committee (FIFC)
- Strategic and Oversight Committee (SOC)
- Infrastructure & Information and communications technology Committee (IIC)
- Audit and Risk Committee (ARC)
- Human Resources and Remuneration Committee (HRR COM)

Old Council

- Stakeholder and Commemoration Committee (SCC)
- Finance, Infrastructure and Fundraising Committee (FIFC)
- Content and Operations Committee (COC)
- Audit and Risk Committee (ARC)
- Institutional Development Committee (IDC)

The Committees' functioning ensures that there is accountability at the management level while the Council can deal with Strategic issues and policies. The symbiotic relationship between the Council and the management will enhance the organisation and improve performance. It will also ensure accountability, transparency, and respect while adhering to the values of Nelson Mandela.

Of the Nelson Mandela Museum's three campuses, only Bhunga is fully operational, while Nkosi Mandela Mandela manages Mvezo. Moreover, the closure of Qunu has limited the Museum's programming as some conducted at this facility have been halted, to the detriment of the communities and visitors.

The Museum invests in its employees and thereby increases its revenue-generating capacity. Nelson Mandela is a brand, and as such, the Museum has to while respecting the brand, creatively find ways of generating income out of the brand. The Museum has to be sensible and with great caution. As an international brand, it must manage it effectively and guide against brand misuse.

Maintenance of facilities is necessary, which impacts the collections when it is not done. Damaged collections cannot be used again; which would be a loss to the future generation. The current strategy has focused on the collection in consideration for future generations, the Museum increased its security measures to ensure the artefacts' safety for the future generation. This was done by improving the surveillance system and access control.

Key policy developments and legislative changes

There were no material legislative changes that had an impact on the operations of the Museum.

Strategic Outcome Oriented Goals

	Strategic Goal	Sub-programme
1	Improve and maintain heritage development and conservation	1.1 Collections and Conservation 1.2 Exhibitions 1.3 Resource centre Library and Archives 1.4 Research
2	Improved Public Profile and access	2.1 Education and Outreach 2.2 Communications and Public Relations 2.3 Tours
3	Vibrant programming that promotes economic opportunities for the community	3.1 Conferences and Accommodation Facilities 3.2 Youth and Heritage Centre
4	Sound and Effective Governance	4.1 Administration 4.2 Corporate Services

Performance information by programme

PERFORMANCE MATRIX

In 2019/20, a new strategy was developed that is outcome-based; due to the change in Strategy, other years would not be comparable and would be disclosed in a separate table. Below is the detailed performance of NMM in the current period.

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
Well preserved collection and heritage of NMM.	Implemented a conservation management plan based on ICOM Standards	4 identified and implemented collection's conservation projects based on internationally acceptable standards	3	1	The target of 4 for the year was not achieved due to the vacancies for the leadership of the Heritage unit. The appointment was made very late in the year.
	New exhibition complex	1 exhibition complex built- Construction of a facility and restoration of exhibition.	0	1	Now that the council approved the CMP, there will be projects that will be developed based on the guidelines and procedures of the CMP. The main reason for not spending on the previous year was mainly the limited budget allocated to the project. DSAC is currently being engaged, and the decision was made to allow the service provider to proceed with downscaling the project, as there will be no additional funds that will be allocated. Secondly, there were delays in handing over the site of Qunu by the DPWI, and it is difficult to start this project. The Museum anticipated that the site would have been handed over in 2023/24 to start the consultancy work.
Developed and implemented a		Digitisation at 20% of the collections	Digitisation at 0%	Digitisation at 20%	The appointment of the service provider had to be put on hold, and the process



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
	digitisation plan				had to be restarted due to the end of the validity period. Secondly, SAHRA provided some conservation guidelines to the NMM to be required to be in place before digitisation, and NMM is currently implementing those recommendations before it can advertise again. The digitisation catch-up plan will be developed.
Implemented Research and Evaluation Outcomes for decision making	Conducted surveys and research.	37 Research projects undertaken and commissioned	4	33	Under achievement was due to changed reporting format that was aligned with the TDIs to count projects and not per head count. This number has since be changed to 4 for the new financial year.
Education informed and action-orientated citizenry	Hosted digital exhibitions and temporary exhibitions	1 hosted temporal exhibition	1	0	The planned temporal exhibition was damaged during floods in Port St John and had to be cancelled The catch-up plan on this matter is in place, and it will be achieved in the 2023/24 financial year.
	Designed, developed and Installed travelling exhibitions	10 travelling exhibitions installed	11	1	Overachievement was due to high short-term demand for temporal exhibition during Q2. The cost used to install these exhibitions was a result of savings from the previous period. The plan to ensure that there will be no overachievement in the 5-year strategy is in place.
Increased number of off, on-site, and digital visitors.	Packaged and segmented messages for targeted markets and audiences.	35 Platforms utilised to profile, market and communicate about the NMM	41	6	The museum received more free publicity and procured adverts during the events and programmes taking place at the museum. The other achievement was caused by other events and programmes that the museum attended that are aligned with the APP.
	Offsite digital visitors	20% of 1500 000 increase in number of off-site, on-site and digital visitors.	39.6% of 1500 000	19.6% of 1500 000	Over achievement is made by an increase in the number of digital visitors due to the NMM impactful programmes and



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
	Improved marketing of the Museum within South Africa and Abroad	0 international expos attended	0	0	interactions of uploads on the social media platforms
Educated, informed, and action-oriented citizenry	The geographic spread of community engagements held	7 community engagements held	8	1	The museum was invited to attend a partnership programme with no costs incurred.
	Geographical spread of schools and instituted of higher learning visited	200 schools visited	170	30	Q1 school visits underachieved due to examinations. There was under achievement during Q1 due to examinations and no school was visiting nor visited during this quarter
		10 learning platforms and scholarship engagements	12	2	There was over achievements during quarter 1 & 2 due to increased learning platforms created/participated in with other stakeholders such as DSAC, DSRAC, and the Gauteng Department of Education
	Accessed public scholarship/fellowship, leadership and Internship	1 public scholarship /fellowship, leadership and internship	2	1	There was an overachievement in the first quarter, as the Museum anticipated one tourism monitor and ended up with two allocated by the Department of higher education.
Functional, Operational, and Successful NMM.	Internal and external stakeholders attended to (both library and archives)	1000 internal and external stakeholders used and accessed the library and archives materials and information	970	30	Librarian has been vacant for period of 6 months. The library post has been filled for new financial year
	Revenue Generation Strategy	R2 000 000 Revenue Generation.	R2 159 388	R159 388	Target is met with immaterial variance. This is a good achievement for the Museum. However, as a way forward, the planned target will be reviewed as there is a fundraiser.
	Signed copies of established MOUs/MOAs	5 signed copies of established MOUs/MOAs	4	1	This underachievement is due to the NMM not achieving the target for the last quarter. However, it had engagements with potential stakeholders that NMM



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Comment on deviations
					identified as potential partners; however, no MoU/MoA was finalised before year-end. The follow up on all engagements and to conclude those partnerships before the 2023/24 financial year.
		8 stakeholder engagement platforms	8 stakeholder engagement platforms	0	None
	Economic programmes created.	4 sustainable economic opportunities created.	4 sustainable economic opportunity created.	0	None
Improved Infrastructure Programme of NMM	Infrastructure Development Programme	100% of funded and implemented UAMP projects	100% of funded and implemented UAMP projects	0% of funded and implemented UAMP projects	None
		35% Budget of Total Infrastructure spent on qualifying SMMES	100% Budget of Total Infrastructure spent on qualifying SMMES	75% Budget of Total Infrastructure spent on qualifying SMMES	A significant part of NMM procurement and expenditure for the 2022/23 financial year was towards SMMES. For all infrastructure budgets, spending was to the SMMES as there was no big project implemented.
Good corporate governance and financial management systems.	Corporate Council approved and clean administration	Approved Charter	Approved Charter	-	None
		Unqualified Audit Outcome	Unqualified Audit Outcome	-	None
	Developed and approved strategies	1 strategy developed and approved	0 strategies developed and approved	1 strategy developed and approved	The HR strategy is still outstanding at year-end. It is anticipated that the procurement of the HR specialist will be in the second quarter of 2023/24
	Approved Risk Maturity Barometer	3 Risk Maturity Barometer Level	5 Risk Maturity Barometer Level	2 Risk Maturity Barometer Level	The target for the year was 3% risk maturity, and the actual results Per National Treasury, the Risk assessment tool was 5%, 2% higher than the planned target.
A highly capable workforce with an enabling workplace environment.	Approved workplace skills development plan	1 workplace skills plan developed.	1 workplace skills plan developed.	-	



The performance for the comparative year, i.e. 2021/22

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
Well preserved collection and heritage of NMM.	Implemented a conservation management plan based on ICOM Standards	2 identified and implemented projects based on the ICOM standards	0	2	The target of 2 for the year was not achieved due to the vacancies for the leadership of the Heritage unit. The appointment was made very late in the year.
					Now that the council approved the CMP, there will be projects that will be developed based on the guidelines and procedures of the CMP.
	New exhibition complex	1 exhibition complex built- Construction of a facility and restoration of exhibition.	0	1	Renovations on the Qunu project by DPWI are taking longer than anticipated. The site was supposed to be handed over to the Museum in August 2021, but until today, it has not been handed over. The LWTF project cannot start until DPWI is complete. The NMM will continue with consultancy work in the meantime and put more pressure on DPWI to conclude the work.
	Developed and implemented a digitisation plan	Approved Comprehensive digitisation plan and 20% digitisation	Approved plan and digitisation at 0%	Digitisation at 20%	The treasury advisory note delayed the process. The tender was issued on the 18th of February 2022. The advisory note placed this process at a standstill. Management is in the process of applying with treasury to continue with his project.



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
Implemented Research and Evaluation Outcomes for decision making	Conducted surveys and research.		38	15	Overachievement is due to work done in partnership with other institutions. Freedom Park Museum initiated two projects along the Freedom liberation route. The Museum ended up incurring a limited cost for these projects.
	23 research conducted or commissioned				
Education informed and action-orientated citizenry	Hosted digital exhibitions and temporary exhibitions	1 hosted temporal exhibition	1	0	
	Install travelling exhibitions	10 travelling exhibitions installed	10	0	
	Developed travelling exhibitions	0 travelling exhibitions developed	1	1	There was a grant from the US embassy specifically to develop and revamp a travelling exhibition. There were no financial implications from NMM.
Increased number of off, on-site, and digital visitors.	Packaged and segmented messages for targeted markets and audiences.	35 Platforms utilised to profile, market and communicate about the NMM	58	23	As the Museum focuses on audience development, marketing its content and offerings and taking the museum to the people is critical. The museum utilised the digital platform in marketing and communication; more interactions were on social media platforms, website and media. The museum conducted a series of events and programmes and posted virtual tour links and some of the museum collections, which made more interaction in the social media space. Video clips uploaded on the sites captured more attention as well.



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
	Offsite digital visitors	100% of 10% increase in number of off-site, on-site and digital visitors.	180% of 10%	80% of 10%	The museum also procured media advertisements and received free publicity mainly, which accumulated the number of an identified target for the year. The overachievement results from content updated on social media; a single video had achieved more than 250k views. Other stakeholders, like Keith Ngesi Radio, who are not considered in this report and Daily Dispatch, had museum features over the reporting period.
Educated, informed, and action-oriented citizenry	Improved marketing of the Museum within South Africa and Abroad	1 international expo attended	1	0	
	The geographic spread of community engagements held	2 community engagements held	3	1	The Museum had managed to engage the Communities on adjusted restricted Lockdown regulations during quarter 1
	Geographical spread of schools and instituted of higher learning visited	100 schools visited	103	3	The museum conducted school visits during the first and second quarters, and as per the APP, no targets were to be achieved, as were the adjustments due to COVID-19 regulations. However, there were some adjustments, and we visited schools during the first and second quarters and the third quarters. The museum then overachieved the target based on the above information.



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
		10 learning platforms and engagements	18	8	The museum engaged with learners and students on different topics and educational activities utilising other platforms. This was done to educate and inform them about the museum's products and offerings and to provide them with an opportunity to discuss international and national content issues. Most learners and students were reached in almost all the provinces. This was done through the allocated budget and partnerships with other institutions. The Museum ended up incurring minimal costs on transportation.
	Accessed public scholarship/fellowship, leadership, and Internship	2 public scholarship /fellowship, leadership and internship	2	0	
	Internal and external stakeholders attended to (both library and archives)	500 internal and external stakeholders attended to (both library and archives)	771	271	A successful marketing and publicity plan resulted in a high turn-up of users to access the library material and attend the library events.
Functional, Operational, and Successful NMM.	Revenue Generation Strategy	R1 000 000 Revenue Generation.	R1 234 000	R234 000	The overachievement is due to a Sponsorship by MBSA, the US Embassy and interest in NMM's funds. This is a good achievement for the Museum. However, as a way forward, the planned target will be reviewed as there is a fundraiser.



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic Outcome	Output	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
Good corporate governance and financial management systems.	Corporate Council approved and clean administration	Approved Charter	Approved Charter	-	
	Developed and approved strategies	1 strategy developed and approved	4 strategies developed and approved	3 strategies developed and approved	This was underachieved due to the Human Resource strategies being overhauled by an appointed service provider in 2023.
	Approved Risk Maturity Barometer	3 Risk Maturity Barometer Level	5 Risk Maturity Barometer Level	2 Risk Maturity Barometer Level	The target for the year was 3% risk maturity, and the actual results Per National Treasury, the Risk assessment tool was 5%, 2% higher than the planned target.
A highly capable workforce with an enabling workplace environment.	Approved workplace skills development plan	1 workplace skills plan developed.	1 workplace skills plan developed.	-	None



Strategic objectives, performance indicators, planned targets, and actual achievements

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Performance Indicator	Actual Achievement 2019/2020	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023
Number of identified and implemented collection's conservation projects based on internationally acceptable standards	N/A	0 projects	0	4 identified and implemented projects based on the internationally acceptable standards	3 identified and implemented projects based on the internationally acceptable standards
Number of exhibition complex built- Construction of a facility and restoration of exhibition.	N/A	Concept document	0	1 exhibition complex built- Construction of a facility and restoration of exhibition.	0 exhibition complex built- Construction of a facility and restoration of exhibition.
Comprehensive digitisation plan and implementation- Approved comprehensive digitisation plan developed	N/A	Draft plan	Approved plan and digitisation at 0%	Digitisation at 20% of the collection	Digitisation at 0% of the collection
Number of Research Conducted or Commissioned	N/A	0 Research Conducted or Commissioned	38	37 research projects undertaken and commissioned	4 research projects undertaken and commissioned
Number of internal and external stakeholders attended to (both library and archives)	N/A	N/A	771	1000 internal and external stakeholders used and accessed the library and archives materials and information)	970 internal and external stakeholders used and accessed the library and archives materials and information)
Developed Comprehensive Covid-19 Response Plan	N/A	1 Developed Comprehensive Covid-19 Response Plan	N/A	N/A	N/A
Number of hosted digital exhibitions	N/A	4 exhibitions	N/A	N/A	N/A
Number of hosted temporal exhibitions	N/A	N/A	1	1 hosted temporal exhibition	0 hosted temporal exhibition
Number of travelling exhibitions installed	N/A	0 travelling exhibitions installed	10	10 travelling exhibitions installed	11 travelling exhibitions installed
Number of travelling exhibitions developed	N/A	3 travelling exhibitions developed	1	0 travelling exhibitions developed	0 travelling exhibitions developed
Number of Platforms utilised to profile, market, and Communicate the work of the NMM (Electronic, Digital, social media)	N/A	15 platforms	58	35 Platforms utilised to profile, market and communicate about the	41 Platforms utilised to profile, market and communicate about the



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Performance Indicator	Actual Achievement 2019/2020	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023
% increase in number of off-site digital visitors	N/A	5% of 1 500 000	180% of 10%	NMM 20% of 1500 000 increase in number of off-site, on-site and digital visitors.	NMM 39.6% of 1500 000 increase in number of off-site, on-site and digital visitors.
Number of international expos attended	N/A	0 International expos	1	0 international expo attended	0 international expo attended
Number of community engagements held	N/A	0 community engagements held	3	7 community engagements held	8 community engagements held
Number of schools visited	N/A	0 schools visited	103	200 schools visited	170 schools visited
Number of learning platforms and engagements held	N/A	12 learning platforms and engagements	18	10 learning platforms and engagements	12 learning platforms and engagements
Number of public scholarship/fellowships, leadership, and internship	N/A	0	2	1 public scholarship /fellowship, leadership and internship	2 public scholarship /fellowship, leadership and internship
Number of Conducted Covid-19 Awareness campaigns and supply PPEs	N/A	28 awareness campaigns	N/A	N/A	N/A
Number of conducted Covid-19 awareness campaigns and supply food parcels	N/A	6 conducted Covid-19 awareness campaigns and supply food parcels	N/A	N/A	N/A
Revenue Generation.	N/A	R0	R1 234 000	R2 000 000 Revenue Generation.	R2 159 388 Revenue Generation.
Number of signed copies of established MOUs/MOAs	N/A	4 signed copies of established MOUs/MOAs	2 signed copies of established MOUs/MOAs	5 signed copies of established MOUs/MOAs	4 signed copies of established MOUs/MOAs
Number of stakeholder engagement platforms	N/A	8 stakeholder engagement platforms	10 stakeholder engagement platforms	8 stakeholder engagement platforms	8 stakeholder engagement platforms
Number of sustainable economic opportunities created.	N/A	0 sustainable economic opportunities created.	1 sustainable economic opportunity created.	4 sustainable economic opportunities created.	4 sustainable economic opportunities created.
% of funded and implemented UAMP projects	N/A	50% of funded and implemented UAMP projects	100% of funded and implemented UAMP projects	100% of funded and implemented UAMP projects	100% of funded and implemented UAMP projects
Budget % of Total Infrastructure spent on qualifying SMMES	N/A	13% Budget of Total Infrastructure spent on qualifying SMMES	100% Budget of Total Infrastructure spent on qualifying SMMES	35% Budget of Total Infrastructure spent on qualifying SMMES	100% Budget of Total Infrastructure spent on qualifying SMMES
Approved Charter	N/A	Approved Charter	Approved Charter	Approved Charter	Approved Charter
Unqualified Audit Outcome	N/A	Unqualified Audit Outcome	Unqualified Audit Outcome	Unqualified Audit Outcome	Unqualified Audit Outcome



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela				
Performance Indicator	Actual Achievement 2019/2020	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Actual Achievement 2022/2023
Number of strategies developed and approved	N/A	2 strategies developed and approved	4 strategies developed and approved	1 strategy developed and approved
Number of Risk Maturity Barometer Level	N/A	5 Risk Maturity Barometer Level	5 Risk Maturity Barometer Level	5 Risk Maturity Barometer Level
Number of workplace skills plan developed.	N/A	1 workplace skills plan developed.	1 workplace skills plan developed.	1 workplace skills plan developed.
Number of learning platforms and conversations held	7 Platforms conducted	N/A	N/A	N/A
Number of Geographical locations reached	10 Geographical locations reached	N/A	N/A	N/A
Number of collections researched	115 items to researched	N/A	N/A	N/A
Number of sites included in the Liberation Heritage Route	N/A	N/A	N/A	N/A
Number of exhibitions maintained/developed	6 Exhibitions	N/A	N/A	N/A
Number of interviewed conducted	34 Interviews	N/A	N/A	N/A
Number of library and archives material acquired, catalogued and classified	241 items	N/A	N/A	N/A
Number of artefacts labelled and entered into the inventory	850 items	N/A	N/A	N/A
Number of learning material produced	1 Learning Material Produced	N/A	N/A	N/A
Number of community engagement platforms	2 Community engagements	N/A	N/A	N/A
Number of learning engagements and conversations held	8 platforms	N/A	N/A	N/A
Number of branding, marketing activities and expos	5 expos attended	N/A	N/A	N/A
Number of marketing strategies developed	0 strategy	N/A	N/A	N/A
Number of events implemented	5 events	N/A	N/A	N/A
Number of Council and Committee meetings held	7 Council Meetings 25 Committee Meetings	N/A	N/A	N/A
Number of fundraising strategies developed	0 fundraising strategy	N/A	N/A	N/A
Number of fundraising initiatives to be held	0 initiative	N/A	N/A	N/A
Number of policies, procedures and systems developed	4 policies	N/A	N/A	N/A
Improved Audit Outcomes	1 unqualified audit outcome	N/A	N/A	N/A
Compliance with PFMA and Treasury Regulations		N/A	N/A	N/A
Compliance with budget and supply chain management		N/A	N/A	N/A
Compliance with SCM, PFMA and Treasury Regulation	100% Compliance	N/A	N/A	N/A



An African museum that inspires positive change in society through the legacy and values of Nelson Mandela						
Performance Indicator	Actual Achievement 2019/2020	Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	
Number of human capital initiatives	1 workplace skills plan 100% performance	N/A N/A	N/A N/A	N/A N/A	N/A N/A	
User Asset Management Plan Completed (UAMP)	1 User Asset Management Plan	N/A	N/A	N/A	N/A	
Number of IT governance manual developed	0 IT governance	N/A	N/A	N/A	N/A	

The explanation of variances between actual and target for 2022/23 are as per the table above.



Strategy to overcome areas of underperformance

In the current financial year, six indicators that were underachieved from Heritage, which are identified and implemented collection's conservation projects based on international standards, Construction an exhibition facility and restoration of LWTF Film set, comprehensive digitisation projects implemented, research projects undertaken and commissioned, patrons accessed and used the traditional library and archive materials and information, hosted exhibition were not achieved mainly because of instability in a senior management position which is still vacant and the library position which was filled six months later. Additional reasons that contributed to the non-achievement of indicators by Heritages were delays by DPWI in finalising renovations of the site and the vacancy in the Heritage unit.

Two were underachieved by the administration, programme 3, i.e., signed copies of established MOUs/ MOAs and strategies developed and approved. Mainly due to the Human Resource strategies to be overhauled in 2023 to ensure the alignment; as for MoUs/MoAs, it is due to the NMM not finalising the MoUs on time in the last quarter of the financial year. However, it had engagements with potential stakeholders that NMM identified as potential partners; however, no MoU/MoA was finalised before year-end.

However, the plan is in place to ensure targets are being met. The plan will be implemented in the 2023/24 financial year.

Changes to planned targets

There were no changes from the planned APP during the 2022/23 financial year.

Linking performance with budgets

The spending was in line with the approved budget.

Activity	2021/22			2022/23		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
Total Income	31 598 000	42 167 126	10 569 126	35 562 345	42 185 158	6 622 813
Total Expenditure	31 598 000	32 729 013	(1 131 013)	(35 412 345)	(37 085 817)	(1 673 472)
Total	0	9 438 113	9 438 113	150 000	5 099 341	4 949 341

Revenue Collection

Overview of the financial results of the Museum Receipts

Receipts	2021/22			2022/23		
	Budgeted revenue	Actual revenue	Over/ Under budgeted	Budgeted revenue	Actual revenue	Over/ Under budgeted
Government subsidy	30 924 000	38 246 734	7 322 734	34 661 345	37 431 095	(2 769 750)
Interest received	600 000	2 917 982	2 317 982	460 000	4 605 498	(4 145 498)
Donations received	0	876 728	876 728		1 150	(1 150)
Other revenue	74 000	125 682	51 682	441 000	147 415	293 585
Total	31 598 000	42 167 126	10 569 126	35 562 345	42 185 158	(6 622 813)

The museum is not yet generating revenue; however, the resource mobilisation strategy has been finalised. An array of revenue generation initiatives are in place and would be implemented during the 2023/24 financial year. The Qunu and heritage centre has been partially handed over to the NMM, it is anticipated that it will generate more revenue in the 2023/24.

The variance above is due to the infrastructure-related interest received that has been ring-fenced to only infrastructure-related projects and there was an underspending on the capital budget due to DPWI delaying the Qunu and Heritage Centre maintenance. Again, there was payment effected to DPWI in the



current year due to the poor workmanship on the works that was cofounded by the NMM. The DPWI is currently working on the site to mend the works.

Programme expenditure

Programme	2021/22			2022/23		
	Final allocation	Actual expenditure	Over/under expenditure	Final allocation	Actual expenditure	Over/under expenditure
Heritage and conservation	5 078 806.00	5 078 806	0	6 055 297	6 055 297	0
Public Engagements	5 484 375.00	5 484 375	0	4 285 397	4 285 397	0
Governance	21 034 819	22 165 832	(1 131 013)	25 071 651	26 745 123	1 673 472
Total	31 598 000	32 729 013	(1 131 013)	35 412 345	37 085 817	1 673 472

DSAC allocates all revenues as operational and capital grants except for revenue from finance income amounting to R 4 605 498 (2022: R 2 917 982) and donations from the public.

Programme	Explanation
Heritage and conservation	There was no increase in the Museum's budget except the inflationary increase. Though the Museum requires additional personnel to function optimally, there was no additional budget. For example, specialist skills include marketing and communication specialists, curators, designers, conservators, web designers, and entrepreneurs. The Museum has grown, and to match its growth, such skills would have been commensurate with its intended strategic focus. This inflationary increase is far from enough for the core business operations. As a result, this harmed the size, audience, geographical location, etc., of programmes.
Public engagement and marketing	The Museum had met most indicators linked to this programme with the limited resources allocated. However, there is still a challenge with these programmes' size, audience, and geographical location.
Administration	The inflationary increase adjusted all running costs. Over the period, the Museum will continue adjusting employees' compensation at an inflationary projection, which aligns with the National Treasury Guidelines.



Conditional grants and earmarked funds received

During the 2022/23 financial year, no new conditional grants were received except the additional allocation to the existing grants.

The following represents the infrastructure information:

Unspent conditional grants and receipts		
Qunu Development Project	5 677 958	5 767 338
ICT Project	407 411	702 401
Installation of burglar bars	33 083	33 083
Erection of Public Sculptures	228 656	636 792
Facilities Management	669 653	2 279 491
Long Walk to Freedom Film Set	36 741 276	36 741 276
Back-Up Generator	401 987	401 989
	44 160 024	46 562 370
Movement during the year		
Balance at the beginning of the year	46 562 370	48 885 103
Additions during the year	-	5 000 000
Income recognition during the year	(2 402 346)	(7 322 733)
	44 160 024	46 562 370

- Facilities Management- These funds are for the maintenance and improvement of existing structures
- Long Walk to Freedom - Allocated funds related to Long Walk to Freedom film set consultants, and the remainder would be transferred to the LWTF construction project.
- Erection of Statues- These funds are for the construction of 2 Nelson Mandela statues in Bhunga and Qunu.
- Qunu Development project- This grant is for both the project management team and Qunu improvements.
- ICT Project- These funds are for ICT infrastructure development and equipment.
- Back-up generator- These funds were allocated for the procurement of a backup generator for the Bhunga Building.
- Installation of burglar bars These funds were allocated for installing burglar bars at the Museum.
- The current portion, as disclosed above, is made of Consultants for the Long Walk to Freedom film set who are expected to start utilising the budget in a period that is less than 12 months. Also, other projects, namely, Qunu Condition Based Maintenance, Erection of Public Sculptures, ICT project, Facilities Management and Project, are also anticipated to continue spending allocated funds as per budget in the period of less than 12 months.



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an agency of the
Department of Sport, Arts and Culture

PROGRAMME 1



PROGRAMME 1

HERITAGE AND CONSERVATION

Background Information

The purpose of the Business Development Unit (Programme 1) born from its nature as the museum's core/primary department. This is because its purpose is to promote, protect, and preserve Nelson Mandela Museum collections and Nelson Mandela's legacy. This purpose is fulfilled by executing the following priorities for the Unit: Conservation of the NMM collection and sites; Digitization of the museum collection; Development and implementation of conservation plan; undertaking in-depth research on the collection and legacy of Nelson Mandela; library and archive linked to the museum; implementation of the scholarship programme; and presentation of collection through temporal, permanent and travelling exhibitions. These priorities are executed as indicated by the following areas of delivery.

Digitisation of the NMM Collections

Over the years, the Unit has identified digitisation as part of its long-term conservation strategy and started the process of appointing a suitable service provider for this process. During the 2022/23 financial year, an attempt to appoint a suitable service provider was derailed by changes in management positions within the unit and lack of internal expertise to complete the appointment. An external expert was sought to assist in this regards and an updated Terms of References (TORs) were developed for the Unit to continue the appointment of a service provider for the 2023/24 financial year. Digitization will now be done at once not in stages as previously sought and is expected to be done during this financial period.

Declaration of Collections

The Unit continue to work towards completion of its inventory to get the Gift to the Nation collection to be declared by SAHRA as national asset of significance. Two interns were hired to assist the Unit in this process by conducting provenance research and updating the existing database, namely Mr Sivuyile Pharela and Mr Linda Fanele. The Unit anticipate the collections to be officially declared during the 2023/24 financial year.

Learning platforms and conservations

Heritage and Conservation Unit is tasked with conducting ten learning platforms per year, with two for first quarter, three for second and third quarter; and another two for fourth quarter. For the year 2022/23, the actual performance was 12 due to joint seminars hosted with other institutions such as the Department of Sport, Recreation, Arts and Culture (DSRAC), and also the Department of Sport, Arts and Culture (DSAC). As part of keeping Nelson Mandela's memory and legacy alive, the museum held Human Rights Essay Competition; International Youth Camp; International Museum Day in partnership with DSRAC; Mandela Social Dialogue; Exclusive Women Dialogue; African Liberation Heritage Indaba; spring learners camp; and Youth Advocacy programme as part of its learning platform programmes.

These learning platforms are aimed to stimulate debates on the issues affecting and impacting South Africans and values Nelson Mandela represented and stood for. These engagements also sought as a platform to provide a safe space or communities to air their views, understand the historical background of the country and to navigate a suitable solution to modern day problems and social issues. advocate non-violent solutions toward world peace, respect for human rights and tolerance amongst communities and the world.

July is Nelson Mandela's birth month, and his birthday, 18 July, is marked as International Mandela Day with activities such as 67 minutes of community service dedicated to his 67 years of active political participation. In commemorating this day, the museum renovated a class and opened a library at SOS Children Home in



Mthatha and also hosted the Mandela Social Dialogue which served as a reminder of Nelson Mandela's values to the public.

Women's month was celebrated in August by hosting a learning platform dialogue where women shared challenges they are faced with and how to overcome them. This programme took place at Bhunga Building and was attended by mostly women. Gender-based violence, unemployment, poverty and unemployment were the main topic discussed on the platform; Deliberations were based on finding long-lasting solutions to these structural and psychological challenges. This event was hailed as the right platform whereby women could find each other and assist each other in overcoming their challenges socially and professionally.

The Unit could not archive some of its mandate: number of identified and implemented collection's conservation projects based on acceptable international standards (3/4); Number of oral history research projects and collection conducted or commissioned (4/37); Number of internal and external stakeholders used and accessed the library and archives materials and information (970/1000); and Number of schools visited (170/200). These negative outcome was due to changes in managements with the Unit and staff movements; along with a prolonged process to hire new staff members on the vacant passion (Librarian, Collections Manager, and Senior Manager: Heritage & Conservation)

The NMM Youth and Heritage Centre in Qunu has been going under renovations led by the DPWI. The museum has been given completed part of the site (buildings) and the Unit have planned to install two exhibition on site: Unthreading Nelson Mandela and the iMandela Exhibition in the 2023/24 financial year.

Exhibitions

To continue to explore Nelson Mandela's life and the contexts within which he lived and worked, the museum uses permanent, temporary and travelling exhibitions to educate and promote the legacy and values which Nelson Mandela embodied. Two permanent exhibitions: Meaning of Mandela and Collection of gifts (Gift to the Nation). One temporary exhibition: Nelson Mandela Statues

Travelling exhibitions are:

- Quilt Exhibition (Artists Work by Michigan students in partnership with Nelson Mandela Museum, paying tribute to Nelson Mandela in support for his advocacy and principles.)
- Long Wal to Freedom Exhibition
- Mandela with Love Exhibition
- The Photographic Exhibition
- Dear Mr Mandela- Dear Mrs Parks Exhibition
- Mandela and Luthuli in Conversation Exhibition
- The Freedom Exhibition

These exhibitions assist and extend the museum's footprints and reach out to the wider communities across the Republic of South Africa who are unable to visit the museum in Mthatha. The loaning term is six months with an allowance of one extension, provided no other institution requests to loan in after the lapse of the first loaning period.

Collections

The NMM collections are acquired through donations from various stakeholders, individuals and communities that share their appreciation of uTata Nelson Mandela's contribution to the struggle against apartheid and his legacy in building a new democratic, socially cohesive and reconciled nation. The donations are received as gifts, and a donation form is provided to the donors. No donation was officially recorded in the museum collection database in this financial year.



Research

Four (4/37) research projects were done through conducted interviews during this financial year which was an under achievement as per APP. However, this has since led to the amendment of APP for the new financial year to set realistic and achievable target for the year.

Tracing the Footprints of Nelson Mandela's Values

A total of seven (7) research interviews were conducted this quarter under the theme: Tracing the Footprints of Nelson Mandela's s Values and Legacy Among Communities: Bizana. The oral history research follows events that are not officially publicized in Nelson Mandela's journey. The research was guided by an event where Nelson Mandela visited the Mpisi community in Bizana under the traditional leadership of the influential late Chief D.D. Mlindazwe.

Chief D.D. Mlindazwe was known for his passion for development and empowerment. Though a PAC member who later joined the ANC, Chief D.D. Mlindazwe had the honour to host Nelson Mandela in his place on three different occasions: When Nelson Mandela was visiting for ukukhahlela (to pay respect) -1996, for soil turning and during opening of the Ncangci Comprehensive Technical High School (1997 and 1999).

Following this interview, it is expected that the NMM and the Mpisi traditional leadership will develop and sign an MOU outlining areas of cooperation.

Development and Empowerment: Building a Developmental Community Through Sport

Interviews were conducted in partnership with the Dan Pasiya Foundation in Mthatha. This research was premised on the relationship between the late Dan Pasiya and Nelson Mandela in using sports to develop and empower communities around Mthatha through sports. It was revealed during the interviews that Nelson Mandela played a key role in getting or assisting Umtata Bush Bucks a sponsor during the former club's day in the national division. The interviews also explored the role of golf sport and its historical contribution as a springboat to social wellbeing and socio-economic development. The Museum has since entered into partnership with the Dan Pasiya Foundation to work together on sports activities that contribute positively to local socio-economic and social ills affecting local people (unemployment, crime, substance abuse and gender issues)

Tracing the Legacy Foot Prints of Nelson Mandela and Children

Tracing the legacy foot prints of Nelson Mandela interviews were conducted in collaboration with the Mthatha SOS Children Home. The interviews were premised on the activities the Home undertake and challenges faced in taking care of homeless children. This was part of the strategic needs to re=position the NMM inline with what Nelson Mandela liked, loved and committed to as a leader and philanthropist. The Museum has since renovated a space for a library for the children to have an opportunity to study access technological equipment like computers. The NMM has since started a working relationship with the SOC Management on developmental programmes and activities and continue to explore avenues for a working partnership that will impact positively to the life of disadvantaged children.

Nelson Mandela Release:- A Reflection into Nelson Mandela's Life Post 1990

A Nelson Mandela release commemoration was held in Cape Town at the Iziko Museums of South Africa where also a research report was developed focused the experiences of those who worked, lived and shared moments with Nelson Mandela in the early part of his release in 1990. The research report outlined the experience of these individuals and how they remembered the day of his release from prison after 27 years of being in prison and away from his family- 11 February 1990. The report will form part or influence the theme to be considered for Nelson Mandela Museum events aligned with the spirt, legacy and vision of Nelson Mandela.



Library

Library service of the Unit continue to contribute positively in providing access to learners as a reference library while also performing its archival duties of NMM records. Its high-quality offering and marketing strategy in place attract more internal users each period.

Library collection management

The museum has a small library within the premises which also comprises an archives section. So far, the total number of books is 1 700, and the collection is continuing. These are books about Nelson Mandela, apartheid history, Museology, Anthropology, Xhosa history and culture.

The archives section was fully established and now archiving museum records. The collection is still very much based on donations. Both library and archives material donations will assist in enhancing the museum offering for more education and enjoyment of its patrons.

Catalogued library collections

The library has catalogued its collections of books, with almost all of its books catalogued and unique barcodes attached. In strengthening its cataloguing exercise, the NMM Library subscribes to Inmagic DB/Text, which it renews yearly to make the cataloguing process efficient and sustainable.

Outreach programme

The Nelson Mandela Museum Library section established a School Library at SOS Children Home in Mthatha. In Following in the footprints of uTata Nelson Mandela, whose footprints are all over the country, the Library section successfully converted house into children's library that would be under the SOS Management.

World read aloud day

In this financial year Library section celebrated the Youth Reading Programme in Partnership with DSAC and DSRAC on the 15th of June 2022. This programme was initiated with the aim to of ensuring literacy development, access to personal development. The Steering committee (NMM, DSAC & DSRAC) selected two prescribed books of the identified authors and activities were crafted in a following manner:

- Book Reviews: "The Death of Nowongile" by M. Nkasawe and "Intlungu Yezandlebe" by Mr. Y. Ntwalana
- Poetry Citing from the book titled "Journey of the Heart" by Mr. M. Nkasawe.
- Reading: English & IsiXhosa (random selection of the exhibitor's collection)

Participation in these activities focused on the OR Tambo District Municipality active Book Clubs (Port St Johns, Mhlontlo, and King Sabata Dalindyebo). Resources for this event were shared by NMM and DSAC for the success of the event.



Africa Heritage Liberation Indaba held in ELICC



Human Rights Essay Competition

Library outreach programme

Mandela Day lecture



Youth month reading competition



Mandela Release event



Nelson Mandela Museum at Ditsong Cultural Museum



School Tour



Community Development programme



Youth Camp participants



in the footsteps ●●●
an agency of the
Department of Sport, Arts and Culture

PROGRAMME 2



PROGRAMME 2

PUBLIC ENGAGEMENT

The public engagement strategy

The Public Engagement and Marketing department serves as a driving force in protecting and promoting Nelson Mandela Museum's geographical location and the museum brand. This is done through a well-crafted community outreach programmes, community and stakeholder engagements, media engagement, trade shows and Museum events and programmes aligned to Former President Nelson Mandela. These activities and programmes within the Museum timeline attract local and international visitors to view Museum's permanent and travelling exhibitions, artefacts, gifts, authentic sites of significance in the foot prints of Nelson Mandela. The department is also a communication vehicle that disseminates information to all local and national government departments, strategic partners, community and stakeholders. The department enhances the Museum's digital activities, promotes culture and heritage and preserves Nelson Mandela's legacy through robust programming.

Community engagements and events

The museum hosted a number of activities in celebration of Nelson Mandela Release, Mandela Day and Commemoration Day. The museum also conducted and community engagements and stakeholder engagements. The events and community engagement programmes assist in promoting and disseminate messaging to the external community about the Museum's products and services. It is where different communities gather to celebrate and commemorate the life and times of Nelson Mandela and make a difference in the lives of those that are disadvantaged. Museum's audiences showcase their talents and their intellectuals during such programmes and events.

Youth imbizo

On the 10th of June 2022 the Department of Sport Arts and Culture (DSAC) in partnership with Nelson Mandela Museum hosted the Youth Imbizo Dialogue to encourage Youth Activism in the fight against Gender Based Violence and Femicide (GBVF) and Substance Abuse. The Youth Imbizo Dialogue was held under the theme: **Promoting Activism against GBVF and Substance Abuse**. DSAC and the NMM hosted the Youth Imbizo following the reported cases on GBVF. The vision was to encourage youth to take a stand against rape and murder of women and children.

The planned Youth Imbizo Dialogue's focus was to inspire youth participation in the fight against GBVF and substance abuse in schools and communities. The speakers focused on the challenges faced by traditional leadership in tackling issues of GBV in their communities. The speakers believed that there should be ethical values to be instilled to men in society and boys should be taught more of the moral regeneration. The society should change the dialogue when it comes to GBV and begin to engage in talks to re-build the broken families and be able to correct each other in a manner that is truthful, honest and transparent.

During the Imbizo, it was mentioned that GBV is only directed to women but even men are abused as well. There are elements that might cause many to have anger and abuse women this way. There are solutions to those who are affected by GBV like accessing therapy sessions, government to increase hotline and shelters for victims of gender-based violence. Society is given a task to educate women on how to report abuse or violent acts against them. Forums must be accessible to males and funding should be increased in programmes to empower women on issues of GBV. GBV is seen as a symptom of society at war on itself in a crisis of reproduction born out of history of violence. A solution is to have debates for the violence responses and how to understand the power of words and the use of language. Language can be very violent, therefore there is a need for a violent free society.



The icons journey 2022

The Nelson Mandela Museum in partnership with Icons Journey Marathon, Department of Sport Recreation Arts and Culture (DSRAC) and Absa Group hosted a media launch to unpack the second edition of the 400 km Iconic Challenge and the fourth edition of the 103km Icons Journey Marathon. The media launch was held at the Nelson Mandela Museum Bhunga Building on the 29th of June 2022. The launch was to unpack the activities around the Icons Journey Marathon. The activities included the 400 km Iconic Challenge. The challenge started from Fort Hare University in Alice and passed places like Fort Beaufort, Whittlesea, Komani, Cofimvaba, Ngcobo, Clarkebury, Baziya, Mqokezweni, Qunu, Qokolweni and Nelson Mandela Museum with 20 runners participating from the 03rd July to cover a distance of 400 km over 8 days finishing on the 10th July. The challenge was CSI initiative that will see 20 social runners from various provinces coming together to run a demanding distance of 400 km in eight (8) days raising funds to benefit 3000 school boys and girls in the village and township schools countrywide with necessities like school shoes, sport kits and sanitary pads for girls.

On the 01st of July 2022 the ABSA Bank one of the sponsors of the Icons Journey Marathon hosted the Icons Journey Fundraising Gala Dinner NMM. The Gala Dinner was another fundraising initiative in assisting the underprivileged learners with sports kits, school shoes, sanitary pads and sport equipment. The proceeds of the Gala Dinner would also assist in extending the back to school programme that would benefit the schools that will be identified by the museum and ABSA. The Icons Journey Fundraising Gala Dinner was the first of its kind and will be held annually. This year event had good attendance compared to the 2019 Mandela Day Gold Gala Dinner organised by the museum.

The 4th edition was the South Africa's longest event under 24 hours at 103 kms. The race took place on the 10th of July 2022 and it covers three (3) district municipalities namely Chris Hani, OR Tambo and Amathole. The race consisted of 103km Race from Clarke bury, 35Km race from Qunu, 12km from Sangoni Technical school in Qokolweni and 7 km from Tyumbu Village. The finishing point of the event was at the Nelson Mandela Museum in Mthatha.

Qunu imbizo

The Nelson Mandela Museum Youth and Heritage Centre, is a centre built in Qunu to serve as a catalyst for youth and community development. The Youth and Heritage Centre was officially opened in 2006 by President Nelson Mandela had undergone a condition-based maintenance including building, electrical, civil works and upgrading of sewer system. The renovations of the site started in 2019 and the Department of Public Works handed over some beneficial occupation, to allow the museum to operate while the department and the contractor are still on site.

Following a meeting between the Department of Public Works and the Nelson Mandela Museum clarifying the handing over of the occupation, the museum organised a meeting with the Chief Nokwanele Balizulu of the Qunu Traditional Council. The meeting took place at the Youth and Heritage Centre. The meeting included the Chief's Council members, Ward Council and Qunu Development Committee. The other meeting was an extended meeting that included Headmen and their representatives on the 24th of May at the Qunu Resource Centre.

In both meetings the museum elaborated on the closure of the site and that it was to undergo some renovations and, in the process, created job opportunities for the local community of Qunu and surroundings. The renovation helped to elevate the centre and opened more infrastructure development programmes. The museum highlighted the unveiling of the two statues of Nelson Mandela and new programmes to be run at the centre that will be to rebrand visible sites of Nelson Mandela in and around Qunu with interpretative exhibitions (Outdoor) to boost tourism development routes. The plinth of the statue would be completed on the 13th July 2022. The two statues will be erected on the 4th of August following 21days of waiting period after the completion of the plinth. The President of the Republic of South Africa will propose a date for the unveiling as per the communique from his office. The utilisation of Tourism Information centre to outline tourism destinations found within KSD and O.R. Tambo District Municipality would assist in profiling destinations of choice.



Mandela day

International Mandela Day is celebrated globally on his birthday date of 18 July. The celebrations in different forms are an acknowledgement of his active involvement with politics for 67 years. The Nelson Mandela Museum in partnership with the Department of Sport, Arts and Culture (DSRAC), Office of the Premier (OTP) and SOS Children's Village spent its 67 minutes by handing over of the library with a formal programme and the Mandela Day Dialogue.

The handing over of the library took place at SOS Children's Village in Mthatha on the 18th of July. The Museum identified the SOS Children's Village in South Africa based in Mthatha as it plays a significant role in helping children and young people whose lives have been negatively impacted by disadvantaged backgrounds. The 67 minutes was spent by painting the remaining part of the library by government officials and the museum and book shelving. This was a second initiative by the museum and the benefits of opening the library is that SOS Children's Village will have access to books, reading, homework preparation and group discussion amongst the learners. The number of these children is seventy-three (73), ages from five (5) years to eighteen (18) years. The library will also accommodate one of the community schools in the area. This initiative will help the children develop literacy skills in reading, writing and numeracy.

The formal programme also took place at SOS Children Village. The speakers emphasised the importance of the Mandela day and its significance, and how organisations and individuals should strive and preserve the legacy and the values of Nelson Mandela, by making a difference in the lives of the needy and those that are previously disadvantaged as well as encourage topical debates to matters that affect South Africans and its communities. The speakers also focused on how proud Madiba's values shared with the world, that of a selfless, commitment, fighting for the justice, inequality and human rights for all.

Imbokodo empowerment workshop

The museum hosted the Imbokodo Empowerment Workshop that took place from the 29th until the 31st of August 2022 under the theme: **Women empowerment in rural economy**. The three-day workshop was around scarce and critical skills needed by the job market, how to open businesses and co-operatives, offerings and opportunities that included funding processes, community mobilisation, institution building and poverty reduction, skills development and promotion of tourism in the surrounding areas of KSD. The informative workshop brought positive results that would make it possible for women to open their own businesses. The end products and offerings were beadwork, sewing, agriculture and farming.

The workshop targeted women in rural areas around the KSD municipality under the OR Tambo District Municipality. Historically, rural women are powerful, strong and purposeful and are deprived by circumstances of abuse, inequality and lack of opportunities. These challenges hinder their personal development, economic empowerment and community leadership. The workshop unpacked and exposed them to these elements and potentials of being key contributors to agricultural production, food security, arts, craft and tourism attraction.

The museum accommodated fifty (50) women in the Nelson Mandela Heritage Trail - Qunu, Mqhekezweni, Bumbane and Tyhalarha. These rural areas are along the foot prints of Nelson Mandela and are still under privileged with women depending on child support grants and their husbands' income from the mines. The museum also invited the affected departments and form partnership in the programme to be a success. Departments affected in developing women in rural areas are the Department of Sport, Arts and Culture (DSRAC), Department of Social Development, Sector Education and Training Authorities (SETAs), National Youth Development Agency (NYDA), Eastern Cape Parks and Tourism Agency (ECPTA).

Eastern cape arts and craft hub programme

On the 11th of November 2022, the Nelson Mandela Museum was invited to the Basic Sewing Training Exhibition and Certification Ceremony which was held at the Craft Hub in Mthatha. The objective of the ceremony was to acknowledge and support those who attended the Eastern Cape Arts and Craft Hub Programme. The Eastern Cape Arts and Craft Hub Programme is a project that is hosted by the Eastern Cape Provincial Arts and Culture Council (ECPACC) in partnership with the Department of Sport, Arts and



Culture (DSAC) - Design Unit where Seamstresses are being trained on Basic Sewing and pattern making skills.

The basic sewing and pattern making skills training is an intergovernmental programme that was implemented by DSAC & ECPACC through a partnership with the Department of Trade, Industry and Competition (DTIC) and Council for Science and Industry Research (CSIR). As a pilot project of District Development Model, this training targeted fifteen (15) seamstresses from the Joe Gqabi, Chris Hani, OR Tambo and Alfred Nzo Districts. However, in the next financial years the organiser of the program plan to include potential trainees from Nelson Mandela Metro, Buffalo City Metro, Amathole and Sarah Baartmaan Districts. The role of Nelson Mandela Museum was to provide support to the initiative as it was directly linked to the Museum Annual Performance Plan (APP).

Peace walk and candle light

On the 4th of December 2022, the Nelson Mandela Museum in partnership with DSAC, DSRAC and South African Council of Churches (SACC) hosted a peace walk and candle light ceremony. The programme started with the peace walk declared by Athletic Transkei. The peace walk was a local walk as it was a road event and it paid tribute to the life of Nelson Mandela for his contribution in this country and international.

The peace walk message was appealing to South Africans in particular men to stop Gender Based Violence and Femicide (GBVF) and to curb criminal acts. There was also a candle light to rekindle acts of the values of Nelson Mandela which included peace and reconciliation in South Africa. The museum worked with different church organisations, government structures, youth structures and community members under the theme: **Commemorating the life and time of Nelson Mandela on issues relating to peace and social justice in the year of Reverend John Knox Bokwe**. These critical stakeholders added the much-needed value to the solemn occasion.

The starting point of the walk was at Ultra City through Nelson Mandela Drive to its final destination which was Nelson Mandela Museum. The candle light ceremony was conducted at the Nelson Mandela Museum Gallery. The logic behind hosting the peace walk and candle light was to ensure that this commemoration is remembered in a different way with the spiritual attribute befitting the character of the late Nelson Mandela and to ensure that all those South African people who are entrusted with the legacy of Mandela get the spiritual touch of Mandela. 9th Commemoration Day

9TH ANNIVERSARY OF NELSON MANDELA'S PASSING

The 9th Anniversary of Nelson Mandela's passing on was marked by a formal programme where commemoration speeches, tributes and music that included the traditional dances, poet, gospel and jazz music was rendered. The youth structures were invited to form part of the commemoration programme. Nelson Mandela Museum encouraged young people to utilize the commemoration event as a platform to address issues that are affecting their lives. The platform provided them an opportunity to share ideas on the challenges facing young people like inequality, poverty, unemployment and Gender Based Violence and Femicide (GBVF).

The museum and its critical stakeholders like the Department of Sport, Recreation, Arts and Culture (DSRAC) organized a 2022 Arts Fest which was also another platform that provided different opportunities for artists, crafters and businesses to maximise their economic opportunities using arts and craft. The Arts Fest was the first of its kind and it contributed towards economic empowerment of the local artists. It featured creative artists whose works promoted the values of Nelson Mandela.

Mandela Release Debate

The month of February 2023 marked the 33rd anniversary of the release of Nelson Mandela from prison whilst at the same time the Nelson Mandela Museum was established on 11 February 2000, exactly ten (10) years after Nelson Mandela's release from jail on 11th of February 1990. The month of February also marked the 23rd anniversary of the Museum's establishment.



To mark the historic release of Nelson Mandela from jail, the Nelson Mandela Museum, Robben Island Museum and Iziko Museum hosted the third edition of the Mandela release debate which was a live broadcast with Umhlobo Wenene FM. The event took place on the 11th February 2023 at Iziko South African Museum under the theme: **33 years of Nelson Mandela release from prison: “lessons learnt”**.

This celebration was punctuated by serious reflections and debates led by the identified speakers who had a direct and personal experiences with Nelson Mandela as prisoner, as free man and as a father and parent. The speakers shared their personal experiences with Nelson Mandela. Their presentation provoked questions like, what it meant to be part of Mandela’s life during his imprisonment, as a first democratically elected President of South Africa? The partnership of these three institutions, namely the Nelson Mandela Museum, Robben Island and Iziko Museums of South Africa was historic and significant too as it marked a collective commitments towards the transformation of South African heritage landscape.

NHC stakeholder session and site visit

On the 15th of February 2023 the local government departments that include Department of Sport, Recreation, Arts and Culture (DSRAC), Cooperative Governance and Traditional Affairs (COGTA), National Heritage Council (NHC), K.S.D Municipality, O.R Tambo District Municipality, Mqhekezweni community with its sub-structures, Public Service Commission visited the Mqhekezweni Great Place – one of the Nelson Mandela Museum link sites. During the session the Public Service Commission presented feedback on the complaints and requests made by the community of Mqhekezweni on service delivery issues. The poor service delivery complaints include poor access roads, dysfunctional clinics and limited high schools at Nqwathi Administrative Area under the Mqhekezweni Traditional Council. The Commission announced that the departments affected to the poor service delivery committed to provide all the services and work will commence in April 2023.

The meeting was followed by the feedback from the National Heritage Council (NHC) on the study conducted on the grading of Mqhekezweni site as a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The proposal was presented to UNESCO as the site is considered a historical background with the life and times of Nelson Mandela and that of the Regent Acting King Jongintaba Mtirara ka Dalindyebo who made a great contribution in Nelson Mandela’s life. It was presented by NHC the implementing agency for the African Liberation Programmes of promotion, protection of the national heritage resources.

NHC invited the museum to form part of the updated feedback and the work done. NHC informed the meeting that the team from UNESCO will visit the ten (10) South African sites that are listed as part of the grading for verification and the categorization of the sites by the end of March. There are three different categories that UNESCO will be focusing on during the process - authenticity of the site, protection of the site and the management of the site. The team will conduct interviews with key stakeholders to verify all the information submitted about Mqhekezweni as a site and if the structures are in good conditions. NHC and the stakeholders that attended the meeting conducted a site visit with the hope to advise the Great Place on the process of the maintaining the site to be in a state of readiness during the visit by UNESCO.

OR Tambo auditions

On the 16th of February 2023 the Nelson Mandela Museum formed part of the development of the Xhosa drama series Ebukhosini for the Eastern Cape through the auspices of the Eastern Cape Provincial Arts and Culture (ECPACC). Casting was conducted in three cities in the Eastern Cape that included Mthatha, Gqeberha and East London with the hopes of discovering new and upcoming talent that hail from the Eastern Cape.

The project was supported by ECPACC in the efforts to see as many talented artists from the province. The casting crew visited Chief Nkosi Sigcawu for research with regard to script writing and visited some of the locations to be filmed over the next few months. The casting session in Mthatha was held at the Nelson Mandela Museum. The crew managed to provide an opportunity to audition mostly young, females who had little to no experience in Mthatha. During the time, the Nelson Mandela Museum received much exposure and publicity and will feature in the drama series. In support of the casting was Sisanda Henna, who is a producer and an award-winning actor and a film maker. His acting career exploded on the South African screens in 2003. He was integral to the success of the castings with his experience in teaching and coaching actors.



Or TAMBO FILM FESTIVAL LAUNCH

The Nelson Mandela Museum in partnership with the New Brighten Pictures A Free Cinema, Eastern Cape Provincial Arts and Culture Council (ECPACC) and the Department of Sport, Recreation, Arts and Culture (DSRAC) hosted the first OR Tambo Film Festival that covered the King Sabata Dalindyebo Municipality and the entire OR Tambo District Municipality. The Film Festival took place at the Nelson Mandela Museum and MayFair Hotel in Mthatha from 29th until the 31st of March 2023 under the theme: “**Exploring African Narrative**”.

The opening night was a hype of activities with a red carpet, traditional dancers, young learners performing in between the speeches and messages of support from the film industry stakeholders. The latest Thriller film titled “**Ingoma- The Song**” had its world premiere as the opening film. Actor and Director Kagiso Modupe attended the screening with the film’s producer Rashaka Moufhe from Bakwena Productions, the production house that created “**Loosing Lerato**” and “**Thando**”.

Following the screening of the film was the Question and Answer session and a networking session with various stakeholders in a form of Gala Dinner. The following two days comprised of industry workshops, film masterclasses, short films, documentaries and feature film screenings. The speakers welcomed the festival and encouraged the film makers to consider making waves with films produced by them in the Eastern Cape without relying on other film producers from other provinces and abroad. The artists were encouraged to improve in their craft. It was noted that there are opportunities for the young inspiring film makers and that there is a need to open a cinema and studio in particular within the KSD municipality.

Branding, marketing activities and expos

Trade shows and expos serve as a platform to promote the Nelson Mandela Museum brand and its business offerings and to reposition it as the destination of choice. Trade shows and expos allow Nelson Mandela Museum to interact with the public, Tour Operators, local and international tourists. This is to acquire feedback on services rendered by the museum. Through these trade shows and expos, the Museum is now known globally for its offerings and has created partnerships with the international partners. The museum also conducts marketing and stakeholder activities to promote and market the museum’s products and offerings.

Exhibition launches

Parenting a Nation Exhibition: The museum and Mpumalanga Department of Culture Sport and Recreation officially launched a travelling exhibition called “Parenting a Nation. The launch was held on the 14th of June 2022 at Sakhile Public Library Standerton, Mpumalanga as part of honoring the two couples for their role in the struggle for freedom and Democracy. The travelling exhibition explores private and political lives of the Sisulu family during the apartheid struggle. The exhibition narrates a political journey of the two stalwarts. The exhibition gives viewers a deeper understanding of their role in the emancipation of South Africa, as well as of their deep love and abiding affection for one another.

The launch was embraced by the presence of the five (5) different schools around Standerton, the Ward Councillor and a representative from the municipality. The museum officially launched the Parenting a Nation Exhibition that narrates a story shared by these couples - One cannot talk about Walter without Albertina. Parenting a Nation exhibition features other prominent leaders within the struggle. The exhibition further educates the general public about the South African liberation struggle and to remind them not forget where we come from and where we want South Africa to be.

Quilt Travelling Exhibition: The Nelson Mandela Museum and Burgersdorp Museum officially launched a travelling exhibition called the Quilt Travelling Exhibition. The launch was held on the 28th of July 2022 at the Burgersdorp. The exhibition was developed as part of the partnership between Nelson Mandela Museum and the Michigan State University as a tribute to Nelson Mandela and in support and advocacy for the principles to which he was devoted. Artists around the world would make, among other things quilt items. Both South African and African American artists developed the quilts exhibition honouring the passing of Nelson Mandela. The exhibition features the quilts that were made in 2013 and 2014 and were curated by Michigan State University Museum and Women of Colour Quilters Network in association with quilt artists across South Africa.



These diverse and powerful pieces of fabric art pay tribute to Nelson Mandela, a member of Madiba clan, an African, South African who because of his deep belief in non-racialism, non-sexism and democracy became an acclaimed fighter for human rights. The exhibition expands that body of artistic work and helps remember the life and legacy of our great leader. The pieces of fabric with different designs and meanings will contribute to our knowledge and understanding of how the world sees Nelson Mandela. This exhibition was produced from the 2014 published Michigan State University's catalogue book in 2014.

Dear Mr. Mandela, Dear Mrs. Parks: Children's Letters, Global Lessons: On the 7th of March 2023 the museum utilised various media and communication platforms to promote and market the launch of "**Dear Mr. Mandela, Dear Mrs. Parks: Children's Letters, Global Lessons**" at the University of Stellenbosch in Cape Town. The revamped Dear Mr Mandela, Mrs Parks exhibition is a result of the partnership between the museum's International Partners from Michigan State Museum, Rose and Raymond Parks Institute, Dream Fuel and its sister museum Robben Island and the Stellenbosch University Museum. This exhibition is a product of Ubuntu: Museum and Communities Connect a group of local and international museum's officials coming together and brainstorm new ideas on museum of tomorrow and the NMM is part of that community.

Media and communication

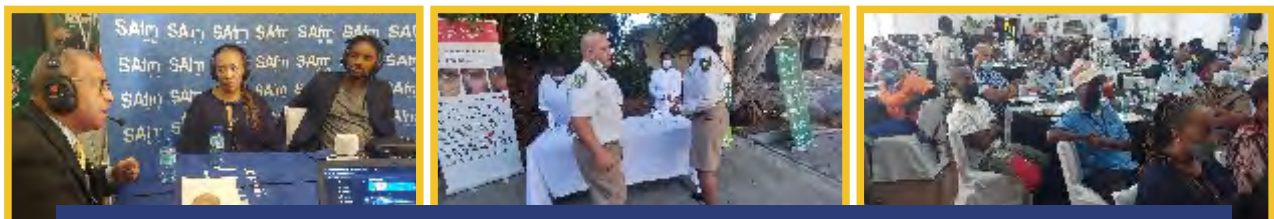
The museum procured advertisement space from various publications to promote its geographical location and offerings. The Museum is featured in different media houses conducting its programmes and events. The Museum developed brochures and folders to be used as marketing tools of the Museum. The Museum procured paid adverts that published its products and offerings on Skyways Magazine, Municipal Focus and Africa Safari. The Museum also procured paid adverts on Daily Dispatch, Sunday, Umhlobo Wenene FM, Unitra Community Radio, live streamed on Keith Ngesi Digital TV and social media sites. The museum is featured on different radio and TV platforms that include SABC 1, SABC 404, eNCA, Umhlobo Wenene FM, News 24, Mthatha Express, Ingwane FM, Inkonjane FM and Alfred Nzo during its programmes and events. The museum received improved audience development and increased its online presence significantly through its social media sites. The website is under reconstruction to have a facelook that is modern, live and interactive.



Mandela Commemoration Day



Mandela Day



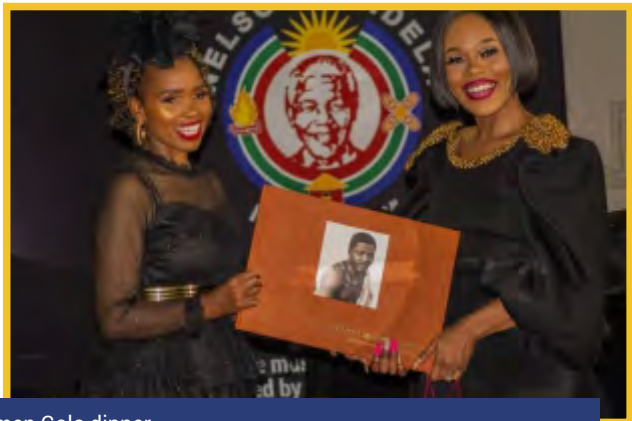
Mandela Release



Mandela Day - 67 minutes initiative



Liberation Heritage Indaba event



Event for Women Gala dinner



Former CEO- Mr Bonke Tyhulu-
Current CEO- Dr Booi, Former
Chairperson Dr Songelwa with Dr
Boesak



Mandela Day Social Dialogue



in the footsteps ●●●
an agency of the
Department of Sport, Arts and Culture

PROGRAMME 3



PROGRAMME 3

Administration

The primary purpose of this programme is to ensure sound and effective Governance. This Branch has been organised to carry out its work according to the following sub-programmes:

Chief Executive and Finance Offices
Human Resources
Support Services

This programme has eleven performance indicators ranging from measuring the council meetings and its committees, fundraising strategies and their implementation, Governance, which evaluates the compliance and business processes; and the User Asset Management Plan.

Council Meetings

NMM held seven Council Meetings, which all quorate throughout the year. The first meeting for the year was held in April 2022, and the last meeting was in January 2023 for the Council to dispense their oversight duty. The additional meetings resulted from a need to approve strategies and concept documents.

Council Committees

All five committees were effective the whole year, with each meeting more than four times a year, exceeding the number expected by the charter of four times. The extra meetings are necessitated by extra work that had to be completed.

Fundraising Strategy and Activities

The Museum has appointed a resource mobilisation team to augment its budget for the core business. The team was appointed in November 2021, and the plan has been developed. There has been no progress in resource mobilisation, interventions are underway to ensure the success of the activities.

Development of policies and processes

This performance indicator is linked to the CEO's office. However, in 2017/18, the Museum reviewed and developed strategies and policies for the first time since 2010. In 2022/2023, there was no strategy developed instead of one expected because there is an HR strategy that is still outstanding, and they are anticipated to be approved in the January 2023 council meeting. These strategies are required to run the operations of the Museum effectively. All strategies would be reviewed once every 3-year cycle or when the need arises to encompass new economic changes.

Improvement in the Audit Report and Compliance with Laws and regulations

The Museum has retained the unqualified audit report from the AGSA.
The majority of the requirements of PFMA, GRAP, and Treasury regulations were adhered to.



Human Capital Initiatives

Only two performance indicators are within this umbrella, i.e. Work Place Skills Plan and internships/scholarships/fellowships/internships created. These indicators had been adhered to per the strategic document's requirements.

User Asset Management Plan

As required by Government Immovable Asset Management Asset (GIAMA), the capital plan aligned with the Museum's strategic requirements had been developed and submitted to DSAC for infrastructure developments.

Built-in environment

The Security, Facilities, and Logistics unit is responsible for the Nelson Mandela Museum's safe and clean environment. The Nelson Mandela Museum has two sites: Nelson Mandela Youth & Heritage Centre (NMY&HC) in Qunu and the Bhunga building site in Mthatha.

Nelson Mandela Museum: Bhunga building

The Bhunga building was constructed in 1927 to accommodate the United Transkei Territories General Council, a governing body dating back to 1894. It became the Transkei Parliament in 1963 after the introduction of the Bantustan or homeland system (called Bunga Building). In 2000 Nelson Mandela Museum was Launched and this building became the beacon of hope as Nelson Mandela Museum. This building is the heritage of RSA, thousands of people visit this building to learn more about our Icon Nelson Mandela.

The Department of Public Works and Infrastructure as the custodian of government properties is responsible for the maintenance of the Bhunga building. This, however has proved to be a futile exercise as many of the components of the building continue to deteriorate.

The Nelson Mandela Museum took a decision with its mother body (DSAC) to appoint a Facilities Management service provider to assist in maintaining its structures to ensure that these are available to the public at large.

A number of projects have been executed under the FM contract mainly:

- Restoration and repairs of the Heating, Ventilation and Air-conditioning System
- Repairs to Fire System
- CCTV and Camera System Repairs and Replacement
- Gate Access Motors and Infrared Motion Sensors
- Water Pumps Repairs



Bhunga Buidling in Mthatha



NELSON MANDELA YOUTH & HERITAGE CENTRE IN QUNU

The Qunu site was temporarily closed due to maintenance conducted by the Department of Public Works and Infrastructure (DPWI).

The main project, Qunu-based condition maintenance, includes upgrading the sewer system, which has been a challenge to the Museum for many years. The sewer upgrade will be accompanied by the renovation of the buildings and some facelifts of certain structures that will ensure that the material used can withstand the elements of nature and are durable. NMM has committed to co-fund the project for capital works items to be included in this project's scope. To ensure adherence to all technical requirements.

However, the building should have been handed over in July 2021, but this was not achieved due to challenges that included variation orders (VO's) that were not approved on time, weather conditions and some changes in completion dates of some areas. The challenges cited by DPWI are as follows;

- the approval of the Environmental Impact Assessment Report, which has since been approved,
- the approval of the Water Use License Application (WULA), which was approved in June 2022.
- Variation orders (VO) for unforeseen items take longer to be approved.

All these challenges have led to DPWI not meeting the deadlines and revising the completion date to March 2023.

The Museum decided on a beneficial handover with the technical team effective from September 2022, however this not achieved.

Sectional handover/beneficial occupation which is inclusive of Building, Electrical, Mechanical, Civil and Sewer upgrade took place on the 11th of April 2023. This meant that the upgrades done on the following buildings were completed and can be used by the end user:

- Block A (Ablutions)
- Block B (Sports Hall)
- Block C (Dining Hall)
- Blocks D1-3 (Double Storey Accommodation)
- Blocks E1-3 (Single Storey Accommodation)
- Block F (Conference Centre 1+2)
- Block G (Administration Offices)
- Block H (Restaurant)
- Block J (Min Courtyard Area)
- Block K (Exhibition 2)
- Block L (Exhibition 1)
- Blocks M1 +2 (Manufacture + Laundry)
- Block N (Ablutions)
- Block P (Guest House)

Works which have not been handed are as follows:

- Sewer Ponds
- Borehole
- Guardhouse
- Combo courts
- Information Centre
- Elevated water tank



Qunu Youth and heritage Centre in Mthatha



Figure 1.



Figure 2.



Figure 3.





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an agency of the
Department of Sport, Arts and Culture

PART C

GOVERNANCE



GOVERNANCE AND ADMINISTRATION

INTRODUCTION

Corporate Governance embodies processes and Systems by which Public entities are directed, controlled, and held to account. In addition to legislative requirements based on the Public entity's enabling legislation and the Companies Act, Corporate Governance concerning public entities is applied through the prescripts of the Public Finance Management Act no. 1 of 1999 (PFMA) and run in tandem with the protocol on corporate Governance, which encapsulates the principles contained in the King IV Report on Corporate Governance. The Nelson Mandela Museum commits itself to the Principles of accountability, transparency, and integrity as prescribed by the King IV Code of Corporate Governance.

Therefore, this programme is responsible for overall institutional coordination, accountability, planning, policy development, monitoring, and risk management. The main entities involved in this programme are the Museum Council, the office of the CEO, and the Corporate Services Function, including finance.

The broad Objectives of this programme include:

- Ensuring strategy, policy, oversight, and accountability;
- Ensuring organisational sustainability and accountability;
- Co-ordinating the institutional functioning;
- Providing adequate support to the council and ensuring implementation of council strategic and policy directions; and
- Rendering a corporate services function in all respects.

In the period under review, the following were the major focus points of the programme:

Strengthening Governance and aiming to maintain an unqualified audit opinion with no material misstatements;

Addressing issues raised by the Auditor-General and internal auditors to sustain an unqualified audit opinion with no material misstatements for the financial years 2022/23 and beyond;

Strengthening organisational capacity and restructuring the Museum to be fit for the new purpose;

Strengthening the policy environment and compliance aspects; and

Improve in infrastructural needs of the Museum.

In line with these priorities, the following progress was achieved:

Strengthening internal human resources capacity and strengthening the finance unit to achieve a better outcome; and

User Asset Management Plan

In the discharge of their mandate, the Museum Council and council committees had more than four meetings as required by the Charter.

Council and council committees

The Nelson Mandela Museum is established by an Act of parliament, the Cultural Institutions Act no. 119 of 1998, as amended by the Minister of Arts and Culture.

The Minister of Arts and Culture appoints members of the public to form Council as the Accounting Authority for the Museum's affairs in terms of the enabling Act and its Regulations in line with corporate governance principles. Currently, the Museum council/Accounting Authority consists of nine (9) Members appointed from diverse disciplines within the Republic of South Africa. The Council and its Committees operate in terms of approved Charters/Terms of Reference that spell out their roles and responsibilities.

Below is the Nelson Mandela Museum's organisational structure that outlines the Council's position, its committees, management, and all the Museum staff.



Executive authority

The Ministry of Arts and Culture has overall oversight of the Nelson Mandela Museum. The Minister of Arts and Culture appoints the Council of the Nelson Mandela Museum. The Council reports to the Minister of Arts and Culture. Each year, the Minister and the chairperson of the Council sign a shareholder compact.

Council

During the year, the term of the Council came to an end, and the Minister of DSAC appointed the new Council. The new Council, composed of nine members, governs the Nelson Mandela Museum. The Council has five committees, namely:

Strategic and Oversight Committee (SOC)

Advise the council on strategic heritage policy matters and Marketing.
 Ensures alignment of heritage policies to the vision and mission of NMM
 Oversees the audit and collection register of NMM
 Advises council on disposal of NMM artefacts
 Makes decisions on loan requests.
 Oversees the development of marketing strategies and policies.
 Planning, coordination, implementation, evaluation and monitoring of all Museum activities.
 Reporting to Council on all the above regularly without undue delays.
 Having a duty to advise and guide both management and the Council in line with the policy of the Nelson Mandela Museum

Audit and Risk Committee (ARC)

Oversees internal & external audit function
 Examines the AFS before submission to the council
 Reviews the annual report so that it presents a balanced record of NMM
 Monitors the risk appetite of NMM
 Monitors achievements against corporate governance standards on internal controls

Finance, Investment and Fundraising Committee (FIFC)

Oversees financial planning and management
 Monitors financial performance of NMM
 Monitors compliance with financial objectives as set out by the council in line with the PFMA and Treasury Regulations
 Reviews quarterly economic forecasts and reports
 Approves the budget adjustments
 Assists the Nelson Mandela Museum Council in planning, coordinating, and implementing fundraising initiatives to support the Nelson Mandela Museum's programs, projects, and activities.
 Provides direction to ensure that the Nelson Mandela Museum is donor-centric and adheres to fundraising best practices.

Infrastructure and Information Communication and Technology Committee (IIC)

Oversee the Infrastructural development and ICT of the NMM
 Ensures the compliance with laws and regulations



Human Resources and Remuneration Committee (HR and RemCo)

- Oversees human resources policy development
- Ensures workforce needs and plans support the organisation's vision
- Ensures that institutional development imperatives are accomplished
- Ensures that an organisational structure supportive of the vision of NMM is in place
- Provides the upkeep of security, facilities, and logistics
- Ensures that the ICT architecture is deployed
- Ensures that registry services to support NMM as a knowledge institution are in place

Composition of Council

The following is the composition of our councillors:





Existing Council photos



Ms Skoti
Chairperson



Dr Potelwa
Deputy Chairperson



Ms Mandela



Dr Songelwa



Ms Ngandi



Mr Ngema



Ms Van Der Sandt



Mr Vuzane



Dr Nontso

Old Council Photos

Dr Nomvuselelo Songelwa- Chairperson, ADV Tokyo Nevondwe- Deputy Chairperson, Ms Zanele Hlatshwayo- Council Member, Ms Ndileka Mandela- Council Member, Ms Josephine Hlophe- Council Member, Dr Hazel Ngqila- Council Member, Dr Kholekile Hazel Ngqila- Council Member, Prof Bheki Mgomezulu- Council Member, Mr Kenny Gontse- Council Member, Mr Mafa Bavuma- Council Member



Existing Councillors

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	List of other directorships	Meetings attended
MS P Skoti	Council Chairperson	2022	-	<ul style="list-style-type: none"> Bachelor of Administration- Honours in Public Management 2006 Bachelor of Arts 1995 Higher Diploma in Education 	Public administration management		3
Dr S Potelwa	Deputy Chairperson	2022	-	<ul style="list-style-type: none"> Doctor of philosophy – Education 2019 Masters Visual Art 2016 B-Tch Degree Fine Arts 2006 Diploma Fine Arts 2004 Matric 2000 	Philosophy Management		5
Dr A Nontso	Chairperson of Content committee		-	<ul style="list-style-type: none"> Doctor of education in leadership and management (D Ed) (Wsu) Master of education (Uoofs) Masters Diploma in Human resources Management (Rau) BEd (Wsu) BA (wsu) Std (cicira college) Cert in business mgt (Reevea success Dynamics) Cert in OHS, ISD and computer literacy (Tyldon community project) 	Entrepreneurship and Business	TARDI council , FPB council , ECRDA board , Thembelitsha board , ANF Board , NMM council	3
Mr D Ngema	Council Member	2022	-	<ul style="list-style-type: none"> Nyukela Public Service SMS Pre-entry Programme 2020 Bachelor of Arts 2013 Matric 1990 	Arts and Culture		5
Mr R Vuzane	Council Member	2022	-	<ul style="list-style-type: none"> PhD in Law – current Master of Commerce 2020 Bachelor of Commerce Law 2020 Post Graduate Diploma in taxation 2015 Post Graduate Diploma in Applied Accounting / CTA 2014 Post Graduate Diploma in Accounting 2011 Bachelor of Accounting 2008 	Auditing and finance		5



Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	List of other directorships	Meetings attended
DR N SONGELWA	Council Member	2022	-	<ul style="list-style-type: none"> • Doctor of Philosophy in Social Science, University of Witwatersrand, 2009 • College of Agriculture and Life Sciences, Cornell University, New York International Certificate on Environmental Education, 2000 • International Certificate on Environmental Education, Rhodes University, 1998 • Master of Philosophy of Science Education, University of Western Cape, 1995 • Bachelor of Education, University of Transkei, 1991 • Bachelor of Science, University of Transkei, 1986 	Social and Philosophy Management		4
Ms N. Ngandi	Council Member	2022	-	<ul style="list-style-type: none"> • SABC People Management Programme 2012 • Practical Project Management 2010 • Event Management Skills Workshop 2008 • Office Administration 2001 • Matric 1995 	Office administration		5
Ms N Mandela	Council Member	2021	-	<ul style="list-style-type: none"> • Diploma in general nursing • Diploma in Midwifery 	Health and safety		6
Ms T Van Der Sandt	Council Member	2022	-	<ul style="list-style-type: none"> • CRIC • MBA 2021 • Board Leadership Core Program 2017 • BSc (ITM) 20012 • Post Graduate Diploma in Auditing 2001 • BCompt (hons) 2000 • BCompt 1998 	Auditing and Finance Information Communication Technology (ICT) Risk Management	CIPC SAIPA Department of Human Settlements Tara Hospital	6



Outgoing/Old Council

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
DR N SONGELWA	Council Chairperson	2019	-	<ul style="list-style-type: none"> • Doctor of Philosophy in Social Science, University of Witwatersrand, 2009 • College of Agriculture and Life Sciences, Cornell University, New York International Certificate on Environmental Education, 2000 • International Certificate on Environmental Education, Rhodes University, 1998 • Master of Philosophy of Science Education, University of Western Cape, 1995 • Bachelor of Education, University of Transkei, 1991 • Bachelor of Science, University of Transkei, 1986 	Social and Philosophy Management	9
ADV T NEVONDWE	Deputy Chairperson	2019	2023	<ul style="list-style-type: none"> • Masters of Laws (LLM) University of Venda (2005) 	Legal Advisory	12
PROF B MNGOMEZULU	Chairperson of Content committee	2019	2023	<ul style="list-style-type: none"> • PhD in African Political History (Rice University - Texas - USA) May 2004 • M.A in Politics (UNISA) September 2007 	Political Analyst	15
MR K GONTSE	Chairperson of Institutional Development Committee	2019	2023	<ul style="list-style-type: none"> • National Diploma in Security Risk Management (UNISA) • National Intelligence Agency Security Managers Course 	Safety and security management	18
MR S MZAMO	Member of Community development and fundraising committee	2019	2023	<ul style="list-style-type: none"> • Master of Business Administration Business School Netherlands (BSN) - 	Business and community development	11
MR M R BAVUJMA	Council Member	2019	2023	<ul style="list-style-type: none"> • Honours Degree: IsiXhosa, Nelson Mandela University (2017) • National Diploma: Journalism, Nelson Mandela University, (2005) 	Media and Journalism	11



Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MS J NHLAPHO-HLOPE	Council Member	2019	2023	<ul style="list-style-type: none"> Masters of Business Administration, Hensley Business School: University of Reading, 2012 MA population and Development, Institute of Social Science: Erasmus University, The Hague, 1998. BA Social Science, University of Swaziland, 1987 	Planning. Evaluation and Monitoring	15
MS Z HLATSHWAYO	Chairperson of Stakeholder Commemoration	2019	2023	<ul style="list-style-type: none"> Masters class in Strategy Execution, Stellenbosch University, Business School, 2018 Introduction to Public Sector Monitoring & Evaluation, Stellenbosch University, Business School, 2018 Introduction to Project management. University of Cape Town, 2017. Postgraduate, Management Advancement Programme, University of the Witwatersrand. Postgraduate Diploma, in Education, University of Botswana, 1988 B.A. Humanities, University of Botswana, 1987 	Strategy management and Facilitation	18
MR S MDLANGAZI	Council member	2021	2023	<ul style="list-style-type: none"> Bachelor of Social Science BTech-Public Management Master's in Public Administration 	Public administration	9
MS T NDLOVU	Chairperson of Finance, Infrastructure & Fundraising Committee	2021	2023	<ul style="list-style-type: none"> CA(SA) Finance Auditing & Accounting Profession 	Audit and Finance	15
MS N MANDELA	Council member	2021	-	<ul style="list-style-type: none"> Diploma in general nursing Diploma in Midwifery 	Health and Safety	5
DR K NGQILA	Council member	2021	2023	<ul style="list-style-type: none"> Bachelor of Arts -BA (Anthropology) -MA (Anthropology) -BSc Science in Hons (Politics & International Relations) -PhD (Anthropology) -Computer Literacy Basic Course -Certificate in Gender, HIV/AIDS, Counselling & home-based care -Certificate in Project Management 	Arts and Culture	26



COMMITTEES OF COUNCIL

Existing Council

Committee	Meetings held	Members	Committee members
STRATEGIC AND OVERSIGHT COMMITTEE	1	4	Dr S Potelwa Mr D Ngema Ms F. Ngandi Dr N Songelwa
FINANCE, INFRASTRUCTURE, AND FUNDRAISING COMMITTEE	1	4	Mr R. Vuzane Ms F Ngandi Dr N Songelwa Ms N. Mandela
HUMAN RESOURCES AND REMUNERATION COMMITTEE	3	3	Dr N. Nontso Dr S. Potelwa Dr N Songelwa
AUDIT AND RISK COMMITTEE	2	2	Ms Tia Van Der Sandt Mr R Vuzane
INFRASTRUCTURE AND INFORMATION AND COMMUNICATION TECHNOLOGY COMMITTEE	2	4	Ms N. Mandela Ms Tia Van Der Sandt Mr D. Ngema Dr A. Nontso

Outgoing/Old Council

Committee	Meetings held	Members	Committee members
STAKEHOLDER COMMEMORATION COMMITTEE	5	5	Ms Hlatshwayo Mr Bavuma Mr Mzamo Mr Mdlangazi Ms Mandela
FINANCE, INFRASTRUCTURE, AND FUNDRAISING COMMITTEE	10	4	Adv. Nevondwe Mr Gontse Mr Bavuma Ms Ndlovu
CONTENT AND OPERATIONS COMMITTEE	5	5	Prof Mngomezulu Mr Bavuma Dr Ngqila Ms Nhlapo-Hlope Mr Mzamo
AUDIT AND RISK COMMITTEE	5	4	Adv Nevondwe Ms Ndlovu Adv Gugwini-Peter (independent member) Mr Baloyi (independent member)
INSTITUTIONAL DEVELOPMENT COMMITTEE	7	6	Mr. Gontse Mr. Mzamo Ms. Nhlapo-Hlope Prof. Mngomezulu Ms. Mandela Dr Mandela

REMUNERATION OF COUNCIL MEMBERS

The Council of Nelson Mandela is a part-time body, and they are paid per sitting, as reflected in the table below.



NMM COUNCIL REMUNERATION EXCLUDING AUDIT & RISK MEMBERS

Name	Remuneration	Other Allowances	Other reimbursement	Total
PROF B MNGOMEZULU	R 135 950	-	-	R 135 950
MR K GONTSE	R 101 556	-	-	R 101 556
MR S MZAMO	R 0	-	-	R 0
ADV T NEVONDWE	R 126 795	-	-	R 126 795
DR N SONGELWA	R134 595	-	-	R 134 595
MR M BAVUMA	R 50 256	-	-	R 50 256
DR S MASUKU	R 25 756	-	-	R 25 756
MS N MANDELA	R134 369	-	-	R 134 369
DR N NGQILA	R 46 246	-	-	R 46 246
MS T NDLOVU	R 137 761	-	-	R 137 761
MR S MDLANGAZI	0	-	-	0
MS NHLAPHO-HLOPE	R0	-	-	R0
MS HLATSHWAYO	R0	-	-	R0
Dr S POTELWA	R58 557			R58 557
DR A NONTSO	R41 461			R41 461
MS F NGANDI	R33 103			R33 103
MS P SKOTI	R53 891			R53 891
MR D NGEMA	R46 963			R46 963
MS TIA VAN DER SANDT	R37 541			R37 541
MR R VUZANE	R59 103			R59 103
Adv S Peter- Former ARC member	R78 599			R78 599
Mr N Baloyi- Former ARC member	R85 149			R85 149
TOTAL	R 1 387 651			R 1 387 651

Mr Mdlangazi, Ms Nhlapho-Hlope and Ms Hlatshwayo are not paid honoraria for Museum Business attendance as they are state employees.

There are four members of the Executive Management, comprising the following: CEO, CFO, Senior Manager, Heritage and Conservation, and Senior Manager: Public Engagement and Marketing. There are also four middle managers

The Nelson Mandela Museum management is jointly and severally accountable to the Accounting Authority of the Museum through the Office of the CEO.

Profile of Executive Management

No	Name	Qualification	Position
1.	Dr Vuyani Booï	PHD in Social Sciences	CEO
2.	Mr. Mandisi Msongelwa	CA (SA)	CFO
3.	Mr Thabelo Mbedzi	Post Graduate Diploma in Heritage Studies	Senior Manager: Heritage and Conservation
4.	Ms Nontlahlala Tandwa	Master of Arts (Media Studies) ND: Journalism	Senior Manager: Public Engagement and Marketing



EXECUTIVE MANAGEMENT



DR VUYANI BOOI
PhD in Social Sciences

CHIEF EXECUTIVE
OFFICER



MR M MSONGELWA
CA (SA)

CHIEF FINANCIAL
OFFICER



MR T MBEDZI
*Post Graduate Diploma in
Heritage studies*
*ACTING SENIOR MANAGER-
HERITAGE & CONSERVATION*



MS. N TANDWA-DALINDYEBO
Master of Arts (Media Studies)
ND: Journalism

SENIOR MANAGER: PUBLIC
ENGAGEMENT AND MARKETING



Risk Management and Internal Control unit

The institution has outsourced the internal control Unit; the museum is a small entity and does not have a fully-fledged risk management unit but attends to critical risk management areas. The Museum has identified the following areas of improvements to address:

- Inadequate safety and security control measures for artefacts
- Lack of disaster management plan in place (a natural disaster may damage artefacts)
- Inadequately planned revenue generation (no charge/ tariff for tour guiding in the Museum, entrance fee, facilities rental.)
- Inability to attract and develop the required skilled, capable and professional workforce in NMM.
- Inability to make informed decisions based on research and evaluation outcomes.

All these matters are reported in the ARC, which is the established structure to oversee the risk management of the NMM. An enterprise-wide risk assessment was conducted, and the internal control system were not effective for the whole year under review, there were some controls deficiencies that were noted by the AGSA.

Internal Audit

The unit is outsourced to Lunika Inc. as the Museum has a limited capacity due to the organisation structure being thin.

Internal audit and audit committees

The work and critical activities performed by both Internal Audit and Audit Committees are outlined in the Report of the Audit and Risk Committee for the period 2022/23 below.

Compliance with laws and regulations

To ensure compliance, we developed the strategies and policies that would apply to the Museum, meet with management to ensure the policies and procedures being created were feasible for individual departments, determined the best format of policies, and ensured that the procedure manuals were easily accessible to the employees and considering the best way to measure the understanding by employees of all policies.

Fraud and corruption

NMM has the fraud prevention strategy in place, which advocates an antifraud operating environment. A hotline number is available for each person who suspects the fraudulent activity to contact. An anonymous box can also be used to complain if the action relates to an employee. In the 2022/23 financial year, no cases were reported relating to fraudulent activities.

Minimising a conflict of interest

All the employees are required to sign a declaration of interest each year, and all the employment contracts state that no employee would do a business that would compete with the Museum. At the same time, the Museum still employs that employee.

Each year the security office would verify the declarations and follow up where there have been discrepancies.

Code of conduct

There have been no cases reported in the current year.



Health Safety and Environmental issues

NMM has an OHS policy statement stipulating measures and compliance according to OHS regulations. The museum has appointed a Safety Officer to ensure safety measures are in place. The building is compliant; there is also a Safety Committee responsible for monitoring the safety measures and making recommendations. There are first aiders that were trained, and more safety training will be conducted on staff on a continuous basis.

Social Responsibility

The mandate of the NMM has been derived from the social responsibility principles. All the performance indicators, as reported by Programme Two and some programmes by Programme One of this report, are in response to this heading.

B-BBEE Compliance performance information

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licenses concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a preferential procurement policy?	Yes	Ensuring that any acquisition of goods or services between R2 000 and R50 million is evaluated using the 80/20 specific goals system where price accounts for 80 points and the service provider's specific goals accounts for 20 points. This system was introduced in the current year, replaces the BBBE arrangement that has been used previously.
Determining qualification criteria for the sale of state-owned enterprise?	No	NA
Developing criteria for entering into partnerships with the private sector?	Yes	As part of ensuring efficient service delivery to the public, the collaboration with the private sector is paramount. This is in line with our stakeholder engagement strategy to partner with reputable and value-adding private sector stakeholders.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	NA

AUDIT AND RISK COMMITTEE REPORT

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

Audit and risk committee members and attendance

The audit and risk committee consists of the members listed hereunder. In terms of Audit and Risk Committee Charter, the Audit and Risk Committee should meet at least four times in a year. During the current year, 8 (eight) audit and risk committee meetings were held with management and internal audit. One meeting was held to review the Annual Financial Statements and Annual Performance Report on the 29th of May 2023.

Name of member	Audit and Risk Committee meeting					
	02/02/2023	06/03/2023	20/03/2023	29/05/2023	27/07/2023	28/07/2023
Ms J. Gunther (Chairperson)	Yes	Yes	Yes	Yes	Yes	Yes
Ms. T. Vanderwalt	Yes	Yes	Yes	Yes	Yes	Yes
Mr. R. Vuzane	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D. Coovadia	Yes	Yes	Yes	Yes	Yes	Yes

Current Audit and Risk Committee

Name of member	Audit and Risk Committee meeting				
	24/04/2022	27/05/2022	08/07/2022	28/07/2022	18/10/2022
Ms L.T. Nevondwe	Yes	Yes	Yes	Yes	Yes
Ms. T. Ndlovu	Yes	Yes	Yes	Yes	Yes
Adv. Peters	Yes	Yes	Yes	Yes	Yes
Mr. N. Baloyi	Yes	Yes	Yes	Yes	Yes

Audit and risk committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 38 (10)(1) of the Public Finance Management Act and Treasury Regulation 3.1

The Audit and Risk Committee also reports that it has adopted an appropriate formal term of reference as its Audit and Risk Committee Charter and has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit was able to provide the Audit and Risk Committee and management with full assurance that the internal controls are appropriate and effective. From the various reports of the internal auditors and the external auditors' independent audit report on the annual financial statements, it was noted that no significant findings or non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of annual financial statements

The Audit and Risk Committee has:

- reviewed and discussed with the external auditors the audited Annual Financial Statements to be included in the annual report.
- reviewed the external auditors' management report and management's responses thereto.
- reviewed changes in accounting policies and practices, where applicable, of which there were none.
- reviewed possible significant adjustments resulting from the audit, of which there were none.
- reviewed the information on predetermined objectives as reported in the annual report.



Internal Audit

The Internal Audit function is outsourced for a three- year period to Lunika Incorporated.

The Audit and Risk Committee has approved the Internal Audit plan and the Internal Audit Charter. Internal Audit has executed the Internal Audit plan accordingly and has complied to the Internal Audit Charter. The Audit and Risk Committee has received reports from the Internal Auditors, considered the content and made recommendations where necessary. No significant issues were raised by the Audit and Risk Committee on the quality of the Internal Audit reports.

Progress on Audit Improvement Plan

The progress on the Audit Improvement Plan was last presented to the Audit and Risk Committee on 30 May 2023 and the results are tabled below:

Status	Total Findings	Percentage
Addressed	2	13,3%
Partially addressed	2	13,3%
Not addressed	11	73,4%
Total	15	100%

Auditor-General of South Africa

The Audit and Risk Committee has met with the external auditors to ensure that there are no unresolved differences.

Ms J Gunter
Chairperson of the Audit and Risk Committee on behalf of the Committee
Date: 31 August 2023



in the footsteps ●●●
an agency of the
Department of Sport, Arts and Culture

PART D

HUMAN RESOURCES



Overview

Nelson Mandela Museum has a staff complement of 28 employees in different occupational categories, comprising a Chief Executive Officer (Head of Institution), three (3) senior managers, and four (4) middle managers. There are currently two (2) vacancies. Under the museum's Corporate Services Department, the human Resource Unit is responsible for recruitment, staff wellness, development of skills capacity, and harmonising relations between staff members and management.

NMM is undergoing a strategic analysis to assess possible gaps that may deter identifying the target human capital. The museum must identify current and future personnel needs and find methods to recruit and retain the right skills aligned with NMM's overall strategic objectives. The staff Retention policy is in place, and job evaluation is underway to determine the value of the museum's current positions against what is offered by the labour market. Performance Management and Payroll policies also serve as a guide to ensure that employees are compensated, awarded benefits, and appraised for performing above their standards.

The museum empowers the employees to stay healthy by providing health and financial awareness programmes. Regular workshops are organised to help in improving employee health and productivity.

NMM has applied for a skills levy grant to develop and improve employees' skills. The museum has a significant shortfall in skills development, resulting from a lack of financial resources and discouragement in staff members' participation in personal development programmes.

HR Priorities

Nelson Mandela has a specific focus on the following priorities;

- **Recruitment and Selection:** It is crucial for the museum to find and attract the right people with the right skills and place them at the right places. In collaboration with management and relevant committees, HR will prioritise creating compelling job descriptions, sourcing candidates through various channels, conducting interviews, and ensuring a smooth onboarding process. The museum intends to keep the vacancy rate below 5%.
- **Employee Retention and Succession Planning:** The focus is on creating a positive work culture, providing growth opportunities, and addressing employee concerns. Ensuring a pipeline of future leaders is essential for long-term organisational success. The museum must identify and develop high-potential employees for leadership roles.
- **Performance Management:** The museum will establish clear performance expectations, conduct regular feedback and review sessions, and set goals, which are critical aspects of performance management. NMM will strive to introduce an effective performance appraisal process by rewarding the best-performing employees.
- **HR Information System:** Using technology for HR processes can streamline operations and provide valuable insights. Prioritising the implementation of HRIS (Human Resources Information System) software will assist the museum in making more effective and informed HR operational decisions.

Workforce Planning Framework

The museum has a well-designed organisational structure, which feeds the museum's strategic and operational needs. The museum is driven to refine capacity inequalities, specifically to the newly appointed employees, to ensure the current operational requirements are met. For the period under review, the museum recruited two (2) employees. The museum has one employee acting as a Senior Manager to bridge the gap on a key vacancy that is not yet filled.

To create an environment where the Nelson Mandela Museum has the correct number of people working in the right place at the right time to enable museum mandate, the museum has aligned its structure to its strategy.



Employee Performance Management Framework

Nelson Mandela Museum, as an enabler for a high-performing entity, HR saw it fit to re-design performance contracts in a manner that would drive the achievement of key operational areas – driving the sustainability of the entity. These performance areas include Governance and Risk, Financial Management, and Key Performance Indicators (KPIs). The museum has seen a need to review the Performance Management Policy. The museum ensured that all key stakeholders understood the Performance management process.

Quarterly reviews were done, and all employees met their performance standards.

Employee Wellness Programmes

Employee wellness aims to enable employee well-being and business continuity. Nelson Mandela Museum is required to build the organisational capability to navigate disruptions in the workforce, society, and business. Key to this museum aims to plan and execute programmes that promote the health, safety and well-being of NMM employees.

Employee Team Building was conducted in the year to build team capacity, and the museum medical aid service provider conducted a health awareness programme.

Policy Development

Developing HR policies for the Nelson Mandela Museum is essential to ensure consistent and fair practices while aligning with the museum's mission and values. The museum successfully developed a Grievance Policy, and other HR policies were reviewed based on the general needs and challenges that the museum faced.

Relevant stakeholders were engaged, and their inputs were considered during this process. Management recommended policies and approved by the council as part of the museum protocol.

Achievements

The following highlights have been achieved during the period under review;

- Successfully implementing Job Grading, which has been pending for several years.
- A successful procurement of a Human Resource Information System (HRIS). The old system had its limitations and did not provide any desired solutions for the museum.
- One employee was awarded a study aid as part of skills development.

Challenges

The following challenges were observed;

- Lack of capacity: One critical and strategic post in the approved structure has not been filled. The museum has issued an acting appointment to close the gap.
- Labour Unrest: The introduction and implementation of Job Grading has resulted in numerous labour disputes and many grievances from different employees.
- The old HRIS has been giving challenges, which has resulted in payroll errors, and the museum has since procured a new system, which its functioning is still underway.



Future HR Plans and Goals

Employee Engagement - It is essential to measure the workforce's engagement level periodically, and one way of doing this is through surveys, one-on-one meetings with selected focus groups or periodic checks. Employees who believe management is concerned about them as a whole person, not just an employee, are more productive, satisfied, and fulfilled.

Satisfied employees result in happy clients, which leads to improved service delivery. To ascertain the level of employee engagement and satisfaction, a survey will be designed, and employees will be invited to participate, which will be open for museum employees to participate.

Policy Development- The museum plans to introduce the absent HR Policies and review the existing ones to be aligned and responsive to relevant legislations and frameworks. Terms of Reference have already been developed to kickstart this exercise.

The table in this report will show the number of staff members sent for training by the museum.

The museum also encourages its staff members to register for diplomas and degrees in fields of their choice related to museum work and in line with their responsibilities in the museum. The unit undertakes a skills audit exercise at the beginning of each financial year to analyse the training needs and plan to have the desired skills.

The following table reflects the Skills Development progress:

HUMAN RESOURCES OVERSIGHT AND STATISTICS IN 2022/2023

- **Personnel Related Expenditure**
- The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it indicates the following:
 - amount spent on personnel
 - amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Personnel expenditure by the programme for the period 1 April 2022 and 31 March 2023

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Personnel expenditure as a % of total expenditure
Heritage and Conservation	13 244 934	6 012 350	11 755	45.39%
Public Engagement	5 297 973	2 103 951	103 743	39.71%
Corporate Services	18 542 908	8 116 290	65 690	43.77%
TOTAL	37 085 817	16 232 591	181 188	43.77%

Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Level	Personnel Expenditure	% of total personnel cost	Number of Employees	Average Personnel costs per employee
Executive management	4 782 966	29%	4	1 195 741
Middle Management	2 391 726	15%	4	597 931
Staff	9 057 899	56%	20	452 895
TOTAL	16 232 591	100%	28	579 735

Salaries, overtime, Home Owner's Allowance and Medical Aid by the programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance	Rewards	% of performance Rewards to total personnel costs
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs			
Executive management	4 782 966	29%	-	-	-	-	0%
Middle Management	2 391 726	15%	-	-	-	-	0%
Staff	9 057 899	56%	-	-	393 907	-	0%
TOTAL	16 232 591	100%	-	-	393 907	-	0%



Training costs

Business Unit	Personnel Expenditure	Training Expenditure	Training expenditure as % of personnel costs	Number of employees trained	Average training cost per employee
Heritage and Conservation	6 012 350	11 755	0,19%	10	1 176
Public Engagement	2 103 951	103 743	4,93%	4	25 936
Governance	8 116 290	65 690	0,81%	14	4 692
TOTAL	16 232 591	181 188	1,12%	28	6 471

Employment and Vacancies by the programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Heritage and Conservation	11	9	18%	0
Public Engagement and Marketing	4	4	0%	0
Governance	13	13	0%	0
TOTAL	28	26	7%	0

Employment and Vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Executive Management	4	3	25%	0
Middle Management	4	4	0%	0
Staff	20	19	5%	0
TOTAL	28	26	7%	0

Filling of SMS Posts

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

SMS post information as on 31 March 2023

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
Executive Management	4	3	75%	1	25%
TOTAL	4	3	75%	1	25%



Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

SMS Level	Advertising	Filling of Posts	Number of vacancies per level not filled in 6 months but filled in 12 months
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	
Executive management	1	0	0
TOTAL	1	0	0

Reasons for not having complied with the filling of funded vacant SMS – Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

The position was advertised within six months of being vacant but after the recruitment process was concluded the incumbent decline the offer.

Reasons for vacancies not advertised within twelve months

The position was advertised within twelve month of being vacant.

Notes

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

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

N/A

Reasons for vacancies not filled within six months

The position was advertised, recommendations were made and the recommended candidate declined the offer.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not complying 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 the department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.



Job Evaluation

Job valuation by Salary band for the period 1 April 2022 and 31 March 2023

Posts Upgraded Posts downgraded

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Number	% of posts evaluated	Number	% of posts downgraded
Executive Management	4	4	100%	4	100%	0	0%
Middle Management	4	4	100%	4	100%	1	25%
Staff	20	20	100%	20	100%	2	10%

Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	9	0	0	0	9
Male	16	0	0	0	16
Total	25	0	0	0	25

Employees with a disability	1
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Employees with salary levels higher than those determined by Job Evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Finance Manager	1	C3	C3	N/A
Financial Specialist	1	B5	B5	N/A
General Assistant	1	A3	B4	N/A
N/A	0	N/A	N/A	N/A

Total number of employees whose salaries exceeded the level determined by job evaluation

Percentage of total employed 11%

Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	0
Male	2	0	0	0	0
Total	3	0	0	0	0

Employees with a disability	0				
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Employment Changes

Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period- 1 April 2022	Appointments and transfers into the Museum	Terminations and transfers out of the Museum	Turnover rate
Executive Management	3	0	0	0%
Middle Management	3	1	0	0%
Staff	20	1	1	5%
Total	24	2	1	5%

Table 3.5.2 Annual Turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period- April 2021	Appointments and transfers into the Museum	Terminations and transfers out of the Museum	Turnover rate
N/A				
Total				

Reasons why staff left the Museum for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	0	0%
Resignation	1	6%
Expiry of contract		
Dismissal – operational changes		
Dismissal – misconduct		
Dismissal – inefficiency		
Discharged due to ill-health		
Retirement		
Transfer to other Public Service Departments		
Other		
Total	1	
Total number of employees who left as a % of total employment	1	6%

Promotions by salary band for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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
Executive Management	3	1	25%	0	0
Middle Management	3	1	25%	0	0
Staff	20	0	0	0	0
TOTAL	26	2	8%	-	-

Attempts made to retain staff

Qualifying the museum staff and, per the museum, study policy is encouraged to capacitate themselves by studying and attending training courses, budget allowing. They are also encouraged to see the Nelson Mandela Museum not only as just another employment agency but as the employer of choice, even as an institution that seeks to transform the lives of South Africans through the story of Nelson Mandela. In other words, the museum staff is encouraged to see themselves as change agents.



Labour Relations: Misconduct and disciplinary action

Ill health	0
Expiry of contract	0
Nature of Disciplinary Action	0
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

Equity Target and Employment Equity Status

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive management	2	2	nil	0	Nil	0	nil	0
Middle management	1	2	nil	0	Nil	0	nil	0
Staff	11	12	nil	0	Nil	0	nil	0
TOTAL	14	16	0	0	0	0	0	0

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive management	1	2	0	0	0	0	0	0
Middle management	2	2	0	0	0	0	0	0
Staff	7	8	0	0	0	0	0	0
TOTAL	10	12	0	0	0	0	0	0

Disabled Staff

Level	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Executive management	0	0	0	0
Middle management	0	0	0	0
Staff	1	1	0	0
TOTAL	1	1	0	0

Organisational Development

The Nelson Mandela Museum Council adopted a strategy of planned theory and systematic change in the employees' attitudes, beliefs, and values through the creation and reinforcement of long-term training programs. This strategy starts with a careful organisation-wide analysis of the current situation and future requirements. It employs techniques of behavioural sciences such as behaviour modelling, sensitivity training, and transactional analysis. The Nelson Mandela Museum's objective is to enable the organisation to adopt-better to the fast-changing external environment of new markets, regulations, and technologies.

RESIGNATIONS AND TERMINATIONS

There was only resignation; the employee got a better offers.

HUMAN RESOURCES ALIGNMENT



The restructuring process aimed to align the museums' staff according to the training they have received. The restructuring process also aims at auditing the skills and capacity of staff members.

LABOUR RELATIONS MATTERS

The National Health and Allied Workers Union (NEHAWU) is one of the recognised unions at the Nelson Mandela Museum since most staff are its members. NEHAWU appointed two staff members as Shop stewards to represent the interest of their members.

DISCIPLINARY CASES

None.

CCMA

One CCMA case.

GRIEVANCES

There were six (6) grievances lodged, and they were all lodged on the in quarter 4.

PERFORMANCE MANAGEMENT SYSTEM

Performance agreements are in place for all managers and staff, and Reviews are completed for all four quarters. Each manager submits quarterly reports to the relevant council committees to monitor the Institution's annual targets' performance.

POLICY REVIEW

Most Museum policies have been reviewed through departmental Senior Managers and submitted to the relevant council committees.



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PART E

PFMA COMPLIANCE REPORT



Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2022	2022/2021
Opening balance	-	-
Add: Irregular expenditure confirmed	368 640	-
Less: Irregular expenditure condoned	(37 565)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	331 075	-

The museum incurred an irregular expenditure in the year under review amounting to R331 075 as follows:

- Deviations not approved by the delegated letter/memo, as required by Treasury Regulations 16A.6.4.
- Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.
- The invitations for the quotes did not specify the minimum threshold for local production and content, which is not less than the threshold prescribed in the relevant NT Instruction Notes.
- The winning provider has not furnished the auditee with the declaration on local production and content.

Reconciling notes

Description	2023/2022	2022/2021
Irregular expenditure that was under assessment in the previous years	-	-
Irregular expenditure that relates to prior years and identified in the current year	-	-
Irregular expenditure for the current year	331 075	-
Total	331 075	-

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

Description	2023/2022	2022/2021
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

There is no irregular expenditure in the current and previous year that is under investigation.

c) Details of current and previous year irregular expenditure condoned

Description	2023/2022	2022/2021
Irregular expenditure condoned	37 565	-
Total	37 565	-

The condonation was done by the Accounting Authority. For the details of this condonation, refer to section F of the annual report on the AFS note 31



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

Description	2023/2022	2022/2021
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

The amount of R 4456 196 for irregular expenditure that was removed from the AFS disclosure but not condoned relate to the 2016/17 and 2017/18 financial year relating to the extension of the security contract in excess of regulated time without proper authorisation.

e) Details of current and previous year irregular expenditure recovered

Description	2023/2022	2022/2021
Irregular expenditure recovered	-	-
Total	-	-

None.

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

Description	2023/2022	2022/2021
Irregular expenditures written off	37 565	-
Total	37 565	-

There are no Inter-Institutional Arrangements for the NMM.

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

Disciplinary steps taken

There are no disciplinary cases as yet; the matters are still under investigation.



Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2022	2022/2021
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	729	14 092
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	295	14 092
Closing balance	434	-

This fruitless relates to late returns of hired cards and speed fines. Refer to part F of AFS, note 31.

Reconciling notes

Description	2023/2022	2022/2021
Fruitless and wasteful expenditure that was under assessment in the current year	-	-
Fruitless and wasteful expenditure that relates to prior years and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	434	-
Total	434	-

b) Details of current and previous years fruitless and wasteful expenditures (under assessment, determination, and investigation)

Description	2023/2022	2022/2021
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

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

Description	2023/2022	2022/2021
Fruitless and wasteful expenditure recovered	295	14 092
Total	295	14 092

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

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken
None

Disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

There were no material losses through criminal conduct.



Information on late and / or non-payment of suppliers

Description	Number of invoices	Consolidated Value
Valid invoices received	208	24 892 931
Invoices paid within 30 days or agreed period	202	19 374 371
Invoices paid after 30 days or agreed period	4	101 234
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	0
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	2	5 417 326

Invoices paid after 30 days or agreed period – These are invoices that were received for payment without supporting documentation.

Invoices older than 30 days or agreed period (*unpaid and in dispute*) – The two invoices relate to DPWI for the erection of fencing in Qunu that was invoiced with defects and MTN for telephone services that were billed contrary to the agreed amount

Information on Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Procurement of fuel for back-up generators	Meyers Motors	Price quotation	NA	197 265
Procurement of live broadcast	SABC	Price quotation	NA	508 907
Procurement of advertising space	Arena Holdings	Price quotations	NA	431 373
Procurement of library books	Ekhabo General Dealer	Price quotations	NA	176 127
Training of executive members	Institute of Directors SA	Price quotations	NA	80 878
Procurement of advertising space	UCR FM	Price quotations	NA	106 000
Transportation through taxis	Golden Egg Taxi Rank	Price quotations	NA	93 600
Movie production	Mcinga & company	Price quotations	NA	290 000
Procurement of advertising space	Panorama Medi	Price quotations	NA	37 355
Exhibition development	iMadiba Project	Price quotations	NA	117 495
Job grading	NKA Management Solutios	Price quotations	NA	103 224
Installation of 2 satues	National Heritage Projects	Price quotations	NA	408 227
Performance group	Ntsingiselo Yobomi General Tradingk	Price quotations	NA	11 500
Performance group	Accoustic Connexion Music Band	Price quotations	NA	14 000
Performance group	Andihambi ndedwa	Price quotations	NA	10 000
Replacement of bus windscreens	PG Glass	Sole provider	NA	9 875
Total				2 595 553

Contract variations and expansions

No Variations and expansions to be reported



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PART F

ANNUAL FINANCIAL STATEMENTS



Report of the auditor-general to Parliament on Nelson Mandela Museum

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Nelson Mandela Museum set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Museum as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my 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

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

Restatement of corresponding figures

7. As disclosed in note 34 of the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the entity at, and for the year ended 31 March 2023.

Other matter

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



Unaudited irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure)

9. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in notes 30 and 31 to the financial statements of the Nelson Mandela Museum. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

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

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

12. 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.
13. 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 annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators



presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to Business Development programme presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of identified and implemented collection's conservation projects based on internationally acceptable standards
- Construction of an exhibition facility and restoration of LWTF film set
- Number of comprehensive digitisation projects implemented
- Number of research projects undertaken and commissioned
- Number of internal and external stakeholders accessed, used and researched the archival records and the special library information
- Number of Museum records archived and preserved
- Number of travelling exhibitions designed and installed.
- Number of hosted exhibitions
- Number of learning platforms and engagements that include dialogues, conferences, seminars, debates, competitions, camps
- Number of schools visited

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated



- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only.

19. The material findings on the performance information of the selected material performance indicators are as follows:

Programme 1: Business Development

Number of identified and implemented collection's conservation projects based on internationally acceptable standards

20. Reasons for the underachievement of the reported achievement of 3 against the planned target of 4, were not reported in the annual performance report.

Number of Comprehensive digitisation project implemented

21. The indicator was included in the approved annual performance plan and strategic plan but then not clearly defined during planning processes. It was also not determined how the related target would be measured and what evidence would be needed to support the achievement. Consequently, the information might be less useful for measuring performance.

Number of schools visited

22. The indicator was included in the approved annual performance plan and strategic plan but then not clearly defined during planning processes. It was also not determined how the related target would be measured and what evidence would be needed to support the achievement. Consequently, the information might be less useful for measuring performance.

Number of internal and external stakeholders used and accessed the library and archives materials and information

23. The indicator of "Number of internal and external stakeholders used and accessed the library and archives materials and information" was included in the approved annual performance plan and strategic plan. However, an indicator of "Number of internal and external stakeholders accessed, used and researched the archival records and the special library information" were reported in the annual performance report.

Number of Museum records archived and preserved

24. The indicator "Number of Museum records archived and preserved" with a target of was included in the approved annual performance plan and strategic plan. However, this indicator was not reported in the annual performance report.



Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Business Development programme. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance reports and annual reports

32. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA. Material misstatements of revenue, non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected resulting in the financial statements receiving an unqualified opinion.



Procurement and contract management

33. Some of the contracts and quotations were awarded to bidders based on pre-qualification criteria that were not stipulated or differed from those stipulated in the original invitation for bidding and quotations, in contravention of the 2017 Preferential Procurement Regulation 4(1) and 4(2).
34. Bid documentation/ invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).
35. Commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015/2016.
36. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5).
37. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.

Other information in the annual report

38. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
39. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
40. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
41. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

42. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
43. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
44. Leadership did not adequately discharge its oversight responsibilities with regards to the implementation and monitoring of internal controls to ensure sound financial and performance management and compliance with laws and regulations. The audit action plan was not effectively monitored and implemented to ensure that the prior year external audit findings were addressed and that they do not recur.
45. Although reviews of the financial statements and annual performance report were done by management, internal audit and the audit committee, material misstatements in the financial statements and material findings in the annual performance report were identified indicating that the review processes need to be strengthened.

Auditor-General.

Auditor-General

East London

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity's compliance with selected requirements in key legislation.

Financial statements

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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the 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 entity 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 an entity 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

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

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them, all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

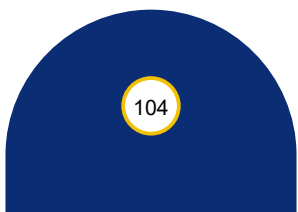
Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(b)(ii) Section 51(1)(e)(iii) Section 53(4) Section 55 (1)(a) Section 55 (1)(b) Section 55 (1)(c)(i) 38(1)(b) 45(b) 57(b) PFMA SCM instruction note 03 of 2021/22 par 4.1. PFMA instruction note no.3 of 2021/22 definition PFMA instruction note no.3 of 2021/22 par. 4.2 (b) PFMA SCM Instruction No. 3 of 2021/22 par. 7.2 (tenders advertised on or after 1 April 2022)
Preferential Procurement Regulations of 2022 (PPR)	TR 29.3.1 TR 30.1.1 TR 30.1.3(a) TR 30.1.3(b) TR 30.1.3(d) TR 30.2.1 TR 31.1.2(c) TR 33.1.3 TR 33.1.1 TR 16A6.1 TR 16A6.2(a) & (b) TR 16A6.3(c) TR 16A6.5 TR 16A8.4 TR 16A9.1(b)(ii) TR 16A9.1(d) TR 16A9.1(e) TR 16A9.1(f) NT Instruction 07 of 2017/18 par 4.3 NT Instruction 4A of 2016/17 par 6 NTI 01 of 2021-22 par. 4.1 SCM Instruction Note 02 of 2021-22 par 3.2.1 (bids advertised on or after 1 April 2022)



Legislation	Sections or regulations
	SCM instruction note 2 of 2021/22 par. 3.2.4 National Treasury Instruction 4A of 2016/17 SCM instruction note 2 of 2021/22 par. 3.2.4 (b)- Only applicable to awards before 16 January 2023.
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



Nelson Mandela Museum
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Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Registered office	Cnr Owen street & Nelson Mandela Drive Bunga Building Mthatha 5100
Business address	Cnr Owen street & Nelson Mandela Drive Bunga Building Mthatha 5100
Controlling entity	Department of Sport, Arts and Culture
Bankers	ABSA Bank Sutherland Street, Mthatha
Auditors	Internal Auditors : Lunika Chartered Accountants External Auditors - Auditor General South Africa
Secretary	Taleni Kupiso Godi Inc
Members	Ms P Skoti - Council Chairperson Dr S Potelwa - Deputy Chairperson Ms J Gunther - Acting ARC Chairperson Mr R Vuzane CA (SA) - FIFCOM Chairperson Ms N Mandela - ICC Chairperson Dr N Songelwa - Former Council Chairperson & New Council Member Mr S Ngema Dr. A Nontso- HR & REMCO Chairperson Ms T Van Der Sandt Ms F Mtyida- Ngandi FORMER COUNCIL MEMBERS Adv Nevondwe Ms T Ndlovu Dr K Ngqila Mr S Mlangazi Mr A Gontse Prof B Mngomezulu Mr M Bavuma Mr S Mzamo Dr S Masuku Dr Z Hlatshwayo Ms J Nhlapho
Preparer	Chief Financial Officer



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
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Nelson Mandela Museum

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Abbreviations used:

AGSA	Auditor General South Africa
ARC	Audit and Risk Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COC	Content and Operations Committee
DSAC	Department of Sport, Arts and Culture
FIFC	Finance, Infrastructure and Fundraising Committee
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IDC	Institutional Development Committee
NMM	Nelson Mandela Museum
NT	National Treasury
PFMA	Public Finance Management Act
SCC	Stakeholder Commemoration Committee
SOC	Strategic and Oversight committee
HR & Remco	Human Resources and Remuneration Committee
ICC	Infrastructure and ICT Committee
ICT	Information and Communication Technology
FIFCOM	Finance, Investment and Fundraising Committee



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Museum Council Report

1. General Information

1.1 The Role of the Council of the Nelson Mandela Museum

In accordance with the provisions of the Public Finance Management Act, Act 1 of 1999, (PFMA) as amended by Act 29 of 1999, and the Treasury Regulations, the Council of the Nelson Mandela Museum, (the Council) is the Accounting Authority. Its role includes the submission to the Executive Authority and AGSA information such as Annual Financial Statements and Performance Information within two months after the end of the financial year.

2. Statement of Responsibility

The Public Finance Management Act (Act 1 of 1999) as amended, requires the Council to ensure that the Nelson Mandela Museum keeps full and proper records of its financial affairs. The Annual financial statements should fairly present the state of affairs of the Museum, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of the Generally Recognised Accounting Practice (GRAP).

The Annual Financial Statements are the responsibility of the Council. The AGSA responsible for independently auditing and reporting on the Annual Financial Statements.

The Annual Financial Statements have been prepared in accordance with Statements of Generally Recognised Accounting Practice. These Annual Financial Statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates.

The Council has reviewed the budget and cash flow projections for the year ending 31 March 2023. On the basis of this review, and in view of the current financial position, the Council has every reason to believe that the Museum is a going concern in the period ahead and has continued to adopt the going concern basis in preparing the Annual Financial Statements.

The Council determines, introduces and implements systems of internal control and risk management that are designed to provide reasonable assurance against material misstatements and losses. The entity also maintains these controls to safeguard assets against unauthorised use or disposal, and for the maintenance of proper accounting records and the reliability of the financial information used within the Museum.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. The internal audit function is in place and has been functional throughout the year, and there are no material breakdown in the functioning of these controls, procedures and systems which has occurred during the year under review.

3. Financial Results

Full details of the financial results are set out on pages 08 to 44 of the Annual Financial Statements.

4. Nature of Entity and its Principal Business

The core business is the conservation of heritage centred on Nelson Mandela, collecting, exhibiting and exercising stewardship over heritage resources linked to Madiba to inspire people to learn and share from his legacy, impact on development through education, culture and tourism.

The Museum is spread over three sites, namely the Mvezo site, Bhunga Building and Nelson Mandela Youth and Heritage Centre (Qunu). It is a public entity falling under the National Department of Sport, Arts and Culture and was established in accordance with the prescripts of the Cultural Institutions Act, Act No. 119 of 1998 and is one of the Cabinet legacy projects.



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

5. Materiality and Significance Framework for 2022/23

In terms of the Public Finance Management Act, Act No. 1 of 1999 as amended, read with paragraph 28.1.5 of the National Treasury Regulations, the Council has developed and agreed to a framework of acceptable levels of materiality and significance.

6. Opinion and Approval

In the opinion of the Nelson Mandela Museum Council, based on the information available to date, the Annual Financial Statements set out on pages 08 to 44 present the financial position, the results of its operations, Cash Flow information of Nelson Mandela Museum and comply with the provisions of the Treasury Regulations and the Public Finance Management Act (Act 1 of 1999, as amended) for the year then ended.

The Annual Financial Statements set out on pages 08 to 44 for the year then ended were approved by the Museum Council on 31 May 2023.

Ms P Skoti
Council Chairperson



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Chief Executive Officer's Report

1. General Review of the State of Affairs

The Council's commitment to provide strategic oversight and finances saw the museum continuing with its national and international footprints. The available budget was used to achieve the set objectives both on the 5 year Strategy and Annual Performance Plan. The 2022/23 financial year's budget was effectively used to achieve the mandate of the museum.

The museum was also able to balance various needs within the confines of its approved budget. It managed to utilize its infrastructure to promote the mandate. This also translated to maintaining the infrastructure. As an organ of state, the Museum delivers its services in alignment with Government objectives. The Museum contributes to social cohesion, patriotism, unity, reconciliation, economic regeneration through tourism and cultural activities, and its procurement practices, citizen participation and awareness through outreach, education programs and exhibitions. The Museum programs include: Governance (which deals with administration and Council support), Human Resources, Public Engagement and Communication, Heritage Resources and Infrastructure Services.

The Nelson Mandela Museum received most of its funding from the subsidy allocations from the National Government through the Department of Sport, Arts and Culture. Total revenue collected by the Nelson Mandela Museum including finance income for the period under review increased by 0.04% from R 42 1167 126 compared to the same period last year. The Nelson Mandela Museum's results for the year ended 31 March 2023 show an increase in reserves from R35 600 347 to R40 772 848. This is due to an operating surplus of R5 099 341 realized during the year under review and adjustment in the opening balance for prior year error. This increase is attributable to a net of inflationary increase in grant allocation, increase in interest received from investments as well as capital spending from rolled over funds. The grant from the Department of Sport, Arts and Culture accounted for 86.92% of the total revenue while 10.92% relates to interest from investments and 2.17% to sundry income as well as donations.

The operating expenditure for the period under review including finance costs is R37 085 817, showing an increase of R4 356 804 from the expenditure recorded in the previous period. The operating expenditure is made up of 43.77% fixed costs of personnel 10.19% administrative expenses, 3.29% Audit fee, and 43.75% other operating expenses, which constitute the core business of the organization with expense categories like exhibition expenses and advertising and promotion forming a major part, and Security expenses as major contributors as well.

The Nelson Mandela Museum is a going concern in the year 2022/23. Museum will continue to adopt a going concern basis in preparing its annual financial statements in the period ahead as the budget indicates. The institution filled the majority of key positions during the 2022/23 financial year. Subsequently, the NMM has seen the improved results in strategic areas and performance in the 2022/23 financial year.

While a great deal of work still needs to be done to improve the baseline funding to facilitate meeting targets set in the Museum's strategic plan, the results for the year under review demonstrate progress, and management remains committed to achieving the strategic objectives set by Council.

2. Services rendered by the Nelson Mandela Museum

The core business of the Nelson Mandela Museum is education and conservation of Heritage Resources centred around Nelson Mandela in context, collecting, exhibiting and exercising stewardship over heritage resources linked to Madiba, inspire people to learn and share from his legacy, impact on development through education, culture and tourism. To achieve this objective, the Museum uses guided and unguided tours, public programs (indoors and outdoors), formal outreach like the use of popular programmes to reach people and make an impact. Social dialogues and seminars are also used to reach out to a wider public.

3. Tarrifs

The museum has conferencing and accommodation facilities in Qunu, the facility has been closed since February 2017, due to renovations. However, renovations did not immediately take place as planned. That also affected the reopening plan of the facility. Currently, the museum tariff raising is through the sale of merchandise, books, etc. The museum approved the tariffs policy in 2019/20 financial year for Bhunga building related activities.

4. Donations Box

The museum does not charge an entrance fee to its visitors. Instead, there is a Donation Box, which is used to encourage visitors to donate. However, there has not been much activity when it comes to donations this current year.



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

5. Museum Shop

The Nelson Mandela Museum Memorabilia shop has been in full operations since the upgrade of the Bhunga building of the Museum. The shop has been run in partnership with the Department of Sport, Recreation, Arts and Culture with the overall objective of promoting local entrepreneurs to sell their artwork to the visitors. The museum doesn't charge for the space except to promote the local entrepreneurs. These are one of the corporate social investment (CSI) initiatives of which the museum is leading.

6. Opinion

In the opinion of the Nelson Mandela Museum CEO, the Annual Financial Statements set out on pages 08 to 44 present the financial position, the results of its operations, Cash Flow information of Nelson Mandela Museum and comply with the provisions of the Treasury Regulations and the Public Finance Management Act (Act 1 of 1999, as amended) for the year then ended.

7. Conclusion

Indeed, the museum's financial accountability is aligned with its non-financial performance on its 2022/23 annual performance plan. The museum wittingly improved its financial management capacity as a tool to enhance both its performance and audit. The improved internal systems have enhanced the capacity of the museum to provide an excellent service to the public and also be able to account for its finances. It is also safe to state that the museum remains an important resource that promotes the values and legacy of Nelson Mandela. As the museum improves its systems, so is its personnel's capacity development.

Dr V Booi
Chief Executive Officer

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Inventories	7	217 442	291 158
Receivables from non-exchange transactions	8	1 348 383	399 507
Cash and cash equivalents	9	79 176 397	78 397 246
		80 742 222	79 087 911
Non-Current Assets			
Property, Plant and Equipment	3	9 342 643	9 704 984
Intangible assets	4	108 333	208 332
Heritage assets	5	12 186 793	11 778 516
		21 637 769	21 691 832
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	6 382 081	7 223 400
Unspent conditional grants and receipts	12	15 797 165	9 821 094
Provisions	13	1 200 623	1 527 116
		23 379 869	18 571 610
Non-Current Liabilities			
Unspent conditional grants and receipts	12	28 360 859	36 741 276
Non-Current Liabilities		28 360 859	36 741 276
Current Liabilities		23 379 869	18 571 610
Total Liabilities		51 740 728	55 312 886
Assets		102 379 991	100 779 743
Liabilities		(51 740 728)	(55 312 886)
Net Assets		50 639 263	45 466 857
Reserves			
Revaluation reserve	10	9 866 510	9 866 510
Accumulated surplus	11	40 772 753	35 600 347
Total Net Assets		50 639 263	45 466 857



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from exchange transactions			
Sundry Income	14	85 718	125 682
Profit on disposal of assets		61 697	-
Interest received - investment	15	4 605 498	2 917 982
Total revenue from exchange transactions		4 752 913	3 043 664
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	16	36 661 345	38 246 734
Public contributions and donations	17	1 150	876 728
Other transfer revenue		769 750	-
Total revenue from non-exchange transactions		37 432 245	39 123 462
		4 752 913	3 043 664
		37 432 245	39 123 462
Total revenue	14	42 185 158	42 167 126
Expenditure			
Employee related costs	18	(16 232 591)	(14 429 894)
Administration	19	(3 779 553)	(2 737 013)
Depreciation and amortisation	21	(1 587 121)	(1 716 314)
Lease rentals on operating lease	20	(151 932)	(128 558)
General Expenses	23	(15 334 620)	(13 717 234)
Total expenditure		(37 085 817)	(32 729 013)
Operating surplus/deficit		-	-
Surplus before taxation		5 099 341	9 438 113
Taxation		-	-
Surplus for the year		5 099 341	9 438 113



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2021	9 945 310	23 929 234	33 874 544
Changes in net assets			
Correction of prior year error	(78 800)	1 910 196	1 831 396
Assessment of useful lives adjustment	-	322 807	322 807
Net income (losses) recognised directly in net assets	(78 800)	2 233 003	2 154 203
Surplus for the year	-	9 438 113	9 438 113
Total recognised income and expenses for the year	(78 800)	11 671 116	11 592 316
Total changes	(78 800)	11 671 116	11 592 316
Balance at 01 April 2022	9 866 510	35 600 350	45 466 860
Changes in net assets			
Adjustment to opening balance - Property, Plant and Equipment	-	73 157	73 157
Net income (losses) recognised directly in net assets	-	73 157	73 157
Surplus for the year	-	5 099 341	5 099 341
Total recognised income and expenses for the year	-	5 172 498	5 172 498
Total changes	-	5 172 498	5 172 498
Balance at 31 March 2023	9 866 510	40 772 848	50 639 358



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Grants		34 257 511	35 725 986
Interest income		4 605 498	2 917 982
Other receipts		855 468	125 682
Other cash item	17	1 150	163 903
		39 719 627	38 933 553
Payments			
Employee costs		(16 559 084)	(14 429 896)
Suppliers		(20 736 448)	(12 517 371)
		(37 295 532)	(26 947 267)
Total receipts		39 719 627	38 933 553
Total payments		(37 295 532)	(26 947 267)
Net cash flows from operating activities	24	2 424 095	11 986 286
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 431 398)	(5 836 436)
Proceeds from sale of property, plant and equipment	3	194 731	-
Purchase of heritage assets	5	(408 277)	-
Net cash flows from investing activities		(1 644 944)	(5 836 436)
Net increase/(decrease) in cash and cash equivalents		779 151	6 149 850
Cash and cash equivalents at the beginning of the year		78 397 246	72 247 396
Cash and cash equivalents at the end of the year	9	79 176 397	78 397 246

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Interest received - investment	460 000	-	460 000	4 605 498	4 145 498	
Sundry income	441 000	-	441 000	85 718	(355 282)	
Profit on disposal	-	-	-	61 697	61 697	
Transfer revenue						
Government grants & subsidies	32 109 000	2 552 345	34 661 345	36 661 345	2 000 000	
Public contributions and donations	-	-	-	1 150	1 150	
Other transfer revenue	-	-	-	769 750	769 750	
Total revenue from exchange and non-exchange transactions	33 010 000	2 552 345	35 562 345	42 185 158	6 622 813	
'Total revenue from exchange transactions'	-	-	-	-	-	
'Total revenue from non-exchange transactions'	33 010 000	2 552 345	35 562 345	42 185 158	6 622 813	
Expenditure						
Personnel	(16 751 334)	-	(16 751 334)	(16 023 091)	728 243	
Administration	(3 289 000)	-	(3 289 000)	(3 779 553)	(490 553)	
Depreciation and amortisation	-	-	-	(1 587 121)	(1 587 121)	
Lease rentals on operating lease	(151 932)	-	(151 932)	(151 932)	-	
General Expenses	(12 817 734)	(2 402 345)	(15 220 079)	(15 544 120)	(324 041)	
Total expenditure	(33 010 000)	(2 402 345)	(35 412 345)	(37 085 817)	(1 673 472)	
	-	150 000	150 000	5 099 341	4 949 341	
	-	-	-	-	-	
Surplus before taxation	-	150 000	150 000	5 099 341	4 949 341	
Deficit before taxation	-	150 000	150 000	5 099 341	4 949 341	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	150 000	150 000	5 099 341	4 949 341	

Refer to note 32 for detailed explanation of variances above 10%.

Nelson Mandela Museum

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Accounting Policies

Figures in Rand	Note(s)	2023	2022
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1. Presentation of Annual Financial Statements

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

The annual financial statements have been prepared on an accrual basis of accounting using the going concern assumption and are in accordance with historical cost basis incorporating the principal accounting policies as set below unless specified otherwise. Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board. Assets, Liabilities, Revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP. These accounting policies are consistent with the previous period, unless explicitly stated. The details of any changes in the accounting policies are explained in the relevant policy. The principal accounting policies adopted in the preparation of these Financial Statements are set out below .

1.1 Presentation currency

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

Unless stated otherwise, all figures have been rounded off to the nearest Rand.

1.2 Going concern assumption

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

1.3 Comparative Information

When the presentation or classification of items in the Annual Financial Statements are amended, prior period comparative amounts are restated. The nature and the reason for reclassification are disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as practicable, and the prior year comparatives are restated accordingly.

1.4 Significant judgements and sources of estimation uncertainty

Trade receivables / Held to maturity investments and/or loans and receivables

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

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

Allowance for slow moving, damaged and obsolete stock

An allowance for stock that is identified as out of market and redundant is provided for. Any stock that is physically identified as damaged is written off when discovered.

Impairment testing

Management used value in use or fair value less cost to sell to determine the recoverable amount of assets that may have been impaired.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note of AFS. Provision are measured in the management's best estimate of the expenditure required to settle the obligation at the reporting date.

Nelson Mandela Museum

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Accounting Policies

1.5 Property, Plant and Equipment

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

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	10-20 years
Furniture and fixtures	Straight-line	6-20 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	6-10 years
IT equipment	Straight-line	3-10 years
Other property, plant and equipment	Straight-line	5-10 years

The assets residual value and the useful life are reviewed and adjusted if appropriate, at each financial year-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognized in the profit or loss unless it is included in the carrying amount of another asset. An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the item is derecognized.

Assets held under a finance lease are depreciated over their expected useful lives on the same basis as owned assets. If there is no reasonable certainty that the entity will obtain ownership by the end of the lease term, the assets are depreciated over the shorter of the lease term and its useful life. Donated held under donations are depreciated over the right of use period.

Impairments

The residual value and useful life and the depreciation method is reviewed annually and, any changes are recognized as a change in accounting estimates in the Statement of Financial Performance. The entity tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of impairment is done at the reporting date. Where carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or service amount), it is written down immediately to its recoverable amount (recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.6 Subsequent Expenditure

Repairs and maintenance are generally charged to expenses during the financial period in which they are incurred. However, major renovations are capitalized and included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.



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Accounting Policies

1.7 Intangible assets

The cost of an intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the NMM; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are depreciated over their useful life taking into account residual values, where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing useful lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1.8 Heritage assets

Initial Recognition

- a) Heritage assets are recognised as an asset if, and only if
- It is probable that future economic benefits or service potential associated with the asset will flow to NMM
 - The cost or fair value of the asset can be measured reliably
- (b) For recognition of heritage assets, the assets need to be controlled by Nelson Mandela Museum as a result of past events. Such events may include: Purchased, donated, bequeathed, transfer and loans. In the event where Nelson Mandela Museum is restricted from disposing of the asset it will still be recognised due to the fact that it is controlled by Nelson Mandela Museum. It is the judgment of Nelson Mandela Museum to assess the degree of certainty attached to the flow of future economic benefits.

Initial measurement

Heritage assets are measured at cost.

- Due to the nature of assets controlled by Nelson Mandela Museum assets shall be valued according to circumstances
- All asset acquired by means of purchase should initially be measured at cost. Where no cost can be determined the fair value will be determined as at the date of acquisition
- In instances where heritage assets are donated or bequeathed to Nelson Mandela Museum at no cost, the cost will then be the fair value as at the date of acquisition.
- In determining the fair value of a heritage asset acquired through a non-exchange transaction, Nelson Mandela Museum will apply the principles of revaluation in determining the fair value.

Elements of costs

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses

- (a) The cost of the heritage asset comprises of the following:
- its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebate
 - any cost directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (b) These costs can be included cost such as:
- Cost of employee benefits, for example the initial assessment of heritage asset



Nelson Mandela Museum

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Accounting Policies

1.8 Heritage assets (continued)

Subsequent measurement

- (a) In accordance with GRAP 103, an entity should choose either the cost model or the revaluation model for subsequent measurement of an entire class of heritage asset.
- In accordance with the Cost Model, after recognition as an asset a class of heritage assets measured in accordance with the Cost Model, shall be carried at its cost less any accumulated impairment loss.
 - In accordance with the Revaluation Model, after recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
 - Nelson Mandela Museum has elected the cost model and shall apply the policy to an entire class of heritage assets.

Impairment

(a) A heritage asset shall not be depreciated, but Nelson Mandela Museum shall assess at each reporting date whether there is an indication that it may be impaired. If any such indications exist, Nelson Mandela Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset in accordance with the Standards of GRAP on Impairment of Cash-generating assets and Impairment of non-cash-generating asset.

(b) In assessing whether there is an indication that an asset may be impaired and Nelson Mandela Museum shall consider, as a minimum the following indications:

- (i) External sources of information and.
- (ii) internal sources of information.

Transfers

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

Derecognition

The carrying amount of a heritage asset shall be derecognised:

- on disposal (including disposal through a non-exchange transaction), or when no future economic benefits or service potential are expected from its use or disposal.

Compensation for impairment

Compensation from third parties for heritage assets that have been impaired, lost or given up shall be included in surplus or deficit when the compensation becomes receivable.

De-Accessioning

An item will be considered for de-accessioning if it no longer meets and complies with the statement of purpose of the archival collection of the museum or is damaged beyond repair and unusable.

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The impact on the financial statements is that heritage assets have been valued at a nominal value of R1 and will be subsequently valued at market-related rates



Nelson Mandela Museum

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Accounting Policies

The carrying amount of a Heritage asset is derecognised:

- (a) On disposal
- (b) When no future economic benefits or services potential are expected from use or disposal

The Collections and Gifts to Nelson Mandela are considered to be Heritage Assets (the value of these assets is determined not by the commercial but rather by their historical significance) and therefore are irreplaceable.

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraph 7, 11 and 12 of GRAP and hierarchy approved in Directive 5 issued by the Accounting Standards Board.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

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

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

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

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

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

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

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

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

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

A financial asset is:

- cash;
- a residual interest of another entity; or



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.9 Financial instruments (continued)

- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

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

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

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

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

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

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

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

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

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

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

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;

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Accounting Policies

1.9 Financial instruments (continued)

- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.10 Tax

Current tax assets and liabilities

NMM is exempt from taxation in terms of the Income Tax Act and VAT Act.

1.11 Leases

Operating leases - lessee

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

1.12 Inventories

Inventories of the entity consist of books that are for sale and also used for donations to Invited participants to certain important museum events.

Inventories are initially measured at cost and subsequently at the lower of cost or net realizable value. Any write-down to net realizable value is recognized in the profit or loss. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition (based on normal operating capacity). Cost is calculated using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less any costs of completion and disposal.

Items on exhibition: these items are largely replicas and are used for exhibition and education purposes. These items are expensed.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

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

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

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

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

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

Useful life is either:



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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

- the period of time over which an asset is expected to be used by the NMM; or
- the number of production or similar units expected to be obtained from the asset by the NMM.

1.14 Employee benefits

Compensation of employees.

- wages, salaries and third party contributions;
- short term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service;

Other post retirement obligations

The entity does not provide post-retirement health care benefits, housing subsidies and gratuities.

Recognition Criteria

When an employee has rendered service to an entity during a reporting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset (see, for example, the Standards of GRAP on Inventories (GRAP 12), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31) and Heritage Assets (GRAP 103)).

An entity shall recognise the expected cost of short-term employee benefits in the form of compensated absences under paragraph as follows:

- in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and
- in the case of non-accumulating compensated absences, when the absences occur.

An entity may compensate employees for absence for various reasons including annual leave, sick leave, short-term disability and maternity or paternity leave.

Entitlement to compensated absences falls into two categories:

- accumulating; and
- non-accumulating.

Accumulating compensated absences are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full.

Accumulating compensated absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on leaving the entity) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on leaving). An obligation arises as employees render service that increases their entitlement to future compensated absences. The obligation exists, and is recognised, even if the compensated absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

1.15 Provisions and contingencies

Contingencies are potential liabilities that might result because of a past event. The likelihood of loss or the actual amount of the loss is still uncertain. Loss contingencies are recognized when their likelihood is probable and this loss is subject to a reasonable estimation.

Provisions are recognised when:

- the NMM has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 Revenue from exchange transactions

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

There is a specific criteria in order to determine if the entity is acting as principal or agent. The recognition criteria must be met before revenue is recognised. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership are transferred to the buyer.

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

1.18 Revenue from non-exchange transactions

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

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



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1.18 Revenue from non-exchange transactions (continued)

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

Recognition

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

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

Measurement

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

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

1.19 Borrowing costs

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

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

1.20 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

1.21 Irregular expenditure

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

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any legislation providing for procurement procedures in the government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.



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Accounting Policies

1.21 Irregular expenditure (continued)

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Further to above requirements an instruction note 2022/23 was issued in December 2022 and effective from 03 January 2023. It states the following:

- Irregular expenditure previously disclosed in the annual financial statements of the budget holder and not addressed must remain in the register and recorded in the annual report of the budget holder and addressed in terms of Annexure to the instruction.
- Irregular expenditure previously disclosed in the annual financial statements of the mandated institution and not addressed must remain in the register and annual report of the mandated institution and addressed in terms of Annexure to the instruction.
- Irregular expenditure disclosed in the annual financial statements of the budget holder or mandated institution in the previous financial year must be disclosed as a comparative amount in the annual financial statements.

1.22 Budget information

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

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

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

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.23 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only certain entities within the national sphere of government are considered to be related parties. Related parties refers to all transactions with parties that have the ability to control (or jointly control) the NMM or exercise significant influence over the NMM, or vice versa, or an entity that is subject to common control or joint control.

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

Close members of the family of a person are those family members who may be expected to influence or be influenced by that management in their dealings with the NMM. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.24 Events after reporting date

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

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

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

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the constitutional institution has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

- | | |
|---|---------------|
| • GRAP 1: Presentation of Financial Statements. | 01 April 2022 |
| • GRAP 2: Cash Flow Statements | 01 April 2022 |
| • GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors | 01 April 2022 |
| • GRAP 9: Revenue from Exchange Transactions | 01 April 2022 |
| • GRAP 12: Inventories | 01 April 2022 |
| • GRAP 13: Leases | 01 April 2022 |
| • GRAP 14: Events after Reporting Date | 01 April 2022 |
| • GRAP 17; Property, Plant and Equipment | 01 April 2022 |
| • GRAP 19: Provisions, Contingent Liabilities and Contingent Assets | 01 April 2022 |
| • GRAP 21: Impairment of Non-Cash Generating Assets | 01 April 2022 |
| • GRAP 23: Revenue from Non- Exchange Transactions | 01 April 2022 |
| • GRAP 24: Presentation of Budget Information in Financial Statements | 01 April 2022 |
| • GRAP 25: Employee Benefits | 01 April 2022 |
| • GRAP 31: Intangible Assets | 01 April 2022 |
| • GRAP 20: Related Parties | 01 April 2022 |
| • GRAP 103: Heritage Assets | 01 April 2022 |
| • Directive 108: Statutory Receivables | 01 April 2022 |

2.2 Standards and interpretations issued, but not yet effective

The constitutional institution has not applied the following standards and interpretations, which have been published and are mandatory for the constitutional institution's accounting periods beginning on or after 01 April 2023 or later periods:

- | | | |
|--|---------------|--|
| • GRAP 104 (as revised): Financial Instruments | 01 April 2025 | Unlikely there will be a material impact |
|--|---------------|--|



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

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3. Property, Plant and Equipment

	2023		2022	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation
Buildings	6 533 156	(1 657 282)	4 875 874	7 200 498
Furniture and fixtures	2 996 067	(2 284 306)	711 761	3 796 609
Motor vehicles	2 034 566	(1 112 070)	922 496	1 630 044
Office equipment	537 088	(273 404)	263 684	1 223 568
IT equipment	3 304 522	(1 900 499)	1 404 023	3 114 695
Other property, plant and equipment	2 274 097	(1 109 292)	1 164 805	2 503 535
Total	17 679 496	(8 336 853)	9 342 643	19 468 949
				(9 763 965)
				5 258 189
				817 636
				751 029
				367 983
				1 157 338
				1 352 809



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

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3. Property, Plant and Equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Adjustment to opening balance	Depreciation	Impairment loss	Total
Buildings	5 258 189	-	(71 872)	-	(310 443)	-	4 875 874
Furniture and fixtures	817 636	69 481	(37 092)	-	(138 264)	-	711 761
Motor vehicles	751 029	471 723	-	127 349	(427 005)	-	922 496
Office equipment	367 983	-	(24 070)	-	(80 229)	-	263 684
IT equipment	1 157 338	890 194	-	-	(381 614)	(261 895)	1 404 023
Other property, plant and equipment	1 352 809	-	-	-	(149 566)	-	1 164 805
	9 704 984	1 431 398	(133 034)	127 349	(1 487 121)	(261 895)	9 342 643



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

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3. Property, Plant and Equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Assessment of useful lives	Total
Buildings	1 504 791	4 015 578	(262 180)	-	5 258 189
Furniture and fixtures	183 413	678 436	(250 109)	205 896	817 636
Motor vehicles	313 941	916 914	(479 826)	-	751 029
Office equipment	352 277	67 846	(82 448)	30 308	367 983
IT equipment	912 879	602 336	(357 877)	-	1 157 338
Other property, plant and equipment	1 460 448	3 920	(162 426)	50 867	1 352 809
	4 727 749	6 285 030	(1 594 866)	287 071	9 704 984

Pledged as security

None of the PPE items have been pledged as security.

Other assets

Other assets is made up of library books, generator and other general assets.

Adjustment to opening balance

The adjustment on the opening balance was effected in the current year for incorrect depreciation calculation for Motor Vehicles in the prior year. The adjustment is immaterial and adjusted in the current year.

Repairs and maintenance

The repairs and maintenance costs as disclosed in note 23 includes repair costs to Property, Plant & Equipment amounting to R146 268 (2023) and R190 283 (2022).



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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3. Property, Plant and Equipment (continued)

Property, plant and equipment in the process of being constructed or developed

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

Buildings	3 988 578	3 988 578
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The Museum has taken the Qunu fencing capital project into its asset register as an asset that is work in progress. The Qunu fencing project, which the Museum is co-funding is part of the capital works that are being done by DPWI. As at the end of 2022/23 financial year, the fence has not been completed.

Reconciliation of Work-in-Progress 2023

Additions/capital expenditure	Included within Infrastructure 3 988 587	Total 3 988 587
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Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

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4. Intangible assets

	2023		2022	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation
Computer software, other	300 000	(191 667)	108 333	1 014 720
				Accumulated amortisation and accumulated impairment
				208 332

Reconciliation of intangible assets - 2023

Computer software, other	Opening balance	Amortisation	Total
	208 332	(99 999)	108 333

Reconciliation of intangible assets - 2022

Computer software, other	Opening balance	Additions	Amortisation	Total
	29 779	300 000	(121 447)	208 332

Pledged as security

None of the intangible assets were pledged as security:



Nelson Mandela Museum

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Notes to the Annual Financial Statements

Figures in Rand

5. Heritage assets

	2023		2022	
	Cost / Valuation	Carrying value Accumulated impairment losses	Cost / Valuation	Carrying value Accumulated impairment losses
Art Collections, antiquities and exhibits	10 310 323	-	9 902 046	-
Collections of rare books, manuscripts and records	153 580	-	153 580	-
Stamp collections, military insignia, medals, coin	1 722 890	-	1 722 890	-
Total	12 186 793	-	11 778 516	-

Reconciliation of heritage assets 2023

Art Collections, antiquities and exhibits	Opening balance	Additions	Total
Collections of rare books, manuscripts and records	9 902 046	408 277	10 310 323
Stamp collections, military insignia, medals, coin	153 580	-	153 580
	1 722 890	-	1 722 890
	11 778 516	408 277	12 186 793

Reconciliation of heritage assets 2022

Art Collections, antiquities and exhibits	Opening balance	Revaluation increase/(decre ase)	Total
Collections of rare books, manuscripts and records	9 902 046	-	9 902 046
Stamp collections, military insignia, medals, coin	232 380	(78 800)	153 580
	1 722 890	-	1 722 890
	11 857 316	(78 800)	11 778 516



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

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5. Heritage assets (continued)

Heritage assets which fair values cannot be reliably measured

The heritage assets consist of gifts (not limited to insignia, medals, coins, stamps, objects of decorative or fine arts, stationery, precious metal and weaponry) that Nelson Mandela had been given when he was still a president of South Africa and also after he has retired.

Pledged as security

None of the intangible assets were pledged as security.

Revaluations

Art collections

Public Sculptures - work in progress	408 277	1 910 196
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As at the end of 2022/23 financial year, the Museum was in process of erecting two public sculptures and were still in progress of being completed.

6. Payables from exchange transactions

Trade payables	6 382 081	7 223 400
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7. Inventories

Finished goods	217 442	291 158
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8. Receivables from non-exchange transactions

Sundry Debtors	1 348 383	399 507
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Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Receivables from non-exchange transactions (continued)		
Sundry debtors included in receivables from non-exchange transactions above are as follows:		
Opening of balance	399 507	296 505
Recoveries	(388 832)	(45 327)
Other receivables from non-exchange revenue	1 337 708	244 092
Provision for doubtful debts	-	(95 763)
	1 348 383	399 507
Total receivables from non-exchange transactions	1 348 383	399 507

Receivables from non-exchange transactions variance

Other receivables from non-exchange transactions significantly increased from prior year as a result of commitments made by DSAC towards NMM events and that has not been paid at year end.

The receivables disclosed above are due but are not impaired.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	603 500	603 500
Bank balances	78 572 897	77 793 746
	79 176 397	78 397 246

10. Revaluation reserve

Opening balance	9 866 510	9 945 310
Change during the year	-	(78 800)
	9 866 510	9 866 510

In terms of GRAP 103, heritage assets were required to be revalued effectively 2015/16 financial year. In 2016/17, financial year all heritage assets were revalued to their market values. This has led to a revaluation surplus, as disclosed in the note above. Refer to note 5

11. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2023

	2023	2022
Balance as originally stated	35 600 350	23 929 234
Adjustment to opening balance - prior year error heritage assets	-	1 910 196
Surplus/(deficit for the year)	5 099 341	9 438 121
Adjustment to -Property, plant and equipment	73 157	322 799
	40 772 753	35 600 350

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
12. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Qunu Development Project	5 677 958	5 767 338
ICT Project	407 411	702 401
Installation of burglar bars	33 083	33 083
Erection of Public Sculptures	228 656	636 792
Facilities Management	669 653	2 279 491
Long Walk to Freedom Film Set	36 741 276	36 741 276
Back-Up Generator	401 987	401 989
	44 160 024	46 562 370
Movement during the year		
Balance at the beginning of the year	46 562 370	48 885 103
Additions during the year	-	5 000 000
Income recognition during the year	(2 402 346)	(7 322 733)
	44 160 024	46 562 370
Non-current liabilities	28 362 859	36 741 276
Current liabilities	15 797 165	9 821 094
	44 160 024	46 562 370

- Facilities Management- These funds are for the maintenance and improvement of existing structures
- Long walk to freedom - Allocated funds relates to Long walk to freedom film set consultants and the remainder would be transferred to the LWTF construction project.
- Erection of Statues- These funds are for the construction of 2 Nelson Mandela statues in Bhunga and Qunu.
- Qunu Development project- This grant is for both the project management team and Qunu improvements.
- ICT Project- These funds are for ICT infrastructure development and equipment.
- Back-up generator- These funds were allocated for the procurement of back-up generator for Bhunga Building.
- Installation of burglar bars- These funds were allocated for installing burglar bars at the Museum.
- The current portion, as disclosed above, is made of; Consultants for long walk to freedom film set that are expected to start utilising the budget in a period that is less than 12 months. Also, other projects, namely, Qunu Condition Based Maintenance, Erection of Public Sculptures, ICT project, Facilities Management and Project are also anticipated to continue spending allocated funds as per budget in the period less than 12 months.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

13. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for 13th cheque	98 782	116 031	(98 782)	116 031
Provision for incentive bonus	1 128 600	-	(1 128 600)	-
Provision for leave	299 734	1 450 286	(1 080 730)	669 290
Provision for discretionary bonus	-	415 302	-	415 302
	1 527 116	1 981 619	(2 308 112)	1 200 623

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for 13th cheque	93 739	98 782	(93 739)	98 782
Provision for incentive bonus	1 794 477	1 128 600	(1 794 477)	1 128 600
Provision for leave	611 615	299 374	(611 255)	299 734
	2 499 831	1 526 756	(2 499 471)	1 527 116

Leave provision

The leave provision covers the NMM's liabilities for annual leave, which are classified as short-term benefits, as explained under accounting policies 1.14 and 1.15

The current portion of this liability includes all of the accrued annual leave calculated as the entitled number of days multiplied by the total cost to the company rate per month. Where employees worked for less than a year, pro-rata payments will be made

This provision is uncertain as the timing of when the leave will be taken is unknown, and the amount

Provision for 13th cheque

This covers a benefit offered to all permanent employees by the Museum, excluding the management, as its remuneration is on the total cost. This will be calculated as 1/13 of the total cost to the company.

This provision is uncertain as the employer is not certain about the timing and amount of payment as employees can resign anytime

Provision for discretionary bonus

This is for incentivising the employees who perform beyond the expectation. This provision is as per the performance policy of the Museum

In all the provisions stated above, calculations are as per the clear guidelines with no assumptions required.

14. Revenue

Sale of goods	85 718	125 682
Profit on asset disposal	61 697	-
Interest received - investment	4 605 498	2 917 982
Government grants & subsidies	36 661 345	38 246 734
Public contributions and donations	1 150	876 728
Other transfer revenue	769 750	-
	42 185 158	42 167 126

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

14. Revenue (continued)

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

Sundry Income	85 718	125 682
Profit on asset disposal	61 697	-
Interest received - investment	4 605 498	2 917 982
	4 752 913	3 043 664

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

Taxation revenue

Transfer revenue

Government grants & subsidies	36 661 345	38 246 734
Public contributions and donations	1 150	876 728
Other transfer revenue	769 750	-
	37 432 245	39 123 462

15. Investment revenue

Interest revenue

Bank	4 605 498	2 917 982
------	-----------	-----------

The amount included in Investment revenue arising from -exchange transactions amounted to R 4 605 498 (2022 : R2 917 982) -.

16. Government grants & subsidies

Operating grants

Government grant (operational)	34 259 000	30 924 000
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Capital grants

Conditional Government grant (capital)	2 402 345	7 322 734
	34 259 000	30 924 000
	2 402 345	7 322 734
	36 661 345	38 246 734

17. Public contributions and donations

Public contributions and donations	1 150	876 728
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Explanaton of variances above 10%

- Revenue**

- **Sundry income:** The increase is due to the sale of old assets through public auction, sale of merchandise and bid documents.
- **Interest received:** The increase is as result of unutilised project funds that sitting in NMM bank account
- **Profit on disposal:** This is due to sale of old assets which were sold at a profit

Nelson Mandela Museum

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
18. Employee related costs		
Basic	13 967 822	12 720 116
UIF	53 830	52 560
SDL	138 721	129 748
Leave pay provision charge	503 678	(86 936)
Defined contribution plans	769 548	696 594
Discretionary Bonus - Staff	415 302	-
13th Cheques	319 909	288 126
Incentive Bonus	-	610 848
Casual Labour	63 781	18 838
	16 232 591	14 429 894
Dr V Booi- Chief Executive Officer		
Annual Remuneration	1 365 000	-
Contributions to UIF, Medical and Pension Funds	16 380	-
	1 381 380	-
Mr B Tyhulu- Former Chief Executive Officer		
Annual Remuneration	-	1 055 992
Contributions to UIF, Medical and Pension Funds	-	8 186
Other	-	136 617
	-	1 200 795
Mr M Msongelwa-Chief Financial Officer		
Annual Remuneration	1 314 107	1 147 099
Acting Allowance	33 928	77 116
Performance Bonuses	-	171 992
Contributions to UIF, Medical and Pension Funds	15 200	12 285
Leave pay	98 999	-
	1 462 234	1 408 492
Ms N Tandwa - Snr Manager Public Engagements and Marketing		
Annual Remuneration	1 097 611	846 841
Performance Bonuses	-	84 684
Contributions to UIF, Medical and Pension Funds	9 968	8 458
	1 107 579	939 983
Ms N Thwala - Snr Manager Heritage and Conservation		
Annual Remuneration	-	175 069
Contributions to UIF, Medical and Pension Funds	-	1 063
	-	176 132
Remuneration of Dr V Booi - Senior Manager Heritage and Conservation		
Annual Remuneration	-	182 778
Contributions to UIF, Medical and Pension Funds	-	1 063
	-	183 841
Mr T Mbedzi - Acting Snr Manager Heritage and Conservation		

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
18. Employee related costs (continued)		
Acting Allowance	965 746	-
Contributions to UIF, Medical and Pension Funds	1 123	-
	966 869	-

During 2022/23 financial year, the NMM Council approved a job grading and salary benchmarking exercise which has resulted in an increase in employee related costs.

Remuneration of Council

Ms N Skoti - Chairperson	53 891	-
Dr S Potelwa Deputy Chairperson	58 557	-
Dr. A Nontso HR & REMCO Chairperson	41 461	-
Mr R Vuzane FIFCOM Chairperson	59 103	-
Ms N Mandela ICC Chairperson	134 369	50 165
M Van Der Sandt	37 541	-
MR P Ngema	46 963	-
Ms F Ngadi	33 103	-
Dr. N Songelwa Former Council Chairperson & New Council Member	134 595	117 313
Adv T Nevondwe - Former Deputy Chairperson	126 795	138 930
Ms T Ndlovu - Fomer member	137 761	157 373
Prof B Mngomezulu -Fomer member	135 950	159 066
Mr A Gontse - Fomer member	101 556	204 482
Mr S Madikizela - Fomer member	-	2 036
Mr M Bavuma - Fomer member	50 256	123 740
Mr S Mzamo - Fomer member	-	16 203
Dr S Masuku - Fomer member	25 756	54 703
Adv S Peter - Fomer member ARC Member	78 599	56 142
Mr N Baloyi - Fomer member ARC Member	85 149	74 856
Dr N Ngqila - Fomer member	46 246	82 292
	1 387 651	1 237 301

Mr Mzamo (partly paid the remuneration while he was not an employee of the state), Ms Hlatshwayo, Mrs Nhlapho-Hlope and Mr S Mdlangazi are not paid honoraria for attendance of NMM business as they are state employees.

19. Administrative expenditure

Bank Charges	41 946	38 483
Cell phone expenses	319 161	330 112
Cleaning expenses	937 797	827 103
Water and Electricity	980 497	504 606
Courier fees	-	6 434
Insurance	388 631	306 017
Accounting software	268 047	168 881
Internal Audit fees	309 202	149 311
Staff Training	311 092	187 183
Staff welfare	28 007	51 921
Membership and subscriptions	38 483	38 821
Telephone expenses	156 690	99 773
Workman's Compensation	-	28 368
	3 779 553	2 737 013

The Museum has seen a significant increase in administrative expenses as a result of more spending in municipal charges, training of NMM staff as well as telephone expenses. Telephone expenses increased as a result of the installation costs of the new contract compared to the previous year. The internal audit fees has increased significantly due to ad-hoc services that were requested by the council from the internal auditors.

Nelson Mandela Museum

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Figures in Rand	2023	2022
20. Lease rentals on operating lease		
Equipment		
Contractual amounts	151 932	128 558
21. Depreciation and amortisation		
Property, Plant and Equipment	310 444	262 180
Furniture and fittings	138 266	250 109
IT Equipment	381 614	357 877
Intangible assets	100 000	121 446
Office Equipment	80 228	82 448
Other Property, Plant and Equipment	149 565	162 426
Motor Vehicles	427 005	479 828
	1 587 122	1 716 314
22. Auditors' remuneration		
Fees	1 219 076	1 667 867
23. General expenses		
Advertising	2 170 029	1 536 540
Auditors remuneration	1 219 076	1 667 867
Computer expenses	607 526	467 176
Consulting and professional fees	2 620 529	3 972 063
Functions and catering	825 454	120 595
Fuel and oil	359 525	139 760
Printing and stationery	167 538	211 882
Repairs and maintenance	181 333	190 283
Security (Guarding of municipal property)	2 663 641	2 590 564
Travel - local	3 156 519	1 976 090
Exhibition Expenses	618 205	669 713
Provision for impairment	261 895	-
Other expenses	483 350	174 701
	15 334 620	13 717 234
<p>General expenses increase is due to more spending in travel expenses, fuel and oil and robust advertising in order to promote the NMM brand. The huge variance between the prior year and the current year on local travel and Functions & catering was due to the country being back on physical events than in the previous year where the COVID-19 pandemic was a threat.</p>		
24. Cash generated from operations		
Surplus	5 099 341	9 438 113
Adjustments for:		
Depreciation and amortisation	1 587 121	1 716 314
Gain on sale of assets	(61 697)	-
Unspent conditional grants	(2 403 851)	(2 322 733)
Asset impairment	261 859	-
Donation in kind		(712 825)
Movements in provisions	(326 439)	(972 716)
Changes in working capital:		
Inventories	73 716	25 887
Other receivables from non- exchange transactions	(948 876)	(198 014)
Payables from exchange transactions	(857 079)	5 012 260
	2 424 095	11 986 286

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
25. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
• Leases	83 824	227 106
• Cleaning and security	11 931 968	1 670 038
• Professional team	5 530 926	5 937 983
• Facilities management	1 552 632	1 316 385
• Others	1 263 431	1 834 046
	20 362 781	10 985 558
Total operational commitments		
Authorised operational expenditure	20 362 781	10 985 558
Total commitments		
Total commitments		
Authorised operational expenditure	20 362 781	10 985 558
Others above is made of commitments that are relating to Photocopiers, Couriers, Travel Agent, Telephone line etc. There are no escalation rates and contingent rents.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	109 709	124 662
- in second to fifth year inclusive	-	109 709
	109 709	234 371
Operating lease payments represent rentals payable by the NMM for the rental of 3 printers from XEROX for a period of 3 years.		
26. Related parties		
Relationships		
Non Executive Management	The Nelson Mandela Museum Council is the Governing Accounting Authority of the Institution (see details in note 18)	
Controlling entity	The Nelson Mandela Museum has been established by the South African Government through the Department of Sport, Arts and Culture in terms of the Cultural Institutions Act 1998 (Act No. 119 of 1998) and is ultimately controlled by the National Minister of Arts and Culture (see note 14)	
Executive Management	All senior managers of the Nelson Mandela Museum are classified as Executive Management (See details in note 18)	
Other Related Parties	All transactions with parties that have the ability to control (or jointly control) the NMM or exercise significant influence over the NMM, or vice versa, or an entity that is subject to common control or joint control	
Compensation to members and other key management		
Short-term employee benefits	1 387 646	1 237 301

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27. Risk management

Financial risk management

The entity's principal financial liability comprises of trade and other payables and financial lease liability. The main purpose of these financial liabilities is to raise finance for the entity's operations. The entity has a financial asset in the form of cash and short-term deposits, which arise direct from its operations.

March 2023	Short-Term Investments	Financial Liability at Amortised Cost	Total
Cash and Cash Equivalents	79 176 397	-	79 176 397
Trade and other payables	-	(6 382 081)	(6 382 081)
Trade and other receivables	1 348 383	-	1 348 383
	80 524 780	(6 382 081)	74 142 699
	80 524 780	(6 382 081)	74 142 699
March 2022	Short-Term Investments	Financial Liability at Amortised Cost	Total
Cash and Cash Equivalents	78 397 247	-	78 397 247
Trade and other payables	-	(7 223 400)	(7 223 400)
Trade and other receivables	399 507	-	399 507
	78 796 754	(7 223 400)	71 573 354
	78 796 754	(7 223 400)	71 573 354

Liquidity risk

The entity's risk to liquidity is a result of the ability to cover future commitments. The entity manages liquidity risk through ongoing review future commitments and credit facilities. The table below analyses the NMM's financial liabilities and unsettled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 2023	Less than 3 months or on demand	More than 3 months but less than 6 months	More than 6 months but less than 9 months	More than 9 months but not exceeding 1 year	More than 1 year	Total
Infrastructure funds	-	2 312 031	6 167 098	7 318 036	28 362 859	44 160 024
Trade and other payables	6 382 081	-	-	-	-	6 382 081
Subtotal	6 382 081	2 312 031	6 167 098	7 318 036	28 362 859	50 542 105
	6 382 081	2 312 031	6 167 098	7 318 036	28 362 859	50 542 105
March 2022	Less than 3 months or on demand	More than 3 months but less than 6 months	More than 6 months but less than 9 months	More than 9 months but not exceeding 1 year	More than 1 year	Total
Infrastructure funds	-	1 812 883	3 825 810	4 182 400	36 741 276	46 562 369
Trade and other payables	7 223 400	-	-	-	-	7 223 400
Subtotal	7 223 400	1 812 883	3 825 810	4 182 400	36 741 276	53 785 769
	7 223 400	1 812 883	3 825 810	4 182 400	36 741 276	53 785 769

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27. Risk management (continued)

Credit risk

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

Market risk

Interest rate risk

The Museum's exposure to various risks associated with the financial instruments is disclosed under financial risk management. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The entity's activities expose it primarily to the risks of fluctuations in interest rates. Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

28. Going concern

The annual financial statements have been prepared on the basis based on the assumption that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities. Commitments and obligations will occur in the course of business in the near future.

29. Events after the reporting date

There were no events after the reporting date.

30. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	729	14 092
Less: Amount recovered - current	(295)	(14 092)
Closing balance	434	-

The fruitless expenditure debtors that were raised in the current year relates to late return of hired cars and speeding fines, subsequently were recovered and closed.

31. Irregular, fruitless, and wasteful expenditure

Opening balance as restated	-	-
Add: Irregular Expenditure - current	37 565	-
Add: Irregular Expenditure - current	331 075	-
Less: Amount written off - current	(37 565)	-
Closing balance	331 075	-

The amount written off from the previous year was as result on Treasury Regulation no 04 of 2022/2023, which required that an amount be kept in the register and annual report of the entity.



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31. Irregular, fruitless, and wasteful expenditure (continued)

Amount recovered

The fruitless expenditure debtors that were raised in the current year relates to late return of hired cars and speeding fines, subsequently were recovered and closed.

The irregular expenditure of R120 493 relates procurement which was done without following the designated sector guidelines.

The irregular expenditure of R210 585 relates procurement which was done in contravention of SCM treasury regulations

Amount written-off

The irregular expenditure incurred in the current year is a result of the previous CEO, who signed a contract with the service provider without following the SCM processes. The matter was investigated, and Council condoned the irregular expenditure..

32. Segment information

General information

Identification of segments

In order for an entity to report on a segment, the following 3 criteria's should be met:

- It must generate economic benefits or service potential (including economic benefits or service potential relating transactions between activities of the same entity);
- Results must regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing it's performance; and
- For which separate financial information is available.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes. The museum is generating the economic benefits as an entity not through its different divisions. The review is for the museum as a whole not for divisions, the decisions are made for the museum as a whole not for certain divisions. Assets are managed and control by admin department, assets are not allocated as per division and separate financial information per division is not available. The Nelson Mandela Museum is single segment and we are reported as segment at the DSAC.

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33. Budget differences

Material differences between budget and actual amounts

Revenue	Actual	Budget	Variance %	Total
	(42 185 149)	33 010 000	28.00 %	9 175 149

Interest Received : The increase is due to interest earned in project funds, which was not budgeted operationally.

Sundry Income: The variance is due to disposal of old assets in a form of public auction and sale merchandise bid documents which was not budgeted for,

Subsidy and government grants: This relates to revenue recognised from the expenditure that is incurred from the Capital budget that is for multi years.

Expenditure	Actual	Budget	Variance %	Total
	36 539 737	(33 010 000)	11.00 %	3 529 737

Administrative expenses: The variance is due to under-spending in municipal charges and telephone expenses

Personnel costs: The reduction is due to vacancies that were experienced by NMM in Senior positions.

General expenses: This relates to the expenditure incurred from the Capital budget that was allocated for multi years

Depreciation: This is a non-monetary item and wear and tear is not budgeted for. The allocation from DSAC is only limited for operational budget.

34. Prior period errors

During the year, the NMM management realized that the costs incurred for the erection of public sculptures amounted to R1 919 196 in the previous years and were never capitalized as Heritage assets work in progress in the financial statements. This error occurred from a period earlier than the period presented. This was considered a prior period error, and the financial statements were adjusted retrospectively.

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

Statement of financial position

Increase in Heritage Assets work in progress	1 919 196	-
Increase in Statement of Changes in Net Assets	1 919 196	-



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Supplementary Information

1. Donations

	2023	2022
Donor		
Mercedes Benz SA	-	712 825
Various donors	600	-

Various donors is made up of all donations that were received during the year of which individually were less than R1 000.

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