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an agency of the
Department of Arts and Culture

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 Sports, Arts and Culture
Telephone number	047 501 9500
Fax Number	047 532 3345
Email address	Info@nelsonmandelamuseum.org.za
Website	www.nelsonmandelamuseum.org.za

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 Sports, 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
TR	Treasury Regulations

FOREWORD BY THE CHAIRPERSON

The democratic dispensation was not only a political breakthrough in the history of South Africa. It also dawned on diverse ways of preserving heritage. The establishment of a national museum in a former homeland (Transkei) was one of the main entities established in response to the transformation agendas of heritage and tourism in the country. The Museum was a legacy project and a poignant portrayal of the former world statesman, the late Dr. Nelson Rholihlahla Mandela. His legacy foregrounds South Africa's liberation struggle. Utilising the Bhunga building, the Museum innovatively uses visuals and narrative to portray this history.

The commemoration of Nelson Mandela's legacy is a critical heritage output and a socio-economic and political indicator reflecting a story of courage, selflessness, and unity. As was the tradition of Madiba to express his views, the Museum has kept that tradition alive. As unambiguously captured by Madiba during the historic Rivonia Trial in the early 1960's "During my lifetime, I have dedicated myself to the struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if need be, it is an ideal for which I am prepared to die." The Museum has carried and also maintained its mandate with the dignity and care befitting uTata Nelson Mandela's international footprint: global partnerships with various museums and universities bear testimony to this.

Though there are many strides achieved since the advent of democracy, the sporadic incidents of racial discrimination, gender-based violence, xenophobic attacks, corruption, poverty, and unemployment pose a severe challenge to the 'rainbow nation.' These incidents taking place negate the value of Ubuntu, which amongst others South Africa stands for.

With clear consciousness that Nelson Mandela valued education and young people, the Museum's programming for winter camp and international youth camps stemmed from this principle aimed at youth development. In contributing to tomorrow's leaders' development, the Museum, in partnership with Nelson Mandela University, also introduced a training programme in 2018 focusing on Grade 11 learners. This is an annual programme which will continue to provide cutting edge leadership tools to these future leaders.

The Museum has maintained an unqualified audit outcome for four years in succession through the Council's oversight role, which are two Unqualified Audit 2016/2017 & 2017/2018 and two Clean Audit



outcomes during the 2018/2019 & 2019/2020 on its financial statements.

The clean administration for two consecutive years; demonstrate dedication to good Governance and commitment to accountability. The Museum further commits itself to the *Thuma Mina* campaign through various programmes aimed at social cohesion initiatives and projects to improve the livelihood of people in this impoverished region.

This report is presented in the first year after the development of the new strategy of the museum. The strategy mainly focuses on the measurement of outcome or the impact of activities delivered by the museum under the theme of "**Preservation of the legacy and dissemination of knowledge and information for social cohesion and nation-building as espoused by Nelson Mandela.**" The following strategic outcomes accompany this:

- Functional, Operational, and Successful NMM.
- Well preserved collection and heritage of Nelson Mandela.
- Improved Infrastructure Programme of NMM
- Increased number of off-site, on-site, and digital visitors.
- Educated, informed, and Action-Oriented Citizenry with regards to the Nelson Mandela Legacy.
- Informed policy decision-making based on Research and Evaluation Outcomes.
- Good corporate governance with an enabling workplace environment.

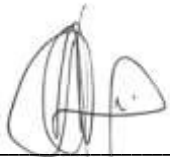
- A highly capable workforce with an enabling work-space environment

Utilizing technology to reach out to the world, and young people is still a priority for the Museum also will continue providing exciting programmes to its diverse audience.

As I start the term, I would like to thank the Honourable Minister, Nathi Mthethwa, and the entire Department of Sports, Recreation, Arts, and Culture personnel for the opportunity, and I would request full support in the execution of our oversight responsibility. As the new Council deliberated on the new strategy (2020-2025), they are committed to ensure governance principles are entrenched within the institution. I would also like to challenge various stakeholders including but not limited to the Eastern Cape Departments - Sports, Recreation, Arts and Culture as well as Cooperative Governance and Traditional Affairs; OR Tambo District Municipality and the KSD Municipality to be available to not only shield the organisation in times of trouble but to provide meaningful partnership to ensure that we achieve on our mandate. The dedication and sterling contribution of the museum employees led by the capable Executive Management would ensure that the Museum continues to deliver on its mandate despite a number of challenges that cannot go unnoticed. To my fellow Councillors, thank you, and indeed great things are achieved when we all work together with proficiency and professionalism.

On behalf of the Nelson Mandela Museum, we invite all communities to walk this road with us in making sure that the narrative of Nelson Mandela and the liberation struggle are appropriately interpreted and championed by all South Africans in a global context.

"To build a South Africa and the world of Mandela's dreams, we require a crop of leadership that embrace, live and propagate the key values of Ubuntu, honesty, integrity, respect and stewardship."



Dr Nomvuselelo Songelwa
Chairperson: Nelson Mandela Museum



CEO OVERVIEW

Two years in running, the Museum had boasted with clean administration. This is indeed a testimony that the Museum is preserving the legacy and the values of Nelson Mandela. The achievement of clean administration was not without challenges that can go unnoticed; three areas were underachieved out of twenty-one performance indicators. These areas are the development of marketing strategy & IT governance and fundraising strategy. The plan going forward to respond to nonachievements has been developed.

The Museum effectively used the former world statesman's centennial celebrations to maximum effect. The Museum had gained new markets in Eastern Europe and East Africa. Working closely with international museums and universities, the Museum increased its public appeal.

Museums face a constant threat of becoming irrelevant unless they adapt and appreciate the value of technology and innovation. Nelson Mandela Museum realized that its relevance should be beyond any imagination as a rural-based national museum. It should also be relevant to its nearby communities by playing catalytic roles that link them with assistance areas. The Museum also realised that a museum is about building exhibitions and an interactive public deliberation space. Some of the Museum's programmes were streamed live. That enabled an extended reach to audiences that utilise ICT.

As a consequence, ICT infrastructure was prioritised throughout the term of the 5-year Strategy. The recently made improvements to the ICT infrastructure were a positive step in the right direction. However, ICT remains a challenge in the Museum.

Its programming was in line with the Museum's vision of becoming an 'African museum that inspires society through the values of Nelson Mandela.' This was only achieved through global partnerships with universities and museums.

The Museum's capacity is still a work in progress. However, there have been clear endeavors to bridge that gap. Whilst that is the case, the Museum has been able to deliver on its 5-year Strategy and Annual Performance Plan of 2019/2020 financial year.



General infrastructure remains a challenge that the Museum is working on. A project management team's attainment helped the Museum develop infrastructure programmes that include the user asset management plan(UAMP).

This has also led the Museum to develop business plans to enable to erect of statues in its two facilities (Bhunga and Nelson Mandela Youth and Heritage Centre-NMYHC), obtain funding for the Long Walk to Freedom film set, install a new generator, and appoint facilities management team.

Though the NMYHC is still closed due to renovations, all other developments would be done as planned. Because of this action, the Museum was forced to discontinue some of its run programmes at the facility. While the facility is closed, the Museum is still inundated with calls from the public wanting to utilise it.

Overview of the financial results of the Museum Receipts

Receipts	2018/2019			2019/2020		
	Budgeted revenue	Actual revenue	Over/ Under budgeted	Budgeted revenue	Actual revenue	Over/ Under budgeted
Government subsidy	26 779 000	26 779 000	Nil	33 686 086	33 686 086	Nil
Interest received	885 000	1 563 710	678 710	800 000	4 455 693	3 655 693
Donations received	0	29 270	29 270	0	11 991	11 991
Other revenue	0	281 153	281 153	30 000	100 474	70 474
Total	27 664 000	28 653 133	758 133	34 516 086	38 254 244	3 726 167

The museum is not yet generating revenue; however, it is to finalise the resource mobilisation strategy. The variance above is due to the infrastructure-related interest received that has been ring-fenced to only infrastructure-related projects.

Programme expenditure

Programme	2018/2019			2019/2020		
	Final allocation	Actual expenditure	Over/under expenditure	Final allocation	Actual expenditure	Over/under expenditure
Heritage and conservation	R3 941 821	R3 941 821	Nil	R4 280 055	R4 280 055	Nil
Public Engagements	R4 384 065	R4 384 065	Nil	R4 781 829	R4 781 829	Nil
Governance	R23 117 142	R19 928 486	R3 188 656	R24 389 123	24 769 144	(R380 021)

Reasons for variances

The major drivers to the R380 021 variance are depreciation and provision for doubtful debts, which are non-monetary items and were not budgeted for.

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

- Heritage Assets R1200 000
- Procurement of vehicles R841 341
- Procurement of furniture R800 000
- Contingent liability R2 900 660

The museum didn't incur any irregular expenditure in the year under review; however, it incurs the fruitless and wasteful expenditure amounting to R17 472. The accident and incident committee had closed All these cases, with one that was not a fruitless expenditure, 3 cases are transferred to debtors, and one has been paid off.

Supply Chain Management

There were no unsolicited bids proposals. The internal controls and operating systems for NMM were effective for the whole year. As a result of the effectiveness of controls, there was no irregular expenditure that was incurred.

The museum is still faced with document management challenges where the bid documents were not stored in one place. Yet, we had sent an

employee to document management training to manage the risk effectively.

Events after reporting date

Contingent liability of the case related to a former CEO has been reported since 2019 for R2 900 660. However, in March 2020, the hearing was heard, and the outcome was received in May 2020.

This had made it an adjusting event after the reporting period as the award was received before the AFS were authorised for issue.

Finally, This Annual Report is also a confirmation by the Museum through its Council that it has played its role in fulfilling the mandate. It is also a confirmation that a lot is still to be achieved. The 2019/2020 financial year allowed the Museum to rekindle the values of Nelson Mandela, engage international platforms, and contribute towards economic activities. New programmes that include the Nelson Mandela Museum Golf Challenge, the Youth Training Programme, and the Women's Dialogue have enabled the Museum to diversify its programming, thereby accommodating new audiences.

PP



Bonke Tyhulu
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 E) 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 2020.

Yours faithfully

PP



Chief Executive Officer

Mr Bonke Thyulu
30 October 2020



Chairperson of the Board

Dr Nomvuselelo Songelwa
30 October 2020

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	<i>To help without looking for personal gain</i>
Stewardship	<i>Custodians of Nelson Mandela's legacy</i>
Integrity	<i>To inculcate honesty and respect</i>
Service excellence	<i>To ensure qualitative and satisfactory service delivery</i>
Development and learning	<i>To be the hub of information sharing</i>
Innovation	<i>To be creative in developing new ideas</i>

Legislative and other Mandates

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

1.4.1 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>

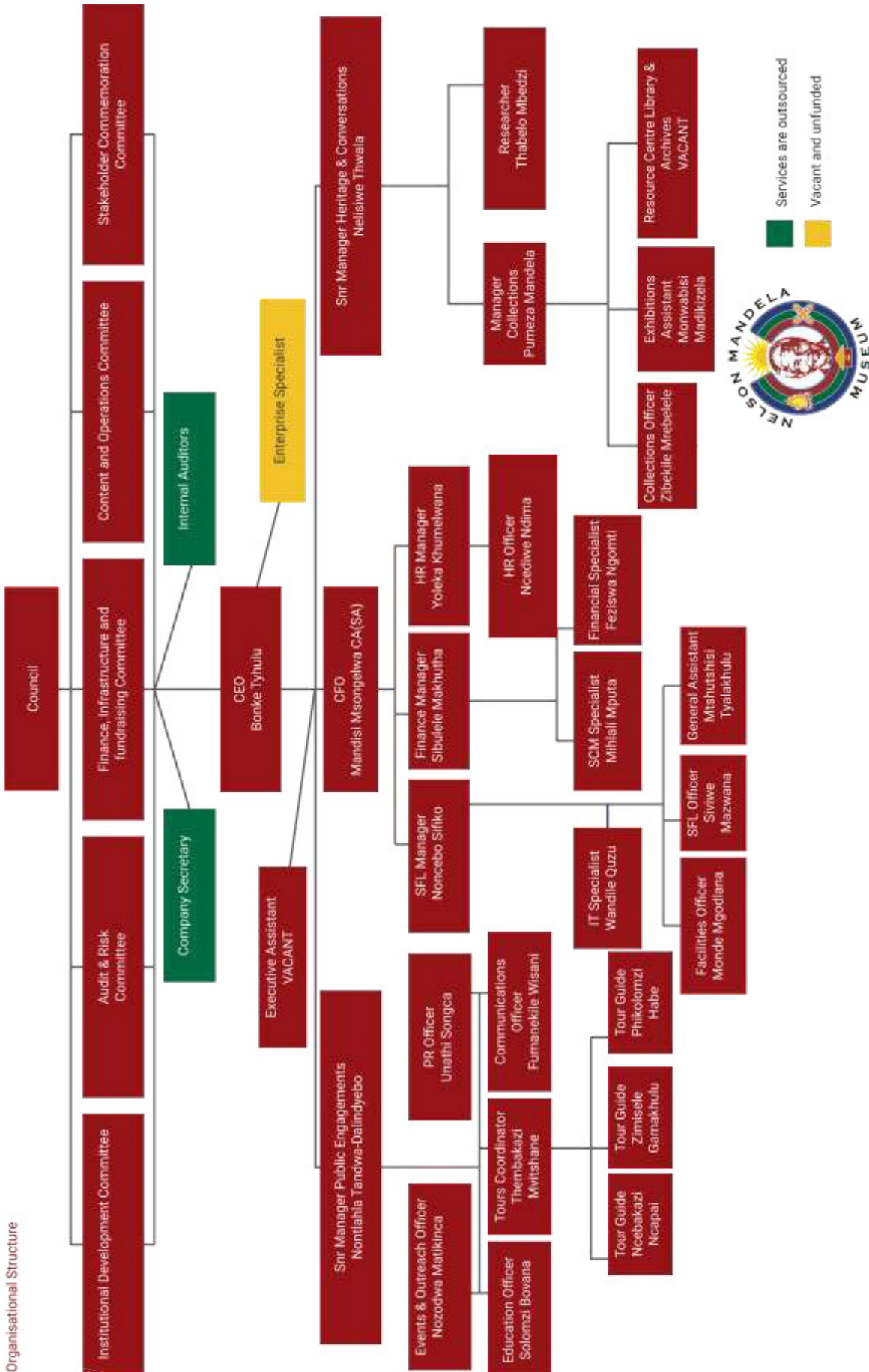
1.4.2 Legislative Mandates

- Cultural Institutions Act, 119 of 1998, as amended,
- 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

1.4.3 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.

Organisational Structure



Services are outsourced
Vacant and unfunded



Covid-19 awareness for NMM



NMM Management and Executive Assistance



Heritage and Conservation department



Public Engagement department



Corporate Services Department



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an agency of the
Department of Arts and Culture

PART B PERFORMANCE INFORMATION

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor 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 page 78 - 82 of the Report of the Auditors Report, published as Part E: Financial Information.

Overview of Performance

Service Delivery Environment

This Annual report presents opportunities for the Museum to accelerate its reach of the national audience, particularly 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, working with reputable universities, and the Qunu Arts Festival. The centenary year also provided opportunities for the provision and improvement of infrastructure in Qunu. The Museum benefited through international media focus.

While there are general capacity challenges, there is comfortability with finance and heritage and conservation management skills to enhance the Museum's ability to execute the APP. The completion of a heritage assets valuation is a welcome relief. This has enabled the Museum to be GRAP 103 compliant.

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

There are emerging 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.

The White Paper Policy review may have an impact on all heritage institutions. In addition to this, institutions are operating in an environment where globally, there is an economic meltdown and the government call for stricter measures on how funds are utilised. This also impacts on 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 aging workforce, the Nelson Mandela Museum is affected by lower skill levels. The restructuring process also misplaced those with particular skills to areas they had no prior knowledge of.

The non-completion of Qunu maintenance by the Department of Public Works 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. Furthermore, the programmes that were 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 to the public of Nelson Mandela's grave in Qunu. 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 Council's term came to an end in October 2019, and a new council was appointed. Both Councils were fully functional with its five committees, which are:

New Council

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

Old Council

- ✓ Content development
- ✓ Finance
- ✓ Audit and Risk
- ✓ Institutional Development
- ✓ Community Development and Fundraising

The Committees' functioning ensures that there is accountability at management while the Council can deal with Strategic issues and policies. The symbiotic relationship between the Council and the management will enhance the organization 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 Mandla 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 increase its revenue-generating capacity. Nelson Mandela is a brand, and 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 also needs to manage it effectively and guide against any brand misuse.

Maintenance of facilities is a necessary undertaking, and when it is not done, that impacts the collections. Damaged collections cannot be used again, which would be a loss to the generation to come.

Furthermore, the Museum increased its security measures to ensure the artifacts' 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 the 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

Strategic objectives	Actual Achievement		Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
	2018/2019	2019/2020				
To facilitate intergenerational learning platforms and conversations that discuss the values of Nelson Mandela	19 platforms	8 Platforms conducted	8 Platforms conducted	15 Platforms conducted	7 platforms conducted	Additional programmes executed as a result of saving achieved as other partners provided additional resources
To develop and interpret values of Nelson Mandela through exhibitions	10 geographical locations	8 Geographical locations reached	8 Geographical locations reached	10 Geographical locations reached	2 geographical location	There was a growing demand from other museums to access the NMM's travelling exhibitions.
To apply proper maintenance of exhibitions and exhibition spaces and/or to develop new exhibitions for educational purposes	7 exhibitions	2 exhibitions maintained or developed	2 exhibitions maintained or developed	6 exhibitions maintained or developed	4 Exhibitions	The malfunctioning air conditioners caused the painting's contraction, accumulating dust due to many visitors coming to the Museum.
To research museum collections for better understanding and sustainable use	103	100 items to researched	100 items to researched	115 items to researched	15 items	The Museum conducted more research due to the collection being nominated for declaration as a national estate.
To conduct research interviews on gaps identified and unrecorded theme related topics	25 interviews	24 Interviews	24 Interviews	34 Interviews	10 interviews	This was a result of further referrals by the people identified for interviews for further follow-ups.
To collect and properly record library and archives material for easy retrieval	837 items	60 items	60 items	241 items	181 items	There was additional assistance provided.
To interpret items of collection and record information database for auditing purposes	990 items	800 items	800 items	850 items	50 items	There was additional support provided due to additional personnel.
To facilitate focused understanding of the Museum through the development of learning	1 Learning Material Produced	1 Learning Material	1 Learning Material	1 Learning Material	0	

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

Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
material		Produced 1 Community engagements	Produced 2 Community engagements		
To create in-person and digital platforms of community engagement	0 Community engagements	1 Community engagements	2 Community engagements	1 Community engagements	The over-achievement was a result of an invite to attend the Beach Sport organised by ORTDM
To brand and market museum activities	4 expos attended	3 expos attended	5 expos attended	2 expo	Additional programmes caused Over-achievement as the Museum was invited by other stakeholders to participate in their programmes
To profile the Nelson Mandela Museum brand through various markets	0	1 strategy	0 strategy	1 strategy	Under-achievement was caused delayed analysis of data from other tourism players.
To ensure a functioning Council that provides effective oversight and accountability in accordance with the Council Charter	6 events 5 Council Meetings held	5 events 4 Council Meetings	5 events 7 Council Meetings	0 3 Council Meeting	Over-achievement was due to a special Council meeting to approve AFS in May 2019 and a new Council induction and Strategy workshop.
To profile the Nelson Mandela Museum brand through various markets	20 Committee Meetings	20 Committee Meetings	25 Committee Meetings	5 Committee Meetings	The reason for over-achievement is the formation of the Governance, Ethics, and Social Committee in May 2019 and special Committee meetings.
To provide guidelines for raising of funds to finance museum programmes	1 fundraising strategy	0 fundraising strategy	0 fundraising strategy	0	
To create financial stability for the Museum	0 Initiative	4 initiative	0 initiative	4 Fundraising Initiative	Late approval of the fundraising that prohibited the execution of fundraising activities. The Museum also looks to appoint a resource mobilisation team.

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

Strategic objectives

Deviation from planned target to Actual Achievement for 2019/2020

Comment on deviations

Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To promote good corporate Governance	0 policies	2 policies	4 policies	2 policies	There were delays in approving 2 policies from the previous year and were approved in the first council meeting of the 2019/20. These are policies that are required to effectively run the operations of the Museum.
To ensure sound management and administrative systems	1 unqualified audit outcome 100% Compliance	1 unqualified audit outcome 100% Compliance	1 unqualified audit outcome 100% Compliance	0	
To ensure sound financial management	1 workplace skills plan 100% performance agreements	1 workplace skills plan 100% performance agreements	1 workplace skills plan 100% performance	0	
To optimally develop and manage human capital	1 User Asset Management Plan	1 User Asset Management Plan	1 User Asset Management Plan	0	
To ensure effective utilisation, safe and clean environment of the museum infrastructure	1 IT governance	1 IT governance	0 IT governance	0	
To ensure alignment of IT goals with business strategic goals					

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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020
Number of learning platforms and conversations held	5 Platforms conducted	5 Platforms conducted	12 Platforms conducted	4 Platforms conducted	7 Platforms conducted
Number of Geographical locations reached	8 Geographical locations reached	9 Geographical locations reached	10 Geographical locations reached	8 Geographical locations reached	10 Geographical locations reached
Number of collections researched	265 Items	100 items to research	103 items to research	100 items to researched	115 items to researched
Number of sites included in the Liberation Heritage Route	1 site	N/A	N/A	N/A	N/A
Number of exhibitions maintained/developed	N/A	N/A	7 Exhibitions	2 Exhibitions	6 Exhibitions
Number of interviewed conducted	N/A	N/A	25 Interviews	24 Interviews	34 Interviews
Number of library and archives material acquired, catalogued and classified	N/A	N/A	837 items	60 items	241 items
Number of artefacts labelled and entered into the inventory	N/A	N/A	990 items	800 items	850 items
Number of learning material produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced
Number of community engagement platforms	3 community engagements	6 Community engagements	N/A	1 Community engagements	2 Community engagements
Number of learning engagements and conversations held	4 platform	4 Platforms conducted	6 platforms	4 platforms	8 platforms
Number of branding, marketing activities and expos	3 expos and shows	3 expos attended	4 expos and shows	3 expos attended	5 expos attended
Number of marketing strategies developed	0 Strategy developed	0	0 Strategy developed	1 strategy	0 strategy
Number of events implemented	3 Activities Held	3 Activities Held	6 events	5 events	5 events
Number of Council and Committee meetings held	4 Council Meetings	5 Council Meetings held	5 Council Meetings	4 Council Meetings	7 Council Meetings
Number of fundraising strategies developed	20 Committee Meetings	27 Committee Meetings	20 Committee Meetings	20 Committee Meetings	25 Committee Meetings
Number of fundraising initiatives to be held	0 fundraising strategy developed	0 fundraising strategy	1 fundraising strategy developed	0 fundraising strategy	0 fundraising strategy
Number of fundraising initiatives to be held	0 Fund Raising initiative	0 Fundraising initiative	0 Fund Raising initiative	4 initiative	0 initiative
Number of policies, procedures and systems developed	2 policies and	10 policies	0 policies and	2 policies	4 policies

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020
Improved Audit Outcomes	Procedures	1 Unqualified Audit Outcome	1 Unqualified Audit Outcome	1 unqualified audit outcome	1 unqualified audit outcome
	Compliance with PFMA and Treasury Regulations	100% Compliance	100% Compliance		
	Compliance with budget and supply chain management	100% Compliance	100% Compliance		
	Compliance with SCM, PFMA and Treasury Regulation			100% compliance	100% Compliance
Number of human capital initiatives	1 Workplace skills plan	1 Workplace skills plan	1 Workplace skills plan	1 workplace skills plan	1 workplace skills plan
	25 Performance contracts	27 Performance Contracts	100% Performance contracts	100% performance agreements	100% performance
User Asset Management Plan Completed(UAMP)	1 User Asset Management Plan Completed	1 User Asset Management Plan	1 User Asset Management Plan Completed	1 User Asset Management Plan	1 User Asset Management Plan
	N/A	N/A	1 IT governance manual	1 IT governance	0 IT governance

The explanation of variances between actual and target for 2019/20 are as per the table above

Strategy to overcome areas of underperformance

In the current financial year, there were only three areas underachieved, i.e., development of marketing strategy & IT governance and fundraising strategy implementation—late approval of the fundraising strategy that prohibited the execution of fundraising activities. The Museum also looks to appoint a resource mobilisation team. The underachievement in the development of IT governance was due to limited knowledge; however, the Museum is currently busy with ICT Strategy, which would detail how it would use the ICT to develop the Museum further. Lastly, the underachievement on marketing strategy was caused by delayed analysis of data from other tourism players.

Changes to planned targets

There were no changes during the 2019/20 financial year from the planned APP.

Linking performance with budgets

The spending was in line with the approved budget.

Activity	2018/19			2019/20		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
Total Income	31 443 028	31 991 831	548 803	34 516 086	38 254 244	3 738 158
Total Expenditure	31 443 028	28 254 372	3 188 656	33 451 007	33 831 028	380 021
Total	NIL	3 737 455	3 737 455	1 065 079	4 423 216	4 118 179

Revenue Collection

DSAC allocates all revenues as operational grants except for revenue from finance income amounting to R 4 556 167 (2019: R 2 234 602) and donations from the public.

Programme	Amount	Explanation
Heritage and conservation	R4 280 055	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 budget for that. For example, specialist skills that include: marketing and communication specialist, designers, conservators, and web designers, entrepreneurship. 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 being enough for operations of the core business. As a result, this harmed the size, audience, and geographical location, etc. of programmes
Public engagement and marketing	R4 781 829	The Museum had managed to meet most of the indicators linked to this programme with the limited resources allocated. However, there is still a challenge with the size, audience, and geographical location of these programmes
Administration	R19 451 116	The inflationary increase adjusted all running costs. Over the period, the Museum will continue adjusting employees' compensation at an average of 6,5%, which is in line with National Treasury Guidelines.

Conditional grants and earmarked funds received

During the 2019/20 financial year, a conditional grant amounting to R 6000 000 was received to develop and construct the long walk to freedom film set exhibition. At the reporting date, there has been no expenditure made against the grant funds.

Department who transferred the grant	Department of Arts and Culture
Purpose of the grant	Development and construction of long walk to freedom film set exhibition
Expected output	Long walk to freedom film exhibition set.
Actual outputs	Long walk to freedom film exhibition set.
Amounts per amended DORA	R 6000 000
Amount received	R 6000 000
Amount spent by the entity	Nil
Reasons for the funds unspent by the entity	SCM processes
Reasons for deviations on performance	NA
Measure taken to improve performance	NA
Monitoring mechanism by the recovering department	Contract register in place



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PROGRAMME 1 PERFORMANCE INFORMATION

PROGRAMME 1 HERITAGE AND CONSERVATION

1. Background Information

The Nelson Mandela Museum Heritage and Conservation department/ Programmes Department is regarded as the Museum's primary or core department. This is because it is entrusted with the collections and conservation of artefacts that narrate the values of the former President Nelson Mandela. It also focuses on the development and taking care of temporary, permanent as well as travelling exhibitions, research, archives and library services. The above activities are executed on the following key areas of delivery:

2. Learning platforms and conversations

Heritage and Conservation is tasked with conducting four learning platforms per year with one in each quarter. For the year 2019/20, the actual performance was seven due to partnerships with other institutions such as the South African Museums Association (SAMA) and the University of Stellenbosch Museums. SAMA partnered with the Museum to host a regional conference which they fully funded. The University of Stellenbosch shared the costs with the Museum. There was also a Youth Seminar in June, an international seminar in July in celebrating the Mandela Day, a Women's seminar in August, the commemoration of Nelson Mandela's death in December as well as the International Summit in February 2020. These learning platforms are aimed at engaging the communities on issues affecting their lives as citizens of South Africa while infusing the values which Nelson Mandela espoused. It is also the aim of the museum to hold and participate in the discussion affecting the society and the country at large as a public entity that does not operate in a silo but forms part of the community in which it exists. These learning platforms are intergenerational and so they involve the community irrespective of age, gender, ethnicity, class, sex or any other social divide. This creates a sense of ownership of the museum within the community and also the fact that museums are part and parcel of it and everything that affects the community affects the museum as well.

3. Travelling exhibitions

There are permanent, temporary as well as travelling exhibitions that the museum uses to educate and promote the legacy and values which Nelson Mandela embodied. The permanent ones are two namely, 'The meaning of Mandela' and 'The Art Gallery'. The temporary exhibition is only one themed 'Mandela and Luthuli: in Conversation'. The travelling exhibitions are:

- ✓ Parenting the nation
- ✓ Mandela and Luthuli: In conversation
- ✓ Dear Mr Mandela Dear Mrs Parks: Children's letters
- ✓ Mandela with love
- ✓ Mandela photographic exhibition
- ✓ Quilt Exhibition
- ✓ Freedom Exhibition

They also assist the museum extend the footprints of Nelson Mandela and also to reach out to communities that cannot visit the physical structure in Mthatha, Eastern Cape. They travel to province to province of the country and they are always in demand. 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. The travelling exhibitions' target number for the year 2019/20 was 8 with two per quarter, and the unit achieved 10. This emanated from the high demand from the lending museums. The Museum exhibited in the following institutions:

- Kalahari-Oranje Museum
- Jacob Zuma Capture Site
- Umgungundlovu Multi-Media Centre
- Parliament in Cape Town
- Alfred Nzo Museum
- Great Fish River Museum
- Castle of Good Hope Museum
- Dipaleseng Museum
- Barkley Museum
- Port Shepstone Maritime Museum

4. Exhibitions maintained/developed

Exhibition spaces including storage need daily care to prolong the collection's lifespan. This is to ensure it is sustainable for the benefit of future generations who will still require education on the history of Nelson Mandela and his contemporaries, apartheid and democracy eras. In its Operational Plan, the museum ensures exhibitions and collection on display are properly maintained. It is also within the mandate of the museum to develop new exhibitions in order for the current audience to identify themselves with what the museum has to offer and in turn develop a sense of ownership. Maintenance and/or development of exhibitions was targeted at 2 per year for the year 2019/2020. Still, during the year in question, it was done six times because with many schools visits the museum received, some of the exhibition areas were broken in different parts of the exhibition rooms within the museum and had to be fixed more than the targeted and expected times. The malfunctioning air-conditioning system also contributed to the problem with some of the artefacts showing signs of deterioration.

5. Research

Research work at the Nelson Mandela Museum entails the following:

- ✓ Working closely with Collections and Conservation unit to identify artefacts without provenance so that research can be and information attached to them for purposes of information sharing, scholarly purposes like school or university projects as well as the labelling of artefacts to be put on display.
- ✓ Working with the Education Officer in developing educational material that is aligned with the schools' curriculum
- ✓ Conducting research on topics identified for hosting Time Travel exercises
- ✓ Conducting interviews to fill the gaps in the exhibitions and the storyline under the museum theme
- ✓ Conduct interviews that uncover untold and unpublished stories about Nelson Mandela and the museum theme.
- ✓ Research for publication purposes as well as paper presentations at conferences, seminars and workshops.

Research on artefacts that lack provenance was done on 115 of them and not 100 as per the annual target. This emanated from the fact that the museum collection is in the process of being declared as national heritage by SAHRA; hence they requested the Museum hastens attaching provenance to all artefacts.

Interviews conducted to fill the exhibitions' gaps and unearth untold and unrecorded information were 34, although the target number was 24. This resulted from further referrals from the identified participants for more information.

6. Interviews conducted

The museum has a small library within the premises which also comprises an archives section. The total number of books so far is 1 670 and the collection is still continuing. These are books about Nelson Mandela, apartheid history, Museology, Anthropology, Xhosa history and culture. The archives material is still low in number at a measly 24 as the museum is still collecting. Donations of such material are appreciatively accepted. Both library and archives material donation will assist in enhancing the museum offering for more educational and enjoyment of its patrons.

There was a big over-achievement in the acquisition, cataloguing and classification of the library material in the year under review because there was an intern working closely with the Librarian. The annual target was 60, but 241 was achieved.

7. Library and archives material acquired, catalogued and classified

The labelling of artefacts is done for purposes of information sharing and for scholarly purposes but for the year 2019/2020 there was also the urgency from the South African Heritage Resources Agency (SAHRA) to hasten the process. Another over-achievement in the artifacts' labelling was due to the declaration process, as explained in the artefact research. SAHRA is in the process of declaring the museum collection to become the national heritage asset.

8. Artefacts labelled and entered into the inventory

Another over-achievement in the artifacts' labelling was due to the declaration process, as explained in the artefact research. SAHRA is in the process of declaring the museum collection to become a national heritage.



Figure 1 Attendees during the Youth Seminar held in June 2019



Figure 2 Delegates attending the international summit held in February 2020



Figure 3 Invited guests at the annual dialogue held at Stellenbosch University Museum



Figure 4 Learners who attended the launch of the travelling exhibition held at Afrikaans Taal Monument in July 2019 at Paarl, Cape Town



Figure 5 Mr Thando Pantsi (left) and Ms Nomzamo Ntombela (right) who were speakers at the Youth Seminar



Figure 6 Ms Nelly Thwala doing the vote of thanks during the Reconciliation Day dialogue



Figure 9 Ms Thwala, Artist and CEO



Figure 7 Ms Nozodwa Matikinca as programme director during the youth seminar in June 2019



Figure 10 NMM 20th Commemoration gifts with delegates



Figure 8 Ms Pumeza Mandela visiting the temporary exhibition hosted in partnership with the Walter Sisulu University's Fine Art Department



Figure 11 NMM's library material exhibited during the international summit held in February 2020



Figure 12 NMM's partner, University of Winchester celebrating the International Mandela Day



Figure 15 SAMA delegates to the Regional Conference held in May 2019



Figure 13 Programme director of the day during the Reconciliation Day dialogue



Figure 16 Some of the speakers with NMM CEO and Deputy Chairperson of the Council



Figure 14 Question and answer session at the Reconciliation Day dialogue in December 2019



Figure 17 Speakers and representatives of both the NMM and Stellenbosch University Museum during the annual dialogue held in July 2019



Figure 18 The cutting of cake to mark the 20th and 30th Commemoration of the museum's existence as well as the release of Nelson Mandela from prison



Figure 19 Travelling exhibition installed and launched at the Afrikaans Taal Monument in Paarl, Western Cape in July 2019



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PROGRAMME 2 PERFORMANCE INFORMATION

PROGRAMME 2 Public Engagement

1. The Public Engagement Strategy

The Public Engagement and Marketing department serves as a driving force in promoting the Nelson Mandela Museum's geographical location, promotion, and museum brand protection. This is done through a well-crafted Community, Education Outreach program, Expos and Museum events aligned to former President Nelson Mandela and the Museum timeline to attract local, national, and international visitors for viewing of Museum exhibitions/gifts (Content & Motion) and the visible, authentic sites of Nelson Mandela's upbringing. The department is also used to communicate information from all our departments and our strategic partners, community, and stakeholders. The department enhances the Museum's digital activities. It promotes our cultural and heritage space, and a key responsibility to preserve Nelson Mandela's legacy and live his value through robust programming.

2. Learning platforms

Nelson Mandela Museum's learning platforms are designed to educate, inform learners and students about museum education programmes, and encourage learners and students to debate and interrogate Nelson Mandela's values towards Social Cohesion and National Building. Museum's learning platforms further involve Youth Camps, International Caps, Career Expos, and outreach programming aimed at visiting schools to inform them about Museum educational programmes and offerings. These platforms have expanded to the digital space where we see the Museum hosting virtual dialogues, e-legacy online classrooms for learners, developing learning material to be distributed in schools, and accessed on the website. Some of the programmes are hosted by the Museum in partnership with different stakeholders. The target for learning platforms is four, but the Museum managed to exceed the number because of collaboration with various stakeholders. The learning platforms include:

a. International Youth Camp

The Nelson Mandela Museum has a strong partnership and working relationship with the Government of Lower Saxony in Germany, Eastern Cape Provincial Government, and Anne Frank House Foundation, dating back from 2007. Through this partnership, the Nelson Mandela Museum continues to take learners from disadvantaged backgrounds and schools to an International Youth Camp held in Germany. Four learners from schools in the Eastern Cape Province and one from KwaZulu-Natal were selected and attended the camp from the 07th of April 2019.

b. Tertiary Debate

The Museum hosted a tertiary debate featuring student leadership at higher learning institutions on the 12th of April 2019, focusing on education and freedom issues. The institutions include the University of Fort Hare, Walter Sisulu University, University of South Africa, and Rhodes University. The Student Representative Council members of the institutions debated on a suggested topic: 'Is Free Education in a lifetime a Reality'? An invitation was also extended to the Youth league's structures and women's desk to embrace and be part of the debate.

c. Youth Expo

The Museum further participated in a youth expo organised by the King Sabata Dalindyebo Municipality in Mthatha on the 13th of June. The summit gave the Museum an opportunity to promote its programmes and market itself as an entity of Heritage preservation institution by preserving Nelson Mandela's legacy, Centre for Education & debate, and a tourist's destination.

d. Youth Winter Camp 2019

The Nelson Mandela Museum hosted the 14th Annual Youth Winter Camp, held from the 01st to the 07th of July 2019 at Dalindyebo High School in Mthatha. The Winter Youth Camp is a programme adopted and embraced by the Nelson Mandela Museum since 2006 and targets high school learners in grades 10 and 11, ranging between 15 and 19. The Museum hosted these learners from various Eastern Cape districts, four students

from three different schools in KwaZulu-Natal, and two students from the Western Cape. The theme for this year's camp was "**Madiba's Values Beyond the Centenary.**"

e. HESOP

The Heritage Education Schools Outreach Programme (HESOP) is the brainchild of the National Heritage Council (NHC) to instill and inculcate patriotism and heritage awareness to learners. It targets grade 10 and 11 learners at high school who go through elimination, starting at the district level culminating in the provincial eliminations where the winning school represented the province at the national level. The national school competition finals were held at Limpopo on the 23rd until the 27th of September 2019. The Nelson Mandela Museum participated in organising the provincial eliminations from 2017. In 2018 a formal and official Memorandum of Understanding (MoU) was signed between the respective institutions to strengthen and formalise their working relationship.

f. Maritime Awareness Day

The South African Maritime Safety Authority (SAMSA), in partnership with the King Sabata Dalindyebo Municipality hosted the Maritime Awareness Day on the 1st of August 2019 in Coffee Bay. The Museum attended the day to expose learners to a wide range of career opportunities in the Maritime Industry and implement the 4th industrial revolution in teaching and learning. The Museum interacted with schools during that day.

g. Schools outreach programmes

The Nelson Mandela Museum attended outreach programmes that give communities and schools opportunities not to visit the Museum and benefit from the Museum's services. On the 8th of October 2019, the Museum attended a school outreach programme hosted by Gengqe Senior Primary School at Gengqe Location in Mqanduli. Four schools attended from the local surrounding, including Tshontini Senior Primary School, Liwalaphakade Senior Primary School, Gengqe Senior Primary and Senior Secondary School.

On the 08th of November also attended another school outreach programme in Ngquza Hill in Flagstaff. Some schools were part of the programme that included Ndaliso Senior Secondary School, Buckley Finiza Senior Primary School, and Jikindaba Senior Secondary School. Some local museums were part of the programme that included Albany Museum, Ngquza Hill Museum, Wild Coast Museum, and Sports Recreation Arts and Culture in the province. Learning material and brochures of the Nelson Mandela Museum were distributed to the learners.

On the 5th of March 2020, the Nelson Mandela Museum, in partnership with Robben Island Museum, conducted a school outreach programme at Isilimela Comprehensive School at Langa in the Western Cape. The two museums organised the outreach programme to benefit learners in the intermediate and senior phases. More than 500 learners participated in the programme on heritage education. The programme formed part of the Museum's 20th-anniversary celebrations.

h. SS Mendi Awareness Programme

The Museum was invited by the Eastern Cape Department of Sport Recreation, Arts and Culture in partnership with O.R Tambo District Municipality and Nyandela Local Municipality to attend and participate in the SS Mendi Awareness Programme held in Ntshilini J.S.S in the Eastern Cape. The programme was attended by learners from Grades 10 and 11, respectively. The Museum exhibited library and educational material for the benefit of learners, and a presentation of the Museum's offerings was made available to them.

i. Arts Conference

On the 22nd of November, the Museum hosted the Arts Conference. An art conference is an event that had arts through leaders, hosting workshops about the arts industry. The event had an educational and informational element where acclaimed industry leaders shared knowledge of art genres. It also paved the way for other new artists to know more about the industry. The art conference was organised with a focus on Visual Arts, Music and Filming and photography. It was attended by more than 50 artists coming within the O.R Tambo District Municipality. Facilitators of the program were Churchill Madikida from Rhodes University, Mandla Maseko from the Music Industry, and Mr. Peter Chauke, a National Video and Filming Agency representative.

3. Learning material produced

The Museum has produced one learning material during the year under review. The learning material caters to Grade 7-11 learners. The learning material inspires learners. It promotes social cohesion and cultural tolerance. The learning material also helps in stimulating critical thinking through analysis systems. It talks more about the history of Nelson Mandela as an internationalist embraced by the world for his democratic values and beliefs.

4. Branding, marketing activities and expos

Trade shows and Expos serve as a platform to promote the Nelson Mandela Museum brand, its business offerings, and reposition it as a destination of choice. Trade shows and Expos allow Nelson Mandela Museum to interact with the public and tour operators and acquire feedback on the Museum's services.

a. Tourism Indaba

The Museum participated in the Tourism Indaba event held in Durban from the 2nd until the 4th of May 2019. The purpose of the Tourism Indaba is to promote Nelson Mandela Museum as a tourist destination, promote visible footprints of Nelson Mandela, and to engage with tour operators. The Museum shared a stand with the King Sabata Dalindyebo Municipality as a key strategic partner to strengthen relations. During the event, the Museum formed relations with different Tour Operators, national and international and community development organisations. The interactions during the Tourism Indaba yielded positive results where tour operators showed interest to package Nelson Mandela Museum and an interest shown by Brazilian delegates who wanted to visit and have a tour in footprints of Nelson Mandela.

b. Sport Tourism

The Nelson Mandela Museum was invited by OR Tambo District Municipality to exhibit and participate in the sport tourism event held at the 2nd Beach, Port St Johns, from the 30th until the 31 August 2019. This initiative assisted the Museum in promoting tourism education and awareness through sport. During the event, the Museum assisted by loaning the municipality with sporting equipment, exhibited marketing collateral, and facilitated the beach tennis, which was one of the planned activities.

c. Berlin November

In promoting the Museum's geographical location and brand, the Museum participated in the Berlin November 2019 Horse Racing Event in Berlin Eastern Cape on 30th November 2019. The event's participation was to reposition the Museum as a brand and promote its geographical location through branded material distributed to the audience with its offerings. It gave the Museum a unique opportunity to expand its niche, create awareness about its national profile, and ensure its brand identity is effectively communicated and represented locally and nationally.

The Museum paid travel and accommodation for the TV personality, motivational speaker, and influencer Basetsane Khumalo and her manager Ofentse Mannyama. In exchange, all posters promoting the event at various strategic points featured Nelson Mandela Museum Logo. TV personality mentioned the Nelson Mandela Museum whenever she was publicly announcing her attendance at the event.

d. Gateway show

Cape Town Getaway show is amongst Africa's leading travel, outdoor, and adventure tourism expos. The expo provides an opportunity for Southern Africa's best tourism consumers to exhibit diverse cultural and historical aspects of tourism products for marketing and promotion purposes. The expo is one of the top tourism marketing events in South Africa. It is hosted in Cape Town annually and showcases the widest variety of Southern Africa's best travel, outdoor adventure tourism products, and attracts international tourism participants and media. The Museum showcased its offering and merchandise. The 20th-anniversary programmes for the year were also part of our discussions with tourism consumers during the expo.

5. Publications

The Museum procured advertisement space from various publications to promote its geographical location and its offerings.

a. Equinox

The Museum procured a full-page advert from Equinox magazine, an official quarterly lifestyle publication circulated to hotel guests and all Tsogo Sun Hotels across Africa and the Middle East. Equinox appears in more than 14 500 hotel rooms in over 90 hotels and resorts and at 14 casino properties in South Africa, Kenya, Mozambique, Nigeria, Tanzania, Seychelles, and Dubai.

b. African Safari

The Museum further procured a full-page advert from African Safaris, a prestigious, high-gloss quarterly publication aimed at those who want and can afford to experience Africa in luxury. The quarterly magazine reaches the inbound tourists directly, through tour operators in Africa's key and emerging markets. Additional and targeted distribution ensures that African Safaris is read by the local and international corporate and niche markets.

c. Decisions Leadership Magazine

The Museum further procured an advertisement space from African Decisions Leadership magazine, a comprehensive quarterly corporate and government journal designed to reflect Africa's developing nature and international trade environment. Among the readership are private and public sector CEOs, company directors, government ministers, and state officials. It has an audited quarterly distribution of 15 844 and a print run of more than 17 000. In addition, close to 10 000 copies of African Decisions are available at airport lounges in Johannesburg, Cape Town, Durban, Lagos, Harare, and Lusaka

6. Events implemented

The Museum hosted several activities to celebrate Nelson Mandela Release, Mandela Day and Commemoration Day, Mandela Legacy Roadshow, Human Rights Garden. The events assist in promoting and sending the message to the external community about our services. It is where different communities gather to celebrate and commemorate the life and times of Nelson Mandela. Our audiences showcase their talents and their intellectuals during such programmes.

a. International Mandela Day

Nelson Mandela Museum hosted the International Mandela day event to commemorate the birth date of Nelson Mandela. On the 18th of July, the Nelson Mandela Museum spent its 67 minutes doing good to the community under the King Sabata Dalindyebo municipality. This Museum identified a children's ward and painted the outside wall and a mural on the inside wall to stimulate children's minds. The Museum spent some time with the little ones and donated items that include tables, chairs, and potty for the kids. The Museum also participated in the Mandela Day activities under Joe Gqabi District Municipality. A local preschool was identified at Burgersdorp, and the Museum donated with toys.

The Museum later visited four elderly homes; Gogo Novoti Elderly club at Ngangelizwe, Zizamele Elderly club at Empa Location, Masakhane Elderly club at Qokolweni, and Bumbane Elderly club at Tyalarha. The Museum realised there is a need to partner with different elderly projects for community development. These organisations work hand in hand with the Museum. The Museum assisted in donating materials for these projects and produce goods to be sold in the market place. The relationship it has with the projects assist in community development, engagements, and improving skills. The projects benefited in donations that include imizi for marking traditional mats, sewing material for umbhaco and traditional beads, pots, stoves, and tables.

b. Icons Journey

The Icons Journey is an ultra-marathon that took place on the 14th of July 2019, organized by Health is Wealth in partnership with the Nelson Mandela Museum. The event route traces the footsteps of the former State President Tata Nelson Mandela in his formative years in the former Transkei. It started from Clarkebury Senior Secondary School, one of the high schools he attended, to Mqhekezweni Great Place, where he was raised, then his Qunu home where he is laid to rest, and his village of his birthplace in Mvezo. In the partnership with

Health is Wealth, Nelson Mandela Museum sponsored several items that included 150 beanies, 150 buffs, 300 T-shirts, and 2 water stations.

d. The Nelson Mandela Museum Golf Challenge

In partnership with Umtata Country Club, the Nelson Mandela Museum hosted an annual Golf Day event, Nelson Mandela Museum Golf Tournament, on the 13th of July 2019 at the Umtata Country Club. The tournament was designed in a manner that seeks to position the Museum as the Nelson Mandela's institution of choice to preserve his legacy in a way that acknowledges the support he received from South Africans and International Communities. The Museum hosted a Gala Dinner Event as an initiative of fundraising activity. Different stakeholders sponsored the Gala Dinner Event, and 10 % of the proceeds were donated to the Museum Charity of Choice.

e. International Boxing Tournament

On the 23 November 2019, BMSP hosted an international boxing tournament which featured International Champions that included boxers from Uganda. One of the bouts was the IBO in Africa Bantamweight championship, which was won by the South African, Sikho Nqothobe, and the supporting bout was that of Bangile vs. also from Uganda. Match officials came from all the four corners of the SADC region. By being part of the tournament, the Museum achieved more than one of its operational objectives, which was international exposure as it was readily acknowledged during the tournament. The museum branding was visible during the tournament and to all the media houses that were broadcasting the fight.

f. 5th Commemoration

The commemoration of Nelson Mandela's passing on 5 December has become an annual programme in the significant dates around Nelson Mandela's legacy. To mark the 2019 commemorative events, the Museum worked with DSRAC. The programmes included:

- Christmas Lunch with children living with disabilities at Happy Homes Disability Centre in Southernwood on the 3rd of December. The Museum spent the afternoon with the children and their parents and donated with Christmas lunch and gifts and a Projector for the centre.
- A 6 km peace walk which paid tribute to the life of Nelson Mandela for his contribution in this country and internationally in partnership with DSRC. The peace walk asked the citizen of this country to stop violence against women and children and prevent acts of criminality and xenophobia from taking place in the country.
- The main event took place at the Museum on the 5th of December and was hosted by the Museum in partnership with DSRAC and the Premier's Office. The partners believe that planting Ubuntu's seed would be a way of reviving his spirit and spreading peace and reconciliation. On that day was a commemoration and a day of reconciliation celebration. This was to recommit ourselves to his values and to rekindle acts of selflessness, patriotism, and Ubuntu in South Africa. The MEC of DSRC, KSD Municipality, and OR Tambo District municipality councillors attended the event.

g. International Museum Summit

The Nelson Mandela Museum celebrated its 20th anniversary this year. On the 10th and 11th of February 2020, the Museum hosted an International Museum Summit that brought delegates together in face to face discussions. Many of these delegates came from the heritage and museum sphere. The event became a platform to connect with various experts and to cope with the challenges posed to museums' traditional mandates. More than 150 people attended the 2-day summit. These included people from different national and international museums, government institutions, universities, high school learners, and the general public.

h. Mandela Legacy Roadshow

The Museum, in partnership with Umthatha Health Club and Health, is Wealth athletic club hosted a 5 km fun run/walk and mass aerobic on the 29th of February 2020. The fun run/walk was one of the Mandela Legacy Roadshow projects worldwide in celebrating 20 years of the Nelson Mandela Museum's existence. The Mandela legacy roadshow served as a build-up programme for the upcoming 20th-anniversary programmes hosted by the Museum.

i. Human Rights Gardens

The Nelson Mandela Museum and Siyakhana Growth and Development are working together in reviving human rights gardens on the Nelson Mandela Heritage Trail. They identified sites along the trail that include Qunu Junior Secondary School, Milton Mbekela High School, and a clinic to support food security for learners, communities, and people underprivileged households. This is part of eco-tourism centres at schools, which will assist in other things such as food security programmes.

7. Media and Communication

The Museum procured advertisement space from various publications to promote twentieth-anniversary programmes that include the International Museum Summit, Mandela Legacy Roadshow, and the Museum's geographical location. In promoting and marketing the event, 20th-anniversary branding was developed. The Museum used various media platforms to promote its programmes, including radio, television, print, digital media, and Nelson Mandela Museum social media pages and website.

The Museum also procured advertisement space during its activities, and the rationale behind the advertisement was to inform the audience of the planned events. Radio and print media covering the activities include Daily Dispatch Newspaper, SABC Umhlobo Wenene FM, SAFM, SABC 404, Morning Live Trufm, UCR, Port St Johns, Ingwane FM, SABC 404, streamed live on SABC YouTube. The Museum received improved online presence as the new website was launched, and working tools improved. The rate of people visiting the museum platforms continues to increase significantly.



Figure 3 Berlin November: 2019 Horse Racing Event



Figure 5 Human Rights Day: Reviving Old Age Community Centres and Human Rights Gardens



Figure 4 International Boxing Tournament:
Featuring International Champions including
Uganda



Figure 6 Icons Journey: An Ultra-marathon taking
place on the 14th July 2019



Figure 7 Mandela Day: Donating toys at Pre Primary school at Burgersdorp



Figure 10 Tourism Indaba: Promoting museum as a tourist destination



Figure 8 Mandela Legacy Roadshow: 5 km fun walk and mass aerobics at the Bhunga Building



Figure 11 Youth Camp: Youth Winter Camp 2019 under the theme: MADIBA'S VALUES BEYOND THE CENTENARY



Figure 9 Maritime Awareness Day: Exploring learners to a wider range of career opportunities



in the footsteps ●●●

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PROGRAMME 3 PERFORMANCE INFORMATION

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 its implementation, Governance of which evaluating the compliance and business processes, and the User Asset Management Plan.

Council Meetings

NMM held seven Council Meetings, which were all quorate throughout the year. The first meeting for the year was held in April 2019, and the last meeting was in February 2020 for the Council to dispense their oversight duty.

We also saw the end of the term for the old Council in October 2019 and an appointment of the current council

Council Committees

All five committees were effective the whole year, with each meeting for more than four times a year, which is above the number as expected by the charter of four times.

Fundraising Strategy and Activities

Late approval of the fundraising strategy that prohibited the execution of fundraising activities. The Museum also looks to appoint a resource mobilisation team.

Development of policies and processes

This performance indicator is linked to the CEO's office. However, in the 2017/18, the Museum managed to review and develop policies for the first time since 2010. In 2019/20, there were four policies instead of two because there were delays in approving two policies from the previous year and were approved in the first council meeting of the 2019/20. These are policies that are required to effectively run the operations of the Museum. All policies would be reviewed once in a 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 with no material findings from the AGSA.

All the requirements of PFMA, GRAP, and Treasury regulations were adhered to.

Human Capital Initiatives

Two performance indicators are within this umbrella, i.e., Performance agreements and Work Place Skills Plan. Both indicators had been adhered to as per the requirements of the strategic document.

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 (NMM) has two sites, namely Nelson Mandela Youth & Heritage Centre (NMY&HC) in Qunu and the Bhunga building site in Mthatha.



Nelson Mandela Museum: Bhunga building



Nelson Mandela Youth & Heritage Centre in Qunu

The Qunu site is temporarily closed due to maintenance conducted by the Department of Public Works (DPW).

The main project, which is Qunu based condition maintenance, includes the upgrade of the sewer system that 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. NNM has committed to co-fund the project for capital works items to be included in this project's scope. To ensure the adherence to all technical requirements.

The final handing over the site for construction purposes was on the 12 August 2019, and practical completion will be on the 12 February 2021.



in the footprints ●●●

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PART C GOVERNANCE

Introduction

Governance and administration

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 co-ordination, accountability, planning, policy development, monitoring, and risk management. The main entities involved in this programme are the Museum Council, 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 2019/20 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 held seven (7) and twenty-five (25) of their overall four (4) and twenty (20) statutorily required meetings during the period under review.

Council and Council Committees

The Nelson Mandela Museum is a Cultural Institution established by the Minister of Arts and Culture in terms of the Cultural Institutions Act no. 119 of 1998 as amended.

The Minister of Arts and Culture appoints members of the Public to form Council as the Accounting Authority to manage and control the Nelson Mandela 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 ten (10) 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.

Council Committees and their Terms of Reference

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. The Minister and the chairperson of the Council each year sign a shareholders 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 10 members, governs the Nelson Mandela Museum. The Council has 5 committees, namely:

1. Content and Operations Committee (COC)

- 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.

2. Audit and Risk Committee (ARC)

- Oversees internal & external audit function
- Examines the AFS before submission to 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

3. Finance, Infrastructure 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 to plan, coordinate, and implement 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.

4. Institutional Development Committee (IDC)

- 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

5. Stakeholder Commemoration Committee (SCC)

- Planning, coordination, implementation, and evaluation and monitoring of all Museum activities.
- Reporting to Council on all the above regularly without undue delays.
- Having a duty to advise and to guide both management and the Council in line with the policy of Nelson Mandela Museum

Composition of Council

The following are the composition of our councillors

NMM COUNCILLORS

New Council which was appointed from 1 November 2019

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
PROF B MNGOMEZULU**	Chairperson of Content committee	2019	-	PhD in African Political History (Rice University-Texas-USA) May 2004 M.A in Politics (UNISA) September 2007	Heritage and conservation	15
MR K GONTSE**	Chairperson of Institutional Development Committee	2019	-	National Diploma in Security Risk Management (UNISA) National Intelligence Agency Security Managers Course	Business and organisational development	15
MR S MZAMO**	Member of Community development and fundraising committee	2019	-	Master of Business Administration Business School Netherlands (BSN) -	Community development	17
ADV T NEVONDWE**	Member of the Institutional development committee	2019	-	Masters of Laws (LLM) University of Venda (2005)	Business administration, finance and Institutional development	13
DR N SONGELWA	Council Chairperson	2019	-	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		4

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MR M R BAVUMA	Council Member	2019	-	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 National Diploma: Journalism, Nelson Mandela University, (2005) Honours Degree: IsiXhosa, Nelson Mandela University (2017)		4
MS J NHLAPHO-HLOPE	Council Member	2019	-	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		3
DR S MASUKU	Council Member	2019	-	Doctor of Philosophy in Education (Environmental Education) Rhodes University, Environmental Learning Research Centre – South Africa,		4

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MS Z HLATSHWAYO	Chairperson of Stakeholder Commemoration	2019	-	<p>2015-2019</p> <p>Master of Education in Environmental Education (cum laude)</p> <p>Rhodes University - South Africa, 1997 to 1999</p> <p>Master of European Leisure Studies</p> <p>Vrije Universiteit Brussels - Belgium,</p> <p>Katholieke Universiteit Brabant - The Netherlands,</p> <p>Loughborough University - The United Kingdom,</p> <p>Universidad de Deusto - Spain, 1991 to 1992</p> <p>BA Humanities & Concurrent Diploma in Education -</p> <p>University of Swaziland, 1981 to 1986</p> <p>Masters class in Strategy Execution, Stellenbosch University, Business School, 2018</p> <p>Introduction to Public Sector Monitoring & Evaluation,</p> <p>Stellenbosch University, Business School, 2018</p>		6

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MR S MADIKIZELA**	Chairperson of Finance Committee	2018		Introduction to Project management. University of Cape Town, 2017. Post graduate, Management Advancement Programme, University of the Witwatersrand. Post graduate Diploma, in Education, University of Botswana, 1988 B.A. Humanities, University of Botswana, 1987 CA (SA) Bcom Hons	Business administration, finance	8

** These Councillors are serving another term to the council and were part of previous Council

Old Council of which the term ran from 1 November 2016 until 31 October 2019

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MS A VIKILAHLE	Chairperson	2016	2019	Bachelor of Commerce (Honours)/CTA ; Audit Specialisation	Finance	2
PROF B MNGOMEZULU	Chairperson of Content committee	2016	-	PhD in African Political History (Rice University-Texas-USA) May 2004 M.A in Politics (UNISA) September 2007	Heritage and conservation	15
DR B TEMA	Chairperson of Community development and fundraising committee	2016	2019	PhD Science, University of Reading UK, (1990-1993) M.Ed Science, University of Cape Town (1985-1986)	Fundraising and community dev.	6
MR K BUTHELEZI	Chairperson of Audit Committee	2016	2019	B. Com and Advanced Diploma in Auditing	Audit	12
MR K GONTSE	Chairperson of Institutional Development Committee	2016	-	National Diploma in Security Risk Management (UNISA) National Intelligence Agency Security Managers Course	Business and organisational development	15
MR V BOOI	Member of Content Committee	2016	2019	Bachelor of Social Sciences, PG/diploma in heritage Studies, Master Arts (history)	Heritage and Conservation	2
DR K NGQILA	Member of the Content Committee	2017	2019	Bachelor of arts BA (Hons) Anthropology MA Anthropology B Soc Science Hons (Politics & International Relations)	Heritage and conservation	9
MR M KOBESE	Member of Content committee	2017	2019	Bachelor of Philosophy, Post graduate diploma in Museums and heritage studies	Heritage and conservation	4
MR S MZAMO	Member of Community development and	2017	-	Master of Business Administration Business School Netherlands (BSN) -	Community development	17

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	Meetings attended
MS N MANDELA	fundraising committee Member of Community development and fundraising committee	2017	-	Community development	Community development	1
ADV T NEVONDWE	Member of the Institutional development committee	2016	-	Masters of Laws (LLM) University of Venda (2005)	Business administration, finance and Institutional development	13
Ms K Gustafson	Member of Community development and fundraising committee	2018	2019	Certificate in Brilliant Business.	Community development	3
Mr S Madikizela	Chairperson of Finance Committee	2018	-	CA (SA) Bcom Hons	Business administration, finance	8

COMMITTEES OF COUNCIL

New Council

Committee	Meetings held	Members	Committee members
STAKEHOLDER COMMEMORATION COMMITTEE	0	3	Ms. Hlatshwayo Mr. Bavuma Mr. Mzamo
FINANCE, INFRASTRUCTURE, AND FUNDRAISING COMMITTEE	0	4	Mr. Madikizela Mr. Gontse Mr. Bavuma Dr. Masuku
CONTENT AND OPERATIONS COMMITTEE	0	6	Prof Mngomezulu Mr. Bavuma Dr. Masuku Ms. Nhlapho-Hlope Mr. Mzamo Ms. Hlatshwayo
STAKEHOLDER AND COMMEMORATION COMMITTEE	0	5	Ms. Hlatshwayo Mr. Mzamo Mr. Bavuma
AUDIT AND RISK COMMITTEE	0	4	Adv Nevondwe Mr. Madikizela Adv Gugwini-Peter (independent member) Mr. Baloyi (independent member)
INSTITUTIONAL DEVELOPMENT COMMITTEE	0	4	Mr. Gontse Mr. Mzamo Ms. Nhlapho-Hlope Prof. Mngomezulu

Old Council

Committee	Meetings held	Members	Committee members
INSTITUTIONAL DEVELOPMENT COMMITTEE	2	5	Mr. Gontse Adv Nevondwe Dr. Ngqila Prof Mngomezulu Mr. Mzamo
FINANCE COMMITTEE	5	4	Mr Madikizela Mr Gontse Mr Buthelezi Adv Nevondwe
CONTENT COMMITTEE	4	5	Prof Mngomezulu Dr. Tema Dr. Ngqila Mr. Booie Mr. Kobese
FUNDRAISING COMMITTEE	2	5	Dr. Tema Mr. Mzamo Mr. Kobese Ms. Mandela Ms. Gustafson
AUDIT AND RISK COMMITTEE	3	3	Mr. Buthelezi Mr. Mangquku (independent member) Ms. Motsielwa (independent member)



OLD COUNCILLORS



Ms Andiswa Vikilahle
Chairperson: Nelson Mandela Museum



Mr Boozi, Ms Vikilahle, Former Chairperson Mr Jarana, Ms Ngqila, Ms Mandela and Prof Mngomezulu



Ms Ngqila, Ms Vikilahle and Adv Nevhondwe



Ms Guftafson, Dr Tema and Ms Mandela



Mr Madikizela, Mr Gontse and Ms Mandela





CURRENT COUNCILLORS



DR N. SONGELWA
Chairperson of the Council



ADV. T NEVONDWE
Deputy Chairperson



CLLR K GONTSE



CLLR M BAVUMA



CLLR S MADIKIZELA



CLLR S MZAMO



CLLR Z HLATSHWAYO



DR MASUKU



CLLR J NHLAPHO-HLOPE



PROF. B MNGOMEZULU



OLD AUDIT & RISK COMMITTEE



MR K BUTHELEZI



MR L MANGQUKU



MS P MOTSIELWA



CURRENT AUDIT & RISK COMMITTEE



ADV. T NEVONDWE



ADV. S PETER



CLLR S MADIKIZELA



MR N. BALOYI

REMUNERATION OF COUNCIL MEMBERS

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

NMM COUNCIL REMUNERATION

Name	Remuneration	Other Allowances	Other reimbursement	Total
MS A VIKILAHLE	R 59 153	-	-	R 59 153
MR K BUTHELEZI	R 83 795	-	-	R 83 795
PROF B MNGOMEZULU	R 75 433	-	-	R 75 433
DR B TEMA	R 63 340	-	-	R 63 340
MR V BOOI	R 27 395	-	-	R 27 395
MR K GONTSE	R 104 866	-	-	R 104 866
DR K NGQILA	R 59 744	-	-	R 59 744
MR M KOBESE	R 0	-	-	R 0
MR S MZAMO	R 84 850	-	-	R 84 850
MS NDILEKA MANDELA	R 20 904	-	-	R 20 904
ADV T NEVONDWE	R 104 998	-	-	R 104 998

Name	Remuneration	Other Allowances	Other reimbursement	Total
MS MK GUSTAFSON	R 38 282	-	-	R 38 282
MR S MADIKIZELA	R 47 093	-	-	R 47 093
MR L MANGQUKU	R 28 430	-	-	R 28 430
MS P MOTSIELWA	R 15 678	-	-	R 15 678
DR N SONGELWA	R14 763	-	-	R14 763
MR M BAVUMA	R6 968	-	-	R6 968
DR S MASUKU	R10 452	-	-	R10 452
MS NHLAPHO-HLOPE	R0			R0
MS HLATSHWAYO	R0			R0
TOTAL	R 846 144			R 846 144

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

There are four members of the Executive Management, comprise the following: CEO, CFO, Senior Manager, Heritage and Conservation, and Senior Manager: Public Engagement and Marketing. Five middle managers report to 3 senior 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.	Mr. Bonke Tyhulu	Master of Arts (History-University of Fort Hare)	CEO
2.	Mr. Mandisi Msongelwa	CA (SA)	CFO
3.	Ms. Nelisiwe Thwala	Bachelor of Arts Honours (Anthropology)	Senior Manager: Heritage and Conservation
4.	Ms. Nontlahla Tandwa	Master of Arts (Media Studies) ND: Journalism	Senior Manager: Public Engagement and Marketing



EXECUTIVE MANAGEMENT



MR B TYHULU
MA (History-UFH)
CHIEF EXECUTIVE
OFFICER



MR M MSONGELWA
CA (SA)
CHIEF FINANCIAL
OFFICER



MS. N THWALA
BA Honours (Anthropology)
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; the risk management had been effective throughout the year with the following areas of improvements to address:

- Lack of well-established ICT systems with an appropriate IT governance framework.
- 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.)

An enterprise-wide risk assessment was conducted, and the internal control system was effective for the year under review. The audit report from the Auditor-General has confirmed this.

Accordingly, we report that the general system of internal control for the period under review were effective and efficient. The internal controls are operating satisfactorily to ensure that the financial records may be relied upon to prepare the Annual Financial Statements and that accountability for assets and liabilities is maintained.

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 2019/20 below.

COMPLIANCE WITH LAWS AND REGULATIONS

To ensure compliance, we had developed the policies that would apply to the Museum, meet with management to ensure the policies and procedures being created are feasible for individual departments, determined the best format of policies, ensured that the procedure manuals are 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 of which it advocates antifraud operating environment. There is a hotline number 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 2019/20 financial year, there have been no cases that 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 a draft OHS policy and policy statement which stipulates measures and compliance according to OHS regulations. The museum has appointed a Safety Officer who is ensuring 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.

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 R30 000 and R50 million is evaluated using the 80/20 preference point system where price accounts for 80 points and the service provider's BBEE level of compliance accounts for 20 points.
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 done 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

Report of the Audit and Risk Committee for the period 2019/20

Introduction

The Committee is pleased to present its close-out annual report for the financial year ending 31 March 2020.

This report is presented in accordance with the requirements of the Public Finance Management Act No. 1 of 1999, as amended and the recommendations contained in the Fourth King Report on Governance for South Africa and the King Code of Governance Principles (King IV).

Audit Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from sections 51 (1) (a) (ii) and 77 of the Public Finance Management Act read with Treasury Regulation 27.1.

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

Internal Audit

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Museum's operations. This function helps the Museum to accomplish its objectives and translation thereof to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control, and governance processes. Internal Audit has unrestricted access to all functions, records, property, and personnel of the Museum and the Audit Committee. Adequate resources to the three years plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee.

The audit approach combines two types of audit engagements: assurance and consulting (advisory) services. Internal Audit is at all times when conducting their work or any other tasks assigned to them, guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors and complies with the relevant sections in the Public Finance Management Act (Act No. 1 of 1999), as amended, and related Treasury Regulations.

Audit Committee

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that there are effective organisational management and control measures that are applied by the Executive Management to discharge their duties relating to:

- Safeguarding of assets
- The adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Museum processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision. Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, Internal and External Auditors, and where it deems it necessary, engages with the Executive Authority.

Audit Committee members and attendance

The Audit Committee consists of the members listed below, of which four are independent in line with good corporate governance practice. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held four meetings.

The following is a schedule of members and attendance record for meetings:

Old Audit and Risk Committee Members

Name of Member	20 th April 2019	24 th May 2019	23 rd July 2019	17 th October 2019
Mr. K Buthelezi (Chairperson)	Present	Present	Present	Present
L Mangquku (CA)(SA)	Present	Present	Present	Present
P Motsielwa (CA) (SA)	Present	Present	Present	Present

New Audit and Risk Committee Members

The committee was established post 2019/20 financial year, and there was no meeting for the committee subsequent to 31 October 2019 until the end of the year.

Effectiveness of Internal controls

The internal controls system applied by the NMM over financial and risk management is effective, efficient, and transparent.

In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit and management, who are responsible for the development and maintenance of internal control and sound governance systems, provide reports to the Audit Committee to give assurance on the appropriateness and effectiveness of measures in place or the development of new measures.

During the year, the committee addressed Risk Management, Performance Information Reporting, Financial Information Reporting, Compliance Environment, Internal Auditing, Fraud and Investigations Reporting Legal Matters, and engaged with the Auditor-General's reports for the NMM.

The role played by the committee was instrumental in identifying corrective actions and providing guidance on necessary enhancements to the controls and processes that affect the Museum compliance, risk, and performance environment as well as responsibilities that the NMM has to its external environment.

The Committee is satisfied that the NMM's assets are safeguarded and that liabilities and working capital are well managed. Upon assessing various reports from the Internal Auditors, the External Audit Report on the Annual Financial Statements, and the Management Report of the Auditor-General South Africa, it is noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, it can be reported that the system of internal control over financial reporting for the period under review was efficient and effective.

Internal Audit

The Committee is satisfied that the internal audit function is operating effectively and that it has effectively addressed the risks pertinent to the Museum in its audits. The internal audit plan was approved for this financial year and is closely monitored by the Audit Committee.

In-Year Management and Monthly/Quarterly Reports

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared in terms of the PFMA issued by the Accounting Officer of the Museum during the year under review.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa and the Accounting Officer
- Reviewed the Auditor-General South Africa's management report and management's response thereto
- Reviewed changes in accounting policies and practices
- Reviewed the Museum's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit

Auditor-General's Report

We have reviewed the Museum's implementation plan for audit issues raised in the previous year, and we are satisfied that the matters have been adequately resolved. The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Conclusions

We would like to extend our appreciation to the Executive Authority, Accounting Authority, management, and internal and external auditors for their efforts being made to address concerns raised by the audit committee.

Approval

The report represents activities from the day of the Committee's occupation of an office.



Adv. T Nevondwe

Audit and Risk Committee Chairperson

Nelson Mandela Museum

30 October 2020



in the footsteps ●●●

an agency of the
Department of Arts and Culture

PART D HUMAN RESOURCES



Part D: Human Resources

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

NMM is undergoing a strategic analysis to assess possible gaps that may deter identifying the target human capital. It is of utmost importance that the museum identifies current and future personnel needs and finds methods to recruit and retain the right skills aligned to NMM's overall strategic objectives. The staff Retention policy is in place, and job evaluation was done to determine the value of the museum's current positions against what is offered by the labor market. There is also Performance Management policy and Payroll policy; these two policies serve as a guide to ensure that the employees are compensated, awarded with benefits, and appraised for performing above their set 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 successfully applied for a skills levy grant to assist in developing and improving employees' skills. The museum has a major shortfall in skills development, resulting from a lack of financial resources and discouragement in staff members' participation in personal development programmes.



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 2019/2020

• 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 programme for the period 1 April 2019 and 31 March 2020

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Personnel expenditure as a % of total expenditure
Heritage and Conservation	2 989 310	1 989 345	6 522	67%
Public Engagement	3 992 997	2 219 726	8 394	56%
Corporate Services	26 848 721	10 197 908	379 133	38%
TOTAL	33 831 028	14 406 979	394 049	43%

Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

Level	Personnel Expenditure	% of total personnel cost	Number of Employees	Average Personnel costs per employee
Executive management	4 890 395	34%	4	1 222 599
Middle Management	2 740 018	19%	4	685 005
Staff	6 776 566	47%	20	338 828
TOTAL	14 406 979	100%	28	514 535

Salaries, overtime, Home Owner's Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance	% of performance Rewards to total personnel costs
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs		
Executive management	4 890 395	34%	-	-	-	17%
Middle Management	2 740 018	19%	-	-	-	18%
Staff	6 776 566	47%	-	-	347 040	6%
TOTAL	14 406 979	100%	-	-	347 040	12%

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	1 989 345	6 522	0,33%	4	1 631
Public Engagement	2 219 726	8 394	0,38%	6	1 399
Governance	10 197 908	379 133	3,72%	2	189 567
TOTAL	14 406 979	394 049	2,74%	12	192 597

Employment and Vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Heritage and Conservation	6	5	17%	0
Public Engagement and Marketing	9	9	0	0
Governance	13	12	8%	0
TOTAL	28	26	7%	0

Employment and Vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Executive Management	4	4	0	0
Middle Management	4	4	0	0
Staff	20	18	10%	0
TOTAL	28	26	7%	0

3.3 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 2020

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	4	100%	0	0%
TOTAL	4	4	100%	0	0%

SMS post information as on 31 March 2020

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	4	100%	0	0%
TOTAL	4	4	100%	0	0%

Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2020

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	0	0	0
TOTAL	0	0	0

Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months

N/A

Reasons for vacancies not advertised within twelve months

N/A

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 2019 and 31 March 2020

Reasons for vacancies not advertised within six months

N/A

Reasons for vacancies not filled within six months

N/A

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.

3.4 Job Evaluation

Job valuation by Salary band for the period 1 April 2019 and 31 March 2020

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	4	0	0%	0	0%
Middle Management	4	4	4	0	0%	0	0%
Staff	20	20	20	0	0%	0	0%

Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

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

Employees with a disability	0
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Employees with salary levels higher than those determined by Job Evaluation by occupation for the period 1 April 2019 and 31 March 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	N/A	N/A	N/A
N/A	0	N/A	N/A	N/A
N/A	0	N/A	N/A	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				0%

Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020

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

Employees with a disability					
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3.5 Employment Changes

Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period- 1 April 2019	Appointments and transfers into the Museum	Terminations and transfers out of the Museum	Turnover rate
Executive Management	4	0	0	0
Middle Management	4	0	0	0
Staff	20	1	3	10%
Total	28	1	3	7%

Table 3.5.2 Annual Turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period- April 2019	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 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death		
Resignation	2	67%
Expiry of contract		
Dismissal – operational changes		
Dismissal – misconduct	1	33%
Dismissal – inefficiency		
Discharged due to ill-health		
Retirement		
Transfer to other Public Service Departments		
Other		
Total	3	100%
Total number of employees who left as a % of total employment	10.71%	

Promotions by salary band for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	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	0	0	0	0	0
Middle Management	0	0	0	0	0
Staff	0	0	0	0	0
TOTAL	-	-	-	-	-

Attempts made to retain staff

Qualifying the museum staff and, as 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 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	1
Dismissal	1

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	1	nil	0	Nil	0	nil	0
Staff	12	12	nil	0	Nil	0	nil	0
TOTAL	15	15	0	0	0	0	0	0

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive management	2	2	0	0	0	0	0	0
Middle management	3	3	0	0	0	0	0	0
Staff	6	8	0	0	0	0	0	0
TOTAL	11	13	0	0	0	0	0	0

Disabled Staff

s	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Executive management	0	0	0	0
Middle management	0	0	0	0
Staff	1	0	0	0
TOTAL	1	0	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 behavioral sciences such as behavior 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

In 2019/20, two staff members resigned, and one employee was dismissed.

HUMAN RESOURCES ALIGNMENT

The restructuring process was aimed at aligning the museums' staff in accordance with the training they have received. The process of restructuring also aims at auditing the skills 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. Two staff members were appointed by NEHAWU as Shop stewards to represent the interest of their members.

DISCIPLINARY CASES

One final written warning issued and one dismissal.

CCMA

No case is at the CCMA.

GRIEVANCES

There are no grievances that have been lodged under the year in reporting.

PERFORMANCE MANAGEMENT SYSTEM

Performance agreements are in place for all managers and staff, and Reviews are completed for all four quarters. Quarterly reports are submitted by each manager 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 ANNUAL FINANCIAL STATEMENTS



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EXTERNAL AUDIT REPORT



Nelson Mandela Museum

Audit Report

For the year ended 31 March 2020



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Report of the auditor-general to the 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 ... to ..., which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Museum as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Accepted Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the Museum in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.
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.

Irregular expenditure

7. As disclosed in note 34 to the financial statements, the balance of irregular expenditure of R4,5 million (2018/19: R4,5 million) incurred over a number of years that has not been recovered or written off

Responsibilities of the accounting officer for the financial statements

8. The board of directors, which constitutes the accounting officer 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 officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so.

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

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the Museum. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Museum enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Museum for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 1- Heritage and Conservation	x – x
Programme 2 – Public Engagement	x – x

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for these programmes:
- Heritage and Conservation
 - Public engagement

Other matters

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x to x of this report.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes, audit committee's report The other information does not include the financial statements, the auditor's report and

those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

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

AUDITOR - GENERAL

East London

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



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an agency of the
Department of Arts and Culture

ANNUAL FINANCIAL STATEMENTS



Im 2018 Finansiële Jaar
2018/19
Departement van Kulturele Erfenis

**Nelson Mandela Museum
Annual Financial Statements
for the year ended 31 March 2020**

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

General Information

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 Sports, Arts and Culture
Bankers	ABSA Bank Sutherland Street, Mthatha
Secretary	Kivela Company Secretarial Services
Preparer	Chief Financial Officer
Published	31 March 2020
Current Members	Dr N Songelwa - Council Chairperson Adv L T Nevondwe- Deputy Chairperson and ARC Chairperson Mr S Madikizela -FIFC Chairperson Ms Z Hlatshwayo - ECC Chairperson Mr A K Gontse - IDC Chairperson Prof B Mngomezulu - COC Chairperson Ms J Nhlapho-Hlophe Mr M Bavuma Mr S Mzamo Dr S Masuku
Old Council Members	Ms A Vikilahle - Council Chairperson Adv LT Nevondwe - Council Deputy Chairperson Mr K Buthelezi - ARC Chairperson Mr S Madkizela -Finance Committee Chairperson Mr A K Gontse - IDC Chairperson Prof B R Mngomezulu - Content Dev. Committee Chairperson Dr B Tema - Community Dev. Committee Chairperson Mr V Booi Dr Ngqila Ms N Mandela Ms K Gustafson Mr S Mzamo Mr M Kobese

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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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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Cash Flow Statement	11
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Supplementary Information	40
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ACRONYMS

AGSA	Auditor General South Africa
ARC	Audit and Risk Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COC	Content and Operations Committee
DPW	Department of Public Works
DSAC	Department of Sport, Arts and Culture
ECC	Events Coordination Committee
FIFC	Finance, Infrastructure and Fundraising Committee
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IDC	Institutional Development Committee
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
NMM	Nelson Mandela Museum
PFMA	Public Finance Management Act

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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 Auditor General SA information such as Annual Financial Statements and Performance Information within two months after the end of 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 pre-determined 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 Auditor General is 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 2021. 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 has occurred during the year under review.

3. Financial Results

Full details of the financial results are set out on pages 08 to 39 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 Mvezo site, Bhunga Building and Nelson Mandela Youth and Heritage Centre (Qunu). It is a public entity falling under the National Department of Sports, 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 2020

5. Materiality and Significance Framework for 2018/19

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 39 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 39 for the year then ended were approved by the Museum Council on 28 July 2020.

Dr N Songelwa PP
Council Chairperson
30 September 2020



Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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 2019/2020 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 of 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 Sports, Arts and Culture. Total revenue received by the Nelson Mandela Museum including finance income for the period under review increased by 20% from R 31 991 831 compared to same period last year. The Nelson Mandela Museum's results for the year ended 31 March 2020 show an increase in cash reserves from R 22 054 430 to R26 477 651. This is due to an operating surplus of R4 423 216 realized during the year under review. This increase is attributable to net of an 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 Arts and Culture accounted for 88.06% of the total revenue while 11.65% relates to interest from investments and 0.29% to sundry income as well as donations.

The operating expenditure for the period under review including finance costs is R33 831 028 showing an increase of R5 576 653 from the expenditure recorded in the previous period. The main drivers of the R5 576 653 increase in expenditure is the recognition of expenditure from conditional grants, depreciation and savings on municipal charges. The operating expenditure is made up of 40% fixed costs of personnel, 11% administrative expenses, 4% Audit fee, and 45% 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 year 2019/20. 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 all key positions during 2019/20 financial year, subsequently the NMM has seen the improved results in strategic areas and performance in 2019/20 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 centered 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 (indoor and outdoors), formal outreach like 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. Tariffs

The museum has a 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 re-opening plan of the facility. Currently, the museum tariff raising is through sale of merchandise, books, etc.

4. Donation Box

The museum does not charge 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 2020

5. Museum Shop

The Nelson Mandela Museum Memorabilia shop has been in full operations since the upgrade of Bhunga node of the Museum. The shop has been run in partnership with the Department of Sports, Recreation, Arts and Culture in 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 corporate social investment (CSI) initiatives of which the museum is leading.

6. COVID-19 Impact

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. Since then, the virus has spread to more than 100 countries, including South Africa. On 23 March 2020, President Cyril Ramaphosa announced measures to combat the spread of the Covid-19 coronavirus in South Africa through a three-week nationwide lockdown with severe restrictions on travel and movement. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Museum for future periods.


The council is not aware of any other material event which occurred after the reporting date and up to the date of this report.

7. Opinion

In the opinion of the Nelson Mandela Museum CEO, the Annual Financial Statements set out on pages 08 to 39 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

8. Conclusion

Indeed, the museum's financial accountability is aligned with its non-financial performance on its 2019/20 annual performance plan. The museum wittingly improved its financial management capacity as a tool to improve both its performance and audit. This has worked. 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.

Bonke Tyhulu

Chief Executive Officer
30 September 2020

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Current Assets			
Inventories	6	241 784	267 823
Receivables from non-exchange transactions	7	43 004	235 749
Cash and cash equivalents	8	68 241 339	62 661 856
		68 526 127	63 165 428
Non-Current Assets			
Property, plant and equipment	3	3 576 814	3 523 877
Intangible assets	4	148 896	268 015
Heritage assets	5	9 868 320	9 869 900
		13 594 030	13 661 792
Non-Current Assets		13 594 030	13 661 792
Current Assets		68 526 127	63 165 428
Total Assets		82 120 157	76 827 220
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	615 030	780 780
Unspent conditional grants and receipts	11	28 151 003	26 033 391
Provisions	12	2 388 773	2 228 221
		31 154 806	29 042 392
Non-Current Liabilities			
Unspent conditional grants and receipts	11	24 487 702	25 730 399
Non-Current Liabilities		24 487 702	25 730 399
Current Liabilities		31 154 806	29 042 392
Total Liabilities		55 642 508	54 772 791
Assets		82 120 157	76 827 220
Liabilities		(55 642 508)	(54 772 791)
Net Assets		26 477 649	22 054 429
Reserves			
Revaluation reserve	9	9 866 510	9 866 510
Accumulated surplus	10	16 611 141	12 187 920
Total Net Assets		26 477 651	22 054 430

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
Revenue			
Revenue from exchange transactions			
Other income	15	100 474	122 342
Interest received - investment	16	4 455 693	2 112 260
Total revenue from exchange transactions		4 556 167	2 234 602
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	33 686 086	29 698 028
Public contributions and donations	36	11 991	59 201
Total revenue from non-exchange transactions		33 698 077	29 757 229
Total revenue	14	38 254 244	31 991 831
Expenditure			
Employee related costs	18	(14 406 979)	(13 469 701)
Administration	20	(3 864 966)	(2 615 224)
Depreciation and amortisation		(1 140 269)	(570 318)
Finance costs	21	-	(5 283)
Lease rentals on operating lease	22	(186 210)	(78 696)
Provision for doubtful debts	22	(95 763)	(76 248)
General Expenses	22	(14 136 841)	(11 438 905)
Total expenditure		(33 831 028)	(28 254 375)
Total revenue		38 254 244	31 991 831
Total expenditure		(33 831 028)	(28 254 375)
Operating surplus/deficit		-	-
Surplus before taxation		4 423 216	3 737 456
Taxation		-	-
Surplus for the year		4 423 216	3 737 456

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 April 2018	9 865 610	8 450 466	18 316 076
Changes in net assets			
Movements in revaluation reserves	900	-	900
Net income (losses) recognised directly in net assets	900	-	900
Surplus for the year	-	3 737 456	3 737 456
Total recognised income and expenses for the year	900	3 737 456	3 738 356
Balance at 01 April 2019	9 866 510	12 187 925	22 054 430
Changes in net assets			
Surplus for the year	-	4 423 216	4 423 216
Total changes	-	4 423 216	4 423 216
Balance at 31 March 2020	9 866 510	16 611 141	26 477 651

Nelson Mandela Museum

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Cash Flow Statement

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Receipts			
Government Grants		33 686 086	29 698 028
Interest income		4 455 693	2 112 260
Donations Received		11 991	59 201
Sundry Income		100 474	122 342
		<u>38 254 244</u>	<u>31 991 831</u>
Payments			
Employee costs		(14 406 979)	(13 469 701)
Suppliers		(18 068 613)	(16 383 905)
Other non cash item		-	(195 450)
		<u>(32 475 592)</u>	<u>(30 049 056)</u>
Total receipts		38 254 244	31 991 831
Total payments		(32 475 592)	(30 049 056)
Net cash flows from operating activities	25	<u>5 778 652</u>	<u>1 942 775</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 074 080)	(1 034 568)
Purchase of intangible assets	4	-	(357 353)
		<u>(1 074 080)</u>	<u>(1 391 921)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Increase in unspent conditional grants		874 914	33 423 261
		<u>874 914</u>	<u>33 423 261</u>
Net increase/(decrease) in cash and cash equivalents		<u>5 579 486</u>	<u>33 974 115</u>
Cash and cash equivalents at the beginning of the year		62 661 856	28 687 749
Cash and cash equivalents at the end of the year	8	<u>68 241 342</u>	<u>62 661 864</u>

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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
Figures in Rand					
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Sale of goods	30 000	-	30 000	100 474	70 474
Interest received - investment	300 000	500 000	800 000	4 455 693	3 655 693
Total revenue from exchange transactions	330 000	500 000	830 000	4 556 167	3 726 167
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	28 183 000	5 503 086	33 686 086	33 686 086	-
Public contributions and donations	-	-	-	11 991	11 991
Total revenue from non-exchange transactions	28 183 000	5 503 086	33 686 086	33 698 077	11 991
'Total revenue from exchange transactions'	330 000	500 000	830 000	4 556 167	3 726 167
'Total revenue from non-exchange transactions'	28 183 000	5 503 086	33 686 086	33 698 077	11 991
Total revenue	28 513 000	6 003 086	34 516 086	38 254 244	3 738 158
Expenditure					
Personnel	(13 478 013)	-	(13 478 013)	(14 406 979)	(928 966)
Remuneration of councillors	(612 000)	(227 000)	(839 000)	-	839 000
Administration	-	-	-	(3 864 966)	(3 864 966)
Depreciation and amortisation	-	-	-	(1 140 269)	(1 140 269)
Lease rentals on operating lease	(186 210)	-	(186 210)	(186 210)	-
Bad debts written off	-	-	-	(95 763)	(95 763)
Repairs and maintenance	(96 500)	-	(96 500)	-	96 500
General Expenses	(14 140 277)	(4 711 007)	(18 851 284)	(14 136 841)	4 714 443
Total expenditure	(28 513 000)	(4 938 007)	(33 451 007)	(33 831 028)	(380 021)
	-	5 116 086	5 116 086	4 423 216	(692 870)
	-	-	-	-	-
Surplus before taxation	-	5 116 086	5 116 086	4 423 216	(692 870)
Deficit before taxation	-	5 116 086	5 116 086	4 423 216	(692 870)
Taxation	-	-	-	-	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	5 116 086	5 116 086	4 423 216	(692 870)

NMM approved budget for the year was adjusted with an interest received from bank for operating budget and rolled-over funds. Refer to Note 29 for detailed explanation of variances.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Annual Financial Statements

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

The Annual Financial Statements have been prepared on an accrual basis of accounting using the going concern assumption and are in accordance with the 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

Receivables from Exchange and Non-Exchange Transactions

The entity assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the entity makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for loans and 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. 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 12. Provisions are measured in the management's best estimate of the expenditure required to settle the obligation at the reporting date.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

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 constitutional institution; 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 recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

The initial estimate of the cost 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.

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.

Subsequent Measurement

Property, plant and equipment is carried at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is written off over the useful life of the assets to the residual value using the straight line method

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

Category	Depreciation method	Average useful life
Buildings	Straight line	10 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
Computer software	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 de-recognition 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.

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.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

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.

1.7 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 Nelson Mandela Museum
 - The cost or fair value of the asset can be measured reliably
- (b) For recognition of heritage assets, the assets needs to be controlled by Nelson Mandela Museum as a results 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 judgement of Nelson Mandela Museum to assess the degree of certainty attached to the flow of future economic benefits.

Initial measurement

- Due 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 determine 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.

Subsequent Measurement

- In accordance GRAP 103, an entity should choose either the cost model or the revaluation model for subsequent measurement of an entire class of heritage assets
- In accordance with the Cost Model, after recognition as an asset a class of heritage assets measure 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 revalued amount, being its fair value at 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.

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 is comprises of the following:
 - (i) its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebate
 - (ii) 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 include cost such as:
 - (i) Cost of employee benefits for example the initial assessment of the heritage asset

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.7 Heritage assets (continued)

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 Assets.
- (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

- (a) Transfers from heritage assets can only be made when an asset no longer meets the definition of a heritage asset e.g. from Heritage to PPE.
- (b) Transfers to heritage assets can only be made when an asset subsequently meets the definition of a heritage asset.

Derecognition

- (a) 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.

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 paragraphs 7, 11, and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

1.8 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.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.8 Financial instruments (continued)

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
- 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.

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.8 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - 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.

1.9 Tax

Current tax assets and liabilities

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

1.10 Intangible Assets

The cost of an item of intangible asset is recognised as an asset when:

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

Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

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 re-assessing 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.

1.11 Leases

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the market related rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

Operating leases - 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 consists of books which 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.

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 its fair value less costs to sell and its value in use.

Nelson Mandela Museum

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1.13 Impairment of cash-generating assets (continued)

Useful life is either:

- 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

Short-term employee benefits include items such as:

- 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;

Defined Contribution Plan

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.15 Provisions and contingencies

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.

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.

Nelson Mandela Museum

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1.17 Revenue from exchange transactions (continued)

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 an 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.

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.

Nelson Mandela Museum

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1.18 Revenue from non-exchange transactions (continued)

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 the 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 could have been avoided had reasonable care been exercised.

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

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.

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.

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1.22 Budget information

Constitutional Institution are 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 2019/04/01 to 2020/03/31.

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

The annual financial statements and the budget are not at 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 Non-cash generating assets

Non-cash Generating assets are assets other than Cash Generating Assets. Recoverable services amount is the higher of the Non- cash generating asset's value less costs to sell and its value in use.

Impairment of non cash generating assets

An 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 benefit or service potential through depreciation. Value in use of a Non-cash generating asset is the present value of the asset's remaining service potential. A commitment to discontinue or restructure an operation in the near future is an indication of a reversal of an impairment loss of an asset belonging to the operation where such commitment constitutes a significant long term change with favourable effect on the entity in the extent or manner of the use of that asset.

1.24 Related parties

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

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

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

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

1.25 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.

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP1: Presentation of Financial Statements	01 April 2019	The impact of the is not material.
• GRAP 2: Cash Flow Statements	01 April 2019	The impact of the is not material.
• GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors	01 April 2019	The impact of the is not material.
• GRAP 9: Revenue from Exchange Transactions	01 April 2019	The impact of the is not material.
• GRAP 12: Inventories	01 April 2019	The impact of the is not material.
• GRAP 13: Leases	01 April 2019	The impact of the is not material.
• GRAP 14: Events After Reporting Date	01 April 2019	The impact of the is not material.
• GRAP 17: Property, Plant and Equipment	01 April 2019	The impact of the is not material.
• GRAP 19: Provisions, Contingent Laibilities and Contingent Assets	01 April 2019	The impact of the is not material.
• GRAP 21: Impairment on Non-Cash Generating Assets	01 April 2019	The impact of the is not material.
• GRAP 23: Revenue from Non- Exchange Transactions	01 April 2019	The impact of the is not material.
• GRAP 24: Presentation of Budget Information in Financial Statements	01 April 2019	The impact of the is not material.
• GRAP 25: Employee Benefits	01 April 2019	The impact of the is not material.
• GRAP 31: Intangible Assets	01 April 2019	The impact of the is not material.
• GRAP 103: Heritage Assets	01 April 2019	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements	31 March 2019	The impact of the is not material.
• GRAP 20: Related parties	01 April 2019	The impact of the is not material.
• GRAP 108: Statutory Receivables	01 April 2019	The impact of the is not material.

2.2 Standards and interpretations issued, but not yet effective

The NMM has not applied the following standards and interpretations, which have been published and are mandatory for the NMM's accounting periods beginning on or after 01 April 2020 or later periods:

- | | | |
|---|---------------|--|
| • GRAP 104 (amended): Financial Instruments | 01 April 2020 | Unlikely there will be a material impact |
|---|---------------|--|

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3. Property, plant and equipment

	2020		2019			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	3 184 920	(1 361 636)	1 823 284	3 044 452	(1 046 656)	1 997 796
Furniture and fixtures	3 118 086	(2 809 653)	308 433	2 995 879	(2 558 567)	437 312
Motor vehicles	713 128	(301 412)	411 716	224 228	(224 228)	-
Office equipment	785 895	(751 003)	34 892	1 221 811	(1 180 489)	41 322
IT equipment	2 319 784	(1 325 057)	994 727	2 023 284	(1 001 098)	1 022 186
Other property, plant and equipment	1 018 190	(1 014 428)	3 762	1 014 344	(989 082)	25 262
Total	11 140 003	(7 563 189)	3 576 814	10 523 998	(7 000 121)	3 523 877

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Buildings	1 997 796	140 468	(314 980)	1 823 284
Furniture and fixtures	437 312	122 207	(251 087)	308 432
Motor vehicles	-	488 900	(77 184)	411 716
Office equipment	41 321	22 160	(28 596)	34 885
IT equipment	1 022 187	296 500	(323 958)	994 729
Other property, plant and equipment	25 262	3 845	(25 346)	3 761
	3 523 878	1 074 080	(1 021 151)	3 576 807

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Impairment reversal	Total
Buildings	1 633 902	630 166	(266 272)	-	1 997 796
Furniture and fixtures	655 120	-	(217 808)	-	437 313
Office equipment	148 132	21 535	(128 346)	-	41 321
IT equipment	409 028	382 867	(380 714)	611 008	1 022 188
Other property, plant and equipment	124 106	-	(98 844)	-	25 262
	2 970 288	1 034 568	(1 091 985)	611 005	3 523 877

Pledged for security

None of PPE items have been pledged as security.

4. Intangible assets

	2020		2019	
	Cost / Valuation	Accumulated amortisation and impairment	Cost / Valuation	Accumulated amortisation and impairment
Computer softwares	357 360	(208 464)	357 353	(89 338)
		148 896		268 015

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer softwares	268 015	(119 119)	148 896

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4. Intangible assets (continued)

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software, other	-	357 353	(89 338)	268 015

Pledged as security

None of the intangible assets have been pledged as security

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5. Heritage assets

	2020		2019			
	Cost/ Valuation	Accumulated impairment losses	Carrying value	Cost/ Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	7 991 850	-	7 991 850	7 991 850	-	7 991 850
Stamp collections, military insignia, medals, coin	1 724 470	(1 580)	1 722 890	1 724 470	-	1 724 470
Other Heritage Assets	153 580	-	153 580	153 580	-	153 580
Total	9 869 900	(1 580)	9 868 320	9 869 900	-	9 869 900

Reconciliation of heritage assets 2020

	Opening balance	Impairment losses (recognised)/re versed directly in Net assets	Total
Art Collections, antiquities and exhibits	7 991 850	-	7 991 850
Stamp collections, military insignia, medals, coin	1 724 470	(1 580)	1 722 890
Other Heritage Assets	153 580	-	153 580
	9 869 900	(1 580)	9 868 320

Reconciliation of heritage assets 2019

	Opening balance	Revaluation increase/(decre ase)	Total
Art Collections, antiquities and exhibits	7 991 850	-	7 991 850
Stamp collections, military insignia, medals, coin	1 724 470	-	1 724 470
Other (specify class)	152 680	900	153 580
	9 869 000	900	9 869 900

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5. Heritage assets (continued)

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.

The assets were assessed for impairment at year end and 12 items were identified as deteriorating and impaired to their recoverable amount.

Pledged as security

None of the heritage assets have been pledged as security and are therefore not encumbered.

-

113

6. Inventories

Merchandise

241 784

267 823

7. Receivables from non-exchange transactions

Opening Balance

Recovered receivables

Other receivables from non-exchange revenue

Provision for doubtful debts

235 749

(139 986)

43 004

(95 763)

43 004

235 749

The account is made of long outstanding debtor that is relating to a former CEO's PAYE that was paid on his behalf. The Museum had not succeeded in recovering these funds as yet. The debt is more than 120 days old and the possibility of recovery is limited. The provision for doubtful debt has been raised. The remainder of the account is payment in advance as well as fruitless and wasteful expenditure debtors.

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8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash and balances with banks	603 500	603 500
Short-term deposits	67 637 839	62 058 356
	68 241 339	62 661 856

9. Revaluation reserve

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 below. Refer to note 5

Opening balance	9 866 510	9 865 610
Change during the year	-	900
	9 866 510	9 866 510

10. Accumulated surplus

Ring-fenced internal funds

Balance as originally stated	12 187 920	8 450 465
Surplus (Deficit) for the year	4 423 214	3 737 455
	16 611 134	12 187 920

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts

Qunu Development Construction Project	21 769 020	21 909 488
Facilities Management	2 757 303	4 000 000
Long Walk Freedom	6 000 000	-
Erection of Statues	8 089 804	10 000 000
Qunu Development Project	11 319 496	12 335 013
ICT Project	2 669 999	3 486 206
Installation of burgler bars	33 083	33 083
	52 638 705	51 763 790

Non-current liabilities	24 487 702	25 730 399
Current liabilities	28 151 003	26 033 391
	52 638 705	51 763 790

Reconciliation of conditional grants

	Opening Balance	Additions	Conditions met and transferred to revenue	Closing Balance
Qunu Development Construction Project	21 909 488	-	(140 468)	21 769 020
Facilities Management	4 000 000	-	(1 242 697)	2 757 303
Long Walk to Freedom	-	6 000 000	-	6 000 000
Erection of Statues	10 000 000	-	(1 910 196)	8 089 804
Qunu Development Project	12 335 013	-	(1 015 517)	11 319 496
ICT Project	3 486 206	-	(816 207)	2 669 999
Installation of burgler bars	33 083	-	-	33 083
	51 763 790	6 000 000	(5 125 085)	52 638 705

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11. Unspent conditional grants and receipts (continued)

Qunu Development construction projects-This grant can be utilised in construction of Long walk to freedom (LWTF) film set and reconstruction of the exhibition thereof.

Facilities Management- These funds are for 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 LWTF construction project.

Erection of Statues- These funds are for construction of 2 Nelson Mandela statues in Bhunga and Qunu.

Qunu Development project- This grant is for both project management team and Qunu improvements.

ICT Project- These funds are for ICT infrastructure development and equipment.

Installation of burglar bars- These funds were allocated to install burglar bars at the Museum.

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 the period that is less than 12 months. Also other projects namely erection of states, ICT project, Facilities Management and Project Management are also anticipated to continue spending allocated funds as per budget in the period less than 12 months.

12. Provisions

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Provision for incentive bonus	1 168 475	1 717 585	(1 168 475)	1 717 585
Provision for 13th cheque	82 729	78 736	(82 729)	78 736
Provision for leave	977 017	374 838	(759 403)	592 452
	2 228 221	2 171 159	(2 010 607)	2 388 773

Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Provision for incentive bonus	1 012 937	1 168 476	(1 012 938)	1 168 475
Provision for 13th Cheque	166 317	370 211	(453 799)	82 729
Provision for leave	643 516	1 384 495	(1 050 994)	977 017
Provision for municipal charges	1 837 061	-	(1 837 061)	-
	3 659 831	2 923 182	(4 354 792)	2 228 221

13. Payables from exchange transactions

Accruals	-	65 311
Sundry Creditors	615 030	715 469
	615 030	780 780

14. Revenue

Sundry Income	100 474	122 342
Interest received - investment	4 455 693	2 112 260
Government grants & subsidies	33 686 086	29 698 028
Public contributions and donations	11 991	59 201
	38 254 244	31 991 831

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14. Revenue (continued)

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

Sundry Income	100 474	122 342
Interest received - investment	4 455 693	2 112 260
	4 556 167	2 234 602

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

Taxation revenue		
Transfer revenue		
Government grants & subsidies	33 686 086	29 698 028
Public contributions and donations	11 991	59 201
	33 698 077	29 757 229

15. Other revenue

Sundry Income	100 474	122 342
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Sundry income consists of revenue from sale of books, bid documents, t-shirts etc.

16. Investment revenue

Interest revenue		
Bank	4 455 693	2 112 260
	-	-
	4 455 693	2 112 260

The amount included in Investment revenue arising from exchange transactions amounted to R4 455 693 (2019: R2 112 260).

There was no interest income, calculated using the effective interest rate for financial instruments that were not at fair value through surplus or deficit.

17. Government grants and subsidies

Operating grants

Government grants from National Department	28 561 000	27 103 000
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Capital grants

Government grant (capital)	5 125 086	2 595 028
Total Grants from National Department	28 561 000	27 103 000
Total capital grants	5 125 086	2 595 028
Total Grants (refer to note 14)	33 686 086	29 698 028

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18. Employee related costs

Basic	11 577 889	10 804 624
Incentive Bonus	1 717 585	1 131 480
UIF	43 482	38 809
SDL	105 966	215 138
Other payroll levies	26 539	25 459
Leave pay provision charge	14 132	468 046
Defined contribution plans	636 024	621 287
13th Cheques	239 071	129 506
Casual Labour	46 291	35 352
	14 406 979	13 469 701

Mr B Tyhulu - Chief Executive Officer

Annual Remuneration	1 371 517	1 262 666
Performance Bonuses	258 639	178 109
Contributions to UIF, Medical and Pension Funds	13 715	13 697
Other	-	6
	1 643 871	1 454 478

Remuneration of Mrs N Tandwa- Senior Manager

Annual Remuneration	779 484	368 000
Performance Bonuses	193 313	72 266
Contributions to UIF, Medical and Pension Funds	7 484	-
	980 281	440 266

Remuneration of Mr M Msongelwa- Chief Financial Officer

Annual Remuneration	1 075 751	1 027 573
Performance Bonuses	276 957	144 949
Contributions to UIF, Medical and Pension Funds	10 757	11 345
	1 363 465	1 183 867

Remuneration of Ms N Thwala - Senior Manager

Annual Remuneration	779 000	720 000
Performance Bonuses	115 988	101 173
Contributions to UIF, Medical and Pension Funds	7 790	9 685
	902 778	830 858

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19. Remuneration of Council

Council Member	2020	2019
Dr N Songelwa Chairperson	14 763	-
Adv T Nevondwe Deputy Chairperson and ARC Chairperson	104 998	51 250
Mr S Madikizela FIFC Chairperson	47 093	22 500
Prof B Mngomezulu COC Chairperson	75 433	62 500
Mr A Kgontse IDC Chairperson	104 866	92 500
Mr M Bavuma	6 968	-
Mr S Mzamo	84 850	-
Dr S Masuku	10 452	-
Ms A Vikilahle Council Chairperson	59 153	94 000
Mr K Buthelezi ARC Chairperson and Council Member	83 795	79 500
Dr O Tema	63 340	65 250
Mr V Booie	27 395	28 000
Dr K Ngqila	59 744	58 000
Ms N Mandela	20 904	12 000
Ms K Gustafson	38 282	10 000
Mr L Mangquku - Audit Committee Member	28 430	18 000
Ms O Motsielwa - Audit Committee Member	15 678	8 000
	846 144	601 500

20. Administrative expenditure

Administration and management fees - third party	3 864 966	2 615 224
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21. Finance costs

Finance leases	-	5 283
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22. Other Operating expenses

Advertising	993 817	772 480
Auditors remuneration	1 314 021	1 259 310
Computer expenses	641 724	364 085
Consulting and professional fees	4 754 475	1 849 862
Provision for Doubtful Debts	95 763	76 248
Leasing Charges	186 209	83 979
Motor vehicle expenses	1 707	-
Fuel and oil	79 898	133 014
Printing and stationery	140 663	127 633
Security Expenses	2 337 889	2 178 859
Subscriptions and membership fees	-	-
Travel - local	3 179 756	3 671 567
Exhibition Expenses	309 650	393 575
Functions and Catering	187 893	237 712
Other Expenses	130 397	322 925
Repairs and Maintenance	64 952	127 883
	14 418 814	11 599 132

23. Auditors' remuneration

Fees	1 314 021	1 259 310
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24. Depreciation and amortisation

The depreciation for the year consist of:

Buildings	(314 980)	(266 273)
Furniture and fixtures	(251 087)	(217 808)
IT equipment	(323 958)	230 291
Office equipment	(28 596)	(128 345)
Other property, plant and equipment	(25 346)	(98 844)
Intangible Assets	(119 118)	(89 338)
Motor vehicles	(77 184)	-
	(1 140 269)	(570 317)

25. Cash generated from operations

Surplus	4 423 216	3 737 456
Adjustments for:		
Depreciation and amortisation	1 140 269	570 318
Assets impairment	1 580	-
Provision for doubtful debts	96 983	76 248
Movements in provisions	160 552	(1 431 610)
Changes in working capital:		
Inventories	26 039	(57 118)
Other receivables from non-exchange transactions	95 763	(160 817)
Payables from exchange transactions	(165 750)	(686 103)
Lease Payments	-	(105 599)
	5 778 652	1 942 775

26. Commitments

Authorised operational expenditure

Already contracted for but not provided for

• Leases	107 406	277 794
• Cleaning and Security	8 451 426	991 655
• Professional team	1 816 981	-
• Facilities Management	2 757 303	-
• Other	2 495 354	5 199 012
	15 628 470	6 468 461

Not yet contracted for and authorised by members

Facilities Management	-	4 000 000
Other	-	924 654
	-	4 924 654

Other above is made of commitments that are relating to Photocopiers, Couriers, Travel Agent, Telephone line etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	107 406	184 126
Two to five years	-	107 406
	107 406	291 532

Operating lease payments represent rentals payable by the NMM for rental of 3 printers from Konica Minolta for a period of 2 years.

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27. Contingencies

An amount of R Nil (2019: R2 900 660) relates to possible loss by NMM if the institution were to lose the case that was open in 2019. A former employee who was dismissed in 2015 took NMM to court for unfair dismissal. The hearing was heard at labour court and NMM as a defendant was awarded the case. However, the former employee took the case to the CCMA. The hearing was in March 2020 and the outcome was received in May 2020. The outcome at CCMA was in favour of the Museum.

28. Related parties

Controlling entity	The Nelson Mandela Museum has been established by the South African Government through the Department of 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)
Non-Executive Management	The Nelson Mandela Museum Council is the Governing Accounting Authority of the Institution (see details in note 19)
Executive Management	All senior managers of the Nelson Mandela Museum are classified as Executive Management (See details in note 18)
Other related parties	All other transactions with government entities are classified as related parties.

29. Explanation of material variances

Revenue

	Actual R	Budgeted R	% variance	Total
Revenue	38 254 244	(34 516 086)	10.98 %	3 788 158

There was a favourable variance on revenue due to budgeted interest was for lesser than the actual. The majority of the interest accumulated relates to infrastructure funds as disclosed on note 13 above. Management had thought that the progress on awarded projects would be at advanced stages before year end however, it was not due to challenges that were since managed.

Total Expenses

	Actual	Budgeted R	Variance	Total
	33 831 028	(33 451 007)	1.14 %	(380 021)

The above variances are explained below:

Remuneration to Councillors- The expenditure for the year is mapped under personnel costs above. The overall variance between the actual and budget is immaterial.

Depreciation- This is a non-monetary item and the wear and tear is not budget for. The allocation for the department is limited only for operational budget.

Provision for doubtful debts- Refer to note 7 and also this is non-monetary variance. The provision is budgeted under operating expenses.

General expenses- This saving is largely due to municipal charges that were way less than the budgeted ones.

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30. Risk management

Financial risk management

The entity's principal financial liability comprises 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 financial asset in the form of cash and short-term deposits, which arise directly from its operations.

March 2020

	Short Term Investments	Financial Liability at amortised cost	Total
Cash and Cash Equivalents	68 241 339	-	68 241 339
Trade and Other Receivables	43 004	-	43 004
Trade and Other Liabilities	-	(615 030)	(615 030)
	68 284 343	(615 030)	67 669 313

March 2019

	Short Term Investments	Financial Liability at amortised costs	Total
Cash and cash equivalents	62 661 856	-	62 661 856
Trade and other Receivables	235 749	-	235 749
Trade and other Liabilities	-	(780 780)	(780 780)
	62 897 605	(780 780)	62 116 825

Liquidity risk

The entity's risk to liquidity is a result of the available to cover future commitments. The entity manages liquidity risk through on-going review future commitments and credit facilities.

The table below analyses the constitutional institution's financial liabilities and net-settled 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.

2020	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	-	200 000	1 500 000	6 937 326	44 001 379	52 638 705
Provisions	-	-	2 310 037	78 736	-	2 388 773
Trade and other payables	615 030	-	-	-	-	615 030
	615 030	200 000	3 810 037	7 016 062	44 001 379	55 642 508

2019	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	5 200 000	9 800 000	-	-	23 637 000	38 637 000
Provisions	1 168 457	-	-	1 059 746	-	2 228 203
Trade and other payables	742 023	-	-	-	-	742 023
	7 110 480	9 800 000	-	1 059 746	23 637 000	41 607 226

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30. Risk management (continued)

Credit and Market risk

Credit Risk

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.

31. Going concern

The financial statements have been prepared on the going concern basis based on the assumption that 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.

32. Events after the reporting date

The matter for the former CEO as referred to note 27 was heard at the CCMA during the financial year and the letter of award to the Museum was received after year end but before the AFS were authorised to be issued.

33. Fruitless and wasteful expenditure

Opening balance	25 998	251 051
Additions for the year	17 472	29 241
Transferred to debtors	(1 447)	(13 710)
Closed cases with no negligence proven	(1 137)	(223 020)
Prior year recoveries	(23 892)	(17 564)
	16 994	25 998

Additions

R17 472

The fruitless that was incurred in the current year relates to travel and accommodation account. The officials would return the hired cars late, no shows at hotels, damage hired cars etc. The investigating committee is still investigating the cases. Out of eleven cases there are 8 that were closed.

Recoverables

R 23 892

All the fruitless expenditure debtors that were raised in the previous year and current year that were recovered/ closed..

Closed cases with no negligence proven

R 1 137

All the possible fruitless expenditure that were raised and subsequent to the investigation, the employee was not negligent.

34. Irregular expenditure

Opening balance	4 456 190	6 433 548
Less: Amounts condoned	-	(1 539 558)
Less: Adjustment of irregular expenditure	-	(437 800)
	4 456 190	4 456 190

Details of irregular expenditure not recoverable (not condoned)

An application has been made to National Treasury requesting a condonation of the irregular expenditure incurred during the previous years.

4 456 190

35. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

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35. Reconciliation between budget and statement of financial performance (continued)		
Net surplus per the statement of financial performance	4 423 216	3 737 456
Adjusted for:		
Conditional grants spent	(1 074 080)	-
Infrastructure interest	(3 131 513)	-
Increases / decreases in provisions	-	-
Other (specify)	-	(544 698)
Admin Expenses	-	(2 616 211)
Staff costs	-	(1 146 864)
Depreciation	-	570 318
Net surplus per approved budget	217 623	1
36. Public contributions and donations		
Various donations	11 991	59 201

37. Change in estimate

Property, plant and equipment

In the prior year, the useful lives and residual values were assessed and following were results: The useful lives were not changed at class level, however at an item level NMM had extended the useful lives of CCTV cameras from 3 to 6 years.

The above review of the useful lives had the following impact:

Impact	2019
Increase in the statement of comprehensive income	(611 005)
Increase in the statement of financial position	611 005
	-
Depreciation effect	Total
Gross depreciation	380 714
Adjustment	(611 005)
Net depreciation	(230 291)

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Supplementary Information

1. Donations

Type of donation	2020	2019
Various donors	11 990	59 270

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

Donations Received	Donor	Amount	Column heading	Total
	Various donors	11 990	-	11 990