



CHIEF ALBERT LUTHULI
NOBEL PEACE
LAUREATE

LUTHULI MUSEUM

2021/2022
ANNUAL
REPORT



an agency of the
Department of Sport, Arts and Culture

LUTHULI MUSEUM

ANNUAL REPORT 2021 / 2022

ISBN NO: 978-0-62-150521-4



Audience enjoying the jazz sounds of Kgethi Nkotsi launching his Maswitsi Album at The Luthuli Museum, 19 December 2021



Nosihe Live in Concert at the Luthuli Museum, 28 January 2022



Luthuli Museum Council Chairperson (Mr I. Mkhize), Deputy Chairperson (Dr. M. Mchunu), Luthuli Museum Management and Groutville High School Students at the Hybrid: Chief Albert Luthuli Memorial Lecture, 10 December 2021



Bheki Khoza Live in Concert at the Luthuli Museum, 11 December 2021



Luthuli Museum Council Chairperson Mr I. Mkhize delivering Opening Remarks at the Hybrid: Chief Albert Luthuli Memorial Lecture, 10 December 2021



CHIEF ALBERT LUTHULI
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PART A: GENERAL INFORMATION

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PART A : GENERAL INFORMATION

A. 1 Luthuli Museum's General Information

Entity's Registered Name	Luthuli Museum
Physical Address	3233 Nokukhanya Luthuli Street Groutville KWADUKUZA 4450 KwaZulu Natal Province Republic of South Africa
Postal Address	PO Box 1869 KWADUKUZA 4450
Contact Telephone Numbers	+27 32 559 6822 / 23
Email Address	luthulimuseum@luthulimuseum.org.za
Website Address	www.luthulimuseum.org.za
Internal Auditors	HTB Consulting MORAR Inc. Chartered Accountants SA.
External Auditors	AGSA
Bankers Information	First National Bank

A. 2 LIST OF ABBREVIATIONS

AA	Accounting Authority
ARC	Audit and Risk Committee
AO	Accounting Officer
APP	Annual Performance Plan
AR	Annual Report
APR	Annual Performance Report
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
DSAC	Department of Sports, Arts and Culture
EA	Executive Authority
FINCOM	Finance Committee
GRAP	General Accounting Standards
HRREMCO	Human Resources and Remuneration Committee
IA	Internal Auditors
MTEF	Medium Term Expenditure Framework
MRCOM	Marketing and Research Committee
SP	Strategic Plan

A. 3 FOREWORD BY THE MUSEUM COUNCIL CHAIRPERSON



Mr. Important Mkhize
CHAIRPERSON: LUTHULI MUSEUM COUNCIL

During this reporting year, I would like to welcome the new Museum Council members appointed by the Minister of Sport, Arts and Culture for a new three-year term effective from 9 December 2020. Like many other public and business venture, the Luthuli Museum faces the daunting task of resuming full operations after a two-year period of uncertainty brought upon by the ravaging pandemic.

The year 2021 marks 60 Years since Chief Albert Luthuli was awarded the Nobel Peace Prize in 1961 (for the year 1960). Therefore, this year becomes important to the Museum and all stakeholders and partners invested in the protection and promotion of the legacy of this remarkable leader. The year marks 15 years also since the inauguration of the Annual Chief Albert Luthuli Memorial Lecture i in March 2004. It therefore was appropriate that the 2021 Luthuli Lecture was delivered by non other than the former President of the Republic of South Africa, Mr. Thabo Mbeki on 10 December 2021. Chief Albert Luthuli delivered his historic Nobel Peace speech *“Africa and Freedom”* on this day on 10 December 1961.

This reporting year the Museum has successfully achieved an unqualified audit outcome. This is a positive encouragement as such outcomes testify to the organization’s commitment to financial sustainability and the importance of compliance with oversight legislation. That said, it is important to note that service delivery should also be measured against meaningful impact of the Museum’s work within the community. Despite the challenges brought upon by the pandemic, it is worth noting that the Museum delivered on programmes with schools; the young and old; children holidays activities; outreach and music concerts.

The pandemic and the accompanying restrictions have changed. A new dawn of hope and energy arises as we refocus on our mandate as the Luthuli Museum. The Museum now needs to move from the pandemic slumber and prepare to receive the expected increasing number of visitors and school tours as people break away from the pandemic restrictions. The Luthuli Walk 2022 and the Luthuli Memorial Lecture 2022, two flagship events for the Museum, will need to take place openly. Virtual events were indeed ground breaking achievements as various information technology applications enabled work to continue. However, some human activity cannot be relegated to mere virtual interaction.

As the Luthuli Museum Council, we are excited with the Museum plans for the new financial year of 2022/23. We look forward to regaining its pre pandemic level of achievements in fulfilling its mandate as the custodian of the legacy of Chief Albert Luthuli. On behalf of the Museum Council, I hereby present the Luthuli Museum 2021/2022 Annual Report!

Let the Spirit of Luthuli Speak to All!

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

Mr. Important Mkhize

CHAIRPERSON: LUTHULI MUSEUM COUNCIL

A. 4 MUSEUM DIRECTOR OVERVIEW



Mr. Brian Xaba
DIRECTOR: LUTHULI MUSEUM

This reporting year the Luthuli Museum had adjusted to the reality of the pandemic and therefore began hosting visitors and public programmes within the applicable compliance measures. Museum activities like workshops, public dialogues; events and exhibitions continued where some took place virtually and some as hybrid activities. Museum services like research inquiries by scholars and learners from the local schools continued.

Research inquiries were received by the Museum from scholars like US Professor Jill Kelly; Dr Vukile Khumalo; Prof. Jafta, all of whom respectively requested information on Ntaba Luthuli (Chief Albert Luthuli's grandfather); the Chonco papers and Mrs. Nokukhanya Luthuli for their own research work. A total number of 34 books were acquired by the Museum either through outright purchase or donation from various charitable donors. One of the books donated was by the Sisulu Family (Mr. Max and Elinor Sisulu) titled; *Walter and Elinor Sisulu: In our Lifetime* about the life of struggle against apartheid. This collection of books has been included in our heritage assets register and form part of the Museum's growing reference library.

Our oral history programme continued this reporting year whereby a total of 6 oral history interviews relating to the legacy of Chief Albert Luthuli were conducted. These interviews included some members of the renowned Luthuli Detachment; on the history of Chief Albert Luthuli in Blaauwbosch; and the United Congregational Church. Exhibitions mounted this reporting year include one under the theme *'Remembering Africa's First Nobel Peace Laureate'*, to mark 60 Years of the Nobel Peace Award to Chief Albert Luthuli; and another partnership exhibition themed *"uMongo Msindo"*. This exhibition focused on traditional music instruments and applied a QR Code system to relay information on the displayed music instruments. This type of information system presents many possibilities for exhibition displays and improved accessibility in public information sharing. The Museum will explore further on various application of the QR Code system in terms of future exhibits considering space limitations for displays and the need to enhance knowledge distribution.

Notwithstanding the prior year public fears of the pandemic and alert level lockdowns, this reporting year there were signs of growing interest by schools, group tours and visitors. The advent of the pandemic resulted in visitor numbers reduced to 15 305 in 2020/202 (down from 38 585 in 2019/20). The visitor numbers during this reporting year positively increased to 27 584.

Apart from schools and group tours, the Museum hosted prominent visitors during this reporting year. The list of visitors included the newly appointed Chief Albert Luthuli Research Chair Prof Puleng Segalo; the US Chief Consul General Ms. Heather Merrit who joined the Dr Albertina Luthuli and Museum management in paying tribute at the grave of Chief Albert Luthuli; Mr. Max and Elinor Sisulu who arrived with Dr Gcina Mhlophe for the Gcinamasiko Storytelling Festival; Dr Ashantewaa Ngidi from the Afrikology Institute who conducted a Social Cohesion Workshop; the Deputy Minister of Employment and Labour Ms. Boitumelo Moloi and also the Deputy Minister of Tourism Mr. Fish Mahlalela who visited the Museum during his KwaZulu Natal leg of the *'Domestic Tourism Activation Campaign'*. Luthuli Museum management hosted the newly appointed Museum Council members who were introduced to the institution and staff during their induction. Lastly, the Museum was paid a surprise visit by the Minister of Sport, Arts and Culture, Mr. Mthethwa, who toured the Museum with his wife. The visit provided great insight to management and staff on the preservation, profiling and promotion of the Museum and the legacy of Chief Albert Luthuli.

Mrs. Nokukhanya Luthuli was befittingly remembered during Women's Month at a Museum virtual public dialogue where Prof. Jill Kelly delivered a paper titled, *'Nokukhanya Luthuli: The First Lady of the ANC'*. The commemoration of the 8 June 1966 historic meeting between Senator Robert Kennedy and Chief Albert Luthuli at his home in Groutville provided an uplifting virtual public dialogue for learners and public participants.

They engaged with political commentator Mr. Lukhona Mnguni and US Consulate Durban Public Affairs Officer Ms. Jaclyn Cole on the dialogue topic, *'Reflections on Lasting Connections: The Importance of International Solidarity during times of Crises'*.

Former RSA President Thabo Mbeki had the country ‘talking’ when he delivered the 15th Chief Albert Luthuli Memorial Lecture virtually to mark the 60th anniversary of Luthuli’s Nobel Peace Award. The Lecture was delivered on 10th December 2021 under the theme, “*Africa and Freedom*”.

This year the Museum appointed new Internal Auditors as the 3-year contract of HTB Consulting (appointed 2018) terminated. This accounting firm served the Museum well and ensured assurance on financial and compliance matters since their appointment. Morar Inc. Chartered Accountants (SA) are the new internal auditors for the Museum appointed on a 3-year contract effective from 15 December 2021.

With respect to Museum policies and procedures, the Council reviewed and approved the SCM Policy on 30 August 2021 which had to be aligned to NT regulations. Ongoing work commenced during this reporting year to develop new policies on *Succession Plan*, *Code of Conduct* and *Contract Management*. A review process of other policies commenced with the Asset Management Policy identified as a priority. Investigation into the Irregular Expenditure for 2019/2020 financial year was completed and subsequent consequence management implemented by the Museum Council. The Museum will submit an application to NT for THE condonation of the 2019/2020 Irregular Expenditure.

The appointment of a new Council by the Ministry of Sport, Arts and Culture bought forth new rigor and focus on oversight as it continued with efforts to take the Museum to the next level of achievement. The recruitment and selection of new independent Audit and Risk Committee members commenced. The previous Chairperson of Audit was reappointed unanimously by Council considering the good oversight work implemented.

The Museum’s upgrade and improvement project on the Information Communication Technology (ICT) got underway. There was the upgrade project on the network cabling from CAT 5 to CAT6; the procurement of the new file server and appointing of a new ICT support and hosting contractor. Replacement and procurement of new ICT hardware in the form of desktops and laptops for staff got underway during this reporting year. The Museum is yet to finalize in the new financial year its ICT Strategy which is meant to take the organization on a gradual but firm process to embrace ICT as an integral and critical component to effective and efficient service delivery.

From the human resources side of business, the Museum has appointed a Projects Officer for 12 months to assist with repairs and maintenance; and the backlog on infrastructure projects. An Executive Administrative Assistant was also appointed to firm up on secretariat and administrative support to the Director and the Museum Council. Staff went on a team building at end of financial year to improve and enhance employee relations and unburden the stress by restrictions of the pandemic.

The completed Nokukhanya Luthuli Resource Centre building is yet to acquire its Certificate of Occupation from the local Municipality. This process has taken longer than expected. The continued load shedding in the country has also affected the Museum in terms of equipment and costs. Air conditioning systems; the backup power generator; lighting and the solar power system have been impacted negatively by the constant power cuts. Unplanned costs in fuel; servicing and maintenance of mechanical equipment have had to be accommodated grudgingly during this reporting year.

The pandemic provided an opportunity for introspection and renewal on how the Museum conducts its business. The Museum looks forward to the 2022/2023 financial year with excited anticipation and hope for new beginnings.



Mr. Brian Xaba

DIRECTOR: LUTHULI MUSEUM

A.4 (1) INCOME AND STAFF COSTS**STATE GRANT**

2018/2019	2019/2020	2020/2021	2021/2022
R14 829 000	R15 562 000	R14 752 245	R 17 058 660

A. 4 (2) ANNUAL VISITOR NUMBERS

2018/2019	2019/2020	2020/2021	2021/2022
32 736	36 585	15 305	27 584

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

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

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

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

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

The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the entity. The accounting authority is responsible for the preparation of the annual financial statements and the judgement made in this information.

The accounting officer is responsible for and establishing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource 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, performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2022.

Yours faithfully,



Mr Brian Xaba

Director: Luthuli Museum



Mr Important Mkhize

Chairperson: Luthuli Museum Council

A.6 STRATEGIC OVERVIEW

A.6. (1) VALUE PROPOSITION, CORE PRODUCTS AND SERVICES

The Strategic Focus of the Luthuli Museum as a custodian of the legacy of Chief Albert Luthuli is premised on the following value proposition, core products and services:



A.6.(2) VISION

A Transformed Society inspired by the values and ideals of Chief Albert Luthuli

A.3.(3) MISSION

To Preserve; Educate; Promote; Grow and Sustain the Legacy of Chief Albert Luthuli

To bring about its Mission into practice, the Luthuli Museum commits itself to the following offerings:

- Museum conservation; research and collection for the beneficiation of present and future generations.
- Production; documentation and enabled access to the knowledge about the legacy of Chief Albert Luthuli and the concept of a museum and its value.
- Create an awareness and appreciation about the legacy of Chief Albert Luthuli.

A.3. (4) VALUES

In recognition of the ethos and philosophy of Chief Albert Luthuli, the Museum commits to deliver its value proposition;

core products and services informed by the following values:

- Selflessness
- Transparency
- Integrity
- Inclusivity
- Respect
- Responsiveness
- Batho Pele
- Accountability
- Excellence in Leadership

A.7 LEGISLATIVE AND OTHER MANDATES

The following legislations and other mandates are applicable to the Luthuli Museum.

- 7.1 Specifically, the sections of the Constitution of the Republic of South Africa have a direct bearing on the Luthuli Museum's mandate are; Section 16(1): Freedom of expression (freedom of artistic creativity; freedom to receive or impart information or ideas, academic freedom and freedom of scientific research); Section 30: Language and Culture; Section 32(1): Access to information; Section 9(3): Equality; Section 10: Human dignity and Section 31 of the Constitution affirms that the right of persons belonging to a cultural, religious or linguistic community is applicable to museums.
- 7.2 Sector specific Legislative Framework and Regulations include; Cultural Institutions Act (Act No. 119 of 1999) as amended; South African Heritage Resources Act, 1999 (Act 25 of 1999), as amended; Government Immovable Asset Management Act, 2007 (Act 19 of 2007), as amended; Intellectual Property Rights Act (2008); Tourism (Act 3 of 2014), as amended; the Patents Act 57 of 1978; the Copyright Act 98 of 1978 and the Trademarks Act 194 of 1993.
- 7.3 Broad Governance and regulations inter alia include; the Public Finance Management Act (Act No. 1 of 1999) as amended; National Treasury Regulations and Guidelines (as published); Preferential Procurement Policy Framework Act (Act No. 5 of 2000); the Public Administration Management Act (Act 11 of 2014); National Development Plan Vision 2030; Revised White Paper on Arts, Culture and Heritage; African Union Agenda 2063; the Intergovernmental Relations Framework Act (2005); the Occupational Health and Safety Act, 1993; Labour Relations Act, 1995; National Archives Act, 1996; the Basic Conditions of Employment Act, 1997; the Promotion of Access to Information Act, 2000; Employment Equity Act, 1998; the Prevention and Combating of Corrupt Activities Act, 2004; the Preferential Procurement Policy Framework Act, 2000; Promotion of Administrative Justice Act, 2000; White Paper on Transforming Public Service Delivery (Batho-Pele White Paper), 1997 and the National Youth Policy (2015-2020).



PART B: PERFORMANCE INFORMATION



A young Chess enthusiast player at the Nokukhanya Luthuli Rated Chess Tournament, 5 March 2022



Oral History Interview conducted with Mr M. Gampu at Blaauwbosch, Newcastle, 26 November 2021



Winning participants at the Nokukhanya Luthuli Rated Chess Tournament, 5 March 2022



Oral History Interview conducted with Mrs T. Xaba at Blaauwbosch, Newcastle, 26 November 2021



Luthuli Museum in partnership with Isupport Creative Business Launched the Umongo Msindo Exhibition on 31 March 2022

B. 1 SITUATIONAL ANALYSIS

B.1.1 Service Delivery Environment

The heritage sector continues to strive in this reporting year to deliver on its mandate within the constraints brought upon by the pandemic. Faced with restrictions on public gathering much of the sector's programmes and activities have been on virtual platforms. Although such platforms limited human interaction, they however increased public access globally as persons interested in museum activity could log on from any corner of the world. It remains unavoidable that the sector will need to seriously consider full integration of information communication technology as a strategic imperative in terms of cost saving and enhancing service delivery.

B.1.2 Organizational Environment

The fact that the Luthuli Museum will mark 20 years in the next year or so, impresses on management to push harder in ensuring that efforts to improve systems; procedures and controls are concluded. Such efforts should also be aligned with human capital training and development; filling critical positions critical to compliance reporting; enhanced work ethic and professionalism; teamwork; and appreciation of the need to invest in financial sustainability through income generation activities.

The Museum needs to double its efforts in embracing the opportunities presented by information communication technology in areas of file management, human resources management activities, financial management, performance monitoring and reporting; etc. In the 2022/2023 financial year the Museum should ensure that it continues with the alignment of the organisation's strategic objectives within the three programmes; the implementation of the Risk Register imperatives and follow through of the Audit Action Plan.

B.1.3 Key Policy Development

In terms of policy developments, there is none to mention with respect to the broader heritage sector. It is worth mentioning that new policies developed by the Museum include Contract Management, Code of Conduct and Succession Planning. The policies reviewed include the SCM Policy and Asset Management. Some of the policies due to their nature have required review by both Museum internal auditors and Council Committees for assurance purposes. It is expected that the policies will be approved by the Museum Council in the 2022/2023 financial year.

A. PROGRAMME 1: ADMINISTRATION

I. Subprogramme (A): Governance

Description: Responsible for governance; management and accountability for overall Museum operations and resources in compliance with the PFMA; Cultural Institutions Act and other compliance legislation. The office is supported by a Personal Assistant to the Accounting Officer.

Purpose: Ensure that the organization is compliant with applicable legislative prescripts and Accounting Authority (Council) oversight responsibility with respect to the organization's mandate and strategic objectives.

II. Subprogramme (B): Support Services

Description: This subprogramme includes all organizational support services that have cross cutting implications in terms of organizational efficiency and effective implementation of its mandate. This subprogramme includes; Financial Management (**FM**); Supply Chain Management (**SCM**); Human Resources Management (**HRM**).

Purpose: Provide the necessary administrative support services for the organization in terms of procurement of goods and services; financial processes and reporting; human resources management; compliance with ICT governance framework; performance of service level agreements; security reporting and design input for displays and marketing collateral.

B. PROGRAMME 2: BUSINESS DEVELOPMENT

I. Subprogramme: Collections Management

Description: The subprogramme is concerned with the maintenance of museum collections or heritage assets in line with international standards of best practice and compliance with GRAP 103.

Purpose: To ensure that the collection is accessioned and catalogued; digitized for ease of access; implemented conservation standards; verified accordingly for auditing purposes as per GRAP 103 prescripts.

II. Subprogramme: Research

Description: The subprogramme focus is on research areas mapping and development of new knowledge on the life and times of Chief Albert Luthuli to inform; educate and enhance visitor experience through exhibitions.

Purpose: Conduct research to support organization mandate with respect to the development and production of exhibitions; publications; research papers; collections development; academic study and public inquiry.

III. Subprogramme: Exhibitions

Description: The subprogramme focuses on the visual presentation of museum research produced in order to achieve creating access to knowledge on Chief Albert Luthuli.

Purpose: To provide visitor experience through creative visual interpretations of the legacy of Chief Albert Luthuli. Creative interactive exhibitions to enhance and prompt involvement and participation. Create temporary, travelling and permanent exhibitions to provide wider access.

III. PROGRAMME 3: PUBLIC ENGAGEMENT

I. Subprogramme: Marketing

Description: The programme primary responsibility is to promote and profile the Museum by applying media and marketing principles and techniques.

Purpose: Develop; implement and manage Museum marketing programmes and campaigns with the aim to promote and profile the organization and by so doing create wider public awareness and increase visitor numbers.

II. Subprogramme: Social Media

Description: Increased and sustained museum social media presence; impact and monitoring.

Purpose: Ensure that that organization's public programmes; events; campaigns and all other activities are featured on all social media platforms supported by approved monitoring and reporting systems.

III. Subprogramme: Education and Tours

Description: Organized Museum learner education programmes; visitor tours and public programmes.

Purpose: Develop and manage innovative and interesting education programmes for learners; public and enhance visitor experience through informative and exciting tours.

IV. Subprogramme: Public Relations

Description: Public relations and stakeholder relations management

Purpose: Develop and implement a public relations programme and campaigns intended to communicate and build positive relationships with stakeholders; media and the public.

V. Subprogramme: Public Programmes

Description: Management of Museum public relations and public programmes .

Purpose: Develop and implement community outreach programmes that assist in the promotion of the museum; building a diverse audience and maintaining public relations and programmes in conjunction with the Marketing Manager & Education officer

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

PROGRAMME 1: ADMINISTRATION

SUB PROGRAMME 1 (A)						
GOVERNANCE						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/2022	COMMENT ON DEVIATIONS
Effective and Efficient Organisation	Number of Council quarterly meetings conducted	2020/2021 5 x Council quarterly Meetings conducted 1. 29/04/2020 2. 28/08/2020 3. 25/11/2020 4. 20/01/2021 5. 27/02/2021	2021/2022 4 x Council quarterly Meetings conducted	2021/2022 4 x Council quarterly Meetings conducted 1. Special council meeting held on 31 May 2021 2. 30 August 2021 3. 28 October 2021 4. 31 January 2022	Achieved No Deviation	—
	Number of policies reviewed and approved	4 x Policies reviewed and approved by Council 1. Heritage Assets Policy 2. Social media Policy 3. Standard Operating Procedures for events (Internal & External) 4. Fundraising Policy	5 x Policies reviewed and approved by Council	2 x Policies reviewed and approved by Council 1. SCM Policy 2. Succession Planning Policy	Partially Achieved Deviation	Six policies were reviewed by the Museum during a Policy Review Workshop, but the policies are yet to be approved by council. The following policies were reviewed but not approved. 1. Subsistence and Travel Policy 2. Telephone and Fax Policy 3. Communication and email policy 4. Performance Management and development Policy 5. Leave Policy 6. Safety Policy
	Number of Internal Audits conducted	4 x Internal Audits conducted 1. Heritage Assets 2. Annual Performance Report	2 x Internal Audits conducted	5 x Internal Audits conducted 1. 2020/2021 APR and AFS review 2. Performance Information Audit - Quarter 1 3. Performance Information (APP review)	Over Achievement Deviation	The Museum had two different internal audit service providers during the financial year. When the contract for HTB ended in October 2021, Morar Incorporated were appointed. The new internal audit plan by Morar Incorporated had various audits that were to

		3. Performance Information (Quarter 1 – 2020/2021) 4. Supply Chain Management		4. Performance Information Audit – Quarter 3 5. SCM Audit		be implemented by the previous internal audit service provider.
		11 x Key Reporting Deadlines Implemented	21 x Key Reporting Deadlines Implemented	15 x Key Reporting Deadlines Implemented	Partially Achieved Deviation	Various key reporting deadlines were not implemented by the Museum. This is due to an erroneous omission by the Museum.
Number of DSAC Key Reporting Deadlines Implemented				<ol style="list-style-type: none"> 1. Submit final Quarterly Report to Department for 2020/21 financial year 2. Submit list of all banking accounts to Treasury via DSAC 3. Audit Committee meeting to approve AFS for 2020/21 submission to AG for audit 4. Submit unaudited financial statements for 2020/21 and management reports to Treasury and Auditor- General/External auditor. 5. Submitted signed AFS to the AGSA 6. Submitted the APR to the AGSA 7. Submit Mock -up 2020/21 Annual Report to DAC 8. First Quarterly Report to Department for 2020/21 financial year 9. Final AFS consolidation template (Reviewed by AG/Auditors) 10. Submit the 2020/21 Irregular Expenditure 11. First Quarterly Report on the procurement plan 2020/21 12. Submit applications for Deficit and retention of Surpluses 13. Annual Performance Plan to DSAC 14. 3rd Quarter Procurement Plan to DSAC 15. 3rd Quarter report to National Treasury 		

SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
FINANCIAL MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022	COMMENT ON DEVIATIONS
Effective and Efficient Organisation	Number of Financial Performance Reviews and reports	5 x Financial Performance Reviews and Report achieved 1. 4 x Quarterly Financial Performance Reports 2. 1 x Annual Financial Statement Review	5 x Financial Performance Reviews and Report	5 x Financial Performance Reviews and Report achieved 1. 4 x Quarterly Financial Performance Reports 2. 1 x Annual Financial Statement Review	Achieved No Deviation	—
	Number of PPE and Heritage Assets reports produced	0 x PPE and Heritage Assets reports produced	4 x PPE and Heritage Assets reports produced	4 x PPE and Heritage Assets reports produced 1. 2 x Reports on Heritage Assets 2. 2 x Reports on PPE	Achieved No Deviation	—
	Number of Quarterly Performance Information Reports Submitted to DSAC	4 x Quarterly Performance Information Reports Submitted to DSAC	4 x Quarterly Performance Information Reports Submitted to DSAC	4 x Quarterly Performance Information Reports Submitted to DSAC	Achieved No deviation	—
	100% Audit Action Plan Objectives Implemented	63% Findings on Audit Improvement Plan completed 2019/2020 Audit improvement Plan status report.	100% Audit Action Plan Objectives Implemented	55% Audit Action Plan Objectives Implemented	Partially Achieved Deviation	The Museum managed to address twelve out of the twenty-two audit finding. Nine remain in progress and one is not addressed.

SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
HUMAN RESOURCES MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2020/2021	2021/2022	2021/2022	2021 / 2022	
Effective and Efficient Organisation	Number of performance assessments conducted for all staff	Performance Assessments were conducted for only 2 staff members.	1 x performance assessments conducted for all staff	0 x performance assessments conducted for all staff	Not Achieved	The Museum does not have an HR Service provider or an HR Practitioner. The Museum has made provision for an HR practitioner in the organogram as this is a new position in the institution and it is currently vacant. The Museum is currently in the process of securing a service provider who will assist the Museum with the backlog of performance assessments. The appointment process is currently with the BEC committee who will finalise their evaluation process in the month of July 2021
	Number of training opportunities provided to staff	3 x training of staff members 1. Conduct Inventorying the Collection 2. Museum Education 3. Luthuli Museum Operational Plan Workshop	3 x training of staff members	5 x training of staff members 1. Photograph Preservation training of staff members achieved 28 - 30 September 2021. 2. Media Training workshop for staff achieved on 23 September 2021 3. Luthuli Museum Health and Wellness session 14 December 2021. All staff at Luthuli Museum were trained on health and wellness during the month of December. 4. Consultative workshop meeting on GRAP 103 amendments attended 5. Fundraising for Cultural Institutions 13 Aug 21 – 04 Sept 21	Over Achievement Deviation	Various developmental opportunities were presented for staff. The trainings presented related directly to the job functions staff.

SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
SUPPLY CHAIN MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2020/2021	PLANNED TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020 / 2021	COMMENT ON DEVIATIONS
Effective and Efficient Organisation	Number of Monthly SCM compliance reports produced	10 x Monthly SCM compliance reports produced	12 x Monthly SCM compliance reports produced	12 x Monthly SCM compliance reports produced	Achieved No Deviation	—

PROGRAMME 2: BUSINESS DEVELOPMENT

SUB PROGRAMME 2 (A)					
COLLECTIONS MANAGEMENT					
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2020/2021	PLANNED TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022
Increased access to information about the Luthuli Museum	Number of museum artefacts acquired	31 x Museum artefacts acquired 1 x Photograph of Youth League 1 x Photograph (signed) of Boys Choir at Nobel Prize Ceremony 1 x Letter (original) from Julius Nyerere 2 x Photographs at Solusi Zimbabwe 23 x New Agenda Magazines 1 x Book: Beyond the Miracle by Ben Turok 1 x Book: Nothing but The Truth, by Ben Turok 1 x Book: Violence and Solace by Mxolisi Mchunu	15 x Museum artefacts acquired	35 x Museum artefacts acquired 1. Book-Shadow of Liberation (Contestation and Compromise in the Economic and Social Policy of the African National Congress, 1943-19 2. Book-No White Lies (Black Politics and white power in South Africa) 3. Book- Ethnic Continuities and a State of Exception (Goodwill Zwelithini,Mangosuthu Buthelezi, Jacob Zuma 4. Book- Ramaphosa's Turn (Can Cyril save South Africa) 5. Book-THE ANC Spy bible (Surviving Across Enemy Lines) 6. Book- The Bosasa Billion\$(How the ANC sold its soul for braai packs booze and bags of cash 7. Book- The Man who founded the ANC (A Biography of Pixley ka Seme-Winner of the 2018 Alan Paton Award) 8. Book-Poverty &Inequality (Diagnosis Prognosis Response-State of the Nation) 9. Book-Anatomy of the ANC in power (Insight from Port 10. Book-Umkhonto We Sizwe (ANC'S Armed Struggle) 10. Dr Luthuli's speech at Gravesite on 21 July 2021 11. Luthuli and Kennedy Dialogue recording 12. Women's Day social media video recording 13. Book donation by Mr. Nduli " Balancing Secrecy and Transformation in a Democracy" 14. Donation from Mfenyana Family on the occasion of the union between Nkululeko and Thembela. 15. Donation from Mrs Elinor Sisulu. Book titled "Walter and Albertina Sisulu: In our Lifetime" 16. Donation from Mr. B Ngwenya. Book titled "Dear World" written by Grootville High School and Dr. BW Vilakazi Primary Schools.	Over Achievement Deviation
					The Museum received a generous amount of donation of books during various programmes implemented. The donations came in the form of books. This has contributed to the over achievement of this target.

SUB PROGRAMME 2 (B)

RESEARCH

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022	COMMENT ON DEVIATIONS
Increased access to information about the Luthuli Museum	Number of research documents produced for exhibitions	2020/2021 2 x Research documents produced for exhibitions 1. Invoking the Spirit of Mama Nokukhanya 2. ANC Presidents Exhibition	2021/2022 2 x Research documents produced for exhibitions	2021/2022 4 x Research documents produced for exhibitions 1. Write up for the upgrading/revamping of the R Kennedy and Luthuli outdoor exhibition 2. Chief Albert Luthuli: Remembering Africa's First Nobel Peace Laureate (revised text) 3. Let My People Go Outdoor Exhibition Text 4. Mama Nokukhanya exhibition text	Over Achievement Deviation	The over achievement is due to the additional text to the R Kennedy and Luthuli outdoor exhibition upgrade. The notice to open the Nokukhanya Resource Centre prompted the planning for an exhibition to be launched during the opening.
	Number of documents produced for Museum publications	1 x Documents produced for Museum publications 1. CHIEF ALBERT LUTHULI: THE LEGACY REVISITED by Reverend Christopher 'Fano' Mzoneli	2 x Documents produced for Museum publications	1 x Documents produced for Museum publications 1. "Chief Albert Luthuli: The Legacy Revisited" by Reverend Christopher 'Fano' Mzoneli. Publication revised and edited.	Partially Achieved Deviation	The Museum produced one publication in this financial year. The publication was revised where it was reviewed and reviewed by the editor. The Museum Researcher further identified repetitions in the publication. The publication is currently awaiting the Mzoneli family additions/contributions.
	Number of conference paper or newspaper opinion produced for public dissemination	5 x Conference paper or newspaper opinion produced for public dissemination 1. PPE Scandal 2020 2. Paper presentation by Prof. Molestane 3. Keynote address by Dr. Mlambo-Nauka 4. Paper presentation by MEC of Finance Hon Nomumusa Dube-Ncube 5. Paper presentation by Ms Nise Malanga 6.	3 x Conference paper or newspaper opinion produced for public dissemination	3 x Conference paper or newspaper opinion produced for public dissemination 1. 'The Awarding of Nobel Peace Prize to Chief Luthuli: An egg on the Face for the SA Government' was produced but has not been concluded. 2. The Symbolic Significance of the Awarding of the Nobel Peace Prize to Chief Albert Luthuli 3. Presentation by Former President Thabo Mbeki for the Chief Albert Luthuli Memorial Lecture	Achieved No Deviation	—

SUB PROGRAMME 2 (C)

EXHIBITIONS

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2020/2021	PLANNED TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022	COMMENT ON DEVIATIONS
Increased access to information about the Luthuli Museum	Number of Permanent Museum Exhibitions upgraded	Permanent Museum Exhibition upgrade not finalised	—	1 x Permanent Museum Exhibition upgraded 1. Upgrading of the Chief Albert Luthuli and Kennedy Outdoor exhibition.	Over Achievement Deviation	The Museum celebrated the 55th anniversary of the meeting of Chief Albert Luthuli and Sen, R Kennedy. One of the activities of this celebration included the revamping/upgrading of the outdoor permanent exhibition. The anniversary was celebrated through a dialogue held with the US Consulate.
	Number of Museum Temporary and Travelling exhibitions staged	2x temporary exhibition designed & installed 1. Know Your Africa 2. Valued citizens - Sondela Exhibition	2 x Museum Temporary and Travelling exhibitions staged	2 x Museum Temporary and Travelling exhibitions staged 1. Travelling exhibition Staged. Chief Albert Luthuli - Remembering Africa's First Nobel Peace Laureate 2. uMongo Msindo exhibition	Achieved No deviation	—

PROGRAMME 3: PUBLIC ENGAGEMENT

SUB PROGRAMME 3 (A)						
MARKETING						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2020/2021	PLANNED TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022	COMMENT ON DEVIATIONS
Increased awareness about the Luthuli Museum	Number of Marketing Campaigns implemented	2 x Marketing campaigns achieved implemented 1. Chief Albert Luthuli Soccer Tournament 2. Virtual Human Rights Campaign	4 x Marketing campaigns achieved implemented	4 x Marketing campaigns achieved implemented 1. Youth In Conversation 2. Online promotion and profiling of Chief Albert Luthuli Memorable Quotes 3. Nozicwadi Story Telling Festival 4. International Women's Month (Online)	Achieved No Deviation	—
	Number of Museum visitors per annum	15305 Museum visitors received	20000 x Visitors per Annum	27584 x Visitors per Annum	Over Achievement Deviation	The over achievement is due the easing of the lockdown alert levels. This has assisted the Museum in receiving more visitors as the public has been able to travel across the country and abroad with more ease for leisure and business.
	Number of Monthly reconciled Sales Reports compiled on promotional items	12 x Monthly reconciled sales Reports compiled on promotional items	9 x Monthly reconciled sales Reports compiled on promotional items	12 x Monthly reconciled sales Reports compiled on promotional items	Over Achievement Deviation	The Over achievement is due to the first quarter reconciliations being produced.

SUB PROGRAMME 3 (B)

SOCIAL MEDIA

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2020/202	2021/ 2022	2021/ 2022	2021/ 2022	
Increased awareness about the Luthuli Museum	Number of posts by the Museum on Website; Facebook; Tweeter; Instagram	424 x posts by the Museum 12 x Website updates; 166 x Facebook uploads; 126 x Tweeter uploads; 120 x Instagram uploads	1000 x posts by the Museum on Website; Facebook; Tweeter; Instagram	1081 x posts by the Museum on Website; Facebook; Tweeter; Instagram 1. 53 x Website updates 2. 392 x Facebook uploads 3. 321 x Tweeter uploads 4. 315 x Instagram uploads	Over Achievement Deviation	The deviation is due to the extra posting that related to the Chief Albert Memorial Lecture as it was being promoted to draw audiences to join the virtual lecture.

SUB PROGRAMME 3 (C)

EDUCATION AND TOURS

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2020/ 2021	PLANNED TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/2022	COMMENT ON DEVIATIONS
Inclusive and empowered communities	Number of Museum Education Programmes implemented	2 x Museum Education Programmes implemented 1. Writers Guild 2. Time of the Writer Festival (Virtual)	3 x Museum Education Programmes implemented	7 x Museum Education Programmes implemented 1. 2 x School Writer's Projects 2. Poetry Africa Festival 3. European Film Festival SA Special Screening at Schools. 4. School Writers Project Book Launch 5. Black history Month 6. Time of the Writer	Over Achievement Deviation	The over achievement is due the easing of the lockdown alert levels. This has assisted the Museum as the Museum was able to implement more educational programmes and partner with clubs with running additional programmes.
	Number of Outreach Programmes implemented	—	4 x Education Outreach Programmes implemented	6 x Education Outreach Programmes implemented 1. Chief Albert Luthuli Chess Programme 2. Chief Albert Luthuli Chess Club Schools: Imbhokodo Chess Online Tournament 3. CALCC Chess Masterclass Launch. 4. Offering Poetry Show 5. National Library of SA Literacy Workshop (A chorus of rustics) 6. CALCC School Chess Tournament.	Over Achievement Deviation	There were two opportunities in the third quarter where the Museum had an opportunity to promote its educational offering on the Luthuli brand. Outreach activities were implemented at the Offerings Poetry Show and National Library of South Africa Literacy Workshop.
	Number of guided tours conducted	82 x Guided Tours conducted	100 x Guided Tours conducted	1215 x Guided Tours conducted	Over Achievement Deviation	The easing of the alert lockdown levels contributed to the increased number of visitors received by there Museum. Therefore, this also increased the number of tours that were being conducted

	Number of Children Holiday Programmes Implemented	No Children Holiday Programmes Implemented in this financial year	2 x Children Holiday Programmes Implemented	2 x Children Holiday Programmes Implemented	2 x Children Holiday Programmes Implemented 1. Luthuli Museum Winter Holiday Programme (Online) 2. Christmas Holiday Programme (Online)	Achieved	—
	Number of National Special Days commemorated	9 x National Special Days commemorated 1. International Museum's Day 2. World Environment Day 3. Youth Day 4. Women's Day 5. International Day of Peace 6. World Aids Day 7. Black History Month 8. Human Rights Day	9 x National Special Days Commemorated	9 x National Special Days Commemorated 1. World Book Day virtual 2. International Museums Day virtual 3. World Environment Day virtual 4. Youth Day virtual 5. The Women's Day 6. International Day of Peace 7. Heritage Day Celebrations 8. World Aids Day Commemorated online 9. Human Rights Day			

SUB PROGRAMME 3 (D)

PUBLIC RELATIONS

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021 / 2022	COMMENT ON DEVIATIONS
Increased awareness about the Luthuli Museum	Number of quarterly Museum newsletter produced and distributed to the public	No quarterly Museum newsletter produced and distributed to the public by the Museum	2020/2021 2 x Quarterly Museum newsletter produced and distributed to the public	2021/2022 1 x Quarterly Museum newsletter produced and distributed to the public Distribution area were as follows: - Luthuli Museum staff members - Grootville Community - Ballito Library - KDM Civic Building - KDM Library - Enterprise Ilembe - Tongaat Library	Partially Achieved Deviation	Only one newsletter was produced. The department experienced challenges with producing the second newsletter. The challenges will be resolved in the new financial year.
	Number of Museum Activations Conducted	2 x participation in promotional fairs / tourism events / festivals attended 1. Tourism Indaba 02 - 04 May 2019 2. "Know Your Government" Career Day July 2019	5 x Museum Activations Conducted	5 x Museum Activations Conducted 1. Travel Marketing Workshop in Pretoria on 9 September 2021 2. Teachers Award Function on 24 September 2021 3. Ballito Pro x 2 (09 and 10 December 2021) 4. Mzikayise Ndlovu Foundation Teachers Awards	Achieved	—
	Number of promotional Interviews conducted on radio and online	6 x promotional Interviews conducted on VUMA FM radio	4 x promotional Interviews conducted on radio and online	11 x promotional Interviews conducted on radio and online 1. Vibe FM - 18 June 2021 2. iNtokozo FM, a local community Radio Station, during Women's Month. 3. 1 x Radio Interview with Khwezi FM 4. 1 x Radio interview with iNtokozo FM 5. 1 x interview with iLanga newspapers interviews 6. 1 x interview with Independent Newspapers 7. 1 x Khwezi Radio interview 8. 1 x iLanga Newspaper interview 9. 1 x Khwezi radio interview Soccer Tournament 10. 1 x Khwezi radio interview- Dr. Albertinah Luthuli 11. 1 x Khwezi Radio Interview Mr. Xolani Myeni Chess	Over Achievement Deviation	The over achievement is due to various opportunities that were presented where the Museum could be profiled and promoted.

	Number of Press Releases distributed to media houses	3 x Press Releases distributed to media houses (Chief Albert Luthuli Memorial Lecture, Chief Albert Luthuli Soccer Tournament)	15 x Press Releases distributed to media houses	9 x Press Releases distributed to media houses 1. Table soccer tournament 2. Mama Nokukhanya Public Dialogue 3. Book launch press release 4. Moot Court Competition press release 5. Nozinwadi Book Festival write up 6. Soccer draw launch press release 7. Soccer Tournament write up 8. Luthuli Museum Chess Tournament 9. UMonjo Msindo Exhibition Launch	Partially Achieved Deviation	The under achievement is due to not enough press releases being produced. The production of press releases will be addressed in the new financial year.
	Number of promotional Brochures & Newsletters distributed to the public	—	3000 x Promotional Brochures & Newsletters distributed to the public	350 x Promotional Brochures & Newsletters distributed to the public	Partially Achieved Deviation	The under achievement is due to the shortage of brochures. The department has not had enough brochures produced for distribution. Museum brochures will be produced in the new financial year.

SUB PROGRAMME 3 (E) PUBLIC PROGRAMMES

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2019/2020	2021 / 2022	2021 / 2022	2021 / 2022	
Inclusive and empowered communities	Number of community capacity building programmes implemented	10 x community capacity building programmes implemented <ol style="list-style-type: none"> Garden project for people living with Disabilities x 1 Rites of Passage Nokukhanya Flowers Virtual Jazz Concerts x 5 Chief Albert Luthuli Chess Club Online Tutorials Nelson Mandela International Youth Camp Uhuru Arts Festival 	16 x community capacity building programmes implemented	18 x community capacity building programmes implemented <ol style="list-style-type: none"> Moot Court Table Soccer Tournament Garden Project x 4 NHHC Shows (The Purge, Documentary Screening, Show II) Online Chess Tournament Chief Albert Luthuli Soccer Tournament Moot Court Competition Robben Island Youth Camp Live Jazz Concert - 11 December 2021 Live Jazz Concert - 19 December 2021 Jazz Concert 28 January 2022 Table Soccer Ukhlanga Rapid Chess Tournament Love is in the Air Poetry Session Nobel Rated Chess Tournament 	Over Achievement Deviation	The over achievement is due to the additional jazz concerts that were implemented as funding became available to co-host the concerts.
	Number of Partnerships established	10 x Partnerships established <ol style="list-style-type: none"> Concert SA - Virtual Concerts; KZN Film Commission - NQF Level 4 Learnership; Nelson Mandela Museum-International Youth Camp; KwaDukuza Municipality KZN Department of Sports and Recreation (Lembe District) Lembe District Municipality Department of Health - Lembe District Afrifology VUMA FM KZN Department of Arts and Culture 	10 x Partnerships established	10 x Partnerships established <ol style="list-style-type: none"> iNkoko FM UKZN - Moot Court Nirvana Hip Hop Club Chief Albert Luthuli Chess Club KwaDukuza Municipality DSR – Department of Sports Arts and Culture (District) Lembe District Municipality Concert SA KwaZulu-Natal Film Commission Mzilikayise Ndlovu Foundation 	Achieved No Deviation	—
	Number of Dialogues or lectures implemented for the public	4 x Dialogues or seminars offered <ol style="list-style-type: none"> Dialogue conducted VUMA FM Round Table Mama Nokukhanya Dialogue Chief Albert Luthuli Memorial Lecture with UKZN Chief Albert Luthuli Founders Lecture with UNISA 	7 x Dialogues or lectures implemented for the public	6 x Dialogues or lectures implemented for the public <ol style="list-style-type: none"> Women dialogue with DSD Commemoration of meeting of Luthuli and Kennedy Youth in conversation dialogue on iNkoko FM Webinar Public Dialogue - Mrs. Nokukhanya Luthuli (recording corrupted) Chief Albert Luthuli Memorial lecture Dialogue with uKhosi FM – Zulu Translated Broadcast 	Partially Achieved Deviation	A dialogue with Solusi University was planned and preparations underway to sign an MOU and have a dialogue. Due to logistical challenges experienced, the dialogue and signing of the MOU had to be postponed for the new financial year.

2.5.2.3. Strategy to address areas of under performance

Under performance for Luthuli Museum has been noted in the following areas;

- a. Approval of reviewed policies: The Museum will ensure that all policies reviewed will be submitted for approval during the financial year under review.
- b. Key reporting deadlines: This will be addressed by the close monitoring of deadlines for each month of the quarter. This will ensure that each deadline is met by the end of the quarter.
- c. Implementing audit action plan objectives: The Audit Action Plan will be fully addressed before the next financial year so that 100% of the audit findings can be achieved.
- d. Human resources: The Museum has appointed an HR service provider who will assist in addressing challenges experienced by the Museum in HR related matters.
- e. Production and distribution of quarterly newsletter: The Museum will revise its production and distribution strategy to meet the required deadlines. A virtual newsletter will also be circulated to ensure maximum distribution.

2.5.2.4. Changes to planned targets

In the 2021/2022 financial year Luthuli Museum had no changes to planned targets.

2.2.4 Linking Performance with Budgets

2.2.4.1 Financial Disclosure

	2020 / 2021			2021/2022		
Programme / Activity / Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	8 717	7 274	795	9,127	8,995	132
Depreciation	664	222	442	236	269	-33
Programme 1	5 048	4 732	316	5,558	4,876	682
Programme 2	412	140	272	506	509	-3
Programme 3	1 775	451	1 313	1,673	561	1,112
TOTAL	16 616	12 819	3 138	17,100	15,210	1,890

1.2.4.2 Narrative Report

- Savings in Programmes 1 and 3 are due to the fact that Luthuli Museum was due to fund an event for the opening of Nokukhanya Luthuli Resource Centre towards the end of March 2022. This event was postponed at the end of March 2022 and it is now to be held in the new financial year, as a result these funds are now to be transferred to the new financial year.
- Personal Assistant position to The Director is still vacant and that resulted to the savings in the compensation.

2.2.5 Revenue Collection

2.2.5.1 Financial Disclosure

	2020/ 2021			2021 / 2022		
Sources of Revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Core Funding	16,415	14,752	-1,663	17,049	17,058	9
Capital Works	0	0	0	0	0	0
Public Donations	50	0	-50	50	0	-50
Interest Received	0	164	164	0	154	154
Sale of DVD / Books	1	1	0	1	1	0
Tender Deposit	0	0	0	0	8	8
Fundraising	150	0	-150	0	0	0
Transfer from Investments	0	0	0	0	0	0
Heritage Assets Contribution	0	0	0	0	0	0
TOTAL	16,616	14,917	-1,699	17,100	17,221	121

1.2.5.2 Narrative Report

Luthuli Museum received a donation in the form of Heritage Assets Collections amounting to R 11,000.00.

R154,000.00 is the interest received from FNB Investment Accounts. The Museum does not budget for interest as it is not in the investment business.

2.2.6 Capital Investment (Capital investment, maintenance, and asset management plan)

2.2.6.1 Financial Disclosure

	2020/ 2021			2021/2022		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Resource Centre Building	0	2	-2	0	0	0
Asbestos Roof Replacement	0	0	0	0	0	0
Albert Luthuli Memorial Site	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

1.2.2.6.2 Narrative Report

No capital projects incurred during 2022 financial year.



Luthuli Museum Profile Interview with the Director: Mr B. Xaba, facilitated by the Centre for Creative Arts, 4 March 2022



Pre recording of International Time of the Writer Festival at the Luthuli Museum, 4 March 2022



Luthuli Museum Creative Writing School Project launching the 'Dear World' publication, 29 October 2021



Her Worship the Mayor of KwaDukuza Municipality Lindile Nhaca announcing the soccer teams who were to compete at the 2021 Chief Albert Luthuli, 8 December 2021



Luthuli Museum handing over educational material for the Creative Writing School Project to Dr. BW Vilakazi Primary School, 8 September 2021



Chief Albert Luthuli Soccer Tournament, 16 December 2021



CHIEF ALBERT LUTHULI
NOBEL PEACE
LAUREATE

PART C: GOVERNANCE

- C.1 Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance regarding public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run-in tandem with the principles contained in the King's Report on Corporate Governance.

C.1.1 Council Charter

The Luthuli Museum Council's role and responsibilities are set out in the Council Charter as adopted. The Charter outlines; the Mission of Council members; Fiduciary responsibility; Leadership of Council; Orientation of new Council members; Conflicts of interest; Segregation of roles with respect to the establishment of Committees; Evaluation of Council members; Council relationship to staff and external advisors; Succession and emergency planning; Council meetings and secretarial role; Risk management and internal controls; Monitoring and operational performance; Public communication; Integrated sustainability reporting; Code of Ethics; Quorum; Amendments to the Charter and Council Code of Conduct.

C.1.2 Composition of Museum Council

Members of Council are appointed by the Minister of Sports, Arts and Culture through public nomination for a three (3) year term of office. The Luthuli Museum currently has eight (8) Council members as appointed by the Minister. The members attend Council meetings and are remunerated in accordance with National Treasury prescripts application to the entity's classification.



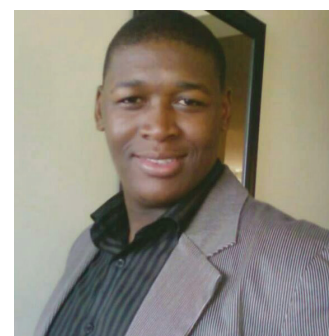
Mr. Important Mkhize
CHAIRPERSON:
LUTHULI MUSEUM COUNCIL



Dr. Mxolisi Mchunu
DEPUTY CHAIRPERSON:
LUTHULI MUSEUM COUNCIL



Dr. Albertinah Luthuli
MEMBER:
LUTHULI MUSEUM COUNCIL



Mr. Scelo Dlamini
MEMBER:
LUTHULI MUSEUM COUNCIL



Mr. Tsematse Tsematse
MEMBER:
LUTHULI MUSEUM COUNCIL



Mr. Jubie Matlou
MEMBER:
LUTHULI MUSEUM COUNCIL



Ms. Salome Mabilane
COUNCIL MEMBER
CHAIRPERSON: FINCOM



Ms. Sinenhlanhla
COUNCIL MEMBER
CHAIRPERSON: HRREMC

C.2. Council Information Disclosure

C.2.1 Council Term: 09 December 2020 – 08 December 2023

Member Name	Designation	Date Appointed	Date Resigned	Qualifications	Other Committees or Task Teams
Mr I Mkhize	Chairperson	09/12/2020	N/A	B. A.: Technology Management	NONE
Dr M Mchunu	Deputy	09/12/2020	N/A	B. A. (Ph.D.)	MRCOMM
Mr T Tsemetse	Member	09/12/2020	N/A	B. A. Public Administration (Honours)	HRREMCO
Mr S Dlamini	Member	09/12/2020	N/A	ND: Public Management (Current)	HRREMCO FINCOM
Mr J Matlou	Member	09/12/2020	N/A	B.A Communications BA (Honours) Communications M.A International Communications	MRCOMM ARC
Ms. S Mabilane	Member	09/12/2020	N/A	B. A. Cost & Management Accounting	FINCOM HRREMCO
Ms. S Mthembu	Member	09/12/2020	N/A	LLB Degree Post Graduate Certificate (Labour Law) LLM (Human Rights Law)	HRREMCO FINCOM
Dr A Luthuli	Member	09/12/2020	N/A	Degree M.D.	MRCOMM

C.2.2 Council Committees

Since a Council / Board cannot attend to all the matters effectively the following Committees are established:

- Audit and Risk Committee
- Finance Committee
- Human Resources and Remuneration Committee
- Marketing and Research Committee

C.2.3 Disclosure of Committees Information

Committee	Number of Meetings held	Number of Members	Name of Members
ARC	4	3	Ms B Chiliza Mr T Tsemetse Mr J Matlou
FINCOM	4	3	Ms S Mabilane Ms. S Mthembu Mr. S Dlamini
HRREMCO	4	4	Ms. S Mthembu Mr. S Dlamini Ms S Mabilane Mr T Tsemetse
MRCOM	4	3	Mr. J Matlou Dr A Luthuli Dr M Mchunu

C.2.4 Remuneration of Museum Council Members

The Council Members are remunerated in accordance with National Treasury prescripts applicable to Schedule 3A entities. The Chairperson of Council remuneration amount is R 2,109.00; the Deputy Chairperson is R1, 917.00 and ordinary member is R 1,742.00. The Museum provides for member's subsistence and travel including, flights; vehicle hire or shuttles and accommodation. Other provision for members includes monthly 5 gigabytes of data per month and reimbursement of claims for use of personal vehicle during Museum business.

C.2.5 Disclosure of remuneration information for Council members in 2021/2022 Financial Year

☐ Council Term: 08 December 2020 – 09 December 2023

Name	Remuneration	Other Allowance	Other Reimbursements	Total
Mr I Mkhize	140	0	0	140
Dr M Mchunu	138	0	0	138
Mr T Tsematse	94	0	0	94
Mr S Dlamini	96	0	0	96
Mr J Matlou	103	0	0	103
Ms S Mabilane	150	0	0	150
Ms S Mthembu	87	0	0	87
Dr A Luthuli	73	0	0	73
Ms B Chiliza	56	0	0	56
Subtotal				937

☐ Non-Council Member Honoraria payment

*SA Nat. Deaf Ass.	47	0	0	46
**Mr D Nduli	45	0	0	45
Subtotal				91

TOTAL

R1 028 000

*Denotes Interpreter for Council Member Mr S Dlamini

**Denotes Mr. D Nduli worked on Luthuli Detachment Project and paid honoraria rate.

C.3 Risk Management

Risk Management oversight at the Museum is by the Audit and Risk Committee assisted and supported the Internal Audit. In the reporting year the Museum conducted a risk assessment exercise to identify new and emerging risks. The risk assessment addressed itself to identification and mitigation of risk with respect to the following areas of operations:

- Technology and systems.
- Process and operational.
- Strategy and service delivery.
- Financial.
- Governance and compliance.
- Regulatory and reputational.
- Human Resource Management.

A Risk Register was developed to assist with monitoring the effectiveness of risk management within the Museum and the mitigation thereof. The Museum has not made much progress in addressing the identified risks to ensure the effectiveness of risk management.

C.4 Internal Audit

The Museum Internal Audit function is an outsourced service, and these services are provided by the audit firm HTB Consulting on a three (3) term contract whose contract ended on 31 October 2021. The Museum has appointed Morar Inc. Chartered Accountants SA on a three (3) year contract starting on 15 December 2021.. The auditing firm is entrusted with the responsibility to appraise Museum policies; procedures; risks and controls.

The Internal Auditors advise the Accounting Officer and the Audit and Risk Committee on the following matters:

- Review of the Museum Risk Management Plan.
- Development of a 3 Year Internal Audit Strategic Plan.
- Development and execution of an internal audit plan based on risk assessment.
- Conducting internal financial and operational audits.
- Monitoring and identification of financial and financial risks.
- Enabling reliable and accurate financial and management reporting.
- Monitoring compliance with relevant legislation and regulations.
- Providing support to the external audit processes in so far as the internal audit work performed for the museum.
- Reporting to the Luthuli Museum management and Audit Committee.
- Identification and reporting, to appropriate levels of any fraud, irregularities, wasteful and fruitless expenditure including reviewing processes put in place to report suspected fraud; Compliance with PFMA and Treasury Regulations, Division of Revenue Act and any other applicable reporting requirements

C.5 Audit and Risk Committee

The oversight work of the Audit and Risk Committee is guided by the Audit Committee Charter which outlines its oversight role and responsibilities with respect to corporate governance, financial reporting and internal controls.

In executing its oversight responsibilities, the Audit and Risk Committee addresses itself to the following matters:

- (a) Advise the Museum Council, the Accounting Officer and the Management staff on matters relating to:
 - Internal financial control and internal audits.
 - Risk management.
 - Accounting policies.
 - The adequacy, reliability and accuracy of financial reporting and information.
 - Performance Management.
 - Effective Governance.
 - Compliance with the Public Finance Management Act and any other applicable legislation.
 - Performance evaluation.
 - Any other issues referred to it by the Museum.
- (b) Review the annual financial statements to provide the Council of the Museum with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with the Public Finance Management Act and any other applicable legislation.
- (c) Respond to the Council on any issues raised by the Auditor-General in the Audit report.
- (d) Carry out such investigations into the financial affairs of the Museum as the Council may request; and
- (e) Perform such other functions as may be prescribed.

In performing its duties, the committee will maintain effective working relationships with the Council, Management, and the internal and external auditors. To perform their work effectively, each committee member will obtain an understanding of the detailed responsibilities of committee membership as well as the Museum's business, operations and risks.

C.5.1 Disclosure information on Audit and Risk Committee members

Member Name	Qualifications	Designation	Date Appointed	Date Resigned	Number of Meetings Attended
Ms B Chiliza	<ol style="list-style-type: none"> 1. B.A. Commerce in Acc. 2. Hon. B.A of Commerce in Acc. 3. Chartered Accountancy: SAICA 	Chairperson	01/11/2018	n/a	4
Mr T Tsemetse	<ol style="list-style-type: none"> 1. B.A. of Administration (Hons.) 2. ND.: in Management Studies 3. Pg. Graduate Certificate in Management Studies 	Member	09/12/2020	n/a	4
Mr J Matlou	<ol style="list-style-type: none"> 1. B.A Comms. 2. BA (Honours) Comms. 3. M.A International Comms. 	Member	09/12/2020	n/a	4

C.5.2 Compliance with laws and regulations

Quarterly internal audits ensure that the Luthuli Museum maintains compliance with application laws and regulations. The organisation has in place systems; procedures and processes in place to ensure that there is segregation of responsibilities; payment requisition documentation and forms are available to maintain the value chain of accountability; a delegations of authority procedures document is available to guide management in executing its responsibilities.

C.5.3 Fraud and Corruption

The Museum has a Fraud Prevention Plan in place that outlines all the steps and procedures in preventing fraud. Through segregation of duties and responsibilities the organisation ensures that the checks and balances are in place to prevent fraud. Compliance with internal control processes and procedures also assists in preventing fraud.

C.5.4 Minimising Conflict of Interest

All Museum staff signs declarations every year regarding protection of information; business interest and usage of online / computer systems.

C.5.6 Code of Conduct

Employee code of conduct is through policies and procedures that are in place. A workshop is conducted annually with staff on policies and procedures emphasizing the importance of complying with the Museum's code of conduct. Noncompliance is addressed through the organisation's disciplinary procedures.

C.5.7 Health, Safety and Environmental Issues

The Museum does not have health and environmental issues of concern.

C.5.8 Social Responsibility

Social responsibility activities at the Museum include a food gardening project for people with disability and the children holiday programmes which keeps children occupied and off the streets during school holidays. Such programmes involve physical activities; the visual arts; craft; chess games and watching educational and fun films at the Museum.

C.5.9 AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

This report is provided by the Audit Committee in respect to the 2021/22 financial year of the Luthuli Museum, as required by section 76 of the Public Finance Management Act No. 1 of 1999, as amended (PFMA) read with the Treasury Regulations 3.1.9 and 27.1 issued in terms of the PFMA.

C.5.9.1 Audit Committee Members and Attendance

In terms of section 27.1.1 of the Treasury Regulations, the Accounting Authority of a Public Entity must establish an Audit & Risk Committee as a sub-committee of the Accounting Authority.

The Audit Committee is responsible for the Audit Committee functions of Luthuli Museum in line with the Audit Committee Charter, the PFMA and King IV Principles of Corporate Governance.

The Audit Committee Charter requires that the committee comprise of not less than three (3) members who are not in the employ of the Museum. The Audit Committee comprises of four (4) members, including the Chairperson, two of which are independent members.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. During the 2021/22 financial year, the Audit Committee met five (5) times as reflected in the table below:

Member	Gender	Meeting Date				
		17-Apr-21	24-May-21	20-Aug-21	27-Oct-21	28-Jan-22
Ms. B Chiliza*	F	✓	✓	✓	✓	✓
Mr. B Mbanjwa	M	⊗	✓	⊗	✓	⊗
Mr. T Tsemetse	M	✓	✓	✓	✓	✓
Mr. J Matlou	M	✓	✓	✓	✓	✓

* Chairperson

✓ Denotes attendance

⊗ Denotes absence with apology

C.5.9.2 Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 51(1)(ii) and 77 of the PFMA read with Treasury Regulation 3.1.10, 27.1.7 and 27.1.8 and reports that it has operated in terms of the Audit Committee Charter.

C.5.9.3 Efficiency and Effectiveness of the Internal Controls

The system of internal controls for financial and risk management employed by Luthuli Museum is partially effective, efficient and in line with the PFMA and the principles of the King IV Report on Corporate Governance.

Internal Audit provides the Audit Committee with assurance that the internal controls are appropriate and effective.

From various Internal Audit Reports, the Auditor General Audit Report and Management Report, it was noted that certain matters were reported indicating deficiencies in the system of internal controls. Management has committed to implement corrective actions, which will be closely monitored by the Audit Committee in the year ahead.

Among other things in this financial year, a review and investigation of prior year's irregular expenditure was undertaken, which resulted in the implementation of the recommended consequence management on the responsible officials. This reflects a bold step to inculcate a culture of compliance with the required legislation, policies and procedures. This suggests an improving internal control culture within the entity.

Luthuli Museum has anti-corruption measures that curb the frequency and magnitude of fraud and corruption. The Audit Committee is satisfied that the museum maintains an adequate risk register, which is reviewed and monitored throughout the year.

The entity's fraud prevention and ethics programme includes prevention, detection, investigation and resolution implemented through the Internal Audit Function. Effective implementation of the recommendations and outcomes emanating from the investigations is monitored and reported to Management and the Audit & Risk Committee.

The Internal Audit function provides a written assessment on the effectiveness of internal controls to the Audit & Risk Committee throughout the implementation of the 3 Year Internal Audit Plan.

The Audit Committee is aware of the risks surrounding the Information and Communication Technology (ICT) and the effectiveness of the ICT governance structure. Management has provided assurance that the strengthening of controls over ICT is currently underway. The Audit Committee will monitor progress in the year ahead.

C.5.9.4 Internal Audit Function

The Audit Committee reviewed and approved the Internal Audit Charter and the Internal Audit Plan. The Audit Committee considers the Internal Audit Function to be optimally resourced, this function is outsourced to appropriately qualified professional services providers.

During the financial year under review, the contract of HTB Consulting expired, thus requiring a new open tender process to be embarked upon, which resulting in the appointment of Morar Incorporated on 15 December 2021.

The Audit Committee assessed the internal audit function to be efficient, responsive to external audit findings and other emerging risks and provided reports of a high quality to Management and Audit Committee in a timely manner.

The Audit Committee supports the direction that the current Internal Auditors have adopted in providing the necessary skills and agility required to strengthen controls within the museum.

C.5.9.5 External Audit Function

In terms of PFMA, the Auditor General of South Africa (AGSA) is the appointed external auditor. During the 2021/22 financial year, the AGSA has performed the external audit using an external service provider, whilst maintaining responsibility for the audit.

The Audit Committee is satisfied that the external auditor is independent of the Museum and can confirm that the External Auditor did not provide any non-audit services.

The AGSA is mandated by the Public Audit Act No. 25 of 2004 to conduct audits in accordance with the International Standards on Auditing.

The AGSA adopted the International Federation of Accountants' Code of Ethics and International Organization of Supreme Audit Institutions' Code of Ethics to ensure that the audits are conducted in an ethical manner and in accordance with the code. These codes require the AGSA to identify threats to independence and put mitigating measures in place.

The Audit Committee among other matters:

- a) Recommended the approval of the external audit engagement letter, the audit plan and the budgeted audit fees payable to the AGSA; and
- b) Considered whether any reportable irregularities were identified and reported by the External Auditors in terms of the Auditing Profession Act.

The Audit Committee also met with the External Auditors to ensure there are no unresolved issues.

C.5.9.6 Risk Management

The Audit Committee is responsible for the oversight of the Risk Management Function. During the 2021/22 financial year end, management embarked on a task of identifying emerging risks, reviewing and updating the risk registers and implementing mitigating controls.

C.5.9.7 Evaluation of the Finance Function

The Finance Function requires an improvement in delivering quality financial reports in a timely manner to allow the Committee to have effective oversight over the financial environment.

Management has assured the committee that the Finance Function will be enhanced further through the appointment of additional relevant skilled officials and implementation of on-the-job training.

The Audit Committee will continue to monitor the quality of financial reporting and recommend improvements where necessary.

C.5.9.8 Performance Management

As part of the responsibility of the Audit Committee includes the review of performance management. The Audit Committee has:

- a) Reviewed and commented on the compliance with statutory requirements and performance management best practices and standards.
- b) Reviewed and commented on the relevance of indicators and recommended enhancements to ensure they are measurable; and
- c) Reviewed the quarterly performance reports submitted by Management, having been reviewed by Internal Audit.

The Audit Committee is satisfied that the performance report has been prepared in terms of PFMA and other related regulations.

C.5.9.9 Evaluation of the Annual Financial Statements

The Audit Committee reviewed the Annual Financial Statements (AFS) and focused on the following:

- a) Confirmed the going concern as a basis of preparation of the AFS.
- b) Reviewed significant financial reporting judgements and estimates contained in the AFS.
- c) Reviewed and discussed with the AGSA the audited AFS.
- d) Reviewed the AGSA's Management and Audit Reports.
- e) Reviewed significant adjustments resulting from the audit.

Except for matters identified by the External Auditors in the Auditor's Report, the Audit Committee is of the view that in all material respects, the AFS comply with the relevant legislature, the Standards of Generally Recognized Accounting Practices, and fairly present the financial position at that date and the results of operations and cash flows for the year ended 31 March 2022.

C.5.9.10 External Audit Report

The report of the Auditor General on the Annual Financial Statements is welcomed with appreciation. Whilst the entity received an unqualified audit opinion, the Audit Committee is

concerned about the matters raised in the Management Letter. The Audit Committee will oversee Management's development of action plans to address all reported matters and monitor its implementation.

C.5.9.11 Going Concern

The going concern assumption is a fundamental principle in the preparing of Annual Financial Statements. The Luthuli Museum has applied and complies with the applicable accounting principles which assume that the museum will continue to exist to carry out its objectives and commitments into the foreseeable future.

On behalf of the Audit Committee



Babongile Chiliza

**Chairperson: Audit Committee
August 2022**



CHIEF ALBERT LUTHULI
NOBEL PEACE
LAUREATE

PART D: HUMAN RESOURCE MANAGEMENT



Learners attending the Robben Island Spring Camp presenting an awareness campaign on Gender Based Violence through art, 4 - 10 October 2021



Chief Albert Luthuli Research Chair (middle): Professor Puleng Segalo's first visit to the Luthuli Museum accompanied by the Luthuli Family and Council Members ,8 September 2021



Groutville High School Learners attended the Robben Island Spring Camp in Cape Town, 4 - 10 October 2021



Mr M. Sisulu handing over the biography of 'Walter and Albertina Sisulu' at the Nozincwadi Story Telling Festival, 21 October 2021



Luthuli Museum in partnership with University of KwaZulu-Natal and KwaDukuza Magistrate court Moot Court Competition, 18 October 2021

D.1 Introduction

In the process of establishing a dedicated human resources function within the organization, the Museum Council during this reporting year approved the Job Profile and funding for the position of a Human Resources Practitioner. This position will provide comprehensive management support and guidance in human resource matters, including training and development; employee relations; performance management; recruitment and selection. It is the Museum's intention to fill the position in the 2022/2023 financial year. In consideration of the Museum's growth path and need to align that with human capital development and opportunities for growth, the Museum Council approved a Succession Planning Policy.

During this reporting year the Museum appointed two fixed term contracts of a Projects Officer (for infrastructure projects; repairs and maintenance) and Executive Administrative Officer (to provide administrative and secretariat support in the Director's office and the Museum Council). These positions were identified as important in capacitating the Director's office in efficiency and service delivery.

In terms of costs of living adjustments for the 2021/2022 financial year the Museum Council approved 5 – 6% for staff on a sliding scale as budgeted for the year. The Museum's total cost of compensation for employees for the financial year reporting was at 52% of the total operational budget.

Museum staff that underwent training in this financial year were in the curatorial department and this was on the preservation of photographs. This year the Museum Public Relations Officer had the opportunity to participate in the US government's *International Visitor Leadership Program*, a two-month international professional exchange program. The training programme focused on development of funding models for revenue generation for institutions interested in generating income to sustain themselves. The training programme was conducted virtually this year because of the pandemic.

During the fourth quarter of this reporting year the Museum Council commenced with consequence management process against Museum staff found responsible for the 2019/2020 irregular expenditure. This process is expected to be concluded in the 2022/2023 financial year and reported accordingly.

In conclusion, as the foundations for a dedicated human resource function are being established, the Museum looks forward to the 2022/23 financial year for effective and efficient planning; monitoring and reporting on human resource management.



Luthuli Museum Staff after a full day Wellness and Team Building, 15 December 2021

D.2 HUMAN RESOURCES OVERSIGHT STATISTICS

D.2.1 Personnel Costs by programme / activity / objective

Programme/ activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel expenditure as a % of total expenditure. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1	14,140	4,444	29.2	11	404
Programme 2	509	1,007	6.6	2	503,5
Programme 3	561	3,544	23.3	7	506,3
TOTAL	15,210	8,995	59.1	20	1 413,8

D.2.2 Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% Of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	0	0	0	0
Senior Management	1,117	12.4%	1	1,117
Professional qualified	2,067	23%	3	689
Skilled	2,491	27.7%	6	415
Semi-skilled	2,748	30.6%	7	393
Unskilled	572	6.4%	3	191
TOTAL	8,995		20	

D.2.5 Employment and Vacancies

Programme/ activity/ objective	2019/2020 No. of Employees	2019/2020 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of vacancies
Programme 1	6	8	9	1	5%
Programme 2	2	2	2	0	0
Programme 3	9	9	9	0	0
TOTAL	18	20	20	1	

D.2.6 Employment Changes

Salary Band	Employment at beginning of period		Appointments	Terminations	Employment at end of the period
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Professional qualified	0	0	0	0	0
Skilled	449	0	1	0	0
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
TOTAL	449	0	1	0	0

D.2.7 Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	–	–
Resignation	–	–
Dismissal	–	–
Retirement	–	–
Ill health	–	–
Expiry of contract	–	–
Other	–	–
TOTAL	–	–

D.2.8 Labour Relations: Misconduct and disciplinary action

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

D.2.3 Performance Rewards

Programme/Activity/Objective	Performance Rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	None	–	–
Senior Management	None	–	–
Professional qualified	None	–	–
Skilled	None	–	–
Semi-skilled	None	–	–
Unskilled	None	–	–
TOTAL	None	–	–

D.2.4 Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees	Average training cost per employee
Programme 1	4,444	24	0.5%	17	1.4
Programme 2	1,007	7	0.7%	3	3.3
Programme 3	3,544	0	0	0	0
TOTAL	8,995	31		20	

D.2.9 Equity Target and Employment Equity Status

D.2.9.1 Male

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management		–	–	–	–	–	–	–
Senior Management	1	–		–	–	–	–	–
Professional qualified	1	–		–	–	–	–	–
Skilled	2	–	1	–	–	–	–	–
Semi-skilled	3	–		–	–	–	–	–
Unskilled	1	–		–	–	–	–	–
TOTAL	8	–	1	–	–	–	–	–

D.2.9.2 Female

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	–	–	0	–	–	–	–	–
Senior Management	2	–	0	–	–	–	–	–
Professional qualified	–	–	0	–	–	–	–	–
Skilled	2	–	0	–	–	–	–	–
Semi-skilled	5	–	0	–	–	–	–	–
Unskilled	2	–	0	–	–	–	–	–
TOTAL	11	–	0	–	–	–	–	–

D.2.9.3 Disabled

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	–	–	–	–
Senior Management	–	–	–	–
Professional qualified	–	–	–	–
Skilled	–	–	–	–
Semi-skilled	–	–	–	–
Unskilled	–	–	–	–
TOTAL	–	–	–	–



Moot Court Competition, winning school: Mbekamuzi Secondary School, after a 6 day training from the University of KwaZulu-Natal Law School, 18 October 2021



Members of the Luthuli Museum Garden Project Harvesting, 18 March 2022



Dr. Albertinah Luthuli, Luthuli Museum Management and Staff remembering Chief Albert Luthuli on 21 July 2021



Luthuli Museum Garden Project donating fresh produce at Enduduzweni, 18 March 2022



CHIEF ALBERT LUTHULI
NOBEL PEACE
LAUREATE

PART E: ANNUAL FINANCIAL INFORMATION

Report of the auditor-general to Parliament on Luthuli Museum

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Luthuli Museum set out on pages 71 to 114, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in equity and statement of cash flows and statement of comparison of budget and actuals for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Luthuli Museum as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2022.

Responsibilities of the accounting authority for the financial statements

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

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 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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 programme 2: business development presented in the entity's annual performance report for the year ended 31 March 2022.
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 programme 2: business development.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. The annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets.

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 entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and not supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of expenses, cash flow statement and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

22. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1,67 million as disclosed in note 22 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management legislation.

Procurement and contract management

23. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for quotations as required by the 2017 Preferential Procurement Regulation 5(1) and 3. Similar limitation was also reported in the prior year.

Other information

24. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. 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.

29. The accounting authority did not exercise adequate oversight responsibility over compliance with applicable laws and regulations. In this regard, the accounting authority did not ensure that effective measures were taken to ensure compliance with laws and regulations.
30. Management did not perform adequate monitoring and reviews to ensure compliance with applicable laws and regulations.

Auditor General

Pietermaritzburg

31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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



Luthuli Museum Management welcomes Tourism Deputy Minister Mr Fish Mahlalela for the KZN Tourism Campaign hosted by KZN Tourism and Enterprise Ilembe



Luthuli Museum and Centre for Creative Arts Team on a preparatory tour for the Time of the Writers Festival, 17 February 2022



Teachers Excellence Awards hosted at the Luthuli Museum, 21 March 2022



Wreath laying in honour of Chief Albert Luthuli by Dr. Albertinah Luthuli and the U.S. Consulate and Luthuli Museum Management, 18 August 2021



Dr. Albertinah Luthuli and Heather Merritt, Deputy Chief of Mission - U.S. Embassy at the Luthuli Museum, 18 August 2021



CHIEF ALBERT LUTHULI MEMORIAL LECTURE 2021



an agency of the
Department of Sport, Arts and Culture

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FOR IMMEDIATE RELEASE

29 November 2021

FORMER PRESIDENT OF THE REPUBLIC OF SOUTH: MR THABO MBEKI TO DELIVER THE 2021 CHIEF ALBERT LUTHULI MEMORIAL LECTURE ON 10 DECEMBER 2021

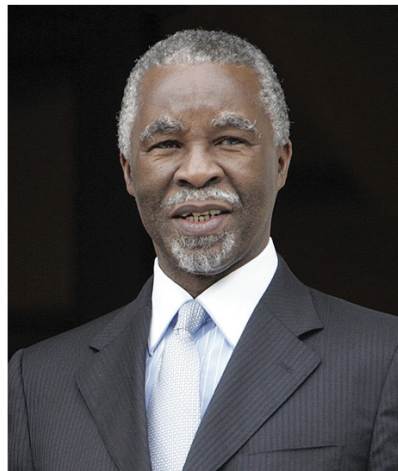
Former President Thabo Mbeki will deliver the 15th Chief Albert Luthuli Memorial Lecture on 10 December 2021 at 18:00. The virtual lecture marks 60 years of Chief Albert Luthuli's receipt of the Nobel Peace Award for his role in the non-violent struggle against apartheid.

The theme for this year's Chief Albert Luthuli Memorial Lecture is '*Africa & Freedom*' premised on Chief Albert Luthuli's 1961 Nobel Peace Award Acceptance Speech, he delivered in Oslo, Norway.

Former President Thabo Mbeki is currently the Chairperson of the AU High Level Implementation Panel for Sudan and South Sudan, the Chairperson of the AU High Panel on the Security of the Horn of Africa and the AU-UN High Level Panel on Illicit Financial Outflows from Africa.

He has previously facilitated peace negotiations in various African countries, including Lesotho, Zimbabwe, Burundi, the Comoros, Cote d'Ivoire and the Democratic Republic of Congo. Chief Albert Luthuli was honoured and known in South Africa and worldwide as a champion for peace; human dignity; justice and reconciliation.

Due to the current global pandemic, this year's Memorial Lecture will be delivered virtually on 10 December 2021, from 18:00 – 20:00.



Mr Thabo Mbeki
President of the RSA (1999 – 2007)

For **INQUIRIES**, please contact: Ms Zinhle Nyembe on **contact number: 083 513 5024** or **email address: PROfficer@luthulimuseum.org.za** Visit the Luthuli website on: www.luthulimuseum.org.za

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

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Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Museum
Director	Mr Brian Xaba
Museum Council Members	Hon Important Mkhize (Chairperson) Dr Mxolisi Mchunu (Deputy Chairperson) Dr Albertinah Luthuli Ms Salome Mabilane Mr Tsemetse Tsemetse Mr Sicelo Dlamini Mr Jubie Matlou Ms Sinenhlanhla Mthembu
Audit Committee	Ms Babongile Chiliza (Chairperson) Mr Tsemetse Tsemetse Mr Jubie Matlou Mr Bheki Mbanjwa
Secretary	Vacant

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 31 March 2022, set out on pages 3 to 43 were approved by the Museum Council on the 31 July 2022 and were signed on its behalf by:

ENDORSED BY COUNCIL
NAME: *Important Mkhize*
SIGNATURE: *[Signature]*
DATE: *27/07/2022*

Mr Important Mkhize (Chairperson)

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Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position

	Notes (s)	2022 R	2021 Restated* R
Assets			
Non-Current Assets			
Property, plant and equipment	2	9,172,381	9,118,951
Heritage Assets	3	6,831,684	6,824,076
Intangibles	4	4,870	9,739
		<u>16,008,934</u>	<u>15,952,766</u>
Current Assets			
Inventory	5	8,433	11,560
Trade and other receivables	6	38,235	31,322
Cash and cash equivalents	7	11,919,153	9,207,090
		<u>11,965,821</u>	<u>9,249,972</u>
Total Assets		<u>27,974,756</u>	<u>25,202,738</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>26,084,660</u>	<u>24,063,219</u>
		<u>26,084,660</u>	<u>24,063,219</u>
Liabilities			
Current Liabilities			
Trade and other payables	8	260,545	241,999
Conditional grants	9	958,696	268,356
Provisions	10	670,855	629,164
		<u>1,890,095</u>	<u>1,139,519</u>
Total Equity and Liabilities		<u>27,974,756</u>	<u>25,202,738</u>

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

	Note(s)	2022	2021
		R	Restated*
		R	R
Revenue			
Non-Exchange Revenue			
Government and other grants		17,058,660	14,752,245
Income from Investments		153,782	164,908
Donations received		11,081	91,154
	11	<u>17,223,523</u>	<u>15,008,307</u>
Revenue			
Exchange Revenue			
Other income	12	<u>8,600</u>	<u>500</u>
		<u>17,232,123</u>	<u>15,008,807</u>
Expenditure			
Depreciation	2	(264,408)	(217,215)
Amortisation	4	(4,869)	(4,869)
Administrative expenses	13	(851,642)	(643,853)
Governance expenditure	14	(1,028,394)	(1,059,557)
Marketing	15	(1,070,242)	(593,349)
Audit fees	16	(1,106,298)	(1,070,175)
Operating expenditure	17	(1,881,733)	(1,956,438)
Employee costs	18	(8,995,870)	(7,274,060)
Impairment	3	(7,225)	-
		<u>(15,210,683)</u>	<u>(12,819,516)</u>
Operating surplus		<u>2,021,441</u>	<u>2,189,291</u>
Surplus / (deficit) for the period		<u>2,021,441</u>	<u>2,189,291</u>

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Equity

Figures in Rands	Accumulated surplus	Total equity
Opening balance as previously reported	22,522,832	22,522,832
Correction of errors (Note 30)	(648,902)	(648,902)
Balance as restated at 01 April 2020	21,873,928	21,873,930
Surplus/ (deficit) for the year	2,189,291	2,189,291
Total changes	24,063,219	2,189,291
Balance as restated at 01 April 2021	24,063,219	2,189,291
Surplus/ (deficit) for the year	2,021,441	2,021,441
Total changes	26,084,660	4,210,732
Balance as at 31 March 2022	26,084,660	26,084,660

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

	Note(s)	2022	2021
		R	Restated*
		R	R
Cash flows from operating activities			
Receipts			
Subsidy Income	11	17,058,660	14,752,245
T-Shirts Sales		-	500
Income from investments		153,782	164,908
Book Sale		500	-
Tender Deposits		8,100	-
		<u>17,221,042</u>	<u>14,917,653</u>
Payments			
Employees cost		(8,995,870)	(7,274,060)
Goods and services		(5,180,438)	(6,358,907)
		<u>(14,176,308)</u>	<u>(13,632,967)</u>
Net cash flow from operating activities	19	<u>3,044,733</u>	<u>1,284,686</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(317,838)	(132,776)
Purchase of heritage assets	3	(14,833)	(91,154)
Net cash flows from investing activities		<u>(332,671)</u>	<u>(223,930)</u>
Net increase/(decrease) in cash and cash equivalents		2,712,063	1,060,756
Cash and cash equivalents at the beginning of the year		9,207,090	8,146,334
Cash and cash equivalents at the end of the year	7	<u>11,919,153</u>	<u>9,207,090</u>

Accounting Policies

Accounting Policies

Luthuli Museum is a state owned entity incorporated and domiciled in South Africa

1. Basis of preparation

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).

These annual financial statements have been prepared and are on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement unless specified otherwise. They are presented in South African Rand. Assets, liabilities, revenues and expenses are not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting practice policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

Presentation currency

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

Going concern assumptions

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

Comparative figures

When the presentation or classification of item in the annual financial statement is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparative are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

1.1.2 Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

1.1.3 Estimates

Useful lives of property, plant and equipment

Estimates are formed by historical experience, information currently available management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

Impairments of non-financial assets

In testing for, and determining the value in use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash generating assets). For non-cash generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the assets, depending on the nature of the impairment and the availability of information.

Accounting Policies

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others or for administrative purposes, and are expected to be used during more than one period.

The cost of 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 entity and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it be capable of operating in the manner intended by management.

Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is fair value as at date of acquisition. Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalized. If it is possible that future economic benefits associated with the expenditure will flow to the entity and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Where an item of property, plant and equipment is acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for the land which is stated at cost less any accumulated impairment losses.

Accounting Policies

1.2 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the entity.

Property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6-10 years
Office equipment	Straight line	6-10 years
IT equipment	Straight line	3-6 years
Motor vehicles	Straight line	4-7 years
Leasehold improvements	Straight line	5 years (Lease period)

The depreciable amount of an asset is allocated on a systematic basis over useful life.

Each part of an item property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Accounting Policies

1.2 Property, plant and equipment (continued)

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Capital Work in Progress

Capital work in progress is stated at historical cost. Depreciation only commences when the asset is available for use.

1.3 Intangible assets

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Computer software, other	Straight line	3 - 6 years
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Accounting Policies

1.4 Heritage assets

Heritage assets are assets that are in the form of documents, photographs, books, audio-visuals, paintings and other artefacts, and are held indefinitely for the benefit of present and future generations. Heritage assets are recognised as an asset if, and only if:

- a) It is probable that future economic benefits or service potential association with the asset will flow to the entity,
- and
- b) The cost or fair value of the asset can be measured reliably.

Subsequent measurement

Luthuli Museum has elected the cost model and shall apply the policy to an entire class of heritage assets. Heritage assets will be carried at cost less accumulated impairment. In the event that cost is not easily determined, a deemed cost will be acquired through obtaining a fair market value. The heritage asset will then be subsequently carried at cost less accumulated Impairment.

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

In making a decision whether the asset should be impaired, Luthuli Museum should assess whether the asset is physically damaged or the asset has deteriorated.

1.5 Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.6 Financial Instruments

Initial measurement

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

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

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

Accounting Policies

1.6 Financial Instruments (continued)

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
- to the entity.

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

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

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

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

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

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.

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

Accounting Policies

1.6 Financial Instruments (continued)

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.

1.7 Leases

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

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Accounting Policies

1.8 Leases

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. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The entity does not enter into finance leases that attract finance charges.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance.

1.9 Employee benefits**Short-term employee benefits**

Short-term employee benefits encompass all those benefits that become payable in the short term, i.e. within a financial year or within 12 month the financial year. Therefore, short-term employee benefits include remuneration, compensated absences and bonuses.

Short-term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short-term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity 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.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation,

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

Accounting Policies

1.10 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

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.

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

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

assets; and

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.10 Provisions and contingencies (Continued)

Provisions are measured as at the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in the future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised.

The measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes based on the probability that the outcome will materialise in the future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

1.11 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.

1.12 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality 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 the other party in exchange.

Interest is recognised, in profit or loss, using the effective interest rate method.

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.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence.

Certain grants payable by one level of government to another are subject to the availability of funds.

Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow.

Revenue is then only recognised once evidence of the probability of the flow becomes available, Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Accounting Policies

1.13 Fruitless expenditure

Fruitless expenditure means expenditure which was made in vain and would 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.

1.14 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:

- This Act; or
- The State Tender Board Act, 1968 (Act No. 86 of 1968) or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial 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 year and for which condonement is being sought, in such an instance, no further action is also required with the exception of updating the note to the annual 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.

Recovery of Irregular, Fruitless and Wasteful expenditure

The recovery of irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible official is probable. The recovery of irregular, fruitless and wasteful expenditure is treated as other income.

Accounting Policies

1.15 Budget information

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

General purpose financial reporting by entity 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 1 April 2021 to 31 March 2022.

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

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Accounting Policies

1.16 Related parties (continued)

Department of Arts and Culture

The Department of Arts and Culture provides the Museum with subsidies or grants for operational and capital expenditure.

Department of Public Works

The Department of Public Works is the legal owner of the Land and Building occupied by The Luthuli Museum. The Department of Public Works is responsible for all major capital repairs to the buildings.

Council

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has various sub-committees such as Finance, Audit, Human Resources and Curatorial that guide and assist management which is appointed by Council

All related parties are disclosed in terms of GRAP 20.

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

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.18 Surplus and Deficit Gains and losses

Gains and losses

Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

Accounting Policies

1.19 New standards and interpretations**1. 19.1 Standards and interpretations effective and adopted in the current year**

In the current year, the entity has not adopted any standards and interpretations that are effective for the current financial year and that are relevant to its operations.

1. 19.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard / Interpretation	Effective date Years beginning on or after	Expected impact
- "GRAP 104 (amended) : (Financial instruments)"	01 April 2022	Not expected to impact results but may result in additional disclosure
- GRAP 20: Related Parties	01 April 2022	Unlikely to have a material impact
- GRAP 109: Accounting by Principals and Agents	01 April 2022	Unlikely to have a material impact

The entity expects to adopt the amendments for the first time when the Minister sets the effective date for the amendment.

Notes to the Annual Financial Statements

				2022		2021
				R		R
2. Property, plant and equipment						
	2022			2021		
	Cost/ valuation	Accumulated depreciation	Carrying value	Cost/ valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	1,031,388	(859,572)	171,816	1,027,603	(817,178)	210,425
Motor vehicles	486,527	(443,730)	42,797	486,527	(400,933)	85,594
Office equipment	506,457	(425,900)	80,558	502,957	(392,485)	110,472
Computer equipment	1,268,573	(799,220)	469,353	958,020	(653,418)	304,602
Building (WIP)	8,407,858	-	8,407,858	8,407,858	-	8,407,858
Total	11,700,803	(2,528,422)	9,172,381	11,382,965	(2,264,014)	9,118,951

Reconciliation of property, plant and equipment - 2022

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	210,425	3,785	(42,394)	171,816
Motor vehicles	85,594	-	(42,797)	42,797
Office equipment	110,472	3,500	(33,415)	80,558
Computer equipment	304,602	310,553	(145,802)	469,353
Building (WIP)	8,407,858	-	-	8,407,858
	9,118,951	317,838	(264,408)	9,172,381

Reconciliation of property, plant and equipment - 2021

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	252,608	-	(42,183)	210,425
Motor vehicles	128,391	-	(42,797)	85,594
Office equipment	143,768	-	(33,296)	110,472
Computer equipment	272,441	131,100	(98,939)	304,602
Building (WIP)	8,406,182	1,676	-	8,407,858
	9,203,390	132,776	(217,215)	9,118,951

- Building (Work in Progress) - The construction of the building is taking longer than the significant period due to awaiting for the approval of the Occupational Certificate from the Municipality.

- The assessment was performed and there were no indicators of impairment

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

							2022	2021
							R	R
3. Heritage Assets								
			2022			2021		
	Cost/ valuation	Accumulated impairment	Carrying value	Cost/ valuation	Accumulated impairment	Carrying value		
Archival documents	784,899	(5,850)	779,049	784,899	(5,000)	779,899		
Contents of Luthuli House	300,380	(3,900)	296,480	300,380	-	300,380		
Library material: books	410,979	(975)	410,004	401,229	-	401,229		
Multimedia collection(s)	1,886,587	(1,500)	1,885,087	1,881,504	-	1,881,504		
Objects	139,940	-	139,940	139,940	-	139,940		
Original artworks	3,321,124	-	3,321,124	3,321,124	-	3,321,124		
Total	6,843,909	(12,225)	6,831,684	6,829,076	(5,000)	6,824,076		

Reconciliation of heritage assets - 2022

	Opening Balance	Additions	Impairment	Total
Archival documents	784,899	-	(850)	784,049
Contents of Luthuli House	300,380	-	(3,900)	296,480
Library material: books	396,229	9,750	(975)	405,004
Multimedia collection(s)	1,881,504	5,083	(1,500)	1,885,087
Objects	139,940	-	-	139,940
Original artworks	3,321,124	-	-	3,321,124
	6,824,076	14,833	(7,225)	6,831,684

Reconciliation of heritage assets - 2021

	Opening Balance	Additions	Impairment	Total
Archival documents	694,989	89,910	-	784,899
Contents of Luthuli House	300,380	-	-	300,380
Library material: books	394,985	1,244	-	396,229
Multimedia collection(s)	1,881,504	-	-	1,881,504
Objects	139,940	-	-	139,940
Original artworks	3,321,124	-	-	3,321,124
	6,732,922	91,154	-	6,824,076

Luthuli Museum is in custody of items of heritage assets in the form of documents, photographs, books, audio- visuals, paintings and other artefacts which were evaluated by independent valuer: Paul Myson, a Fellow of the International Fine Art and Antiques Appraisers Association.

Notes to the Annual Financial Statements

	2022	2021
	R	R

3. Heritage Assets (continued)**Additions**

For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: purchases, donations, bequeath, loans or transfers

Donations

Current year donations consist of donation received in the current period (i.e. 2021/22FY) and they consist of Library Material and Multi-Media with the total value of R11,081.00

Restrictions on heritage assets

There are no restrictions on heritage assets title and disposal thereof.

Contractual commitments

There are no contractual commitments for the acquisition, maintenance and restoration of heritage assets.

Pledged as security

No heritage assets have been pledged as security for any financial liabilities.

Loans

No loan agreements have been concluded with any other entity.

Backlog register

The Museum maintains a backlog register which comprises of books and photographs which are at the Museum but are not accompanied by ownership documents or legal transfers from donors. This backlog register is valued on an annual basis as all assets acquired by means of purchase will initially be measured at cost. Where no cost can be determined the fair value will be determined as at the date of recognition.

In the 2020/2021 financial year an investigation was conducted by the Museum on the backlog to obtain ownership documents however, the Museum was not successful in this regard.

In 2021/2022 a valuation was conducted on two items located in the education section.

These items have no provenance. These items were valued at R1000.00 and added to the Backlog Register.

In the previous year, the backlog was valued at R14,833.15. In the 2021/2022 financial year an addition of R1000.00 was added to the Backlog Register.

The value of the Backlog Register is now R15, 833.15

Notes to the Annual Financial Statements

	2022	2021
	R	R

3. Heritage Assets (continued)
Loss control register

The Luthuli Museum maintains a Loss control register. This register contains items that have been accessioned but cannot be located. At the end of the 2021/2022 financial year the register comprised of items to the value of R4,325.00. The items that were duplicated amounted to R2,900.00

Impairment

GRAP 103.59 requires that an entity shall assess heritage assets for indications of impairment at each reporting date. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of each heritage asset.

Indicators of impairment include but are not limited to the following:

External sources of information:

- Significant decline of the asset's market value more than expected as a result of passage of time or normal use.
- The absence of an active market for a revalued heritage asset.

Internal sources of information:

- Evidence is available of physical damage or deterioration of the heritage asset;
- A decision to halt the construction of the heritage asset before it is complete or in a usable form.

Included in the Heritage Assets Register, is the scroll of the order of Mapungubwe, which was awarded post-humously to Albert Mvumbi Luthuli by President JG Zuma. This item is impaired as an indication of the damage identified.

4. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	54,271	(49,401)	4,870	54,271	(44,532)	9,739
Reconciliation of intangibles - 2022			Opening balance	Additions	Amortisation	Total
Computer software			9,739	-	(4,869)	4,870
Reconciliation of intangibles - 2021			Opening balance	Additions	Amortisation	Total
Computer software			14,608	-	(4,869)	9,739

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
5. Inventory		
Goolman Suleman Books	6,083	9,210
DVD's	2,350	2,350
	<u>8,433</u>	<u>11,560</u>
6. Trade and other receivables		
Loans and other receivables	17,718	8,474
Prepaid expenses	20,517	22,848
	<u>38,235</u>	<u>31,322</u>
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank - FNB main current account	4,303,016	1,744,736
Bank - 32 day notice account	2,388,337	2,338,140
Bank - FNB money market	5,227,800	5,124,214
	<u>11,919,153</u>	<u>9,207,090</u>
Funds held on the Money Market Account amounting to R50 000 have being pledged as security for the Museum's Credit Card Facility.		
8. Trade and other payables		
Trade payables - suppliers	97,253	58,773
Credit card	20,291	14,239
Accrued expense	143,000	168,987
	<u>260,545</u>	<u>241,999</u>

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	Restated* R
9. Conditional grants		
	Special Project Grant	Heritage assets grant
	Feasibility study grant	Total
Balance as at 01 April 2020	-	230,420
Grants transferred to revenue	-	(121,245)
Balance as at 01 April 2021	-	109,175
Grants received	700,000	-
Grants transferred to revenue	-	(9,660)
Balance as at 31 March 2022	700,000	99,515

The Heritage Assets Conditional Grant comprises funds received from the Department of Sports, Arts and Culture for assisting the Museum to evaluate the Heritage Assets in order to determine the market values for inclusion in the Statement of Financial Position.

The balance as at 31 March 2022 is R99,515.00

In 2016 the Department of Sports, Arts and Culture granted the Museum funding for the feasibility study of the creation of the Chief Albert Luthuli Memorial Site.

The balance as at 31 March 2022 is R159,181.00

The R700 000 conditional grant is from the DSAC for the Public Art Mural Project that will take place at the Chief Albert Luthuli Monument Site in eThembeni. The funding is under the umbrella of the Presidential Employment Stimulus Programme (PESP) targeting youth employment creation in various sectors in society

The Luthuli Museum is one of the participants in this programme under the guidance of DSAC.

10. Provisions

This provision comprises the leave pay accrual and the birthday bonus provision due to employees at the reporting date. The bonuses are paid in the month of the employees' birthdays.

10.1 Provisions for Leave Pay

Balance at the beginning of the period	415,538	440,288
Provision for leave pay for the year	9,723	(24,750)
Balance at the end of the period	425,261	415,538

10.2 Provisions for Service Bonus

Balance at the beginning of the period	213,626	216,287
Provision for service bonus for the year	31,968	(2,661)
Balance at the end of the period	245,594	213,626

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	Restated*
	R	R
11. Non-exchange revenue		
Subsidy - Department of Arts and Culture	17,749,000	14,631,000
Subsidy Grant - Special Project	(700,000)	-
Conditional grants transferred to revenue	9,660	121,245
Government subsidy and conditional grants	17,058,660	14,752,245
Income from investments	153,782	164,908
Donations received	11,081	91,154
Total Non Exchange Revenue	17,223,523	15,008,307
Income from investments		
Comprises funds invested with First National Bank at the Prime Interest Rate of 7,75% per annum.		
12. Other income		
Book sales	500	-
T-shirts sales	-	500
Tender deposits	8,100	
	8,600	500
13. Administrative expenses		
Bank charges	17,653	26,234
Communication costs	203,804	192,406
Computer expenses	259,561	179,397
Courier and postage	9,463	13,317
HR - administrative costs	47,987	56,948
Operating Lease Expense	132,372	49,083
Stationery and printing	102,619	102,611
Sundry Expenses	46,843	-
Training and staff development	31,341	23,857
	851,642	643,853
14. Governance Expenditure		
Council Members and Sub-Committees	1,028,395	1,059,557

The Honorarium Fees on administrative expenses have been reclassified to governance expenditure for better presentation, as a result the administrative expenses have been reduced in the prior and current year.

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	Restated* R
15. Marketing expense		
Advertising and promotions	508,770	140,084
Public programmes (Events, Lectures and Workshops)	561,472	453,265
	<u>1,070,242</u>	<u>593,349</u>
16. Audit fees		
Internal audit	236,608	198,950
Statutory audit	869,690	871,225
	<u>1,106,298</u>	<u>1,070,175</u>
17. Operating expenditure		
Consulting, contractors and special services	496,931	984,308
Cleaning	24,483	37,040
Entertainment and refreshments	45,102	23,637
Insurance	201,582	190,697
Municipal services - water and electricity	269,513	203,151
Repairs and maintenance - machinery and equipment	322,947	318,916
Subscriptions	-	9,936
Travel and Accommodation - Council	231,561	49,982
Travel and subsistence	289,612	138,771
	<u>1,881,733</u>	<u>1,956,438</u>
18. Employee cost		
Basic salaries	5,767,536	4,068,717
Leave provision	9,723	(24,750)
Bonus provision	31,968	(2,661)
Salaries and wages	<u>5,809,226</u>	<u>4,041,306</u>
Director	1,117,209	1,152,676
Finance manager	840,836	863,419
Curator	659,688	677,406
Marketing manager	568,911	539,253
Senior management emoluments	<u>3,186,644</u>	<u>3,232,754</u>
Total employee costs	<u>8,995,870</u>	<u>7,274,060</u>
Number of employees	<u>20</u>	<u>19</u>

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	Restated* R
19. Cash generated from operating activities		
Surplus	2,021,441	2,189,291
Adjustments for:		
Depreciation and amortisations	269,277	222,084
Impairment loss	7,225	-
Changes in working capital		
Inventory	3,127	2,904
Trade and other receivables	(6,913)	(8,196)
Trade and other payables	18,545	(323,840)
Unspent Conditional grants	690,340	(121,246)
Provisions	41,692	(676,311)
	<u>3,044,733</u>	<u>1,284,686</u>

20. Tax exemption

The Luthuli Museum is exempted from taxation in terms Section 10 (1) (cN) (I) of the Income Tax Act.

21. Commitments

Operational commitments

Operation Expenditure		
Approved and already contracted for	<u>1,460,995</u>	<u>1,289,680</u>
	<u>1,460,995</u>	<u>1,289,680</u>

22. Irregular expenditure

Opening balance	<u>16,054,986</u>	<u>13,754,020</u>	*
As restated	<u>16,054,986</u>	<u>13,754,020</u>	
Prior year irregular amount condoned	(10,804,604)	-	
Add: Irregular expenditure - relating to prior year	-	25,746	**
Add: Irregular expenditure - relating to current year	<u>1,668,154</u>	<u>2,275,220</u>	**
Closing balance	<u>6,918,535</u>	<u>16,054,986</u>	

*R2 949 416.00: Application for the prior year Irregular Expenditure is currently in progress.

Application for the removal of the irregular expenditure from the notes is in progress, in line with the NT Instruction Note No.2 of 2019/2022 amending the Irregular Expenditure Framework. Irregular Expenditure in an amount of R10 804 604,14 was condoned by The National Treasury on the 07/06/2022 .

**R2 300 966.00 - Investigation and Consequence Management is being finalised.

^R1 668 154.00 - Irregular Expenditure identified by Management

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	R
23. Fruitless or wasteful expenditure		
Opening balance	17,337	17,337
Condoned by Council	-	-
Closing balance	<u>17,337</u>	<u>17,337</u>

The total amount of the fruitless and wasteful expenditure incurred to date comprises interest and penalties paid to South African Receiver of Revenue Services.

24. Contingent Liabilities

Contingent liability is a possible obligation depending on whether some uncertain future event occurs, or a obligation but payment is not probable or the amount cannot be measured reliably.

Contingent liabilities are thus not recognised in the statement of financial position as a liability but are included in the disclosure notes, unless the possibility of an outflow of economic resources is remote.

The Museum dismissed an employee in 2017 and the matter has proceeded to the Labour Court. The legal representative for the Museum 2020/2021 estimate of contingent liability was R250 000. For the 2021/2022 financial year the Museum effected an inflationary adjustment of 25% resulting in a provision of R312 500,00 contingent liability

25. Related parties

Relationships

Controlling entity

Executive authority

Related through Minister

Accounting Authority

Custodian of immovable assets

Department of Arts and Culture

Minister of Arts and Culture

All entities which fall under the portfolio of minister of Arts and Culture

Council members

Department of Public Works

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Department of Arts and Culture

- Operational grant

- Conditional grant

17,049,000 14,631,000

958,696 268,356

18,007,696 14,899,356

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	R
25. Related parties (continued)		
Council members fees paid		
Chiliza	56,121	90,657
Mr Sicelo Dlamini	96,005	14,425
Dr Albertinah Luthuli	73,164	-
Ms Salome Mabilane	149,818	108,004
Mr Jubie Matlou	102,778	17,420
Dr Mxolisi Mchunu	137,829	167,812
Hon Important Mkhize	140,336	172,929
Ms Sinenhlanhla Mthembu	87,100	17,889
Sanda	46,500	4,500
Konar	-	33,098
Gumede	-	29,814
Luthuli A	-	92,326
Luthuli M	-	29,614
Mbanjwa	-	13,095
Ralefatane	-	163,748
Mr Tsematse Tsematse	93,713	104,226
	<u>983,365</u>	<u>1,059,557</u>
Luthuli (He is a related party working on a project relating to Luthuli Detachment. He is paid a Honorarium Fee for work done with The Museum during the current financial year)	45,030	-
Senior management	<u>3,186,046</u>	<u>3,232,753</u>
	<u>4,214,441</u>	<u>4,292,310</u>
26. Subsequent events		
The National Treasury have condoned the irregular expenditure in the amount of R10 804 604.14 because there is evidence that the institution fully complied with paragraph 56 of the Irregular Expenditure Framework.		
27. Financial Instruments		
Financial instruments carried on the statement of financial position are classified as financial assets and as financial liabilities in terms of GRAP 104 and consist of trade and other receivables, cash and cash equivalents and trade and other payables.		
In accordance with GRAP 104.45 the financial assets and liabilities of the Museum are classified as follows:		
Financial assets carried at amortised cost		
Cash and cash equivalents	11,919,153	9,207,090
Trade and other receivables	38,235	31,322
	<u>11,957,388</u>	<u>9,238,412</u>
Financial liabilities carried at amortised cost		
Trade and other payables	97,253	58,770
	<u>97,253</u>	<u>58,770</u>

Notes to the Annual Financial Statements

	2022	2021
	R	R

27. Financial Instruments (continued)

The Luthuli Museum has exposure to the following risks from its use of financial instruments.

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

The note presents information about Luthuli Museum's exposure to each of the risks, Luthuli Museum's objectives, policies and processes for measuring and managing risk, and Luthuli Museum's management of capital. Further quantitative disclosures are included throughout these financial statements. In terms of

Treasury Regulations 27.2.1, issued in terms of the PFMA, the accounting authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Council has established an

Audit Committee which is responsible for risk management and monitoring compliance with the Luthuli Museum's risks management policies and systems.

Luthuli Museum's risk management policies are established to identify and analyse the risks faced by Luthuli Museum, to set appropriate risks limits and controls and monitor risks and adherence to limits.

The policies and procedures are also established to review the adequacy of the risk management framework in relation to the risks faced by Luthuli Museum.

The Audit Committee is assisted in the oversight role at operations level by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risks management controls and procedures, results of which are reported to the Audit Committee.

Credit risk

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

Trade and other receivables

Luthuli Museum has no significant exposure to credit risk. The credit risk applicable to Luthuli Museum as at 31 March 2022 amounted to: R 0.00 (2021: R 0,00) Luthuli Museum policy is to monitor its exposure to credit risk on a monthly basis. At year end, the maximum exposure to credit risk is represented by carrying amount of each financial asset.

Investments

Luthuli Museum limits its exposure to credit risk by investing only in liquid securities and with approved banks and financial institutions.

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	R

27. Financial Instruments (continued)

Liquidity risk

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

An assessment is made of the payments due in advance. Monies are transferred to the current account to bi-monthly obligations. Any surpluses are invested on a Call Account. It is the policy of Luthuli Museum, not to borrow monies.

There are thus no credit facilities available.

Market risk

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

Luthuli Museum policy is to invest surplus cash. Optimal rates and policies are received from various institutions. The Luthuli Museum is exposed to fluctuating market prices inherent in the trading of listed investments. The fair value of traded instruments is based on the market prices of those instruments.

The exposure of Luthuli Museum to these investments as at 31 March 2022 amounted to

11,919,153	9,207,090
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Currency risk

Luthuli Museum does not engage in foreign currency transactions and is thus not exposed to this risk.

Inherent rate risk

It is the policy of Luthuli Museum, not to borrow monies. There are thus no credit facilities available. There is thus no risk relating to changes in the interest rate.

Fair values

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

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R	R
28. Lease		
Operating lease rentals are expensed as they become due. The operating lease payments are recognised as an expense during the period that are disclosed in the statement of financial performance.		
Operating lease commitments (Mr M Guma)		
- Due in 12 months	63,855	58,050
- Due in 4-5 years	167,270	231,125
	<u>231,125</u>	<u>289,175</u>
Operating lease commitments (Mrs S Guma)		
- Due in 12 months	42,432	-
- Due in 3-5 years	154,496	-
	<u>196,928</u>	<u>-</u>
29. Risk management		
The Museum's risk to liquidity is a result of funds available to cover future commitments.		
The Museum manages liquidity risk through an ongoing review of future commitments and credit facilities.		
Financial Instruments		
Current assets	11,965,821	9,249,972
Current liabilities	<u>1,890,095</u>	<u>1,139,519</u>
Liquidity ratio	<u>6</u>	<u>8</u>
As the museum has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.		
Credit Risk		
Credit risk consists mainly of cash deposits/cash equivalents. The Museum only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.		
The Museums exposure to credit risk is indicated below:		
Cash and cash equivalents	<u>11,919,153</u>	<u>9,207,090</u>

Notes to the Annual Financial Statements

	2022	2021
	R	R

30. Prior Period Error Notes

Governance Expenditure

- The honorarium fees on administrative expenses were reclassified for better presentation.

The net effect of the reclassification on each class of an expense are shown below:

Governance Expenditure (Honorarium Fees)	-	(1,059,557)
Administrative Expenses	-	1,059,557
		-

Provisions

- The full provision liability balance was incorrectly disclosed in the Employees Costs and as an expense in the annual financial statements and therefore the Employee Costs was overstated by R656,575

The provision amount was corrected retrospectively.

The correction of the error results in adjustments as follows:

Statement of financial performance

Decrease in Employee Costs	-	648,902
	-	648,902

Statement of financial position

Decrease in opening accumulated surplus	-	(648,902)
	-	(648,902)

Notes to the Annual Financial Statements

	2022 R	2021 R	
30. Prior Period Error Notes (continued)			
Prior Period Adjustments			
Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior period adjustments:			
Statement of Financial Position: Extract			
2021			
	As previously reported	Correction of error	Restated
Accumulated Surplus	22,522,832	(648,902)	21,873,930
	22,522,832	(648,902)	21,873,930
Statement of Financial Performance: Extract			
2021			
	As previously reported	Correction of error	Restated
Employee Costs	(7,922,962)	648,902	(7,274,060)
Government Expenditure (Honorarium Fees)	-	(1,059,557)	(1,059,557)
Administrative Expenses	(1,703,410)	1,059,557	(643,853)
	(9,626,372)	648,902	(8,977,470)
Notes to the Annual Financial Statements: Extract			
2021			
Provisions			
	As previously reported	Correction of error	Restated
Provision for Leave Pay	415,538	(440,288)	(24,750)
Provision for Bonus	213,626	(216,287)	(2,661)
	629,164	(656,575)	(27,411)
Cash generated from operating activities			
	As previously reported	Correction of error	Restated
Provisions	(27,410)	(648,901)	(676,311)
	(27,410)	(648,901)	(676,311)
Cash Flow Statement: Extract			
2021			
	As previously reported	Correction of error	Restated
Cash flows from operating activities	14,631,500	164,908	14,796,408
	14,631,500	164,908	14,796,408

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actuals

	Actual R	Budget R	Variance Value R	Variance %	Note (s)
Revenue					
Book Sales	500	-	500	100.00	1
Donations Received	11,081	50,000	(38,919)	(77.84)	2
Income from investments	153,782	-	153,782	(100.00)	3
Sales - DVD's	-	1,000	(1,000)	(100.00)	4
Subsidy Income	17,058,660	17,049,000	9,660	0.06	5
Tender Deposits	8,100	-	8,100	100.00	6
	<u>17,232,123</u>	<u>17,100,000</u>	<u>132,123</u>	<u>0.78</u>	-

Notes:

1. The income was received from the sale of books during the year, however it was not in the budget in the beginning of the year.
2. This is a donation received from Heritage Assets Collections. The full donation of R50,000.00 was not realised as budgeted.
3. Interest Received is from FNB Investment Accounts, funds which are not used are invested into these accounts to earn interest until they are utilised. We do not budget for the interest as we are not in the investments business.
4. There were no DVD Sales during the year
5. Subsidy Income Received from DSAC is R17,049,000.00 for the year 2022 but the difference of R9,660.00 is the income transferred from Heritage Assets Conditional Grant for Grap 103 used to do the Heritage Asset Valuation in 2022
6. Income received from sale of tender documents issued during the year. It was not budgeted for at the beginning of the year.

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actuals

	Actual R	Budget R	Variance Value R	Variance %	Note (s)
Expenses					
Audit Fees	1,106,298	1,110,835	4,537	0.41	
Security - OOE	442,419	566,276	123,857	21.87	7
Adverts & Promotions	508,770	715,704	206,934	28.91	8
Exhibitions	-	230,000	230,000	100.00	9
Public Programs - Marketing	499,174	587,402	88,228	15.02	10
Luthuli Lecture	62,298	370,000	307,702	83.16	11
Bank Charges - AE	17,653	50,989	33,336	65.38	12
Cleaning - OOE	24,483	39,787	15,304	38.46	13
Computer Expenses - AE	259,561	302,558	42,997	9.23	
Consultation Fees - OOE	25,222	51,157	25,935	50.70	14
Courier & Postage - AE	9,463	11,462	1,999	17.44	15
Depreciation - OOE	269,277	266,769	(2,508)	(0.94)	
Impairment of Heritage Assets	7,225	-	(7,225)	(100.00)	16
Donations	-	2,782	2,782	100.00	17
Water & Electricity	269,513	284,298	14,785	5.20	
Refreshments - OOE	45,102	55,738	10,636	19.08	18
HR - Administration Costs	47,987	188,026	140,039	74.48	19
Insurance - OOE	201,582	223,254	21,672	9.71	20
Operating Lease Expense	132,372	105,487	(26,885)	(25.49)	
Legal Fees	-	29,537	29,537	100.00	21
Motor Vehicle Expenses - OOE	102,592	142,500	39,908	28.01	22
Print-Annual Rep.& Broch	22,729	51,189	28,460	55.60	23
Stationery -AE	79,890	76,591	(3,299)	(4.31)	
Repairs & Maintenance- OOE	322,947	453,990	131,043	28.86	24
Salaries	9,019,860	9,137,448	117,588	1.29	
Casual Wages	3,424	10,000	6,576	65.76	25
Subscriptions	-	895	895	100.00	26
Sundry Expenses	46,843	-	(46,843)	(100.00)	27
Training & Development - AE	31,341	64,874	33,533	51.69	28
Protective Clothing	19,630	33,413	13,783	41.25	29
Telephone & Fax - AE	96,688	112,036	15,348	13.70	30
Cellphone Expenses - AE	107,116	126,920	19,804	15.60	31
Travel & Accommodation -Staff	187,020	256,692	69,672	27.14	
Honoraria - AE	1,028,394	1,044,660	16,266	1.56	32
Travel & Accom-Council	235,546	396,731	161,185	40.63	33
Grap 103	9,660	-	(9,660)	(100.00)	
Total Expenses	15,210,683	17,100,000	(1,889,317)	-	
Net surplus for the year	2,021,441				

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actuals

Notes

7. The Albert Luthuli Annual Lecture was conducted virtually and the planned opening of the Resource Centre was postponed. This resulted in a major savings. During the big events museum usually hire additional security services and this did not happen in the current year. These funds are to be transferred and utilized in the new year.
8. Adverts and Promotion remain with a savings because the event for opening of the Nokukhanya Resource Centre was postponed to June 2022. The adverts that were supposed to be issued were not issued but will be issued when the date of the event is finalized.
9. Museum was suppose to conduct exhibition for the opening of the Nokukhanya Resource Centre and that did not happen as a result these funds are now to be used in 2022/23 financial year.
10. Savings are due to the opening of the Resource Centre being postponed to the new year. These fund will also be used in the new year.
11. The Albert Luthuli Memorial Lecture was conducted virtually in November 2021 and that resulted to the savings of the funds budgeted for this event. The balance remaining is now ring fenced to be used during the opening of the Nokukhanya Resource Centre.
12. This was an ordinary savings.
13. Museum projected an increase in cleaning that will go hand in hand with the big event of opening the Nokukhanya Resource Centre and the Luthuli Memorial Lecture. As this event was postponed, the funds are to be transferred to the new year.
14. The savings in this expenditure is due to the fact that most of the budget allocated to this expenditure is used at the end of the year during the preparation of the financial statements. Funds will be transferred to the new year and will be paid when financial statements are completed.
15. Major part of this expenditure is to courier documents to the DSAC or Parliament like the APPs; Annual Reports; etc. This year there was no need to print and courier big number of documents which resulted in savings that will be transferred to the new year.
16. This item was not budgeted for and it is not a cash item.
17. Museum normally send flowers as donation to community members in certain events like wish well; condolences; etc. No donation took place during the year.

Statement of Comparison of Budget and Actuals

Notes (continued)

18. Savings as the number of events were reduced to focus to the opening of Nokukhanya Resource Centre and the meetings conducted virtually.

19. Museum is still in the process of appointing a company to assist with the HR activities. This process has been delayed and as a result, number of HR activities were not performed which will be paid from these funds. Funds will be transferred to the new year and be utilized when the company is appointed.

20. This was a general savings from insurance premium.

21. These funds were set aside to pay for the labour issue at the Labour Court. There were no sittings during the year as a result these funds are to be transferred to the new year.

22. The Albert Luthuli Annual Lecture conducted virtually and postponement of the Resource Centre opening that resulted to less travelling costs. These are the major result for the savings and these funds are to be transferred to the next year.

23. Major part of this budget was for the printing of the annual report. There was no printing of the annual report as it was submitted to DSAC as a soft copy, as a result these funds were not used and will be transferred and used in the new year.

24. Projects that were planned to be conducted in February and March 2022 were not actioned in time due to the National Treasury circular issued in February 2022 that all procurement above R 30,000.00 need to be suspended and all entities to apply to National Treasury for approval to conduct those projects or procurement. The approval was received in April 2022 and the projects only continued in April 2022.

25. No subscriptions paid during the year.

26. Annual Lecture conducted virtually and postponement of the Resource Centre opening are the major result for the savings as these funds are used to pay the volunteers that assist the staff during the preparations for big events. These funds are to be transferred and utilized in the new year.

27. Savings as there was a delay in the appointment of the HR company to assist with training and for the suitable company to providing these training. SCM Training was performed in February 2022 and more trainings to be identified in the new year.

28. Maintenance staff were required to prioritise their uniform requirement as it will be purchased in phases. The remaining items will be purchased in the year and the remaining funds to be transferred to the new year.

29. Savings as the big event was postponed, which resulted in less communication in conducting operations and to invite the stakeholders.

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actuals

Notes (continued)

30. Savings as the big event was postponed. Less communication to conduct operations and to invite the stake holders.

31. Postponement of the Nokukhanya Resource Centre opening ,the Annual Lecture conducted virtually as well as meetings conducted visually resulted to less travelling costs and savings.

32. This saving is a result that the majority of the meetings for The Council are now conducted virtually.

33. This expenditure is paid from the Heritage Assets Conditional Grant. Balance in 2021 was R 109 175.00 less R9 660.00 remain balance is R 99 515.00 for 2022.



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an agency of the
Department of Sport, Arts and Culture

ISBN 978-0-62-150521-4



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