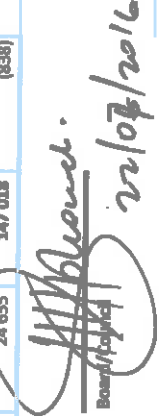
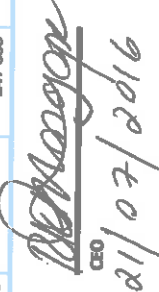


TEMPLATE FOR DRAFTING QUARTERLY REPORTS TO BE SUBMITTED TO DAC BY ITS PUBLIC ENTITIES									
NATIONAL ARTS COUNCIL OF SOUTH AFRICA									
The proposed format of the report is as follows:									
1 Cover letter signed by the Chairperson/Representative of the Board/Council									
2 Financial report: Income and Expenditure: See attached tables									
3 Non-Financial Report: Performance on targets as outlined in the approved Annual Performance Plan									
4 PFMA Compliance Report: As attached to this template or National Treasury web-site									
N.B. The cover letter should include									
1 Introduction									
2 Things that public entity wants to share with the Minister and DAC									
3 Challenges facing the public entity									
PLEASE ATTACH THE FOLLOWING DOCUMENTS									
1 Balance sheet									
2 Report on audit outcomes									
3 Schedule on SCM									
4 Job creation report									
5 Staff establishment/profile report, including people with disability									
6 Feedback report on outstanding issues discussed with the public entity or issues included in the feedback letter(s)									
7 Risk Management in line with TR 27.2.1 (20 top risks)									
8 An indication of whether the public entity has a Disaster Recovery Plan , Business Continuity Plan regarding ICT									
9 Disciplinary actions									
ALL REPORTS MUST BE SIGNED AND APPROVED BY THE BOARD/COUNCIL									
FROM 1 JULY 2016: STARTING WITH THE FIRST REPORT FOR 2016/2017 FINANCIAL YEAR									

FINANCIAL REPORTS - INCOME

SOURCES	BUDGET	ADJUSTMENTS	CURRENT BUDGET	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL	VARIANCE: BUDGET VS PROJECTED	EXPLANATION OF VARIANCES OVER/UNDER 5%
	R'000	R'000	R'000	1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000	31-Mar-17 R'000	R'000	R'000	
Parliamentary Grant:											
Core - funding	101 182	-	101 182	20 400	43 200	24 300	13 282	101 182			
Ring Financed	-	-	-	-	-	-	-	-			100.00
Capital Works (Funds to be utilised from previous financial years)	1 500	-	1 500	-	500	500	500	1 500			
Capital Works (Current year allocation)	-	-	-	-	-	-	-	-			
Improvements of Conditions of Service	-	-	-	-	-	-	-	-			
Subtotal	102 682	-	102 682	20 400	43 700	24 800	13 782	102 682			100.00
External Funding :											
Public	-	-	-	-	-	-	-	-			
Private	-	-	-	-	-	-	-	-			
International	-	-	-	-	-	-	-	-			
Subtotal	-	-	-	-	-	-	-	-			
Other Income:											
Fundraising	-	-	-	-	-	-	-	-			
Rentals	-	-	-	-	-	-	-	-			
Investment Income	-	-	-	-	-	-	-	-			
Funding - prior year. Committed and already contracted but not fully paid	43 498	-	43 498	10 875	10 875	10 875	10 873	43 498			100.00
Sales of Services	-	-	-	115	-	-	-	115			
Subtotal	43 498	-	43 498	11 713	10 875	10 875	10 873	44 336			101.93
Total	147 680	-	147 680	32 113	54 575	35 675	24 655	147 018			99.55


 Board Member
 22/07/2016


 CEO
 21/07/2016

Signature
Date

EXPENDITURE FOR QUARTER ENDED

EXPENDITURE	BUDGET R'000	ADJUSTMENTS R'000	CURRENT BUDGET R'000	ACTUAL				FORECAST				TOTAL 31-Mar-17 R'000	VARIANCE: BUDGET VS PROJECTED R'000	EXPLANATION OF VARIANCES OVER/UNDER %		
				1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000	1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000					
Compensation	16 958	-	16 958	4 520	4 146	4 146	4 146	4 146	4 146	16 958	-	100.00				
Goods and Service	13 397	-	13 397	2 490	3 636	3 636	3 636	3 635	3 635	13 397	-	100.00				
Subtotal	30 355	-	30 355	7 010	7 782	7 782	7 782	7 781	7 781	30 355	-	100.00			This cost include depreciation	
Capital Works (Funds to be utilised from previous financial years)	1 500	-	1 500	-	500	500	500	500	500	1 500	-					
Capital Works (Current year allocation)	1 500	-	1 500	-	-	-	-	-	-	1 500	-					
Sub-Total	33 355	-	33 355	(189)	(189)	(189)	(189)	(189)	(189)	(756)	-					
Less Depreciation				6 821	7 593	8 093	8 093	8 092	8 092	31 099	-					
Total																97.63

EXPENDITURE PER PROGRAMME/PROJECT FOR QUARTER ENDED

EXPENDITURE	BUDGET R'000	ADJUSTMENTS R'000	CURRENT BUDGET R'000	ACTUAL				FORECAST				TOTAL 31-Mar-17 R'000	VARIANCE: BUDGET VS PROJECTED R'000	EXPLANATION OF VARIANCES OVER/UNDER %		
				1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000	1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000					
Funding - prior year. Committed and a/c	43 498	-	43 498	3 766	13 244	13 244	13 244	13 244	13 244	43 498	-	100.00				
Public Engagements (Include Orchestras)	44 520	-	44 520	25 702	6 273	6 273	6 273	6 272	6 272	44 520	-					
Arts Business Development	26 307	-	26 307	4 643	7 221	7 221	7 221	7 222	7 222	26 307	-					
Subtotal	114 325	-	114 325	34 111	26 738	26 738	26 738	26 738	26 738	114 325	-					
Less Depreciation																
Total																

SUMMARY OF INCOME AND EXPENDITURE FOR QUARTER ENDED

	BUDGET R'000	ADJUSTMENTS R'000	CURRENT BUDGET R'000	ACTUAL				FORECAST				TOTAL 31-Mar-17 R'000	VARIANCE: BUDGET VS PROJECTED R'000	EXPLANATION OF VARIANCES OVER/UNDER %		
				1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000	1st Quarter R'000	2nd Quarter R'000	3rd Quarter R'000	4th Quarter R'000					
Total income	147 680	-	147 680	32 113	54 575	54 575	54 575	35 675	25 317	147 680	-	100.00				
Total expenditure	147 680	-	147 680	40 932	34 331	34 331	34 831	8 230	8 230	145 424	-					
TOTAL FOR THE QUARTER				(8 819)	20 244	20 244	844	17 087	17 087	2 256	-					Interest received from Investment

PUBLIC ENTITIES CORPORATE MANAGEMENT						PUBLIC ENTITIES PLANNING AND BUDGETING						PUBLIC ENTITIES MANAGEMENT OF WORKING CAPITAL							
No	Section	Description	Action	Yes	NO	Comments	No	Section	Description	Action	Yes	NO	Comments	No	Section	Description	Action	Yes	NO
1	49	Accounting Authority	In terms of section 49(3) the relevant treasury, in exceptional circumstances, may approve that a functionary other than the board or CEO be the AA of the public entity. In this regard, has the Auditor-General been informed in writing of any such approval or instruction?		N/A	NAC has a full Council which acts as an AA	1	52	Annual budget, corporate plan and shareholder's compact by Schedule 2 public entities and government business enterprises	Did the accounting authority submit the following to the relevant treasury and to the accounting officer of the department at least one month before the start of the public entity's financial year:				1	50(1)(f)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains effective, efficient and transparent financial management and internal control systems?	Yes	
2	TR 27.9.1	Chief Financial Officer	In the case of a SA or SC public entity, has a Chief Financial Officer been appointed to head the finance division?	Yes					• a projection of revenue, expenditure and borrowings for the financial year in the prescribed format; and	Yes					51(1)		Does the public entity:		
3	50(1)	Delegations of Authority	Have the powers entrusted or delegated to the accounting authority been delegated to other officials within the public entity?		Yes				• a corporate plan in the prescribed format covering the affairs of that public entity or business enterprises for the following three financial years, and if it has subsidiaries, also the affairs of the subsidiaries.	Yes							• have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective?	Yes	
4	51(1)(e)(i)	Internal Control	Does the public entity have:	Yes			TR 29.1.1		Does the corporate plan include the following:								• have a system for properly evaluating all major capital projects prior to a final decision on the project?		N/A
			an effective, efficient and transparent system of financial and risk management and internal control?						• strategic objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact;	Yes							• collect all revenue due?	Yes	
	51(1)(e)(ii)		a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?	Yes					strategic and business initiatives as embodied in business function strategies;	Yes							• Have mechanisms in place to prevent irregular and fruitless and wasteful expenditure?	Yes	
	TR 27.1.1		Is the audit committee a sub-committee of the accounting authority?	Yes					key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives;	Yes							• Manage available working capital efficiently and economically?	Yes	
	77(a)		Does the audit committee consist of at least 3 persons?	Yes					a risk management plan;	Yes				TR 29.1.9 TR 29.1.6			Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, SB and SD entities only) If a borrowing programme was submitted, did it include?	N/A	
	77(b)		Does the audit committee meet at least twice a year?	Yes					• fraud prevention plan ;	Yes							• The terms and conditions on which the money was borrowed?	N/A	
	TR 27.1.6		Does the audit committee operate in terms of a written terms of reference?	Yes					• materiality /significant framework, referred to in Treasury Regulations 29.1.5;	Yes							• information on proposed domestic borrowing;	N/A	

PFMA CHECK LIST FOR PUBLIC ENTITIES (REPORTING)							PFMA CHECK LIST FOR PUBLIC ENTITIES CASH MANAGEMENT BANKING AND INVESTMENT									
Comments	No	Section	Description	Action	Yes	NO	Comments	NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS	
Through the PFMA checklist		TR 26.1.1		Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	Yes				1	51(1)(b)(ii)TR 51.1	Cash Management	Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?	Yes			
		TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)	Yes							Collecting and banking revenue promptly;	Yes			
		TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?	Yes							Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments;	Yes			
NAC does not have capital projects. Any major tender is evaluated by the bid Committee	2	55	Annual report and financial statements	Did the public entity submit the following to the relevant treasury, executive authority and Auditor-General within 5 months from the end of the financial year:								Avoiding prepayments for goods and services unless required by the contractual arrangements with the supplier;	Yes			
				An annual report on the activities of the public entity during that financial year;	Yes							Accepting discounts to effect early settlement;	Yes			
				The financial statements for that financial year after the statements have been audited;	Yes							Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly;	Yes			Where applicable
				The report of the auditors on those statements.	Yes							Accurately forecasting the public entity's cash flow requirements;	Yes			
				Does the public entity's annual report and financial statements fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned? Does the annual report and financial statements include:	Yes							Timing the in and out flow of cash;		No		DAC transfers equal monthly tranches
				Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;		N/A	Irregular expenditure emanates from 2011/2012 and 2012/2013 AFS					Recognising the time value of money, i.e. economically, efficiently, and effectively managing cash;	Yes			
				Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	Yes		Financial misconduct, disciplinary action is completed and NAC implemented the recommendation. COO was dismissed, he appealed the dismissal. The process is under CCMA.									

			<ul style="list-style-type: none"> Any losses recovered or written off 		N/A				<ul style="list-style-type: none"> Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under utilised assets; 	Yes			
			<ul style="list-style-type: none"> Any financial assistance received from the state and commitments made by the state on its behalf; 	Yes					<ul style="list-style-type: none"> Performing bank reconciliations at least weekly; 				
			<ul style="list-style-type: none"> The financial statements of subsidiaries. 	Yes		Downtown Studios and Fox Street Properties are integrated within the NACAFS			<ul style="list-style-type: none"> Making regular cash forecasts; and 				
	65		<ul style="list-style-type: none"> Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report? 	Yes					<ul style="list-style-type: none"> Alignment of the approved budget with monthly cash flows; 				
			<ul style="list-style-type: none"> If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled? 						<ul style="list-style-type: none"> Variance analyses of actual cash flow with the approved budget 				
	TR 27.1.7		<ul style="list-style-type: none"> Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference 	Yes				2 TR 31.2.1	Banking	<ul style="list-style-type: none"> Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year? 	Yes		
			<ul style="list-style-type: none"> Did the audit committee comment on its evaluation of the public entity's financial statements? 	Yes				3 TR 31.3.1	Investment	<ul style="list-style-type: none"> Does the public entity have an investment policy? 	Yes	N/A	
	TR 28.1.1		<ul style="list-style-type: none"> Does the financial statements include a report by the accounting authority that discloses the emoluments of all directors and executive members of the public entity and its subsidiaries? If yes, to above, does the disclosure include: 	Yes				TR 31.3.2		<ul style="list-style-type: none"> If yes to the above, does the investment policy include the: 			
			<ul style="list-style-type: none"> Fees for services as a director or executive member; 	Yes		For non executives; Council and Panel remuneration				<ul style="list-style-type: none"> selection of counter-parties through credit risk analyses; 			
			<ul style="list-style-type: none"> Basic salary; 	Yes						<ul style="list-style-type: none"> establishment of investment limits per institution; 			
			<ul style="list-style-type: none"> Bonuses and performance related payments; 	Yes		Where applicable				<ul style="list-style-type: none"> establishment of investment limits per investment instrument; 			
			<ul style="list-style-type: none"> Sums paid by way of expense allowances; 	Yes						<ul style="list-style-type: none"> monitoring of investments against limits; 			
			<ul style="list-style-type: none"> Contributions made to any pension fund, medical aid, insurance scheme, etc. 	Yes						<ul style="list-style-type: none"> reassessment of investment policies on a regular basis; 			
			<ul style="list-style-type: none"> Any commission, gain or profit sharing arrangements; 		NO	Not applicable				<ul style="list-style-type: none"> reassessment of counter-party credit risk based on credit ratings; and 			

No	Schedule	Report or document	Authority	Date	Section/leg	Y/N
1,2,3		Any documents, returns etc required	Relevant treasury, AG	When required	S 54(1)	Yes. Informed National Treasury and Auditor general on variation order deviation
2,3		AFS	Auditors (treasury if business entity)	Within 2 months after year-end	S 55(1)(c)	Yes
3,3		Annual report Audited AFS	Executive authority; relevant treasury (S. AG if admin's perform the audit)	Within 5 months after year end	S 55(1)(d)	Yes
4,2,3		Auditors report Financial misconduct procedures report	Executive authority, relevant treasury, AG	Annually	TR 33.3.1	
5,3A, 3C		Budget of estimated revenue and expenditure for the year	Executive authority	6 months prior to start of financial year	S 53(1)	Yes
6,3A, 3C		Report on actual revenue and expenditure for the quarter	Executive authority	Within 30 days of the end of the quarter	TR 26.1	Yes
		Report on compliance to the PFMA	Executive authority	Quarterly	TR 26.1.2	Yes
7,3A, 3C		Strategic plan	Executive authority	6 months prior to start of financial year	TR 30.1.1	Yes
8,2, 3B, 3D		Projection of revenue, expenditure and borrowings	Accounting officer & relevant treasury	1 month prior to start of financial year	S 52	
2, 3B, 3D		Corporate plan	Executive authority	1 month prior to start of financial year	S 52, TR 29	Yes
9,2, 3B, 3D		Three year borrowing plan with corporate plan	National Treasury	Quarterly	TR 29.1.3 TR 29.1.4	N/A
2, 3B, 3D		Quarterly reports on above reflecting actual borrowings	National Treasury	Quarterly	TR 29.1.3 TR 29.1.4	Yes
10,2, 3B, 3D		Shareholders compact	Executive authority	Annually	TR 29.2.1	Yes

Signatures
CFO
Date


21/07/2016

CEO
Date

21/07/2016


Board/Council
Date
22/07/2016

1st Quarter Report July 2016	1st Quarter Target	Actual Performance for Qr 1	Reason for NOT Achieved and Partially Achieved	Interventions that will be put in place	Status to date (Achieved / Partially Achieved / Not Achieved)	Verification sources
Annual Target (s) 2016-2017						
90% of projects and grants risk assessed upfront prior to final approval per funding session	20% of projects assessed in the performing arts, and International bursaries	20% of projects and International bursaries assessed in the performing arts	Not Applicable	Not Applicable	Achieved	Risk assessment proformas
90% of projects risk assessed annually, post approval per funding session	25% of projects assessed post approval	25% of projects assessed post approval	Not Applicable	Not Applicable	Achieved	Risk assessment proformas
100% of disbursements to be made in accordance with agreed disbursement criteria	100% of disbursements to be made in accordance with agreed disbursement criteria	100% of disbursements to be made in accordance with agreed disbursement criteria	Not Applicable	Not Applicable	Achieved	Project files paid
70% disbursements made or expiration of projects	50% of disbursements made or expiration of projects	50% of disbursements made and projects expired	Not Applicable	Not Applicable	Achieved	List of expired projects and payment disbursement list
Allocation of grants/ projects per funding session: 50% for arts promotion, 30% for creation of new work, 20% for capacity building	Allocation of grants/ projects per funding session: 12.5% for arts promotion, 7.5% for creation of new work, 5% for capacity building	Allocation of grants/ projects 37.99% for arts promotions, 15.85% for creation of new work, 27.11% for capacity building	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
5% of allocated funding disbursed to support indigenous art forms	5% disbursed to support indigenous art forms	9.68% of disbursed to indigenous art forms	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
25% disbursed to targeted rural areas/provinces	25% disbursed to targeted rural areas/provinces	27.28% of disbursed to targeted rural areas/provinces	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets

Annual Target (s) 2016-2017	1st Quarter Target	Actual Performance for Qr 1	Reason for NOT Achieved and Partially Achieved	Interventions that will be put in place	Status to date (Achieved / Partially Achieved / Not Achieved)	Verification sources
10% disbursed to women and women-led organisations	10% disbursed to women and women-led organisations	14.19% of funding disbursed to women and women-led organisations	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
2% allocated to organisations working with people with disabilities and individuals living with disabilities	2% disbursed to organisations working with people with disabilities and individuals living with disabilities	2.35% disbursed to individuals living with disabilities and organisations working with people living with disabilities	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
15% of allocated funding disbursed to projects that benefit the youth	15% disbursed to projects that benefit the youth	28.41% disbursed to projects that benefit the youth	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
20% of funding allocated to bursaries approved	5% of funding allocated to international bursaries	8.01% of funding allocated to international bursaries	Not Applicable	Not Applicable	Achieved	Funding summary spreadsheets
7 training and development programmes funded	7 training and development programmes funded	7 Training and development programmes funded	Not Applicable	Not Applicable	Achieved	TUT & Assitej Contract
7 community arts centre managers trained	7 community art centre identified and selected to receive training	5 Community arts centre's (cultural hubs) identified and selected for training through Assitej.	Training will only commence in 2017 (as per contract)	The NAC Conclude Past contract in Q 2 to empower a further 2 community arts centre managers	Partially achieved	Assitej contract
3 flagship projects identified and supported	Identify and allocate funding for 3 flagship projects	3 Flagship projects have been identified and funding has been allocated.	Not Applicable	Not Applicable	Achieved	TUT, International Cooperatives Day Project (Mpumalianga) & Assitej Contracts
Establish a partnership with a relevant structure	Identify a relevant structure	One relevant structure has been identified	Not Applicable	Not Applicable	Achieved	Leonardo DAVINCI Hotel and Suites MOU

Annual Target (s) 2016-2017	1st Quarter Target	Actual Performance for Qr 1	Reason for NOT Achieved and Partially Achieved	Interventions that will be put in place	Status to date (Achieved / Partially Achieved / Not Achieved)	Verification sources
Partnerships established with 2 relevant structures	2 relevant structures identified	2 Relevant structures have been identified	Not Applicable	Not Applicable	Achieved	Assetej Contract, University of the Free State (Julie's Bicycle) and the Arts and Culture Trust (with the University of Johannesburg), ICD Deviation, Horizon Education Trust
Update and implement updated brand communication strategy	Conduct stakeholder perception survey	Stakeholder perception survey conducted	Not applicable	Not applicable	Achieved	Stakeholder perception survey outcomes
Implement HR strategy and annual HR plan	Implement 10% of year one of the HR strategy and annual plan	45% of year one of HR strategy and annual plan implemented	Not Applicable	Not Applicable	Achieved	1.1 reviewed HR policies, Personality Index feedback reports, Final Performance Evaluations 2015/16, Job descriptions, Draft survey, Training Matrix, Team Inventory Presentation, HRC Draft Minutes, HR Strategy
Implement ICT strategy and annual plan	Establish an ICT steering committee	ICT steering committee established	Not Applicable	Not Applicable	Achieved	ARC Terms of Reference
Unqualified audit outcome	No target set	No target set	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Performance evaluation of Council and its subcommittees	No target set	No target set	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Signature
Date(s)

CFO

[Signature]
21/07/2016

CEO

[Signature]
21/07/2016

Board/Council

[Signature]
22/07/2016

CATEGORY	PUBLIC ENTITIES STAFF DEMOGRAPHICS													
	Coloured		Indian		White		African		Persons with Disabilities		Total			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Top Management					1		1	1			1	1		
Senior Management							1				0	1		
Professionally qualified and experienced specialists in mid-management							2	2			2	2		
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents		1					5	10			5	11		
Semi-skilled and discretionary decision making		1					1	2			1	3		
Unskilled and defined decision making								3			0	3		
Contract Staff	1						0	2			1	2		
Interns											0	0		
Total	1	2	0	0	0	0	9	21	0	0	10	23		

LIST OF DISCIPLINARY CASES

Rank of the Employee	Name and Surname	Reasons for the Disciplinary Action	Outcome of the Disciplinary Action	Sanctions/Action taken against the Employee

SUPPLY CHAIN MANAGEMENT COMPLIANCE REPORT FOR QUARTER ENDING 30 JUNE 2016

NAME OF PUBLIC ENTITY : NATIONAL ARTS COUNCIL

NB: only contracts amounting to R100k and above

NAME OF SERVICE PROVIDER	DESCRIPTION OF SERVICE	DATE	CONTRACT NUMBER	B-BBEE STATUS	LOWEST ACCEPTABLE VALUE - CONTRACT VALUE	PREMIUM PAID (Amount Paid)	EXPANSION BID VALUE
Auditor General	External Audit	27/05/2016	(011) 703 7600	Level 3	R 213 304.60	R 213 304.60	R 213 304.60
Auditor General	External Audit	17/06/2016	(011) 703 7600	Level 3	R 316 391.23	R 316 391.23	R 316 391.23
DUMA Travel	Travel services	06/05/2016	(086)011667	Level 2	R 115 137.18	R 115 137.18	R 115 137.18
Kinlita Minoita	Purchase orde photocopy machines	28/4/2016	(011) 249 4000	Level 3	R 645 176.16	R 645 176.16	R 645 176.16
Nexus Travel	Travel services	06/05/2016	(011) 486 9000	Level 2	R 137 134.15	R 137 134.15	R 137 134.15
Nexus Travel	Travel services	27/05/2016	(011) 486 9000	Level 2	R 142 743.88	R 142 743.88	R 142 743.88
SEMA Intergrated Solutions	Internal Audit	19/05/2016	(012) 64 30840	Level 2	R 175 746.53	R 175 746.53	R 175 746.53
SEMA Intergrated Solutions	Internal Audit	27/05/2016	(012) 643 0840	Level 2	R 157 849.97	R 157 849.97	R 157 849.97
THE Generator King	Purchase of Generator	06/06/2016	(086) 111 3847	N/A	R 232 446.00	R 232 446.00	R 232 446.00
Total Exposure	Communications Agency	24/05/2016	(011) 788 8725	Level 2	R 153 341.40	R 153 341.40	R 153 341.40
Whooodoo Media & Advertising	Advertising	01/06/2016	(011) 4033035	N/A	R 109 290.54	R 109 290.54	R 109 290.54

COMPILED BY.....



DATE:.....

DATE: 21/07/2016



22/07/2016

APPROVED BY CEO/COUNCIL/BOARD.....

National Arts Council
Statement of Financial Position for June 2016

ASSET

AccountName	NOTES	June 2016
		Actual
NON-CURRENT ASSETS		6 299 141
Property, plant and equipment	2	6 191 990
Investment Property	5	-
Intangible assets	3	107 151
CURRENT ASSETS		24 018 506
Trade and other receivables	4	663 540
Cash and cash equivalents	6	23 354 966
Administered Funds	10	-
TOTAL ASSETS		<u>30 317 647</u>
NON - CURRENT LIABILITIES		-
Finance lease obligation	7	-
CURRENT LIABILITIES		3 911 463
Trade and other payables	8	3 007 333
Projects and bursaries payables	9	461 131
Downtown Studios (DAC)		68
Administered Funds	10	442 930
NET ASSETS		<u>26 406 184</u>
TOTAL LIABILITIES		<u>30 317 647</u>

Audit Findings Action Plan Monitoring Tool

Audit Opinion	Unqualified	Select
Audit Issues	Qualification	No
	Emphasis of matter	Yes

Audit Findings Action Plan Monitoring Tool

NATIONAL ARTS COUNCIL OF SOUTH AFRICA - 2015/2016

Audit Findings	Description	Action Plan Description	Start Date	Completion Date	Person Responsible			Position	Progress	Narrative
					Title	First Name	Surname			
1. Change of useful life of Property Plant and Equipment and prior period error	Management did not perform a review of assets' useful life and residual values. Since there was no assessment of assets' useful lives and residual values in the prior year this constitute a prior period error. During the current year management reviewed the useful lives of assets and changed the useful lives of certain assets. In the process of changing the useful lives the assets were revalued since they had a Rnil carrying amount. The assets had a Rnil carrying amount for an average of two years. However, management applied the change in accounting estimates from 1 April 2014 (the date of the review of useful lives), as opposed from the date the asset was brought in use. As a result there were differences between the values of assets at effective date of change in estimate as well as differences on depreciation for the affected assets. There was no disclosure that the changes were effected retrospectively or prospectively in terms of GRAP 3 paragraph .36 - 40.				* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
			01/08/2015	31/03/2016	Mr	Dakalo	Mandlwana	FM		Asset Verification has been completed and asset register is being updated.
2. Prior period error	An amount that was raised as a provision was debited to Projects expense. The amount was previously recorded in profit and loss. This amount relates to a refund being claimed by the Norwegian government for prior year projects were supporting information was not made available. When correcting for prior periods, the amount should be corrected through accumulated surplus not profit and loss.	* Describe activities in point form to address issue (use lower case):	* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		1	01/08/2015		Mr	Dakalo	Mandlwana	FM		
		2								
		3								
		4								
		5								
		6								
		7								
		8								
3. Downtown Studio assets with R1 values	Assets that have R1 values, these assets have had R1 values for more than one year. We could not obtain the documented assessment performed by management why they kept the assets at R1 value or if the indications of useful lives or value in use have changed.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		All minor assets will be listed in separate spreadsheet for tracking purposes	01/08/2015	31/03/2016	Mr	Dakalo	Mandlwana	FM		Minor assets are not capitalised therefore have been excluded from the asset register
4. Intangible assets reconciliation note	Intangible assets disclosure note there was an amount of R246 076 that was derecognised in the General Ledger and Fixed Asset Register. The amount was not included in the reconciliation of intangible assets as required by GRAP		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		This note has been updated as per guidance from the auditors	31/07/2015	31/07/2015	Mr	Dakalo	Mandlwana	FM		

Audit Findings Action Plan Monitoring Tool

Audit Opinion	Unqualified	Select
Audit Issues	Qualification	No
	Emphasis of matter	Yes

Audit Findings Action Plan Monitoring Tool

NATIONAL ARTS COUNCIL OF SOUTH AFRICA - 2015/2016

Audit Findings	Description	Action Plan Description	Start Date	Completion Date	Person Responsible			Position	Progress	Narrative
					Title	First Name	Surname			
	31.116 disclosure requirement on the reconciliation of Intangible assets.									
5. Cash flow statement	Cash flow statement of the NAC an amount of R248 854 was included in cash flows from investing activities and this amount relates to Acquired non-exchange other receivables. The amount is an operating activity not investing activity. Also, the amount relating to cash flows from financing activities relating to the finance lease on photocopier machines was not included. The amount is R493 950		* Select planned start and completion dates:		* Select title and enter name (use lower case):		* Select position:	* Select progress of activity:	* Enter any pertinent comments:	
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dakalo	Mandiwana	FM		
6. Budgeted and Actual information	The statement of comparative of budgeted and actual financial information, the statement does not cast. There is a difference on the aggregated variance of R420 922		* Select planned start and completion dates:		* Select title and enter name (use lower case):		* Select position:	* Select progress of activity:	* Enter any pertinent comments:	
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dakalo	Mandiwana	FM		
7. Provision disclosure note	Disclosures of the provisions in the financial statements, the disclosure for performance provision of R509 495 and leave provisions of R214 282 were not disclosed in accordance with GRAP requirements for provision reconciliation note. There was no reconciliation of the provision in the financial statements. This is a non-compliance with GRAP		* Select planned start and completion dates:		* Select title and enter name (use lower case):		* Select position:	* Select progress of activity:	* Enter any pertinent comments:	
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dakalo	Mandiwana	FM		
8. Leave provision liability balance	Leave provision liability balance, the balance does not aggregate to the leave provision as calculated. The leave provision amount is R214 282 as per calculation sheet but the leave provision in the financial statements is R62 850 (note 11) resulting in a difference of R151 832 as understatement of provision liability		* Select planned start and completion dates:		* Select title and enter name (use lower case):		* Select position:	* Select progress of activity:	* Enter any pertinent comments:	
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dakalo	Mandiwana	FM		

Audit Findings Action Plan Monitoring Tool

Audit Opinion	Unqualified	Select
Audit Issues	Qualification	No
	Emphasis of matter	Yes

Audit Findings Action Plan Monitoring Tool

NATIONAL ARTS COUNCIL OF SOUTH AFRICA - 2015/2016

Audit Findings	Description	Action Plan Description	Start Date	Completion Date	Person Responsible			Position	Progress	Narrative
					Title	First Name	Surname			
9. Contingent liability	An employee took the NAC to the CCMA for unfair dismissal, however the matter was settled before it went for arbitration. The matter was finalized on 7 April 2015 at an amount of R24 000 and the amount was paid in April 2015 as part of the monthly salary batch. The amount at the end of the year could not reliably be estimated but no disclosure was made in the financial statements as a contingent liability		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dakalo	Mandlwana	FM		
10. PFMA Compliance	No disclosure in the notes to the financial statements of disciplinary steps were taken against employees who made or permitted irregular or fruitless and wasteful expenditure. The amount of fruitless and wasteful expenditure that was incurred was R38 510 pertaining to NAC and R118 848 pertaining to Downtown Studio.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		AFS have been updated	31/07/2015	31/07/2015	Mr	Dumleani	Dlamini	CFO		
11. Approval of leave forms	National Arts Council employee files, annual leave for some employees was authorised after the leave had been taken.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		Management have been informed about importance of approving leave before it is taken.	01/08/2015	31/08/2015	Ms	Zandle	Mxoli	HR		
12. Approved leave days different to leave days taken	National Arts Council leave forms, leave days taken by some employees are different to the leave days approved. This has an impact on the leave provision balance as well as provision for leave expense.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		The leave reconciliation has been completed and payroll system has been updated accordingly	01/08/2015	31/12/2015	Ms	Zandle	Mxoli	HR		
13. Leave days taken are more than the recommended	NAC the some employees were identified to have taken more leave days than allowed.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:

Audit Findings Action Plan Monitoring Tool

Audit Opinion	Unqualified	Select
Audit Issues	Qualification	Yes
	Emphasis of matter	No
		Yes

Audit Findings Action Plan Monitoring Tool

NATIONAL ARTS COUNCIL OF SOUTH AFRICA - 2016/2018

Audit Findings	Description	Action Plan Description	Start Date	Completion Date	Person Responsible			Position	Progress	Narrative
					Title	First Name	Surname			
		Managers have been advised to check leave balances on the lease system before approving leave	01/08/2015	31/12/2015	Ms	Zandile	Mxoli	HR		
14. Rental contracts not renewed	Fox Properties rental received, rental agreements with certain of its clients had expired. The following contracts expired but Fox still receives rental income from them and new contracts were not drawn up for the extension.		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		Addendums to the agreements to be signed by tenants.								
			31-Aug-15		Mrs	Chola	Makgomashe	CEO Downtown		Addendums to the agreements were signed.
15. No proof of approval for bid specifications	Procurement and contract management there was no proof of approval for bid specifications prior to advertisements		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		All bid specification are approved by the CEO, the document for the selected sample are being located for auditors.	1-Apr-15		Mrs	Irene	Moyo	SCM		
16. Supplier database not updated	Procurement and contract management some suppliers were used however they were not listed on the approved supplier database		* Select planned start and completion dates:		* Select title and enter name (use lower case):			* Select position:	* Select progress of activity:	* Enter any pertinent comments:
		The supplier database will be kept updated on a regular basis	1-Apr-15	31/08/2016	Mrs	Irene	Moyo	SCM		

3