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|---|--|--|--|--|--|--|--|--|--|
| 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 | | TOTAL | VARIANCE: BUDGET VS PROJECTED | % | EXPLANATION OF VARIANCES OVER/UNDER 5% |
| | | | | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | |
| Parliamentary Grant: | | | | | | | | | | | |
| Core - funding Ring Financed | 101 182 | - | 101 182 | 20 400 | 43 200 | 24 300 | 13 282 | 101 182 | - | 100.00 | |
| Capital Works (Funds to be utilised from previous financial years) | 1 500 | - | 1 500 | - | - | 750 | 750 | 1 500 | - | | |
| Capital Works (Current year allocation) Improvements of Conditions of Service | - | - | - | - | - | - | - | - | - | | |
| Subtotal | 102 682 | - | 102 682 | 20 400 | 43 200 | 25 050 | 14 032 | 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 | Part of surplus projects, committed amounts. |
| Sales of Services | - | - | - | 115 | 33 | - | - | 148 | (148) | | |
| Subtotal | 43 498 | - | 43 498 | 11 713 | 11 227 | 9 694 | 8 494 | 44 688 | (1 190) | 102.74 | |
| Total | 147 680 | - | 147 680 | 32 113 | 54 427 | 34 734 | 22 526 | 147 570 | (1 190) | 99.79 | |

Signature *R. Oats*
 CEO
 Date: 25/01/16

R. Oats
 Board/Council
 Date: 26/10/2016

| EXPENDITURE FOR QUARTER ENDED | | | | | | | | | | | | | |
|--|--------|-------------|----------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|--------|-------------------------------|---|--|
| EXPENDITURE | BUDGET | ADJUSTMENTS | CURRENT BUDGET | ACTUAL | 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 | 31-Mar-17 R'000 | R'000 | R'000 | | |
| Compensation | 16 958 | - | 16 958 | 4 520 | 4 514 | 3 962 | 3 962 | 3 962 | 16 958 | 100.00 | | | |
| Goods and Service | 13 397 | - | 13 397 | 2 490 | 3 312 | 3 798 | 3 797 | 3 797 | 13 397 | 100.00 | | | This cost include depreciation |
| Subtotal | 30 355 | - | 30 355 | 7 010 | 7 826 | 7 760 | 7 759 | 7 759 | 30 355 | 100.00 | | | |
| Capital Works (Funds to be utilised from previous financial years) | 1 500 | - | 1 500 | - | - | 750 | 750 | 750 | 1 500 | | | | |
| Sub-Total | 1 500 | - | 1 500 | - | - | 750 | 750 | 750 | 1 500 | | | | |
| Less Depreciation | - | - | - | (189) | (189) | (189) | (189) | (189) | (756) | | | | |
| Total | 33 355 | - | 31 855 | 6 821 | 7 637 | 8 321 | 8 320 | 8 320 | 31 099 | 97.63 | | | |

| EXPENDITURE PER PROGRAMME/PROJECT FOR QUARTER ENDED | | | | | | | | | | | | | |
|---|---------|-------------|----------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|--------|-------------------------------|---|--|
| EXPENDITURE | BUDGET | ADJUSTMENTS | CURRENT BUDGET | ACTUAL | 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 | 31-Mar-17 R'000 | R'000 | R'000 | | |
| Funding - prior year, Committed and a/c | 43 498 | - | 43 498 | 3 766 | 3 304 | 18 214 | 18 214 | 18 214 | 43 498 | 100.00 | | | |
| Public Engagements (include Orchestras) | 44 520 | - | 44 520 | 25 702 | 15 404 | 1 707 | 1 707 | 1 707 | 44 520 | 100.00 | | | |
| Arts Business Development | 26 307 | - | 26 307 | 4 643 | 9 230 | 6 217 | 6 217 | 6 217 | 26 307 | 100.00 | | | |
| Subtotal | 114 325 | - | 114 325 | 34 111 | 27 938 | 26 138 | 26 138 | 26 138 | 114 325 | 100.00 | | | |
| Less Depreciation | - | - | - | - | - | - | - | - | - | | | | |
| Total | 114 325 | - | 114 325 | 34 111 | 27 938 | 26 138 | 26 138 | 26 138 | 114 325 | 100.00 | | | |

| SUMMARY OF INCOME AND EXPENDITURE FOR QUARTER ENDED | | | | | | | | | | | | | |
|---|---------|-------------|---------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|---------|-----------|-----------------------------------|--------------------------|
| | BUDGET | ADJUSTMENTS | CURRENT | ACTUAL | ACTUAL | FORECAST | FORECAST | FORECAST | FORECAST | TOTAL | VARIANCE: | % | EXPLANATION OF VARIANCES |
| | 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 | 31-Mar-17 R'000 | R'000 | R'000 | | |
| Total Income | 147 680 | - | 147 680 | 32 113 | 54 427 | 34 734 | 23 188 | 144 462 | 144 462 | (3 218) | 97.63 | Interest received from Investment | |
| Total expenditure | 147 680 | - | 147 680 | 40 932 | 35 575 | 34 459 | 8 230 | 145 424 | 145 424 | - | 97.63 | | |
| TOTAL FOR THE QUARTER | - | - | - | (8 819) | 18 852 | 275 | 14 958 | (962) | (962) | 3 218 | | | |

| 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 | 58(1)(j) | | 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 27.3.1 | Chief Financial Officer | In the case of a 3A or 3C 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 | | | | 53(1) | | Does the public entity: | | |
| 3 | 56(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 enterprise 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)(a)(i) | Internal Control | Does the public entity have: an effective, efficient and transparent system of financial and risk management and internal control? | 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 |
| | 51(1)(a)(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 objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact; | Yes | | | | | | | • collect all revenue due? | Yes | |
| | 51(1)(a)(iii) | | is the audit committee a sub-committee of the accounting authority? | 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 | | Does the audit committee consist of at least 3 persons? | 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 meet at least twice a year? | Yes | | | | | a risk management plan; | Yes | | | | TR 29.1.3 TR 29.1.6 | | | Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only) If a borrowing programme was submitted, did it include? | N/A | |
| | 77(b) | | Does the audit committee operate in terms of a written terms of reference? | Yes | | | | | • fraud prevention plan; | Yes | | | | | | | • The terms and conditions on which the money was borrowed? | N/A | |
| | TR 27.1.6 | | • materiality/significant framework, referred to in Treasury Regulations 28-1.5; | Yes | | | | | | | | | | | | | • Information on proposed domestic borrowing; | N/A | |




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| TR 27.1.6 | Are the terms of reference reviewed at least annually to ensure its relevance? | Yes | | |
| 27.1.8 | Does the audit committee review the following: | | | |
| | ◦ The effectiveness of internal control systems; | Yes | | |
| | ◦ The effectiveness of internal audit; | Yes | | |
| | ◦ The risk areas of the entity's operations to be covered in the scope of internal and external audits | Yes | | |
| | ◦ The adequacy, reliability and accuracy of financial information provided to management and other users of such information | Yes | | |
| | ◦ Any accounting and auditing concerns identified as a result of internal and external audits | | No | |
| | ◦ The entity's compliance with legal and regulatory provisions | Yes | | |
| TR 27.1.10(a) | Does the audit committee report and make recommendations to the accounting authority? | Yes | | |
| | Does the audit committee meet annually with the Auditor-General or external auditor to ensure that there are no unresolved issues of concern? | Yes | | |
| | TR 27.2.1 | Are risk assessments conducted regularly to identify the public entity's emerging risks? | Yes | Identified annually and assessed quarterly |
| | Does the public entity have a risk management strategy (including a fraud prevention plan) to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks? | Yes | | |

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| | a financial plan addressing | N/A | | |
| | ◻ revenue, expenditure and borrowings; | N/A | | |
| | asset and liability management cash flow projections; | N/A | | |
| | ◻ capital expenditure programmes; and | N/A | | |
| | ◻ dividend policies | N/A | | |
| TR 29.2. | Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? | Yes | | |
| | If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority? | Yes | | |
| 2 | 59(1) Annual budgets by non-business Schedule 3 public entities | Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority? | Yes | DG approves allocated letter |
| | 59(2) | Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority? | Yes | |
| | 59(3) | Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury? | No | At the end of the financial year, the National treasury is informed of the net deficit or surplus and approval is sought after the audited APS. |
| TR 30.1.1 | Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority? | Yes | | |
| TR 30.1.2 | Was the final strategic plan submitted to the executive authority before 1 April? | Yes | | |
| TR 30.1.3 | Does the strategic plan: | | | |
| | ◦ cover a period of three years; | Yes | | |

| | | | | |
|-----------|--|-----|--|--|
| | ◦ Information on proposed foreign borrowing (national entities) | N/A | | |
| | ◦ Short and long term borrowing; | N/A | | |
| | ◦ Borrowing in relation to a pre-approved corporate plan | N/A | | |
| | ◦ The maturity profile of the debt; | N/A | | |
| | ◦ The confirmation of compliance with existing and proposed loan covenants; | N/A | | |
| | ◦ Debts guaranteed by the government; | N/A | | |
| | ◦ Motivations for government guarantees, if required; and | N/A | | |
| | ◦ The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established | N/A | | |
| TR 32.1.1 | Did the public entity borrow money for bridging purposes? If yes: | N/A | | |
| | ◦ Was approval obtained from the Minister of Finance? | N/A | | |
| | ◦ Was the debt repaid within 90 days from the end of the financial year? | N/A | | |

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|---|----------------------------|--|---------------------------------|--|-----------------------------|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | If there is a risk management strategy, is it communicated to all employees? | Yes | | Including operational risks | | | | | | | | | | | | | | | | |
| | TR 27.2.5 | Are the purpose, authority and responsibility of the internal audit function defined in an audit charter? | Yes | | | | | | | | | | | | | | | | | | |
| | TR 27.2.6 | Is internal audit conducted in accordance with standards set by the Institute of Internal Auditors? | Yes | | | | | | | | | | | | | | | | | | |
| | TR 27.2.7 | Has the internal audit function prepared a three-year strategic internal audit plan based on the risks facing the public entity? | Yes | | | | | | | | | | | | | | | | | | |
| | | Does the internal audit function report to the audit committee detailing its performance against the plan? | | | | | | | | | | | | | | | | | | | |
| | TR 27.2.10 | Does the internal audit function evaluate the following: <ul style="list-style-type: none"> • The information systems environment; • The reliability and integrity of financial and operational information; • The effectiveness of operations; • Safeguarding of assets; and • Compliance with laws, regulations and controls | Yes Yes Yes Yes Yes | | | | | | | | | | | | | | | | | | |
| 5 | 51(e) Financial Misconduct | Have effective and appropriate disciplinary steps been taken against any employee of the public entity who has: <ul style="list-style-type: none"> • Contravened or failed to comply with a provision of the PFMA | | No | | | | | | | | | | | | | | | | | |
| | | • Committed an act which undermined the financial management and internal control system of the public entity | | No | | | | | | | | | | | | | | | | | |
| | | • Made or permitted irregular or fruitless and wasteful expenditure | | No | | | | | | | | | | | | | | | | | |
| | 86(2) | Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the willful or negligent failure to comply with the provisions of sections 50, 51 or 55? | | No | | | | | | | | | | | | | | | | | |
| | TR 33.1.1 | Have any employees of the public entity committed financial misconduct? | | No | | | | | | | | | | | | | | | | | |
| | TR 33.1.2 | If so, was the investigation instituted within 30 days? | Yes | | | | | | | | | | | | | | | | | | |
| | TR 33.2.1 | Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct? | | No | | | | | | | | | | | | | | | | | |
| | TR 33.3.1 | Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing: <ul style="list-style-type: none"> • The outcome of any disciplinary hearings and/or criminal charges; • The names and ranks of employees involved; and • The sanctions and any further actions taken against these employees. | | No No No | | | | | | | | | | | | | | | | | |
| | Signatures Date(s) | CFO  21/11/2016 | | Board/Council  | | MP - Board/Council  | | | | | | | | | | | | | | | |

| 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 31.1 | 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 Committees | 2 | 35 | 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. CDO was dismissed, he appealed the dismissal. The process is under CCMA. | | | | | | | | | |

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| | | | <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 NAC AFS | | | | <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 | | | | |

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| No | Schedule | Report or document | Authority | Date | Section/Reg | V/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, 2, 3 | | AFS | Auditors (treasury if business entity) | Within 2 months after year-end | S 55(1)(c) | Yes |
| 3, 2, 3 | | Annual report | Executive authority; relevant treasury (& AG if didn't perform the audit) | Within 5 months after year end | S 55(1)(d) | Yes |
| 4, 2, 3 | | Auditors report | Executive authority; relevant treasury, AG | Annually | TR 33.3.1 | |
| | | Financial misconduct procedures report | Executive authority | 6 months prior to start of financial year | S 53(1) | Yes |
| 5, 3A, 3C | | Budget of estimated revenue and expenditure for the year | Executive authority | Within 30 days of the end of the quarter | TR 26.1 | Yes |
| 6, 3A, 3C | | Report on actual revenue and expenditure for the quarter | Executive authority | Quarterly | TR 26.1.2 | Yes |
| 7, 3A, 3C | | Report on compliance to the PFMA | Executive authority | 6 months prior to start of financial year | TR 30.1.1 | Yes |
| 8, 2, 3B, 3D | | Strategic plan | Accounting officer & relevant treasury | 1 month prior to start of financial year | S 52 | |
| 2, 3B, 3D | | Projection of revenue, expenditure and borrowings | Executive authority | 1 month prior to start of financial year | S 52, TR 29 | Yes |
| 9, 2, 3B, 3D | | Corporate plan | Executive authority | Quarterly | TR 29.1.3 TR 29.1.4 | N/A |
| 2, 3B, 3D | | Three year borrowing plan with corporate plan | National Treasury | Quarterly | TR 29.1.3 TR 29.1.4 | Yes |
| 10, 2, 3B, 3D | | Quarterly reports on above reflecting actual borrowings | National Treasury | Quarterly | TR 29.1.3 TR 29.1.4 | Yes |
| | | Shareholders compact | Executive authority | Annually | TR 29.2.1 | Yes |

Signatures
CFO
Date


25/10/16

CEO
Date


25/16/16

pp. Board/Council
Date


26/10/2016

| 2nd Quarter Report | | 2nd Quarter Target | Actual Performance for Qr 2 | Reason for NOT Achieved / Partially Achieved | Interventions that will be put in place | Status to date (Achieved / Partially Achieved / Not Achieved) | Verification sources |
|---|---|---|---|--|---|---|---|
| Annual Target (\$) 2016-2017 | | | | | | | |
| 90% of projects and grants risk assessed upfront prior to final approval per funding session | 20% of projects assessed in literature, visual arts, crafts and indigenous arts | 20% of projects assessed in literature, visual arts, crafts and indigenous arts | 20% of projects assessed in literature, visual arts, crafts and indigenous 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 | 25% of projects assessed post approval literature, visual arts, crafts and indigenous arts | 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 | 100% of disbursements made in accordance with agreed disbursement criteria | Not Applicable | Not Applicable | Achieved | Files paid |
| 70% disbursements made or expiration of projects | 15% of disbursements made or expiration of projects | 15% of disbursements made or expiration of projects | 31% of disbursements made and projects expired. | Not Applicable | Not Applicable | Achieved | List of projects paid and a list of projects expired. |
| 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 per funding session: 12.5% for arts promotion, 7.5% for creation of new work, 5% for capacity building | 19.65% allocated for arts promotion, 38.49% allocated for creation of new work, 26.62% allocated for capacity building. | Not Applicable | Not Applicable | Achieved | Summary list of allocations |
| 5% of allocated funding disbursed to support indigenous art forms | Monitor projects' progress | Monitor projects' progress | Progress monitored for indigenous arts | Not Applicable | Not Applicable | Achieved | High level progress reports for indigenous arts |

| Annual Target (s) 2016-2017 | 2nd Quarter Target | Actual Performance for Qr 2 | Reason for NOT Achieved / Partially Achieved | Interventions that will be put in place | Status to date (Partially Achieved / Not Achieved) | Verification sources |
|--|---|--|--|---|--|---|
| 25% disbursed to targeted rural areas/provinces | Monitor projects' progress | Progress monitored for projects in rural areas | Not Applicable | Not Applicable | Achieved | High level progress reports for projects in rural areas |
| 10% disbursed to women and women-led organisations | Monitor projects' progress | Progress monitored for projects done by women and women-led organisations | Not Applicable | Not Applicable | Achieved | High level progress reports for projects done by women and women led organisations |
| 2% allocated to organisations working with people with disabilities and individuals living with disabilities | Monitor projects' progress | Progress monitored for projects of people working with disabilities and individuals living with disabilities | Not Applicable | Not Applicable | Achieved | High level progress reports for projects of people working with disabilities and individuals living with disabilities |
| 15% of allocated funding disbursed to projects that benefit the youth | Monitor projects' progress | Progress monitored for projects that benefit the youth. | Not Applicable | Not Applicable | Achieved | High level progress reports for projects that benefit the youth |
| 20% of funding allocated to bursaries approved | Call for national bursary applications | Call for national bursary applications made | Not Applicable | Not Applicable | Achieved | Call for applications/Newspapers/ NAC website |
| 7 training and development programmes funded | 7 training and development programmes identified and selected | 7 Training development programmes identified and selected. | Not Applicable | Not Applicable | Achieved | TUT & Assitej Contract. Training commenced in September 2016. |
| 7 community arts centre managers trained | Fund training of 7 community art centre managers | Training provided for 7 Community Art Centre Managers identified through PAST and ASSITEJ. | Not Applicable | Not Applicable | Achieved | PAST and ASSITEJ Contracts |

| Annual Target (s) 2016-2017 | 2nd Quarter Target | Actual Performance for Qr 2 | Reason for NOT Achieved / Partially Achieved | Interventions that will be put in place | Status to date (Achieved / Partially Achieved / Not Achieved) | Verification sources |
|---|--|---|--|---|---|--|
| 3 flagship projects identified and supported | Implement 3 flagship projects | 3 Flagship projects have been implemented. An additional 3 flagships have been identified and will be implemented in Quarter 3. | Not Applicable | Not Applicable | Achieved | ICD Closeout report. TUT progress report. Assitej Implementation plan. Contracts for Lalela, Africa Meets Africa, NHC and PAST |
| Establish a partnership with a relevant structure | Sign memorandum of understanding with the relevant structure | Memorandum of understanding signed in Quarter 1. Implementation of project has commenced. | Not Applicable | Not Applicable | Achieved | Leonardo DAVINCI Hotel and Suites MOU |
| Partnerships established with 2 relevant structures | Memorandum of understanding/ service level agreement with 1 identified structure signed, and second structure identified | Memorandum of understanding was signed with 2 relevant structures. | Not Applicable | Not Applicable | Achieved | 1. Partnership agreement signed with NHC. 2. Draft Seychelles MOU. |
| Update and implement updated brand communication strategy | Update brand communication strategy based on survey findings | Strategy updated based on the survey | Not Applicable | Not Applicable | Achieved | Updated brand communication strategy |
| Implement HR strategy and annual HR plan | Implement 30% of year one of the HR strategy and annual plan | 30% of year one of the HR strategy and annual plan implemented | Not Applicable | Not Applicable | Achieved | Reviewed Leave & Performance Management Policy. Moderation committee minutes. Survey feedback report. HR plan/calendar & Strategy. |

| Annual Target (\$) 2016-2017 | 2nd Quarter Target | Actual Performance for Qr 2 | Reason for NOT Achieved / Partially Achieved | Interventions that will be put in place | Status to date (Achieved / Partially Achieved / Not Achieved) | Verification sources |
|---|---------------------------|------------------------------|--|---|---|---|
| Implement ICT strategy and annual plan | Implement ICT policies | ICT policies not implemented | Not Applicable | Not Applicable | Achieved | Information Technology Policy and Procedure Policy signed in 2015 |
| Unqualified audit outcome | Unqualified audit outcome | Unqualified audit outcome | Not Applicable | Not Applicable | Achieved | 2015/16 Annual Report |
| Performance evaluation of Council and its subcommittees | No target set | No target set | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

Signature Date(s)

Signature Date(s)

CFO

[Signature]
25/10/16

CFO
[Signature]
25/10/16

Board/Council

P.P. *[Signature]*
26/10/2016

| 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 |
| Senior Management | | | | | | | 1 | | | | | 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 | 12 | | | 5 | 12 |
| Semi-skilled and discretionary decision making | | | 1 | | | | 1 | 4 | | | 1 | 4 |
| Unskilled and defined decision making | | | | | | | | | | | 3 | 3 |
| Contract Staff | 1 | | | | | | | | | | | |
| Inherits | | | | | | | | | | | 1 | 3 |
| Total | | | | | | | | | | | 10 | 26 |

R. B. M.

SUPPLY CHAIN MANAGEMENT COMPLIANCE REPORT FOR QUARTER ENDING 30 SEPTEMBER 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 |
|---------------------------|------------------------|-----------|-----------------|---------------|--|----------------------------|---------------------|
| ✓ Dataproof | Computers for NAC | 16-Jul-16 | (011) 032 7700 | N/A | R 247 200.69 | R 247 200.69 | R 247 200.69 |
| ✓ Link Up | NAC telephones | 16-Jul-16 | (083)398 4099 | Level 4 | R 329 325.79 | R 329 325.79 | R 329 325.79 |
| ✓ Auditor General | External Audit | 16-Aug-16 | (0110) 703 7600 | Level 3 | R 260 117.45 | R 260 117.45 | R 316 391.23 |
| ✓ Nexus Travel | Travel services | 16-Jul-16 | (011) 486 9000 | Level 2 | R 114 157.23 | R 114 157.23 | R 114 157.23 |
| ✓ MINT | September cellphones | 16-Sep-16 | (083)900 0349 | N/A | R 230 794.88 | R 230 794.88 | R 230 794.88 |
| ✓ Neo Technologies | Microsoft license | 22-Jul-16 | (012) 371 2300 | N/A | R 127 680.23 | R 127 680.23 | R 127 680.23 |
| ✓ Nexus Travel | Travel services | 16-Aug-16 | (011) 486 9000 | Level 2 | R 114 157.23 | R 114 157.23 | R 114 157.23 |
| ✓ Nexus Travel | Travel services | 16-Sep-16 | (011) 486 9000 | Level 2 | R 105 077.17 | R 105 077.17 | R 105 077.17 |
| SEMA Integrated Solutions | Internal Audit | 16-Sep-16 | (012) 64 30840 | Level 2 | R 159 102.70 | R 159 102.70 | R 159 102.70 |
| ✓ Total Exposure | Communications Agency | 19-Aug-16 | (011) 788 8725 | Level 2 | R 228 368.22 | R 228 368.22 | R 228 368.22 |
| ✓ Total Exposure | Communications Agency | 22-Sep-16 | (011) 788 8725 | Level 2 | R 122 774.33 | R 122 774.33 | R 122 774.33 |

COMPILED BY: *Steve Noye* DATE: *25/10/2016*

APPROVED BY CEO/COUNCIL/BOARD:

9

National Arts Council
Statement of Financial Position for September 2016

ASSET

| AccountName | NOTES | September 2016 Actual |
|---------------------------------|-------|--------------------------|
| NON-CURRENT ASSETS | | 7 484 841 |
| Property, plant and equipment | 2 | 7 414 445 |
| Intangible assets | 3 | 70 396 |
| CURRENT ASSETS | | 30 259 714 |
| Trade and other receivables | 4 | 755 351 |
| Cash and cash equivalents | 6 | 29 504 363 |
| TOTAL ASSETS | | 37 744 555 |
| CURRENT LIABILITIES | | 3 826 145 |
| Trade and other payables | 8 | 3 173 275 |
| Projects and bursaries payables | 9 | 652 870 |
| NET ASSETS | | 33 918 410 |
| TOTAL LIABILITIES | | 37 744 555 |

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 - 2015/2016

| Audit Findings | Description | Action Plan Description | Start Date | Completion Date | Person Responsible | | | Position | Progress | Narrative |
|---|---|---|---|-----------------|---|------------|---------|--------------------|--------------------------------|--|
| | | | | | Title | First Name | Surname | | | |
| | | | * 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 Council did not assess the effectiveness of the Audit and Risk Committee in the 2015-16 Financial year. | Council did not exercise adequate oversight to ensure that the audit and risk committee is assessed for its effectiveness as required by the council charter and recommended by King III code on good corporate governance. | Council did not exercise adequate oversight to ensure that the audit and risk committee is assessed for its effectiveness as required by the council charter and recommended by King III code on good corporate governance. | 25/06/2016 | 31/03/2017 | Ms | Mary-Anne | Makgoka | Board Secretary | | The Assessment form is designed and the ARC committee will now be assessed |

| Audit Findings | Description | Action Plan Description | Start Date | Completion Date | Person Responsible | | | Position | Progress | Narrative |
|--|--|--|---|-----------------|---|------------|----------|--------------------|--------------------------------|--|
| | | | | | Title | First Name | Surname | | | |
| | | | * Select planned start and completion dates | | * Select title and enter name (use lower case): | | | * Select position: | * Select progress of activity: | * Enter any pertinent comments: |
| 2. Non-Compliance - Stolen Property, Plant and Equipment | Although Management has established the Fixed Assets Management Policy, management did not implement proper monitoring in a timely manner to ensure that policies are adhered to and that all possible non-compliance was addressed. | * 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 Management must ensure that an investigation is held to confirm what happened to the assets written off as required by the policy. | 31/08/2016 | 31-Mar-17 | Mr | Dakalo | Mandwana | Finance Manager | | SCM is currently investigating the dates and the service providers where those assets were purchased so that we can establish if there are any officials responsible for these missing assets. |
| | | 2 Management should comply with their policy requirements and report the incident with the relevant authorities. The required consequence management steps should then be implemented. | | | | | | | | |
| | | 3 Management must adjust the financial statements to include the disclosure relating to the incident that led to the write-down of Property, Plant and Equipment. | | | | | | | | |

| Audit Findings | Description | Action Plan Description | Start Date | Completion Date | Person Responsible | | | Position | Progress | Narrative |
|--|--|---|--|-----------------|---|------------|---------|--------------------|--------------------------------|---|
| | | | | | Title | First Name | Surname | | | |
| | | | * Select planned start and completion dates: | | * Select title and enter name (use lower case): | | | * Select position: | * Select progress of activity: | * Enter any pertinent comments: |
| 3. Late submission of Performance Information for audit Purposes | Management did not exercise oversight responsibility regarding performance information and related internal controls over reporting processes. | 1 Management should monitor timelines in the performance information department and ensure that they are met. | 17-Apr-01 | 31/05/2017 | Mrs | Julie | Diphosa | AD Manager | | Performance Information Report will be developed after year-end |

| Audit Findings | Description | Action Plan Description | Start Date | Completion Date | Person Responsible | | | Position | Progress | Narrative |
|----------------|-------------|-------------------------|--|-----------------|---|--|--|--------------------|--------------------------------|---------------------------------|
| | | | * Select planned start and completion dates: | | * Select title and enter name (use lower case): | | | * Select position: | * Select progress of activity: | * Enter any pertinent comments: |

K.R.M.

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 | | | |
| | Conditions to ensure that key performance indicators are consistent between the annual performance plan and the annual performance report. | Due diligence will be exercised when reviewing the APP to ensure consistency in reporting. | 16-Aug-31 | 30/01/2017 | Mrs | Julie | Diphofa | AD Manager | | The Annual Performance Plan for 2017/18 is currently being developed and will be reviewed by both management and internal audit. |
| 5. Non-Compliance: Employees/council member's internal interest not disclosed. | Management did not have a proper system in place to ensure that officials of the National Arts Council disclose all their external interests in the annual declarations. | Management will now take the recommendation even further to test the declaration of stakeholders to ensure that this does not recur. | | 01/08/2016 | Ms | Zandle | Mxoli | HR Officer | | The employee was given verbal warning. The council members were reminded by the Board Secretary on several occasions to submit the forms and they didn't respond. The matter was taken up with the Chairperson. |
| 6. SBD 4 Forms | Management did not have a proper system in place to ensure that suppliers submit declaration of interests (SBD4). As a result the entity is exposed to non-compliance the above mentioned regulations as well as the risk of dealing with the prohibited and unseavoury suppliers. | Suppliers with false declarations should be identified and corrective actions taken against them without delay | | 01/04/2016 | Mrs | Irene | Moyo | SCM Officer | | For this financial year, we request service providers to sign the SBD4 on a monthly basis for the service rendered for that particular month. |
| 7. Non-Compliance: Appointment or Bid Specification Committee | Although Management has established the supply Chain Management policy and procedures, management did not implement proper monitoring in a timely manner to ensure that policies are adhered to and that all required competitive bidding committees are appointed. | The NAC has put correct measures in place by appointing a bid specification committee for all bids | | Immediately | Mrs | Irene | Moyo | SCM Officer | | Specification committee has been appointed for this financial year. |
| 8. Non-Compliance: Bidders not published on website | Although Management has established supply chain management policy and procedures, management did not implement proper monitoring in a timely manner to ensure that policies are adhered to and that all required | Management must ensure that, the names of bidders who submitted bids for a specific tender are published on the website. | | | Mrs | Irene | Moyo | SCM Officer | | All Bidders are published on the website |

K.R.M.

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 | | | |
| | adhered to ensure that all required advertisements are made. | | | | | | | | | |
| 9. Non-Compliance: Preference Price Points Calculated Incorrectly | Although Management has established supply chain management policy and procedures, management did not implement proper monitoring in a timely manner to ensure that legislative and policy requirements are adhered to | | * 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 SCM Function will be reviewed to allow for adequate capacity, thus avoiding recurrence . | | | Mrs | Irene | Moyo | SCM Officer | | For the bids of this financial year, the correct calculation has been used |
| 10. Non- Compliance: Incorrect BBBEE Points awarded | Management did not implement proper monitoring in a timely manner to ensure that the review of the BEE points allocation is carried out. | | * 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 will implement proper monitoring to ensure that accurate BEE points are reviewed. | Immediately | | Mrs | Irene | Moyo | SCM Officer | | The BBBEE score is now verified by the second person before capturing the scores |
| 11. Leave Approved after leave taken | Management should ensure that employees take leave after the leave have been approved to ensure that the employee have sufficient accrued leave. | | * 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 policy provision is currently impractical and needs revision as it does not allow for emergency situations. | Immediately | | Mr | Peter | Tshabalala | Admin Supervisor | | The HR policy will be revised. |
| | | | | | Mr | Dakalo | Mandhwana | Finance Manager | | The HR policy will be revised. |
| | | | | | Ms | Janet | Molekwa | Comm Specialist | | The HR policy will be revised. |
| | | | | | Mrs | Julie | Diphofs | AD Manager | | The HR policy will be revised. |
| | | | | | Mrs | Rosemary | Mangope | CEO | | The HR policy will be revised. |
| 12. Information Technology governance weaknesses | Adequate detail was not included in the Metrofile and Bytes Technology SLA's as former NAC management considered the content in these SLA's as sufficient at a time of entering into the agreement. Former NAC management also did not have a baseline for criteria to be included in IT service level | | * 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 Service Level Agreements will be drafted in accordance with AG recommendations. | 30/06/2016 | N/A | Mr | lumeleng | Sikhosana | IT Manager | | No new Service Level Agreements have been entered into between the NAC and service providers. |

K. R. M.

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 - 2015/2016

| Audit Findings | Description | Action Plan Description | Start Date | Completion Date | Person Responsible | | | Position | Progress | Narrative |
|--------------------------------------|---|---|--|-----------------|---|------------|----------|--------------------|--------------------------------|--|
| | | | | | Title | First Name | Surname | | | |
| | agreements | | | | | | | | | |
| 13. User Access controls weaknesses | Management considered criteria in the IT Security Policy and draft user account management procedure as sufficient given the size of the organisation, therefore additional controls were not included. System Monitoring was not performed as management regarded the manual monitoring of users | | * Select planned start and completion dates: | | * Select title and enter name (use lower case): | | | * Select position: | * Select progress of activity: | * Enter any pertinent comments: |
| | | User accounts are checked by IT on a monthly basis | 05/08/2016 | 31/09/2016 | Mr | Itumeleng | Sikhoana | IT Manager | | User accounts are monitored on a monthly basis |
| 14. IT Service continuity | The BCP was not updated as management deemed the current BCP as adequate given that there is only one processing site | | * 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 current BCP is under review. | 29-Jul-16 | 31/09/2016 | Mr | Itumeleng | Sikhoana | IT Manager | | The new BCP will take into account the new server infrastructure as it is heavily dependent on it. |
| 15. Incomplete Procurement registers | Management did not implement proper monitoring in a timely manner to ensure that the registers are updated and complete | | * 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 registers are updated accordingly | 1-Aug-16 | | Mrs | Irene | Moyo | SCM Officer | | The procurement register has been updated for this financial year and monitored on a monthly basis |
| 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 National Treasury Supplier database is currently being utilised | 1-Apr-15 | 31/08/2016 | Mrs | Irene | Moyo | SCM | | NAC is now using National Treasury Central Supplier Database |

K. R. M.

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 | | | |
| | | | | | | | | | | |

ANNUAL PROCUREMENT PLAN REPORTING FORMAT

Name of National Department/Institution: Department of Arts and Culture

ANNEXURE A

Name of Provincial Treasury: National Treasury Pretoria Name of Institution: National Arts Council of South Africa

Name of Accounting Officer / Delegated Official: Rosemary Mngope

Director/ Chief Director SCM: Irene Moyo-Dumisani Dlamini

Telephone number and email address : 011 838 1383 / dumisani@nac.org.za

Date: 04 October 2016

TABLE 1

| No | Programme | Project Description | Estimated Value (incl. taxes) | Method of procurement | Planned dates (week ending) - YYYMMDD | | | | | | | | | |
|----|----------------|--------------------------------|-------------------------------|-----------------------|---------------------------------------|------------------------------|------------|-------------|---------------|-------------------|-------------------|-----------------|--|--|
| | | | | | Bid Specification | Approved Evaluation Criteria | Advert | Bid closing | Bid award | Value of Contract | Contract commence | Contract expiry | | |
| 1 | NAC 1-2016-17 | Internal Audit for the NAC | R 1 300 000.00 | Bid | 2016/05/05 | 2016/07/12 | 2016/05/20 | 2016/06/21 | 2016/08/31 | R 1 121 854.00 | 2016/10/01 | 2016/09/30 | | |
| 2 | NAC-2-2016-17 | Upgrading NAC building | R 1 500 000.00 | Bid | 2016/05/06 | 2016/07/22 | 2016/06/03 | 2016/07/05 | 2016/10/30 | R 838 296.72 | 2016/11/01 | 2017/05/30 | | |
| 3 | NAC-03-2016/17 | Grants Management System | R 500 000.00 | Bid | 2016/05/24 | 2016/08/12 | 2016/08/17 | 2016/07/19 | 2016/10/30 | R 998 640.00 | 2016/11/14 | 2016/05/30 | | |
| 4 | NAC 04-2016/17 | Research and database projects | R 2 000 000.00 | Bid | 2016/05/24 | 2016/08/19 | 2016/06/17 | 2016/07/19 | Bid Cancelled | | | | | |
| 5 | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | |
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| 10 | | | | | | | | | | | | | | |
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| 12 | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | |

The Accounting Officer/ Authority declares that he/she has engaged with the Executive Authority who concurs with and has approved this Procurement Plan

[Signature] 25/10/2016

Accounting Officer / Authority Signature

QUARTERLY REPORTING ON THE PROCUREMENT PLAN

QUARTER: 2

ANNEXURE B

Name of National Institution: National Arts Council of South Africa

Provincial Treasury: National Treasury Name of Department/ Institution: National Arts Council

Name of Accounting Officer / Delegated Officer: Rosemary Masego

Director/ Chief Director: SCh: Vera Moyo / Dumisani Dlamini

Telephone number and email address: dumisani@nac.org.za/vera@nac.org.za

Date: 30-Sep-16

TABLE 2: ACTUAL AGAINST THE PLAN

| No | Project Description | Name of Supplier | SAF number / Classification | Actual value of Contract | Method of Procurement | SAF award date | SAF closing date | SAF start date | SAF end date | Contract start date | Contract end date |
|----|---------------------|------------------|-----------------------------|--------------------------|-----------------------|----------------|------------------|----------------|--------------|---------------------|-------------------|
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |

TABLE 3: APPOINTMENTS THROUGH DEVIATIONS

| No | Project Description | Name of Supplier | Actual Value of Contract | Reason for the Deviation | Award Date | Contract start date | Contract end date |
|----|--|--|--------------------------|---|------------|---------------------|-------------------|
| 1 | Age Analysis reconciliation and Requirements | Prufmann IT Solutions Early Woollac Consulting (PTY) LTD | R 15 000.00 | It was impractical to trade competitively bid | 17-Aug-16 | | Once off |
| 2 | Emergency Investigation | Les Citi Business Solutions | R 66 400.00 | Procurement process was followed and only one supplier provider responded | 30-Aug-16 | | Once off |
| 3 | Virus on Mary-Agnese's Laptop | Les Citi Business Solutions | R 669.00 | Emergency | 22-Aug-16 | | Once off |
| 4 | Handbooks for NMC | IFM | R 30 000.00 | It was impractical to trade competitively bid | 01-Jul-16 | | Once off |
| 5 | Handbooks for NAC | Prufmann IT Solutions | R 16 000.00 | It was impractical to trade competitively bid | 17-Aug-16 | | Once off |
| 6 | Printing for MAG | Newcom Durban | R 428 056.00 | It was impractical to trade competitively bid | 17-Jul-16 | | Once off |
| 7 | DSTV | MultiMedia | R 4 966.00 | It was impractical to trade competitively bid | 15-Jul-16 | | Once off |
| 8 | CFOAG article on Bureau monthly meetings | Printy Media | R 12 618.25 | It was impractical to trade competitively bid | 21-Sep-16 | | Once off |
| 9 | Training for Finance Manager and IT Manager | Nacord | R 3 420 | It was impractical to trade competitively bid | 30-Sep-16 | | Once off |

TABLE 4: APPOINTMENTS THROUGH CONTRACT VARIATIONS/ EXTENSIONS

| No | Project Description | Name of Supplier | Contract Number | Reason for extension | Original contract value | Value of contract extension | Value of previous extensions | Award Date | Contract start date | Contract end date |
|----|---------------------|------------------|-----------------|----------------------|-------------------------|-----------------------------|------------------------------|------------|---------------------|-------------------|
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Drant. 25/09/2016
ACCOUNTING OFFICER / AUTHORITY SIGNATURE