

CHAIRPERSON

Hon. SK Mashilo

MEMBERS

**Hon. D Dube
Hon. P Ngobeni
Hon. WT Madileng
Hon. JL Nghondzweni
Hon. C Maunye
Hon. RJ Sithole
Hon. AL Skhosana**

ALTERNATE MEMBERS

**Hon. BV Nkuna
Hon. SJ Masango**

REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION ON THE 2014/15 ANNUAL REPORT OF THE DEPARTMENT OF CULTURE, SPORT AND RECREATION (VOTE 11)

1. INTRODUCTION

The Mpumalanga Provincial Legislature is empowered by Sections 114(2) (a)(b) and 115 (a)(b) of the Constitution of the Republic of South Africa [Act 108 of 1996] to perform an oversight function over the Member of the Executive Council (the MEC) responsible for the utilisation of public resources allocated to a provincial government department. Furthermore, Section 133 of the Constitution requires the MEC to account to the Legislature for the exercise of their powers and performance of their functions.

The Portfolio Committee on Education; Culture, Sport and Recreation (the Committee) considered the 2014/15 Annual Report of the Department of Culture, Sport and Recreation (the department) to assess the department's performance in line with its 2014/15 Annual Performance Plan (APP) and allocated budget vote 11, as approved by the Legislature.

2. METHOD OF WORK

The MEC tabled the 2014/15 Annual Report of the department in accordance with Section 65(a) of the PFMA. Subsequently, the Speaker referred the report to the Committee in terms of rule 219(4) of the Rules and Orders of the Mpumalanga Provincial Legislature, 2013.

On 28 October 2015 the Committee was briefed by the administrative staff of the Legislature on the analysis of the annual report; updated progress report on the 2013/14 House Resolutions; SCOPA House Resolutions relevant to the department and outstanding Petitions relevant to the department. The Committee interacted with the MEC, the HOD and senior management of the department on 05 November 2015 and then adopted its draft report on 18 November 2015.

3. PART A: GENERAL INFORMATION

3.1. OVERVIEW BY THE MEC

The Hon MEC Norah Mahlangu-Mabena provided an overview of the department's performance for the 2014/15 financial year. The Committee noted the following from the overview:

- a. The department achieved almost all of its planned targets (92%) as per its 2014/15 Annual Performance Plan.
- b. The department obtained an unqualified audit opinion with two (2) matters of emphasis on Supply Chain Management and ICT.
- c. The department had worked hard to reduce the findings from previous years in order to address the concerns of the Auditor-General SA. An audit action plan was implemented in the year under review and is currently ongoing, as the department seeks to accelerate good governance and strengthen its internal controls and systems.
- d. The MEC appreciated the role of the Auditor-General in scrutinizing the department's internal controls, financial reporting and project implementation. She remarked that it was a valuable experience for any department to undergo an audit, which compels absolute compliance to the Public Finance Management Act, Treasury Regulations and other relevant prescripts in the first place, instead of just implementing an action plan.
- e. The MEC also pointed out that some of the issues had not been raised in previous years by the AG. To this effect, the department has begun the huge task to build internal controls and systems into the department's organisational culture, towards a clean audit outcome in the 2015/16 financial year.
- f. The department experienced challenges in the rollout of library infrastructure in the 2014/15 financial year, which was a continuation of the challenges experienced in the 2013/14 financial year. Emthonjeni Library and Glenmore Library which were planned for completion in 2014/15 financial year were carried forward to the 2015/16 financial year and are now completed.

- g. The department also took a decision to suspend construction of sport combo courts in the 2014/15 financial year in order to address compliance and quality control problems in the poor implementation of sport combo courts in the 2013/14 financial year.
- h. The MEC informed the Committee that the department and the implementing agent (Department of Public Works, Roads and Transport) were now better prepared to deal with the challenges experienced in the past.
- i. Subsequently, three (3) sport combo courts were planned for completion in the 2015/16 financial year; these projects were due for completion by 31 October 2015. Two (2) are located in Dr Pixley ka Isaka Seme Local Municipality and one (1) in Dpaliseng Local Municipality.
- j. The department has an approved Provincial Social Cohesion Strategy that is being implemented in line with the National Development Plan 2030 and advocates the goal of a patriotic and cohesive society.
- k. The unveiling of the Saul Mkhize Statue contributed towards a united and cohesive society in which the dignity of Mpumalanga citizens can be restored.
- l. The literacy level of the Province improved due to the provision of library and information services to existing libraries and the construction of new libraries.
- m. During the year under review, young people were able to participate in Sport and Art due to the department working with community based structures.

3.2. OVERVIEW OF THE STRATEGIC GOALS OF THE DEPARTMENT

In terms of its Strategic Plan 2010 – 2015 the department set the following goals:

- Accelerating good governance
- Infrastructure development for sport, recreation, arts and culture
- Ensuring mass participation in sport
- Nation building, reconciliation, patriotism and cultural renaissance
- Commissioning film and video research
- Conserving, restoring and preserving the diversity of heritage
- Acknowledging cultural diversity and promoting unity

Over and above these stated goals, the strategic plan 2010 – 2015 reveals policy strategic objectives that guided the department for the five year term as follows:

- Facilitate the establishment and support of democratic institutional structures;
- Accelerate transformation via co-operative governance and community participation;
- Promote cultural tolerance and social cohesion to achieve sustainable communities;
- Establish, develop and maintain cultural and sport infrastructure and monitor access and utilization thereof;
- Promote excellence and professionalism through culture and sport programmes from local and provincial towards national and international level;
- Ensure equitable access to effective language, library and archival services; and
- Implement systems and structures for efficient coordination of the department's functions.

3.3. PROVINCIAL OUTCOMES

The department is specifically responsible for Outcome 12B of the Provincial Outcomes, which is an empowered, fair and inclusive citizenship relating to issues of social cohesion and nation building in Mpumalanga and the country as a whole. The Committee was satisfied that the department's plans and achievements for the 2014/15 financial year adhered to Outcome 12B.

Other than Outcome 12B, the department also supports other departments towards the realisation of more than five (5) other government priorities, such as providing books to schools and libraries in the Fundza for Fun (reading campaign) programme, which is in support of Outcome 1 and MDG 1.

3.4. MILLENNIUM DEVELOPMENT GOALS (MDG's)

Since the 2012/13 financial year, the department has not referred specifically in the annual report to the relevant MDG's that are indeed being achieved through the implementation of its Annual Performance Plan. The department made a commitment to seek advice on how best to incorporate the MDG's into the performance reporting, as the National Treasury prescribed a template for annual reports.

The department submitted a detailed report on the MDG's as an annexure to the written responses requested by the Committee. The Committee wants to see this report incorporated into the annual report for the next reporting period 2015/16 and that the department links the specific outputs (programmes, events and projects sponsored) to the relevant MDG's. The achievements are there; the department has merely to link them to the MDG's, which will improve the effectiveness of the department's reporting.

In terms of Goal 8 to develop a global partnership for development, internet access per 100 population: the department set targets in 2014/15 to provide and to provide 104 libraries with internet access. However, during the year under review, ICT systems were a challenge for the department such that not all communities had access to internet services. The department acknowledged that challenges were experienced at some libraries.

The department reported during the annual report deliberations on 05 November 2015 that two service providers had been appointed to provide internet and WI-Fi systems to all the libraries. Since then the department managed to improve on the installation and functioning of internet, services, although challenges continue to exist, such as over-usage and electrical failure causing the service to be down. The department indicated that they were considering better options to maintain and ensure a more sustainable and reliable internet system in the libraries.

4. UPDATED PROGRESS REPORT: 2013/14 ANNUAL REPORT HOUSE RESOLUTIONS

The Committee was briefed on 28 October 2015 by the support staff on the updated progress report on the department's implementation of the 2013/14 Annual Report House Resolutions. The department had submitted the initial progress report in February 2015 and was requested to submit an updated progress report as at 15 October 2015.

After deliberating on the updated progress report, the Committee noted that out of the nine (9) House Resolutions, four (4) were achieved, one (1) was not achieved and four (4) were in progress. A summary of the updated progress report is on page 39 of this report (Annexure A). **Continuous tracking of outstanding House Resolutions is done throughout the performance cycle.**

5. PART B: PERFORMANCE INFORMATION

On a compliance issue, the Committee was satisfied that the 2014/15 annual report of the department had met all the requirements as per the prescribed template provided by the National Treasury for the preparation of annual reports.

The Committee's observations on the department's performance for the 2014/15 financial year are summarized under the following headings:

5.1. REPORT OF THE AUDITOR-GENERAL

Table 1 below is a comparative view of the audit opinions over the last five (5) financial years from 2009/10 to 2013/14, showing no change in the audit outcomes, but with an improvement in 2014/15. The department almost obtained a clean audit and was urged to continue striving towards this goal for the 2015/16 audit.

Table 1

Audit outcome 2009/10	Audit outcome 2010/11	Audit outcome 2011/12	Audit outcome 2012/13	Audit outcome 2013/14	Audit outcome 2014/15
Financial unqualified with findings	Financial unqualified with findings	Financial unqualified with findings	Financial unqualified with findings	Financial unqualified with findings	Financial unqualified with 2 matters of emphasis

The Committee was satisfied that the department had worked hard over the years to reduce the findings to matters of emphasis, by developing and implementing audit action plans to address the concerns of the Auditor-General. It was noted that the department had adopted a good attitude towards addressing the 2014/15 audit concerns especially on ICT matters, which was still work in progress. The Committee commended the department for providing regular progress in the form of the quarterly dashboard reports submitted to the Committee.

In the year under review, the audit queries related to recurring matters on Supply Chain Management and Information Technology control systems. The Committee noted that the matters which caused the department not to get a clean audit could have been picked up earlier and addressed. Thus, the strategic goal "Acceleration of Good Governance" was not achieved.

The Committee noted the department's attempts to address the 2014/15 matters of emphasis:

- Supply Chain Management:** the matter of emphasis pertained to officials doing business with government. The department conducted its own investigation and found that the information from the AG was not up to date at the time of the audit. For example, some of the officials cited were EPWP contractors earning R4500 per month and had transacted with Government as early as 2012, before being in the employ of the department. The department submitted that the Computer Aided Audit Technique (CAAT) used by the AG had sourced the current PERSAL information and assigned it to the old information of their companies transacting with government. It was further submitted by the department that the information from the AG did not provide the dates, invoices and payment numbers for the affected transactions. **In conclusion, the department asserted that the AG had acknowledged the outcome of the departmental investigation, but had still insisted for the finding to stay.**
- On ICT matters,** the CGICT (Co-operative Governance ICT) Policy Framework was formally adopted by EXCO on behalf of all provincial departments for implementation but the department did not have the ICT official to implement the CGICT Policy Framework deliverables as per the DPSA implementation guidelines. However, the department reported that the ICT official was subsequently appointed. An ICT Governance Champion was also appointed to co-ordinate good governance matters in the department and the ICT Steering Committee was formally established to deal with strategic ICT related issues. This committee reportedly met on a regular basis to discuss ICT strategic objectives of the department. **The Committee noted that the department is currently working on a Business Continuity Plan, for approval by 30 November 2015.**

5.2. STRATEGIC OUTCOME ORIENTED GOALS

The Committee noted the following achievements against the strategic outcome oriented goals on page 19 of the annual report.

Strategic outcome	2014/15 Achievements
Improving the quality of life by maintaining healthy minds and bodies through active participation in Sport, Recreation, Arts and Culture.	This strategic outcome oriented goal was achieved through implementation of targets in programme 2 Cultural Affairs and Programme 4 Sport and Recreation.

	<p>41 804 participated in Community Sport and Recreation; 11 738 learners participated in school sport.</p> <p><u>The following recreational events were supported:</u></p> <ul style="list-style-type: none"> • Loskop Marathon in April 2014; • District, provincial and national indigenous games July- August 2014; • District, provincial and National Golden Games August - October 2014; • Youth Camp in September 2014; • District, provincial and national school sport championships in July – December 2014 <p>The Committee made an observation that the department needs to always monitor the continuing impact of these events and programmes, so that long-term improvements in quality of life are achieved, as per the strategic goal.</p>
<p>Acknowledging cultural diversity and promoting unity by affirming, conserving and celebrating people’s way of life while striving for moral renewal in our society.</p>	<p><u>The following events were supported:</u></p> <ul style="list-style-type: none"> • Innibos Festival- 02-05 July 2014 • Mpumalanga Comes Alive – 06-08 September 2014 • Mpumalanga Choral Music- 14 September 2014 • SANCTA- 21 November 2014 • 03 Social Cohesion Dialogues (29 August Ehlanzeni, 09 September Gert Sibande; 09 September Nkangala) 2014 • Indigenous Knowledge Systems (IKS) Workshops (29-30 August Mbombela, 26-27 September Nkagala, 31 October to 01 November 2014 Gert Sibande) 2014. • Youth Day- 16 June at DR JS Moroka • Women’s Day-30 August at Mbombela • Heritage Day- 24 September at eMkhondo • Day of Reconciliation-16 December at Dipaliseng • Human Rights Day- 21 March at Thembisile Hani • Loskop Dam Marathon - held in April of each year about 5000 runners (athletes) both black and white including women participate in this annual event. The Department supported 190 athletes both adults and learners. <p>The Committee commended the department for achieving their strategic goal. Again, it is imperative that the department has a way of measuring the long term impact of these events and also closely monitor the implementation of the events they sponsor so that incidents such as the 2014 Innibos incident do not recur. The department must do in-house research studies on the long term impact that these events are having on communities.</p>
<p>Creating learning culture to empower people to make informed decisions.</p>	<p>Most of the 2014/15 targets were met (supported 109 Libraries with ICT; procured 61 093 Library materials and to completed outstanding library facilities).</p> <p>The Committee noted the impact made in the reduction of</p>

	<p>illiteracy in communities through the provision of books, photocopiers, computers, internet and Wi-Fi at libraries.</p> <p>The new libraries will provide access to ICT and books for the first time in those communities.</p> <p>The Committee noted that construction of libraries is ongoing, but slow due to infrastructure backlogs being addressed gradually.</p>
<p>Supporting socio-economic development by establish Sport and Culture as an economic investment</p>	<p>The department supported 30 co-operatives through Expanded Public Works Programme (EPWP); appointed 212 coordinators on contract basis and 59 sport coordinators under Programme 4 Sport and Recreation.</p> <p>The cooperatives made huge impact in terms of socio-economic development. This is mainly evident during the exhibitions and in the stall at Kruger National Park. The cooperatives are developing to such an extent that some are being handed over to the Department of Economic Development and Tourism for further development.</p> <p>The 212 EPWP coordinators assist in ensuring that arts and culture is visible in all the municipalities. Moreover, some of them get skills transfer from the cooperatives and also assist them in various ways. The stipend that they receive makes huge impact in their livelihood.</p> <p>The project initiated by the Deputy Minister of Arts and Culture in partnership with the MEC resulted in the Mozaic Project, implemented through new libraries that are built in the Province, in which young people decorate the new libraries and receive a R2000.00 stipend. This was done at Emthonjeni Library where installation of MOSAIC TILE AND ART WORK was awarded to a co-operative (Lengma Projects) where EPWP coordinators are placed.</p> <p>DEDT plays a pivotal role of capacitating the cooperatives through SEDA to enhance the skills of people involved.</p> <p>The Committee noted that the Service Level Agreement was not yet signed between department and the DEDT.</p>
<p>Ensuring effective investment in resources and system for the delivery of quality service.</p>	<p>The department purchased equipment and machinery to facilitate effective and efficient service delivery.</p> <p>The Committee raised concerns that ICT and SCM were raised by the AG as weaknesses in the 2014/15 audit outcomes; hence the department needs to improve their performance in this strategic objective. Furthermore, in the current financial year 2015/16 the department has not delivered the required furniture for the Archive Building.</p> <p>It was noted in the department's response that the furniture was not meant to be used immediately; as a result there was no negative impact on archives services. Only part of the</p>

	<p>furniture was delivered since the two service providers for furniture were struggling to find other equipment specifically for archives. As a result the payments were withheld until final delivery. To date, the service providers have been paid only for furniture and equipment they delivered.</p> <p>The Committee commended the department for withholding the final payment until all furniture and equipment is delivered.</p>
--	--

5.3. SERVICE DELIVERY ENVIRONMENT

The department continued to implement its core programmes within the context of a developmental state, where poverty, unemployment and inequality is an ongoing threat. Competing pressures and scarcity of resources contributed to the service delivery environment.

The departmental service delivery improvement plan was reviewed, with two focus areas. One focus area was to reduce the turnaround time for grant transfers to cultural forums in the 18 municipalities, from 10 months to 3 months to assist the beneficiaries to implement their project effectively. The other focus area was to register all 1810 schools for the school sport programme, of which only 1118 were registered previously.

The services provided by the department in establishing and supporting community structures for arts and culture, as well as sport and recreation. Other service delivery drivers were the speeding up of the transformation of the Provincial landscape and supporting sport and recreational events that foster social cohesion and nation building.

The Mpumalanga Language Act of 2014 was enacted and the department conducted awareness campaigns in all districts of the Province, in order to implement the act.

Strides were made to address the shortage of library infrastructure through the community Library Services Grant from the national Department of Arts and Culture. Umjindi Library was completed and handed over, while Glenmore and Emthonjeni libraries were at final completion stage by the end of the 2014/15 financial year. Both these libraries were completed in the 2015/16 financial year.

The department implemented the National Sport and Recreation Plan, as sport is a key driver for development and transformation in Mpumalanga Province. A total of 1 841 out of 1 846 schools participated in the school leagues system (8 900 school learners). Community Sport and Recreation development programmes attracted 41 804 people in various activities such as Indigenous games and Golden Games (for the elderly).

5.4. ORGANISATIONAL ENVIRONMENT

A high level organisational structure was provided on page 15 of the annual report. It reflects the following occupied posts for the year under review:

- Acting Accounting Officer (Mr SW Mnisi)
- Acting CFO (Mr CN Mamaru)
- Chief Director Sport, Recreation and School Sport (Mr L Mosia)
- Chief Director Events and Regional Services (Mr EJ Magagula) – the position is now vacant as Mr Magagula retired during the 2014/15 financial year
- Chief Director cultural Affairs (Mr VS Gana)
- Chief Director Archives and Acting COO (Dr PM Lubisi)
- Director Risk Management (Ms G Berlington)
- Director Ehlanzeni Region (Mr T Nkojoana)
- Director Nkangala Region (Mr BS Mtsweni)
- Director Gert Sibande Region (Mr AO Pretorius)
- Director Strategic Planning (Mr EM Mahlangu)
- Acting Director Human Resources Management (Mr SJ Singh)
- Director Legal Services (Mr E Jambane)
- Director Communication (Ms ST Nkosi)

During 2014/15, the department was affected by the moratorium on the filling of vacant funded positions. By the end of the financial year, during the 4th quarter report deliberations, the department reported that 15 critical vacant positions were abolished from the structure.

The introduction of the National Development Plan (NDP) and the National Sport and Recreation Plan necessitated the re-alignment of the departmental plans.

Library and Archives sections were merged to align the department to the national structure and budget. Managers were rotated inter-departmental and within the department to transfer their knowledge and leadership skills. This necessitated that the Accounting Officer and CFO served in an acting capacity.

Due to the reprioritization of infrastructure development in the country, the department proposed an in-house infrastructure unit, which could not be done due to the moratorium on filling of posts. The department plans to have this function on a contract basis.

The department achieved almost all its planned outputs (92%), which is an improvement compared to the previous financial year. This was attributed to the appointment of 59 sport coordinators and increasing the number of EPWP coordinators from 90 to 212.

In relation to the Employment Equity Plan, the department was less successful in the appointment of women in the senior management level. The Committee noted that no improvement had been made in this regard since the previous financial year status quo and commitments made by the department to the Committee.

6. ANALYSIS OF THE BUDGET EXPENDITURE 2014/15

For the financial year 2014/15 the department had a final appropriation of **R443 576 000.00**. A total amount of **R411 103 000.00** (92.7%) was spent on goods and services, resulting in material under spending of **R32 473 000.00**. The department was granted a rollover for this amount by the Provincial Treasury.

According to the department, the material underspending was mainly due to machinery and equipment that was ordered but not delivered by the end of the financial year. The Accounting Officer confirmed to the Committee during the deliberations that Machinery and Equipment worth R7 000 000.00 was delivered and payments were made accordingly.

During the 2014/15 budget adjustment period, the department received an additional R1, 368 000.00 for rollover funding for Combo Courts and Machinery and Equipment on Community Library Grant. The budget increased from R442 208 000 to R443 576 000.

6.1. OVERALL BUDGET EXPENDITURE

Table 3 is a comparison between the 2013/14 and 2014/15 financial years' budget allocation and expenditure, per programme. Underspending was a trend for the past 3 financial years.

Table 3

Programme	2013/14			2014/15			%
	Final Appropriation	Actual Expenditure	Variance	Final appropriation	Actual Expenditure	Variance	
	R'000						
Administration	79 503	78 606	897	79 173	78 240	933	98.8%
Cultural Affairs	87 607	87 441	166	122 178	120 617	1 561	98.7%
Library & Archives Services	123 546	120 141	3 405	167 748	143 810	23 938	85%
Sport & Recreation	88 851	87 434	1 417	72 442	66 492	5 950	91.8%
<i>Statutory Appropriation</i>				2 035	1 944	91	95.5%
Total	379 507	373 622	5 885	443 576	411 103	32 473	92.7%

6.2. EXPENDITURE PER ECONOMIC CLASSIFICATION

Table 4 below shows the department's 2014/15 expenditure per economic classification:

Table 4

Classification	Final Appropriation	Actual Expenditure	Variance	Actual spent %
R'000				
Compensation of Employees	146 881	145 187	1 694	1.2%
Goods and services	161 269	147 167	14 102	8.7%
Transfers and subsidies	9 371	8 720	651	93%
Interest & interest on land		1 700	(1 700)	100%
Payment for capital assets	126 055	108 323	17 732	12.7%
Total	443 576	411 103	35 879	8.1%

6.3. EXPENDITURE ON CONDITIONAL GRANTS

Table 5 below shows the conditional Grants expenditure for the 2014/15 financial year:

Table 5

	Final Appropriation R.000	Actual Expenditure	Variance	%
Community Library Grant	115 897	103 493	12 404	10.7%
EPWP Incentive Grant	2 199	2 451	(252)	(11.5%)
EPWP Social Sector Grant	2 580	2 258	322	12.0%
Mass Participation and Sport Development Grant	46 959	45 233	1 726	3.7%
Total	167 635	153 435	14 200	8.2%

Page 49-52 of the 2014/15 annual report indicates that the department received an amount of R167 635 000.00 for Conditional Grants, but only spent R153 435 000.00 (8.2% underspending). In comparison, the department overspent by R5 276 000.00 in the previous financial year 2013/14, having received R126 237 000.00 and spent R131 513 000.00.

The department indicated the following reasons for the underspending on conditional grants:

- **Community Library Grant** due to commitments on library books, internet services, leases of copiers and library furniture which were not paid at year end. The failure to spend the Community Library Grant was also affected by infrastructure expenditure as some libraries that were planned for completion by end of March 2014/15 overlapped to the 2015/16 financial year. The Committee was informed that monthly meetings are attended with the implementing agent, to deal with challenges around infrastructure expenditure. The ongoing challenges relate to contractors in some instances very slow in implementing a project, not complying with timelines set and sometimes having to correct and redo some work on site.
- **EPWP Social Sector Grant** due to saving on compensation of employees as some EPWP coordinators were appointed late.
- **Mass Participation and Sport Development Grant** due to goods and services procured but not paid at year end.

7. ANALYSIS OF THE PROGRAMME PERFORMANCE

The overall performance of the department in terms of its planned APP targets was 92% (68 actual outputs achieved out of 74 planned outputs). The Committee deliberated on the department's reported performance as follows:

PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide overall management and administrative support to the department, in accordance with applicable National and Provincial policies, the Public Finance Management Act, the Public Service Act and other policies and legislation.

Programme 1 had two sub-programmes: Office of the MEC and Corporate Services.

Programme 1 Performance: Achieved nine (9) out of 11 planned targets (99%).

Programme 1 Budget Performance: Overall, the programme performed well, managing to spend 98% of its budget (R78 240 000.00 out of a final appropriation of R79 173 000.00). The programme underspent its budget allocation by R933 000.00 (1.2%) due to late submission of office needs to Supply Chain for procurement and household transfer payments made.

According to page 11 of the AR 2014/15, virements amounting to R1 000 000.00 (which was savings from compensation of employees) was shifted to defray expenditure on programme 3 and 4. The Accounting Officer provided written proof to the Committee that a report was submitted to the Executive Authority within 7 days, as required by Section 43(3) of the PFMA, detailing how savings would be utilised within the department.

The sub-programme Office of the MEC achieved all five (5) planned targets as follows:

- Political and administrative systems and structures implemented;
- 1 Policy and budget speech presented;
- 5 MUNIMEC meetings coordinated (planned target was 4);
- 3 public participation programmes coordinated (planned target was 2);
- 18 Executive Council meetings attended (target was to attend 24 meetings).

The six (6) Executive Council meetings not attended were cancelled due to administration transition of the 5th Legislature in May 2014.

The department reported that the one (1) additional MUNIMEC meeting was conducted at Mbombela Local Municipality to address urgent matters affecting the department and municipalities. The one (1) extra public participation programme was coordinated by the Office of the Premier due to public demand.

Sub-programme Corporate Services achieved six (6) planned targets as follows:

- 14 Executive Council meetings attended (target was 20 but six were cancelled due to administration transition);
- Six (6) management meetings coordinated;
- 12 statutory monthly reports produced;
- One (1) set of Annual Financial Statements compiled;
- One (1) Annual Performance Plan submitted;
- One (1) Annual Report produced

The Committee noted that the sub-programme included the Office of the HOD, Office of the CFO and Office of the COO. Divisions providing support functions included Planning and Programme Management, Communication, Human Resource Management, Legal and Security Services, International Relations, Transversal Services and Regional Administration.

Furthermore, it was noted that the performance indicators for the supporting divisions were in the Operational Plan and not in the Annual Performance Plan. This was linked to a concern of the Committee that in the 2013/14 AR, that there was a need for the performance reporting by directorates in Programme 1 to improve. The department is advised to reflect at least a few indicators on each supporting division and to indicate in the narrative on the sub-programme that Legal and Security Services for example, links with Part C (Governance) in the annual report and Human Resource Management links with Part D.

The Committee acknowledged that these supporting divisions are crucial to the core service delivery programmes of the department, the achievement of the unqualified audit with two matters of emphasis, the well-being of employees, review of policies and drafting of legislation.

PROGRAMME 2: CULTURAL AFFAIRS

The programme purpose is to promote cultural diversity for socio-economic development and transformation for citizens of Mpumalanga.

According to the annual report, Programme 2 had four (4) sub-programmes: Arts and Culture, Language Services, Museum Services and Heritage.

Programme Performance: Achieved 22 out of 24 planned targets (91.6%).

Budget Performance: Overall the programme performed well, considering that it is one of the main service delivery programmes, managing to spend R120 617 000.00 (98.7%) out of a final appropriation of R122 178 000.00. The programme underspent its budget allocation by R1 561 000.00 (1.3%) due to funded vacant posts not filled and late submission of invoices of presented for payments. The budget of vacant funded post still remained after a moratorium on filling of vacant posts and their subsequent withdrawal from PERSAL, hence the saving. One of the late invoices was payment for the unveiling of the Saul Mkhize Statue, which was only concluded towards the end of the financial year and had to be paid in the new financial year 2015/16. **The department made a commitment to avoid implementing events close to the end of the financial year, to avoid recurring underspending.**

According to page 11 of the AR 2014/15, virement amounting to R550 000.00 was made from programme 2 to balance off the budget in anticipation of unforeseen cost escalation on projects in Programme 3 and 4, specifically the installation of furniture, specialised fittings, equipment and specialised software at the Archive Building and professional fees in respect of the High Altitude Centre. The department indicated that savings from Compensation of Employees cannot be rolled over in terms of the rollover guidelines and Treasury Regulations, hence the virements were made.

The sub-programme Arts and Culture achieved five (5) out of six (6) planned targets:

- **Not achieved:** Phase 1 Cultural Hub was not established;
- 3 exhibitions coordinated to promote arts and craft (one per district of the Province);
- 3 capacity building workshops coordinated for visual arts and crafters (one per district);
- 1 project facilitated of young maidens in the promotion of preservation of culture;
- 6 Social Cohesion programmes coordinated;
- 9 campaigns and dialogues coordinated to promote the charter of positive values.

Cultural Hub

For the second year, the planned target Phase 1 of the Cultural Hub was not achieved. Phase 1 included two (2) milestones, namely completion of enabling works and commencement of construction. In 2013/14 the achievement on Phase 1 was that the enabling works were in progress, recorded as partially completed. The 2014/15 reported achievement on Phase 1 was that the enabling works were completed (geo-tech investigations, EIA and town planning rights, drawings and bill of quantities). It was noted that the second milestone of Phase 1 in 2014/15, was to initiate the construction of the performing arts block, which was **not achieved** due to insufficient funds.

Throughout the 2014/15 financial year during the quarterly report meetings with the department, the Committee tracked the progress on this project; noting that the project was down-scaled and ultimately reported as being registered with the National Treasury as a Public Private Partnership (PPP). The latest reported progress in this regard is that the Transaction Supervisor to oversee the Cultural Hub PPP and the High Altitude Training Centre was advertised in the Government Tender Bulletin in October 2015. The department planned to make the appointment in the 3rd quarter of the 2015/16 financial year. The Transaction Advisor will then be responsible to source funding for the two projects. The Committee resolved that these projects had not been implemented with the high priority status they carried, as reflected in the 2013, 2014 and 2015 State of the Province Addresses. The main concern of the

Committee was that the department deviated from its plans and budget for these two projects over the last three financial years, without proper explanation to the Committee.

Social Cohesion

The department had planned to support six (6) social cohesion programmes in 2014/15, towards achieving Outcome 14 of the provincial outcomes, which is about driving social transformation and nation building.

In the year under review, one of the six programmes supported by the department was the Innibos Festival in Mbombela Local Municipality with an amount of R500 000.00, which was aimed at promoting social cohesion and nation building. Due to the unfortunate incident involving the singing of the old South African anthem (Die Stem) at the 2014 festival, the provincial government embarked on an intervention to bring about transformation at the Innibos festival in 2015. Linked to this was an EXCO decision to increase funding to the festival to R1 500 000.00 with a condition that embraces transformation. The outcome was that the 2015 festival had included amongst others, the singing of the new anthem and performances by African dancers and singers. The Committee urged the department to put more money into social cohesion, as it was noted the department had set aside R6 400 000.00 for this purpose.

The other five social cohesion programmes supported by the department were the Mpumalanga Comes Alive event; the Mpumalanga Choral Music Association (Eistedfod Choral Music); the South African National Community Theatre Association (SANCTA dramatic arts workshop); the Moral Regeneration Year End festival and three (3) Social Dialogues.

It was further noted that in the next financial year 2015/16 the department plans to support arts and culture forums and institutions to drive the transformation agenda; the budget allocated is R6 400 000.00.

The sub-programme Language Services achieved all three (3) planned targets as follows:

- 4 structures supported to develop and preserve indigenous languages;
- 4 Literary exhibitions to promote African Literature achieved;
- 4 Language awareness programmes rolled out to communities.

The sub-programme Museum Services achieved all four (4) planned targets as follows:

- Three (3) exhibitions staged (one at Barberton Museum, one at Pilgrim's Rest and one at Kghodwana Cultural Village);

- 39 078 people visited the museum facilities (target was 38 000). The number of visitors decreased from the 51 999 visitors achieved in 2013/14 2013/14 financial year;
- 17 690 brochures distributed for marketing purposes (target was 15 000). The number of brochures distributed decreased from the 28 661 distributed in the 2013/14 financial year. According to the department, the 3 exhibitions staged had created opportunities to distribute more brochures;
- Three (3) Heritage institutions supported (Friends of Barberton Museum, Friends of Pilgrim's Rest Museum and the South African Gold Panning Championships from 8-11 October 2014 in Spain).

The sub-programme Heritage achieved five (5) out of six (6) planned targets as follows:

- **Not Achieved:** renaming of nine (9) provincial buildings. The process of consultation had to begin again in the next financial year 2015/16 due to further inputs from the Provincial Management Committee (PMC) which extended the closing date for submission of more proposed names to 30 September 2015;
- 10 geographical place names were reviewed through the Mpumalanga Geographic Names Committee (MPGNC) (target was 5) due to additional names received from the Local Geographic Names Committee (LGNC);
- One (1) monument in honour of heroes and heroines of the liberation struggle (Saul Mkhize Statue) established as planned;
- Four (4) programmes held in promotion of cultural tourism (National Gold Panning Championships, Samora Machel Commemoration, Waterval Boven Commemoration and unveiling of the Saul Mkhize Statue);
- Eight (8) heritage sites identified to be protected through the Mpumalanga Heritage Resources Agency (Bonhefoi Presbyterian Church in Carolina, Steenkamp Bridge in Mashishing, Mmashadi High School in Siyabuswa, Siyabuswa Community Centre, Bushbuckridge Magistrate's Court, MK Safe House in Zoeknag, Mashianamane historical settlement in Phake and Mshadza School Shooting Site in Mshadza);
- 18 awareness campaigns on national symbols rolled out in all local municipalities.

PROGRAMME 3: LIBRARIES AND ARCHIVES

The purpose of this programme is to promote public libraries, archives and record management in the province. It consists of four sub-programmes.

Programme 3 Performance: Achieved **16** out of **22** planned targets (72.7%).

Budget Performance: Overall the programme did not perform that well, considering that it is one of the main service delivery programmes. It managed to spend R143 810 000.00 (85.7%) out of a final appropriation of R167 748 000.00. The programme underspent its budget allocation by **R23 983 000.00** (14.3%) due to the late appointment of service providers for furniture and equipment for the Archive Building and for libraries, which are yet to be delivered.

The programme also had an allocated Community Library Grant of **R115 897 000.00** and spent **R103 493 000.00** (89.3%) resulting in **R12 400 000.00** underspending.

The sub-programme Library Services achieved five (5) of the eight (8) planned targets:

- a. **Not Achieved:** planned to build three (3) new libraries but only built one (**Umjindi**), while two were recorded as work in progress at the end of the 2014/15 financial year (Glenmore 80% complete and Emthonjeni 75% complete). Glenmore library was delayed due to sloppy workmanship by the contractor and the building had to be repositioned. Emthonjeni library was delayed by late delivery of compliance certificate for roof trusses. Two libraries that were rolled over from 2013/14 were completed and handed over (**Klarinet and Saul Mkhize Ville**).
- b. The Committee noted that planning for six (6) new libraries was completed (Mgobodzi, Daggakraal, Acornhoek, Low's Creek, Thusiville and KaNyamazane).
- c. **Not Achieved:** planned to provide three (3) municipalities with maintenance in all their libraries, but reported that the target could not be achieved due to delays by the Thembisile Hani, Thaba Chweu and Dr Pixley ka Isaka Seme local municipalities to sign the MOU with the department. The department reported that the matter has since been corrected and a maintenance support will be provided in the next financial year.
- d. **Not Achieved:** planned to maintain and provide 110 libraries with ICT services, but only serviced 109 libraries. This included Internet services at 104 libraries maintained and functional; 109 head count maintained and functional; 102 security system and anti-theft system maintained and functional; 102 SLIMS maintained and functional; 100 libraries provided with multi-copiers. Provision of radio frequency was put on hold to finalise other maintenance functions. The challenges to the ICT targets not being met were reported as delays in completing the new libraries and also the inconsistencies in the functioning of the internet service.

- e. Procured 61 093 library material (target was 35 000) as the target was reprioritised to accommodate the slow progress on infrastructure projects. The department reported that fewer books (library material) will be purchased in the next financial year and more investment will be on infrastructure.
- f. 493 monitoring visits done (target was 486) to ensure adequate implementation of the Affiliation Agreement entered with municipalities due to increased demand with newly completed libraries.
- g. Planned four (4) promotional projects (National Book Week, 2 international literacy debates and Library Week promotion).
- h. Conducted four (4) capacity building programmes for new librarians.

Library Infrastructure

The department is striving to fast track the implementation of library infrastructure and to keep to its commitment to clear up the backlog by the end of the 2014/15 financial year. In the 2013/14 financial year, the huge under spending on Library Services was a concern; an amount of **R3 405 000.00** was not spent reportedly due to incomplete infrastructure projects (Klarinet, Driefontein, Dundonald and Emthonjeni libraries).

As at 31 October 2014, Klarinet was completed while Driefontein was completed and handed over. Dundonald was 24% complete while Emthonjeni was 34% completed and were planned for completion by 31 March 2015.

In the 4th quarter report (by 31 March 2015) the department reported that all planned libraries for 2014/15 had been completed, with the exception of Emthonjeni and Glenmore. As at 30 July 2015, Glenmore was reported 100% complete, Emthonjeni was at 95%, due for completion by 30 September 2015 and Umjindi Library was completed and handed over.

The Committee noted that the consistent challenges with regard to library infrastructure roll out related to contractors, who were in some instances very slow in implementing a project, thereby not complying with set timelines and then having to correct and re-do some work on site.

ICT services

The functionality of the SLIMS (SITA Library Information Management System) at libraries depends on the functionality of internet in libraries. The slowness of the internet service affects the SLIMS. The department reported to the Committee that in the 1st quarter of 2015/16 financial year, the SLIMS was functional in libraries around Steve Tshwete Local Municipality,

except Hendrina and Gerald Sekota libraries as they were not yet connected. The department further reported that by 22 September 2015 (end of the 2nd quarter 2015/16) the internet and wi-fi were installed at Gerald Sekota and Chromeville libraries. The department explained the reason that SLIMS was not functional earlier in September 2015 was that the bandwidth had been overloaded and that made the internet to be slow and unusable.

Regarding ICT services in Steve Tshwete Local Municipality, the Committee noted that:

- The department confirmed that the head count system was installed in all the libraries in the municipality, but was not functional. However the department is currently in a process of appointing a service provider to ensure the system is functional.
- Photocopiers were delivered to all the libraries in the municipality;
- The department confirmed that the SLIMS was installed at all libraries within the municipality during the 2014/15 financial year, but the functionality thereof was dependent on the availability of internet;
- The service provider for anti-theft system was in the process of being appointed;
- The department has appointed a service provider to rectify the functionality of internet;
- The department intends continuously training librarians to effectively implement SLIMS.

In the sub-programme Archives Services, five (5) targets were achieved as planned:

- a. Approved four (4) file plans for government bodies (target was 3 file plans);
- b. Inspected 38 government bodies on compliance to records management;
- c. Trained 30 record managers on Evaluation and Disposal at Archive Building;
- d. Rolled out three (3) awareness campaigns on archives in all districts;
- e. Hosted one (1) conference on records management.

Archive Building

The Archive building is not yet fully operational. As far back as the 2012/13 financial year, the department had incurred fruitless and wasteful expenditure amounting to R5 193 000.00 due to interest on overdue accounts and for the payment of outstanding invoices for the Archive Building. It was further noted that during a SCOPA hearing the department reported to have paid and closed all outstanding payments on the Archive Building.

Contrary to the above, the annual report 2014/15 indicates on page 123 an amount of **R1 700 000.00 for interest paid** by the department, which was fruitless and wasteful expenditure incurred by the department due to interest charged on the Archives Building.

The department was asked to clarify the matter and explained that the preliminary report submitted to SCOPA was correct at the time of its submission, since all invoices regarding Archives were paid. Therefore, the R1 700 000.00 was incurred only later due to a court order to pay interest and penalties emanating from delayed payments on previous transactions. The delayed payment was due to inadequate cash flow.

The Committee probed the matter further and noted that the Accounting Officer became aware of the R1 700 000.00 only after the High Court order was issued on 12 November 2014. The department indicated that although they had internal control systems in place to prevent fruitless and wasteful expenditure, in this case the department was bound to comply with the High Court order.

The Committee asked the department what steps were taken against the official responsible and noted that the matter was still under investigation by the Office of the Premier. The department reported to the Committee that the former Accounting Officer of the Implementing Agent (DPWRT), who was in charge of the project at the time, was no longer in the employ of the Public Service.

The sub-programme Events Management achieved its one (1) planned target to host eight (8) commemorative days in promoting Social Cohesion, Nation Building and Cultural Diversity (Freedom Day, Africa Day, Worker's Day, Youth Day, Women's Day, Heritage Day, National Day of Reconciliation, Human Rights Day).

In the sub-programme Expanded Public Works Programme, the two (2) planned targets achieved were 30 crafters co-operatives supported in job creation and 212 EPWP coordinators appointed to create jobs through creative industries (target was 90). The over achievement had no cost implication to the department but was due to the increased EPWP grant allocation.

2014/15 INFRASTRUCTURE PERFORMANCE REPORT BY THE DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT

The Department of Public Works, Roads and Transport (DPWRT) was invited to attend the Committee deliberations as an implementing agent for infrastructure projects of the Department of Culture, Sport and Recreation (DCSR). The DPWRT submitted the Infrastructure Performance Report 2014/15 in the meeting.

The Committee noted that there is now a signed Service Level Agreement (SLA) between the DCSR and the DPWRT. However, there is still a lack of synergy when it comes to DPWRT reporting on infrastructure for the department, as they do not talk from the same page. In most cases the HOD DCSR has not seen the DPWRT infrastructure report before the departments appear before the Committee.

The following observations were noted from the DPWRT Infrastructure performance report:

- The allocated budget for DCSR infrastructure was R89 781 000.00;
- Total infrastructure expenditure was R89 044 000.00 (99%);
- Total unpaid invoices at hand was R15 927.00, which amounts to R104 971 000.00 indicating that total expenditure for 2014/15 was 117% (17% over expenditure);
- Project scope was completion of construction of three (3) libraries: Driefontein Library (actual completion date 15 July 2014), Umjindi Library (actual completion date 21 July 2014) and Klarinet Library (actual completion date 7 November 2014). Hence the DPWRT reported that all projects planned for completion in 2014/15 financial year in terms of the contractual scheduled plans were achieved;
- As at 31 March 2015 the active capital projects included five (5) projects in the planning and design phase, three (3) projects under construction and three (3) completed projects, which totals 11 projects for the year under review;
- Challenges with town planning issues and inadequate site delayed commencement of construction of the new KaNyamazane Library;
- Termination of contractors on Klarinet and Driefontein Libraries in 2014/15 was due to failure to adhere to the conditions of the contract and poor performance, resulting in appointment of a new contractor to complete these projects;
- Construction of two (2) new community libraries at Mgobodzi and Emthonjeni were multi-year projects planned for completion in the 2015/16 financial year

PROGRAMME 4: SPORT, RECREATION AND SCHOOL SPORT

The purpose of this programme is to develop and enhance the sporting and recreation capabilities of the people of Mpumalanga.

The programme has four sub-programmes: Sport, Community Sport and Recreation, School Sport and Club Development.

Programme Performance: Achieved 20 out of 27 planned targets (74%).

Budget Performance: Considering that programme 4 is one of the main service delivery programmes, the programme expenditure should improve. The programme managed to spend R66 492 000.00 (91.8%) out of a final appropriation of R72 442 000.00.

The programme underspent by **R5 900 000.00** (8.2%) due to late appointment of contractors for Combo Courts and withheld transfers to non-compliant NPO's. The Committee noted that in partnership with Provincial Treasury, selected NPO's that are non-compliant with the funding criteria will be trained to improve their financial capacity. The planning of the workshop is still in progress by Provincial Treasury.

Currently the service provider has already been appointed but the Provincial Treasury is still in process of planning the workshop which will take place in March 2016 to coincide with the process of closing financial statements by the NPO's. The department provided a letter from Provincial Treasury as proof of this arrangement. The workshop will comprise gap analysis, training in compilation of financial reports and auditing of their actual financial statements.

Virements to the amount of R660 000.00 as shown on page 11 of the AR 2014/15, were made to balance off the budget in anticipation of cost escalation in respect of professional fees for the High Altitude Centre. It must be noted though that an EXCO Lekgotla resolution compelled the department to prioritise the Cultural Hub instead of construction of the High Altitude Training Centre in the year 2014/15 financial year.

The activities in this programme are financed by the Mass Participation and Sport Development Grant from Sport and Recreation South Africa. A grant amount of **R46 959 000.00** was allocated for the financial year 2014/15 and the department spent **R45 233 000.00** (91%) of the grant, which is **R1 700 000.00 unspent funds**.

Sub-programme Sport achieved one (1) out of three (3) planned targets. The two unachieved targets were the three (3) planned sport and recreation combo courts that were not established and the four (4) out of 11 sport institutions that were to be supported through transfer payments.

Construction of sport combo courts

The department acknowledged that the 06 sport combo courts budgeted and constructed in the 2013/14 financial year were poorly implemented. In the 2014/15 financial year the department managed to turn the situation around by engaging the DPWRT and the contractor (Sedtrade PTY Ltd) to repair the poorly constructed combo courts at the contractor's own cost. The outcome of this engagement was positive, whereby an Action Plan to fix the courts was developed and implemented. The action plan was submitted to the Committee for further scrutiny. The Committee welcomed this progressive situation, as the department would have had to account for and possibly recoup the R6 000 000.00 fruitless and wasteful expenditure it had incurred for those 06 combo courts.

The Committee deliberated at length on the existence of a written commitment referred to by the department; the department provided a copy of the letter written by the DCSR Accounting Officer to the implementing agent, requesting them to attend to the faulty combo courts. The department also provided a copy of the letter from the HOD DPWRT to the HOD DCSR confirming the above-mentioned written commitment. It was further noted that

In conclusion, the 06 projects were carried over to the 2015/16 for re-construction by the contractors and 03 new projects were also constructed in the 2015/16 financial year.

The Committee noted the department's satisfaction with the good quality work that was being done on the 03 combo courts in particular, which were being built according to the correct specifications, with good quality materials and good workmanship. The Committee advised the department to closely monitor the construction of all sport combo courts in future, so that the same situation does not recur with all its complications. There would be no cost implications for the department for repair work to the shoddy combo courts built in the 2013/14 financial year.

The Committee requested a detailed breakdown of the 06 combo courts to be re-constructed. It was noted that the planned completion date was 31 December 2015. Pictures of the correctly built combo courts were provided to the Committee as part of the responses. The Committee was satisfied that the sport combo court at the Magcekeni Primary School in

Nkomazi Local Municipality, which was visited by the Committee on 25 June 2015, was one of the combo courts being re-constructed (see tables below).

Supplier: Sedtrade (PTY) LTD

2015/16 projects			
Municipality	Local Area	Name of the facility	Amount
Nkomazi	Mzinti	1. Magcekeni Primary School	R1 000 000
Msukaligwa	Wesselton	2. Ithafa High School	R1 000 000
Bushbuckridge	Shatale	3. Letshele High School	R1 000 000

Supplier: Zedex Trading 715 CC & Nedtex 403 CC JV

2015/16 projects			
Municipality	Local Area	Name of the facility	Amount
Dr JS Moroka	Mmamethake	4. Mmamethake High School	R1 000 000
Mkhondo	Thandukukhanya	5. Ndawonye Primary School	R1 000 000
Thembisile Hani	Moloto	6. Matimba Primary School	R1 000 000

Supplier: Nemotcon Holdings

2015/16 projects			
Municipality	Local Area	Name of the facility	Amount
Dr Pixley ka Isaka Seme	Daggakraal	1. Sizenzele Secondary School	R1 000 000
Dr Pixley ka Isaka Seme	Daggakraal	2. Dr Pixley ka Isaka Seme Secondary School	R1 000 000
Dipaliseng	Sitathemba location	3. Setsheng Secondary school	R1 000 000

High Altitude Centre

Implementation of this project has been very slow, without the priority status it was afforded when announced by the Hon Premier in the 2012/13 financial year. The project had a budget of R50 000 000.00 (million) in 2012/13, of which R49, 546,000.00 was spent by 31 March 2013. This included R44 546 000 000.00 payment to the Independent Development Trust and

R5 million payment for land purchased in 2012/13 financial year. To date, the project is poorly funded and progress is still slow.

The 2013/14 allocation was R10 million (as per the Mpumalanga Appropriation Bill, 2013) and the project would be funded in (3) tranches of R10 million per financial year. Hence the total spent by 31 March 2014 was R59 546 million. The Committee had noted that the 2013/14 planned target to complete Phase 1 was not achieved, as it was put on hold to prioritize invoices for work done in previous financial years and delayed invoices that related to Architectural Services (Inception and Concept Design). The department requested the down scaling of the budget to R10 000 000.00 in the 2013/14 financial year due to implementation challenges experienced in in 2012/13.

The sub-programme Community Sport and Recreation performed well, achieving six (6) out of seven (7) planned targets. The following outputs were noted:

- Trained 138 people as part of community sport (target was 140); under achievement was due to failure of 2 people to attend because of personal commitments;
- 300 youth attended annual youth camp at Middelburg, for capacity building on life skills;
- Four (4) active recreation programmes implemented to promote healthy lifestyle (Loskop Marathon, Indigenous Games, Golden Games, Dundee Horse Race);
- 41 804 people actively participated in organised active recreation events (target was 40 000, it was exceeded due to increased popularity of the programme);
- 21 local Sport Councils supported from all local and district municipalities;
- 18 Hubs supported with sport equipment and attire;
- 18 jobs created through recreation.

Regarding the Phola Sport Combo facility in Emalahleni Local Municipality, which the Committee visited in January 2015, the department updated the Committee that the sponsor (BHP Billiton) was on site at the facility with municipality officials, to address concerns regarding the SAFA non-compliance issues of the fence around the soccer field and the handing over of the facility.

The sub-programme School Sport also performed well, achieving eight (8) out of nine (9) planned targets. The following outputs were noted:

- 8 900 learners participated in school tournaments at district level (target was 8 000). Over-achievement due to the national Department of Sport and Recreation (DSR) adding two new sport codes to the programme (Swimming and Cross-country);
- 2 308 learners participated in school tournaments at provincial level (target was 2 000). Over-achievement was due to the addition of the two new sport codes;
- 960 athletes supported (target was 750). Over-achievement was due to the addition of the two new sport codes;
- 468 educators trained to support school sport programme (target was 440). Over-achievement was due to the addition of the two new sport codes;
- 39 volunteers trained (target was 40) to support the school sport programme.
- Four (4) sport focus schools were supported as planned (Ligbron Hoërskool, General Hertzog Hoërskool, Lowveld High School and Rob Ferreira Hoërskool);
- 37 jobs created through cluster coordinators, as planned;
- 16 school sport structures established and supported, as planned.

In the sub-programme Club Development five (5) of the eight (8) planned targets were achieved. The following outputs were noted:

- **Not achieved:** Three (3) out of four (4) planned jobs created through club development;
- **Not achieved:** 650 people trained in club development programme (target was 736);
- **Not achieved:** 110 clubs supported with equipment and attire (target was 150);
- 16 formal programmes supported to identify talented (elite) athletes through tournaments and leagues;
- 110 talented athletes supported within a structured development programme (target was 100). Over-achievement was due to additional funds received from SASCOC;
- 150 affiliated functional clubs supported;
- Three (3) Sport Academies supported, which coordinate the elite athletes in the regions;
- 110 elite athletes supported through the provincial academy system (target was 100). Over-achievement due to additional funds received from SASCOC.

8. PART C: GOVERNANCE

The information presented by the department in the annual report is consistent with the provisions of the National Treasury Guide, which requires departments to report on Risk Management; Fraud and Corruption; Minimizing Conflict of Interest; Code of Conduct; as well as Health Safety and Environmental Issues. The annual report met these requirements.

Risk management

The Committee reiterated the importance of a well-oiled Risk Management unit that the department should be using to detect early warning signs that can negatively affect their performance and delivery of core mandated services. The department reported that during the 2014/15 financial year, the management of risk was done in terms of section 38 (a) (i) of the PFMA and treasury regulations, taking into consideration the latest legislation in risk management.

The Enterprise Risk Management Framework adopted from the Public Sector Risk Management Framework governs the department in terms of the process of risk management. The Framework outlines the Activities Risk Management will engage in, roles and responsibilities of all parties within the department so all officials are aware of what is expected of them.

During the Public Sector Risk Management Training, officials were taken through the Framework. The Risk management Implementation plan was presented so that the department as a whole knew what to expect from the Risk management Unit. Strategic Risk Assessment Workshops were conducted, which was in line with the overall strategic objectives of the department. Quarterly reports reviewed by the Risk Management Committee and Internal Audit Committee at the Office of the Premier.

The Committee asked whether Internal Audit unit and Risk Management interact, the department responded that Internal Audit is a standing invitee at Risk Management Committee meetings. Legal section is also part of the Risk Management Committee. Quarterly audit reports are presented by Internal Audit and progress of management comments on the findings. Internal Audit also gives feedback in terms of implementation of the Internal Audit Annual Plan. The Internal Audit Plan is risk-based, meaning that it is derived from the Risk Register of the department, Legal reports on litigations, investigations and compliance report of the department.

Fraud and Corruption

In the previous financial year 2013/14, a Fraud Prevention plan was developed and approved and a whistle-blowing policy was approved. The Department shared with the Committee that the Fraud Prevention Plan was effectively implemented and was also part of strengthening the internal controls of the department such as:

- Background checks on all employees
- Fraud risk assessment
- Do regular fraud Awareness Training, including Code of Conduct workshops
- Ensure that your Tone at the Top is one of honesty
- Appointed Ethics Officer
- Implement a Code of Ethics
- Receiving regular feedback of reported cases via the Provincial hotline
- Department represented at the Provincial Anti-Corruption Coordinating Committee
- Implement continuous controls monitoring (CCM)
- Implement Proactive Anti-Fraud Policies

Occupational Health, Safety and Environment issues

In the previous financial year 2013/14 the department conducted an audit and found some weaknesses in terms of health and safety issues.

In the 2013/14 financial year the department had appointed the OHS (Occupational Health and Safety) Committee to deal with these issues. In the year under review, the Committee asked the department about the effectiveness of the systems implemented to deal with the identified weaknesses on health, safety and environmental issues. The department indicated that the OHS Committee was still in place. In addition, members have been trained for SHE (Safety, Health and Environment) course at NOSA.

The Committee noted that in the 2012/13 and 2013/14 reporting periods the department had a challenge of poor access to the upper levels of the building they occupy in the provincial government complex. The fact that there was no other access besides the lift posed a serious risk during blackouts and load shedding. The department indicated that the design of the building did not allow for escape routes for people with disability at the upper levels.

9. PART D: HUMAN RESOURCE MANAGEMENT

Staff establishment

According to page 68 of the AR 2014/15, the department had a staff complement of 502 employees, of which 395 were permanent employees and 107 were contract employees.

There were two (2) females and 13 males at senior management level (13.3% women representation at senior management level). The department indicated that six (6) senior management posts had been advertised with the aim of addressing the gender imbalance. The selection process was biased towards female candidates in order to achieve the 50% women representation. However, the process was stalled before completion because of the moratorium which was imposed.

People with disability

The department employed nine (9) persons with disabilities during the 2014/15 financial year, which included three (3) African males, four (4) African females, one (1) Coloured female and one (1) White female. These (9) employees constituted 1.7% of the total employees.

Page 81 of the AR 2014/15 also indicates that one (1) employee with disabilities resigned from the department, which the department clarified was a voluntary resignation. The disability applied to his right leg, which could not move properly.

The department again did not meet the 2% target of employing people with disabilities in the 2014/15 financial year. Currently, in the status quo remains the same. The current moratorium was indicated as the main reason for not being able to appoint people, let alone people with disabilities or women. The department was advised to keep this matter at the forefront of their plans in the event that the situation with the moratorium changes.

Staffing

According to the AG report on page 97 of the AR, during the 2014/15 financial year, the department did not fill funded vacant posts within 12 months, as required by the Public Service Regulation 1/VII/C.1A.2. It must be noted that the moratorium on the filling of vacant posts was in operation in the 2015/16 financial year. The department explained that the moratorium was introduced in February 2015 during the 2014/15 financial year and that all due processes were already concluded to appoint and fill the vacant posts.

The programme that was most affected by the non-filling of vacant funded posts was programme 3 Library and Archives Services (Library and Information Directorate and Records Management Directorate).

Other posts affected were the Nkangala and Gert Sibande Regional Directors; Directorate HRM; CFO and COO. Currently these positions are filled in an acting capacity. Officials were re-organized by allocating additional responsibilities within the Department, since all vacant posts were abolished and the budget taken.

The shortage of qualified librarians and trained library assistants continued from the previous financial year. The Committee noted that the department was addressing the matter through bursaries and training.

10. LEGAL ANALYSIS OF THE 2014/15 ANNUAL REPORT

In terms of the department's implementation of key legislations, the Committee noted that the following (3) pieces of legislation have a bearing on the department's operations:

- Mpumalanga Provincial Languages Act, No 3 of 2014
- Mpumalanga Archives Act, No 14 of 1998
- Skills Development Act, No 97 of 1998

The Committee noted the following:

Mpumalanga Languages Act, 2014

- a. The Mpumalanga Provincial Languages Act, No 3 of 2014 is not yet operational. It was published in the Government Gazette for information on 09 July 2014.
- b. The department has communicated with the Office of the Premier to determine the date for the operationalization of the Act, but the date has not yet been provided due to budgetary constraints to implement the Act.
- c. The Committee asked the department what measures were put in place to prepare for the Act, which sought to promote the (4) four designated languages: isiNdebele, Siswati, English and Afrikaans. The languages unit needed to be established and resourced with training and development.

- d. The department reported to the Committee that it has taken the initiative to start training all government departments about the Act and to facilitate that each department establishes a Language Unit.
- e. All 21 Municipalities were work-shopped about the Act and were advised to establish the Language Unit at Municipal level.
- f. Traditional Leaders and parastatals were also work-shopped about the Provincial Language Act.
- g. The Department spent R 158 000.00 on the training workshops on the Act.

The initial stage of implementing the Act requires that a fully-fledged Language Unit be established in the department. In response to the cost implication of operationalizing the Act, an estimated cost of R7 000 000.00 was submitted as a pressure to Provincial Treasury.

Mpumalanga Archives Act, No 14 of 1998

The Committee noted during the deliberations that the Mpumalanga Provincial Archives Building was not fully operational due to shortage of skilled personnel, as archiving is a specialized field.

The Records Management division within Archives sub-programme is functional and provided training, inspections and support to client offices. This has yielded positive results in ensuring that client offices are compliant with the legal prescripts.

The Committee was informed that the department coordinates an outreach programme to market the Archives Building, whereby all municipalities convene meetings in communities/wards conduct archives awareness sessions.

Skills Development Act, No 97 of 1998

Section 30 of the Act provides that:

Each public service employer in the national and provincial spheres of government must budget at least 0,5% of its payroll for training and education of its employees with effect from 01 April 2000; and as from 01 April 2001, they must budget 1% of their payroll. The

department indicated to the Committee that during the year under review, R3 050 000.00 was allocated for training and the following programmes were targeted:

- Learnerships
- Internships
- Work Integrated learning
- Management Development Program
- Financial management for non-financial managers

11. PETITIONS RELATING TO THE DEPARTMENT OF CULTURE, SPORT AND RECREATION

The Committee noted that **(3) three** petitions had been referred to the department for consideration and report back. The Legislature encountered the following challenges when processing these petitions:

- The department did not comply with due dates given for submission of petition reports, which in turn has a negative impact on the work of the Select Committee on Public Participation, Petitions and Members' Legislative Proposals in that timely feedback cannot be given to the petitioners;
- The delayed response time to give credible feedback to petitioners dents the Legislature's reputation and mandate on oversight and accountability;

12. FINDINGS

After the deliberations on the 2014/15 Annual Report of the Department of Culture, Sport and Recreation, the Committee made the following findings:

- 12.1. The department improved in terms of the 2014/15 audit outcome from an unqualified audit with findings to an unqualified audit with (2) two matters of emphasis. Strides were made to address both matters and the department reported continual progress was reported to the Committee on the implementation of its 2014/15 audit action plan throughout the year.
- 12.2. The department's staffing is being negatively affected by the moratorium that was instituted late in the 2014/15 financial year, but internal arrangements such as rationalisation, internal transfers and acting capacity are being implemented to address

the human resource shortages. The department's compliance with the Employment Equity Act, 1998 has also been hampered.

- 12.3. The Enterprise Risk Management Framework adopted from the Public Sector Risk Management Framework governs the department in the process of risk management.
- 12.4. The construction of the performing arts block of the Cultural Hub did not commence as planned in the 2014/15 financial year, neither had it commenced by the 3rd quarter of the 2015/16 financial year.
- 12.5. The department did not adequately monitor the Nation Building and Social Cohesion events and programmes that it supported financially during the year under review. Thus, there was no way to assess value for money and long term sustainability.
- 12.6. The department experienced challenges in rolling ICT services at all libraries in the municipalities during the year under review. Some challenges were only addressed in the 2015/16 financial year, as the department appointed (4) four service providers for anti-theft system, installation and connection of internet and SLIMS (SITA Information and Training Authority) Library Information Management System.
- 12.7. No new combo courts were constructed in the 2014/15 financial year; instead the department tackled the challenge of fixing the 06 poorly constructed combo courts from the 2013/14 financial year. The department reached an agreement with the implementing agent (DPWRT) and the main contractor Sedtrade PTY Ltd to repair the (6) combo courts at the contractor's own cost. This is commendable, as the Committee had been concerned about the fruitless expenditure of R6 000 000.00 which had been paid for those (6) combo courts. The Committee noted that an action plan to fix the courts was developed and implemented.
- 12.8. (3) Three combo courts were planned for implementation in the 2015/16 financial year; the department indicated that they were on track for completion by 31 December 2015.
- 12.9. The Co-operative Governance ICT (CGICT) Policy Framework was formally adopted by EXCO on behalf of all provincial departments for implementation. In order to implement the CGICT Framework, the department is currently working on a Business Continuity Plan, which should be approved by 30 November 2015.

- 12.10. The re-naming of the (9) government buildings was not completed as planned for in the 2014/15 financial year.
- 12.11. The Mpumalanga Languages Act, 14 of 2013 (the Act) is not yet operational due to budgetary constraints. The Languages Unit in the department is not yet established. The initial cost implication of implementing the Act is **R7 000 000.00**. All government departments, municipalities and the House of Traditional Leaders will also have to establish language units once the Act is in operation.
- 12.12. The Mpumalanga Provincial Archives Building is not fully operational due to shortage of skilled personnel, as archiving is a specialized field.
- 12.13. The Committee noted that (3) three petitions were referred to the department for consideration.

13. RECOMMENDATIONS

The Committee recommended that the Department of Culture, Sport and Recreation must:

- 13.1 Ensure full compliance with the PFMA in all aspects, not just the audit action plans to address findings. All internal controls must be strengthened, especially areas that were not audited in the 2014/15 financial year. The department should obtain a clean audit in the 2015/16 financial year. Submit a progress report on implementation of the 2013/14 and 2014/15 audit action plans as at 29 February 2016.
- 13.2. Ensure that all core service delivery programmes have sufficient human resource capacity, skills and leadership. Provide an update as at 29 February 2016. Submissions must be made to EXCO for approval of positions that are critical, if the lack thereof is seriously compromising service delivery.
- 13.3. Ensure full compliance with the Enterprise Risk Management Framework and submit a report on compliance by 29 February 2016. Indicate challenges and interventions.
- 13.4. Fast track the appointment of the Transaction Supervisor for the Cultural Hub Public Private Partnership (PPP) to be completed by the end of the 2015/16 financial year (31 March 2016). Construction of the performing arts block must begin in the 1st quarter of the 2016/17 financial year.

- 13.5. Develop a system to record monitoring of events and programmes supported by the department, in aid of Nation Building and Social Cohesion Strategy. The department should also conduct a socio-economic study in this regard, so that achievements and challenges can be measured. Submit a progress report by 29 February 2016.
- 13.6. Provide written proof by 31 December 2015 that the (4) four service providers were appointed to install the anti-theft system, installation and connection of internet and Sita Library Information System (SLIMS). Resolve the challenges preventing the efficient roll out of ICT services at all libraries 6 and submit a progress report by 29 February 2016.
- 13.7. Ensure that the (6) combo courts to be repaired (from the 2013/14 financial year) are completed at the contractor's own cost. Provide written proof of the contractor's commitment to pay for the repair works and written proof that the works were completed by 31 December 2015.
- 13.8. Ensure that the (3) combo courts planned for implementation in the 2015/16 financial year are completed as indicated by the department. Provide the relevant written proof to the Committee by 31 December 2015.
- 13.9. Submit the approved Business Continuity Plan for the CGICT Framework by 31 December 2015.
- 13.10. Fast track the completion of the consultation process of re-naming the (9) government buildings before the end of the 2015/16 financial year (31 March 2016).
- 13.11. Fast track the implementation of the Mpumalanga Provincial Languages Act. Establish a fully-fledged Language Unit. Thereafter all government departments and 21 municipalities should establish language units. Submit a progress report by 29 February 2016.
- 13.12. Ensure that the Mpumalanga Archives Building is fully operational by the end of the 1st quarter of 2016/17 financial year. A request to fill all critical funded vacant posts should be made to EXCO. Submit a progress report by 29 February 2016.
- 13.13. Ensure that all outstanding petitions (3) are fully attended to and a report on the finalisation of these petitions must be submitted to the Legislature by 29 February 2016.

14. CONCLUSION

The Chairperson appreciates the support of the Honourable Committee Members in expediting this important oversight work of considering the annual performance report of the **Department of Culture, Sport and Recreation** for the financial year 2014/15. The Committee acknowledges the assistance provided by its administrative support staff.

The department was held to account for the use of its **R443 576 000.00** appropriated budget vote 11 (as adjusted) and the implementation of its Annual Performance Plan, as approved by this Portfolio Committee. The Committee also conducted various oversight visits during the course of the year, to libraries, combo courts and cultural projects of the department.

The MEC, Hon Norah Mahlangu-Mabena, the newly appointed HOD, Mr WS Mnisi and the senior management team of the department honoured the Committee's invitation to present the annual report. The Committee appreciates the department's efforts to implement an audit action plan for the 2014/15 audit outcomes, noting that the department obtained an unqualified audit opinion with only two matters of emphasis, which was an improvement in comparison to previous years. The department made strides to realize its 5 year strategic goals; the priorities of government at both provincial and national level and the Millennium Development Goals.

Lastly, the Committee requests the House to adopt this Committee report with its recommendations. The Department of Culture, Sport and Recreation must implement the House Resolutions contained in this report and a **progress report must be submitted to the Legislature by 29 February 2016 (unless otherwise stated)**.



HON SK MASHILO
CHAIRPERSON: PORTFOLIO COMMITTEE
ON EDUCATION; CULTURE, SPORTS AND RECREATION

18/11/2015

DATE

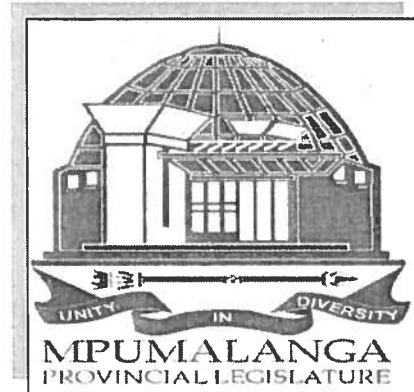
ANNEXURE (A)

DEPARTMENT OF CULTURE, SPORT AND RECREATION – 2013/14 ANNUAL REPORT HOUSE RESOLUTIONS – UPDATED PROGRESS REPORT	
Resolution	Updated Progress as at 15 October 2015
1. Fully implement the 2013/14 audit action plan and ensure that a clean audit with no findings is achieved for the 2014/15 financial year. Ensure that all the concerns of the Auditor-General are fully addressed. The Committee must be provided with a detailed progress report on the implementation of the 2013/14 audit action plan, where relevant evidence must be provided to the Committee.	The department has implemented the recommendations of the Auditor General SA, except the filling of Senior Management Posts which was affected by the existing moratorium on filling of vacant posts. The Remedial Action Plan of the department was submitted as an annexure to the updated progress report.
2. Implement effective strategies to overcome the challenges that caused non-achievement of planned targets and ensure that all targets are fully achieved in future.	When comparing the department's response in March 2015 to its response in October 2015, the department's overall performance for 2013/14 was 92% achievement on planned targets (68 actual outputs against 74 planned targets) whereas the overall performance for 2014/15 was 81% achievement (68 actual outputs against 74 planned targets). In March 2015 the response had stated that there would be stricter enforcement of the MANCO quarterly review sessions to identify challenges and slow progress. The department had indicated that relevant interventions were being recommended and an acceleration plan would be put in place and monitored. The department however, pointed out that the 2014/15 performance was still within the 20% threshold set by the AGSA.
3. Prioritise and finalise the filling of vacant funded senior management posts; females must be considered for these posts. The department must comply with government policy on women in senior management.	The department managed to fill two of the Senior Management posts (Director: Arts and Culture and Director: Sport and Recreation). Due to the current moratorium on filling of vacant posts, the directive from EXCO was that some posts should be filled through rationalization processes. The department requested the PMC to consider women in the rationalization processes.
4. Ensure that officials of the department sit on the Infrastructure Bid Committee. The Service Level Agreement (SLA) with the Department of Public Works, Roads and Transport (DPWRT) must be agreed to and signed by the Department of Culture, Sport and Recreation (DCSR) and the DPWRT. The signed SLA must be submitted to the Committee. The DCSR and the DPWRT must hold monthly bi-lateral meetings to discuss challenges and interventions on Infrastructure delivery. Whenever progress reports are submitted to the Committee they must be consolidated reports that were discussed by both departments.	The department reported that it does sit in Infrastructure Bid Committees of the DPWRT for specific projects. The Service Level Agreement between the department and the DPWRT has been signed (was submitted to the Committee) and monthly bilateral meetings are held with the DPWRT. The department also reported that systems were put in place to ensure that reports on infrastructure related projects are consolidated and ratified by both departments before submission to the Committee.
5. Ensure that the adopted provincial Social Cohesion Strategy is implemented effectively, ensuring that it is adequately funded. Provide regular updates to the Committee on the achievements and challenges.	The department has reconfigured the provincial Social Cohesion Strategy with the MTSF outcome 14 n Social Cohesion and Nation Building. As stipulated in the approved APP 2015/16, all resources have been channelled towards achieving this outcome. Regular updates to the Committee are provided through the quarterly report meetings
6. Ensure that the 2014/15 planned targets to roll out ICT services and facilities at community	The department reported that ICT rollout is at the top of the priorities of the department, in ensuring service delivery to communities. It was acknowledged that ICT functionality is not as optimal as envisaged. As an

<p>libraries are practical and that the neediest communities are integrated. There must be tangible, improved access to library facilities, evidenced by an enhanced reading culture that is sustainable. The department must ensure that the four (4) backlogged library facilities are completed and handed over to beneficiaries.</p>	<p>intervention the department has secured the services of ICT experts to ensure full functionality.</p> <p>Against a total of 109 public libraries, the following key achievements on ICT are recorded to date:</p> <ul style="list-style-type: none"> • SLIMS – 102 libraries functional • Printers – 100 libraries functional • Computer Hardware – 106 libraries functional • Head Count – 94 libraries functional • Internet – 89 libraries functional • Scanners – 103 libraries functional • Anti-theft devices – 92 libraries functional <p>Two libraries (Perdekop and Libangeni) are completed and handed over. The department clarified that the 2013/14 backlog was on 03 libraries (Mkhondo, Umjindi and Klarinet) and they were all completed and handed over by October 2015.</p> <p>The department did not respond about the improved reading culture in the communities serviced by the libraries.</p>
<p>7. Intensify the roll out of Sport Combo Courts in the province, ensuring that these very important facilities are well funded and easily accessible to the communities. Submit a list of all the existing and planned Sport Combo Courts in the province, per district and municipality.</p>	<p>The department reported that it was in the process of intensifying the rollout of sport combo courts within its allocated resources. The list of existing and planned sport combo courts (under construction and due for completion in October 2015) was attached as an annexure to the updated progress report.</p>
<p>8. Implement the transformation agenda for the Innibos Festival once adopted by the Executive Council; provide regular updates to the Committee on the achievements and challenges.</p>	<p>The department reported that the transformation agenda was approved by the EXCO with the Directives to include African artists in the line-up of performers at Innibos festival; sing the National Anthem at the event; hoisting of the SA national flag at the event.</p> <p>EXCO further directed the department to increase funding of the Innibos festival to R1.5 million in the 2015/16 financial year.</p>
<p>8. Ensure that the Risk Management unit is adequately resourced in order to fulfil its key role in the department. Governance practices and procedures must be continuously monitored to ensure that best practices are maintained. Provide regular updates to the Committee on the progress and challenges.</p>	<p>The department reported that it has re-organised itself by allocating additional officials to work with the Chief Risk Officer to effectively monitor government practices and procedures on a continual basis.</p>

SUPPORT STAFF

Social Cluster Manager : Ms EF Thabane
Committee Co-ordinator : Ms MN Varda
Committee Researcher : Mr MM Mhlanga
Committee Secretary : Ms C Koekemoer
Legal Services : Advocate T Mosoetsa



CONTACT DETAILS:

Private Bag X11289
Nelspruit, 1200
Building No 1, Mpumalanga Government Complex
NELSPRUIT

Tel +27 013 766 1402/ 1117
Fax +27 13 766 1458

Website: www.mpuleg.gov.za

marilyn@mpuleg.gov.za

