

REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION (VOTE 11) ON THE 2019/20 ANNUAL PERFORMANCE PLAN AND BUDGET

1. INTRODUCTION

The Portfolio Committee on Education; Culture, Sport and Recreation received the 2019/20 Annual Performance Plan (APP) and Budget of the Department of Culture Sport and Recreation as referred to it by the Office of the Speaker for further processing. This will be used on quarterly basis to hold the Executive accountable for its performance for the duration of the 2019/20 financial year. Therefore, the Committee's responsibility is to assess if the planned APP targets are specific, measurable, achievable, realistic and time-bound (SMART) and if the allocated budget is aligned to the planned targets for efficient and effective delivery of Culture, Sport and Recreation throughout the Province. The department has a mandate to lead **Outcome 14: National Building and Social Cohesion**, that is, through culture, sport and recreation.

Sections 114(2) (a)(b) and 115 (a)(b) of the Constitution of the Republic of South Africa [Act 108 of 1996] empower the Mpumalanga Provincial Legislature to perform an oversight function over a Member of the Executive Council (MEC) who is responsible for the utilization of public resources allocated to a provincial government Department.

The Report examines the planned activities laid out in the proposed Annual Performance Plan of the Department for the 2019/20 financial year and other planned pronouncements by the National and Provincial Government.

2. METHOD OF WORK

The MEC for Culture, Sport and Recreation tabled the 2019/20 annual performance plan of the Department in the Legislature in accordance with Section 27(3) of the Public Finance Management Act (PFMA) No 1 of 1991, as amended. Subsequently, the Speaker referred the Annual Performance Plan and Budget to the Committee in terms of rule 190(4) of the Rules

and Orders of the Mpumalanga Provincial Legislature, for consideration and report back to the House.

The Committee interacted with the Department on 21 June 2019 to deliberate on the Annual Performance Plan and the allocated Budget for 2019/20 financial year.

3. GENERAL OBSERVATIONS

The Committee made the following general observations on the 2019/20 annual Performance Plan and budget:

- a. The Committee welcomed the Department and appreciated their good work and commitment. The HOD and Officials were urged to continue working hard to improve and to ensure that services are delivered in a sustainable manner.
- b. The APP of the department is aligned to the guideline by the National Treasury on the compilation of APPs.
- c. The department has been allocated a budget of **R544 439 000.00**, which shows a R75 978 000.00 increase from the previous financial year's main appropriation of R466 461 000.00 (14%).
- d. There has been delays with the transfer of the conditional grant by the national department which result in certain payments not done within 30 days in the previous financial year.
- e. The Department could not implement the Mpumalanga Language Act of 2014 and the Mpumalanga Achieves Act of 1998 due to budgetary constraints.

4. UPDATED PROGRESS REPORT ON 2018/19 APP HOUSE RESOLUTIONS

The Committee considered an updated progress report on the Department's implementation of the previous year's APP and budget House Resolutions and the following were noted:

- ❖ Accruals of R56 000 000 from the previous financial year which were reported to have minimal impact on the current APP as they were cash-backed.
- ❖ Progress on three court cases was provided; where one, that is, the Big Swing case was still pending.

- ❖ The department still has skill shortages in Library & Information Services and Archives Services Directorate.
- ❖ The department struggles to pay invoices within 30 days due to delays in the transfer of conditional grant by the National DCSR.
- ❖ The department reported to have all internal controls in place to curb risks such as fraud and other non- adherence to legislation activities.
- ❖ Progress around the Mpumalanga Provincial Language Act of 2014
- ❖ That the EPWP jobs will be spread throughout the province.
- ❖ 15 Cultural Institutions that receive funding were indicated according to sectors.
- ❖ Feedback on libraries was provided; those that could not be completed were rolled over to the current financial year.
- ❖ A report on all sporting codes and funding was provided

5. COMPLIANCE TO TREASURY FRAMEWORK FOR STRATEGIC PLAN AND ANNUAL PERFORMANCE PLANS

- a. The Strategic Plan Framework has all the required elements that need to be included and has being endorsed, signed off by all relevant Authorities.
- b. The Strategic Goals on the Strategic Plan are incompliant with the new framework and reflects the commitment made in the Election manifesto of the governing party, including the commitment to implement the NDP.
- c. The Situational analysis of the department present an updated performance delivery and institutional environment information.
- d. The Annual Performance Plan frame work reflects the priorities and outcomes of the next Medium Term Strategic Frame work (MTSF) and 6 strategic Goals discussed in the strategic plan, however there is no Consistency in the phrasing of the Goals in the Annual Performance Plan (APP) and the Strategic plan as indicated in the research report.
- e. The Situation Analysis provided details of how the political, economic, technological, environmental and legal factors will influence the operations of the department

6. FINANCIAL ANALYSIS

Table 1: 2014/15 – 2019/20 budget allocation

PROGRAMME	Year 2014/15 '000	Year 2015/16 '000	Year 2016/17 '000	Year 2017/18 '000	Year 2018/19 '000	Year 2019/20 '000
Administration	82 208	81 116	81 787	99 986	101 351	112 389
Cultural Affairs	122 728	77 417	108 838	132 743	120 992	133 631
Library and Archive Service	166 858	208 135	215 325	184 158	190 091	193 688
Sport and Recreation	71 782	90 654	91 550	94 345	72 992	104 731
Total	443 576	457 322	497 500	511 232	485 426	544 439

- ❖ The Department received a budget allocation of R485 426 000.00 for 2018/19 and **R544 439 000.00** for 2019/20, which shows a steady **increase by R59 130 000.00**
- ❖ It received a total amount of **R219 066 000.00** for four conditional grants:(Community Service Library Grant, Expanded public works Integrated Grant for Provinces, Social Sector Expanded Public Works Programme Incentive Grant for Provinces and the Mass Participation and Sport Development Grant).
- ❖ An amount of **R1 607 000.00** was raised from penalties on lost books at Libraries, entrance fee and interests on bank accounts.

Table 2: 2019/20 budget per economic classification

Economic Classification	Year 2018/19 R'000	Year 2019/20 R'000
Current Payment	371 452	397 419
Compensation of employees	184 452	209 059
Goods & Services	186 526	188 360
Transfers & Subsidies	10 877	13 032
Province & Municipality	116	122
NPO	9 916	12 210
House Hold	845	700
Payment for Capital Assets	103 097	133 988
Buildings & fixed assets	70 500	120 510
Machinery & equipment's	12 650	11 478
Software & intangible assets	1 967	2 000
Heritage assets	8 500	
Total	485 426	544 439

- ❖ The Department has a Budget of **R209 059 000.00** for compensation of employees and **R188 360 000.00** for Goods and Services which is most affected by reprioritization.
- ❖ It will spend an amount of **R13 032 000.00** on transfers and subsidies as per the allocation .A large chunk thereof will be allocated to non-profit Organisations.
- ❖ Payment of Capital Assets has been allocated an amount of **R133 988 000.00** for the financial year.
- ❖ An amount of **R120 510 000.00** has been allocated for building and fixed assets while machinery get **R11 478 000.00** while **R2 000 000.00** will be spend on software and intangible assets.

7. ANALYSES OF PROGRAMME PERFORMANCE.

7.1. Programme 1: Administration

The purpose of Programme 1 is to provide for the overall management and administration support of the department, in accordance with applicable National and Provincial Policies, the PFMA, The Public Service Act and other Legislation .This programme comprises of two sub-Programmes, The **Office of the Premier** and **Corporate Services**.

Table 3: **Summary of payments and estimates: Administration**

Sub-Programme Name	2018/19 R'000			2019/20 R'000
	Main appropriation	Adjusted appropriation	Revised estimate	Main appropriation
Office of the MEC	10 245	10 245	10 245	11 030
Corporate Services	91 106	91 106	91 106	101 359
Total	101 351	101 351	101 351	112 389

- ❖ The Programme is allocate a budget of **R112 389 000.00** for 2019/20 financial year for the overall management and administrative support of the department. The amount caters for the sub programmes: The office of the MEC is allocated **R11 030 000.00** and Corporate Services is allocated **R101 359 000.00**.The increase in the budget is

based on the escalation cost on contractual obligations and budget allocated on machinery and equipment.

- ❖ The Department is planning for an unqualified audit opinion on financial statements noting that for the past years this was not achieved due to noncompliance with minor assets and immovable tangible capital assets and other matters such as misstatement on financial, compliance with laws and regulations and deficiencies on internal controls.

7.2. Programme 2: Cultural Affairs

The purpose of the programme is to assist Arts and Cultural Organizations to promote, develop and preserve Culture for the citizens in Mpumalanga. The programme is comprised of four sub-programmes i.e. Management, Arts and Culture, Museum and Heritage Resource Services and Language Services.

Table 4: Summary of payments and estimates: Cultural affairs.

Sub-Programme Name	2018/19 R'000			2019/20 R'000
	Main appropriation	Adjusted appropriation	Revised estimate	Main appropriation
Management	1 879	1 879	1 939	2 059
Arts & Culture	74 906	78 861	78 801	96 548
Museum & Heritage	29 699	37 339	37 339	31 969
Language Services	2 913	2 913	2 913	3 055
Total	109 397	120 992	120 992	133 631

- ❖ The programme has been allocate an amount of **R133 631 000.00** and the Department plans to spend **R96 548 000.00** on the Arts and Culture sub-programme, **R31 969 000.00** on Museum and Heritage and **R3 055 000.00** on Language Services. The Budget has increased to cover the cost of the upgrades of two cultural villages, Mtfuntini and Kghodwana.

- ❖ The **R69 000 000.00** allocated to the two flagship projects ,the Cultural Hub and the High Altitude Training centre for 2019/20 financial year will be prioritized for the building of Libraries and the refurbishment of Cultural Villages as the projects has been put on hold.
- ❖ Overall reprioritization under this programme was done to cater for compensation of employees and Infrastructure spending. Other funds were reprioritized to cater for the Mpumalanga Cultural Experience event and National commemorated days as part of the nation building initiatives.

7.3. Programme 3: Library and Archives Services

The purpose of this programme is to provide and promote public libraries, archives and record management in the province. Its priorities include the improvement of access to facilities, the promotion of sustainable reading culture and increasing compliance to legislation and policies by governmental bodies and parastatals on the management of records. The programme comprises of three sub-Programmes i.e. **Management, Library Services and Achieves**.

Table 5: Summary of payments and estimates: Library and Archives Services

	2018/19 R'000			2019/20 R'000
Sub-Programme Name	Main appropriation	Adjusted appropriation	Revised estimate	Main appropriation
Library Services	182 745	182 745	168 433	190 102
Archives	3 658	3 658	3 658	3 586
Total	185 158	186 403	190 091	193 686

- ❖ The programme is allocated an amount of **R193 686 000.00** for the financial year 2019/20. The overheads of the programme has grown from **R185 158 000.00** in 2015/16 to an estimate **R193 686 000.00** in 2019/20. The increase in the allocation for the programme is due to the increase in funding for the Community Library Services Grant.

Progress on Infrastructure projects for the 2019/20 financial year.

- ❖ The Three new Libraries facilities that are under construction namely, Thulamahashe, Thubelihle and Sakhile will be completed and handed over in 2019/20.
- ❖ The construction of Malvijan, kwaMhlanga and Ethandukukhanya Libraries will commence in the second Quarter of 2019/20.
- ❖ Two new Libraries namely: Newton and Schoemansdal will begin construction for completion for completion in 2020/21.
- ❖ The Standerton and Mashishing Library infrastructure will be completed in the 2019/20 financial year.
- ❖ Seven existing Libraries will be provided with maintenance to complement formal education. It is estimated that the number of Libraries will sit at 120 by year-end 2019/20.
- ❖ Libraries will be provided with ICT Services such as Internet and WI FI, Head Count System, Multipurpose Copier and Computers.
- ❖ The Department as per Workplace Skills Plan (WSP) has a shortage of scarce skills in Library & Information Services and Archives Services Directorate.

7.4. Programme 4: Sport and Recreation

The purpose of the programme is to develop and enhance the Sporting of the people of Mpumalanga. The programme comprises of two sub-programmes i.e. Management, Sport, School Sport and Recreation.

Table 6: summary of payments and estimates: Sport and Recreation

Sub-Programme Name	2018/19 R'000			2019/20 R'000
	Main appropriation	Adjusted appropriation	Revised estimate	Main appropriation
Management	3 092	3 092	3 092	3 588
Sport	19 396	20 174	20 174	47 417
Recreation	29 725	27 413	27 413	33 239
School Sport	19 097	22 313	22 313	20 487
Total	71 310	72 992	72 992	104 731

- ❖ The programme is allocated a budget of **R104 731 000.00** in the 2019/20 financial year. The Budget indicates a substantial increase of **R31 739 000.00** from the **R72 992 000.00** adjusted appropriation in 2018/19.
- ❖ The substantial increase is on sub-programme 2, with an added amount of **R27 243 000.00** as compared to the previous year's allocation. The Budget was slightly increased to cover for the inflation costs. This will assist in the funding of local sport tournaments and leagues, Indigenous Games, Youth Camps, Golden Games, Big Walk, Mpumalanga Cycling Tour and the Loskop Marathon amongst others. School support will cater for training, equipment and attire. Lastly, the 2010 FIFA World Cup legacy will be sustained through utilising the Mbombela Stadium with planned high profile games.

Plans for Sport and Recreation.

- ❖ The Rural Sport Development Programme will reach its full rollout stage in the upcoming financial year with 70 clubs participating in 2019/20. This initiative emanates from the departments National Sport and Recreation Plan, which highlights the need to develop and invest in previously disadvantaged communities particularly in rural areas under traditional leaders. It is envisaged that these tournament will eventually grow into a provincial leagues with four codes namely: Netball, Athletics, Football and Rugby.
- ❖ The National Schools Sport Tournaments decentralization into three Categories namely winter, summer and autumn games is a step in the right direction to structurally manage the tournament.
- ❖ 10 800 Learners are expected to take part in the tournaments in all the levels of the district, provincial and National. The Province did well in the codes it participated in.
- ❖ 70 312 People will be expected to participate on community Sport (Indigenous Games, Loskop Marathon and the rural Sport programme) that will play a bigger part in attaining the targeted number in the 2019/20 financial year.
- ❖ The implementation of the Cultural hub and High Altitude Training Centre has been put on hold and funds will be reprioritized. The projects will be presented to the executive council for a decision.
- ❖ The Department through its social cohesion programmes envisage to pursue its initiative that emanates from the National Sport and Recreation plan, highlighting the

need to develop and invest in previously disadvantaged communities by rolling out the Rural Sport development programme with 70 clubs participating during the 2019/20 financial year.

8. FINDINGS.

After considering the 2019/20 annual Performance Plan and Budget of the Department of Culture, Sport and Recreation, the Committee made the following findings:

- 8.1. The Department has Scarce Skills shortages in Library & Information Services and the archives Services Directorate that will hamper the delivery of Services.
- 8.2. The Department needs **R11 300 000.00** per annum to enact and fully implement the Mpumalanga Language Act of 2014, which was published in the government Gazette for information on the 9th of July 2014.
- 8.3. There was poor monitoring of the implementing agent and contractors in upgrading of Mashishing and Standerton Regional libraries thus they were not achieved as planned since the 2017/18 financial year.
- 8.4. The department has put on hold the implementation of the High Altitude and the Cultural Hub projects to explore best options to be undertaken that will be presented to the Executive Council for a decision.
- 8.5. Libraries will be provided with ICT Services such as Internet and WI FI, Head Count System, Multipurpose Copier and Computers.
- 8.6. The delay in the transference of the Conditional grant by the National Department affects the Departments ability to pay invoices within 30 days.

9. RECOMMENDATIONS.

Based on the above findings, the Committee recommended that the Department must implement the following and provide a progress report **by 15 August 2019**:

- 9.1. Increase the number of enrolled Library Assistants and apply for increased funding from the Education provincial bursary funding to breach the gap.

- 9.2. Must facilitate the establishment of a provincial Language unit that will be headed by the General Manager in the Cultural Affairs programme and put mechanisms in place to enhance effective implementation.
- 9.3. Strengthen its monitoring of the implementing agent and contractors on the Mashishing and Standerton Regional Libraries infrastructure upgrade projects and fast track their completion by the end of the financial year.
- 9.4. Provide progress reports quarterly on the best options to implement the two projects and the decision of the Executive Council on the two projects
- 9.5. Provide progress reports quarterly on the supply of ICT Services; such as Internet and WI FI, Head Count System, Multipurpose Copier and Computers in libraries.
- 9.6. Request the MEC to engage the Minister to make sure that the transference of funds is fast-tracked.

10. CONCLUSION

The Chairperson appreciated the participation of the Honorable Committee Members for deliberating on the 2019/20 annual Performance plan and Budget of the Department of Culture, Sport and Recreation.

The Committee acknowledges the Strategic and Performance Plan of the Department and pledged its support to the Department in its ongoing quest of creating a cohesive society. The HOD, Mr. GS Ntombela and his senior management team were also appreciated for the administrative leadership they are providing.

The Committee would also like to thank the Office of the Auditor-General for honoring the invitation to attend the deliberations and make sure that the Executive is held accountable.



HON. NE HLOPHE

03/07/2019

DATE

CHAIRPERSON: PORTFOLIO COMMITTEE

ON EDUCATION; CULTURE, SPORT AND RECREATION

