

# **REPORT OF THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM**

## **FOURTH (4TH) QUARTERLY PERFORMANCE REPORT FOR THE 2018/19 FINANCIAL YEAR – MPUMALANGA TOURISM AND PARKS AGENCY (MTPA)**

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### **1. INTRODUCTION**

The **Portfolio Committee on Premiers Office; Finance; Economic Development and Tourism** (the Committee) has a Constitutional mandate, in terms of Section 114(2) (b) of the Constitution of the Republic of South Africa read with Rule 131(1) (b) of the Mpumalanga Provincial Legislature to oversee the performance of the Mpumalanga Tourism and Parks Agency (the entity) and hold it accountable through various measures.

The consideration and scrutiny of the Fourth (4th) Quarterly Performance Report for 2018/2019 of the entity is the tool the Committee used to determine whether the entity had proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption in order to monitor the performance of the entity for the 2018/2019 fourth quarter.

### **2. METHOD OF WORK**

The Speaker referred the entity's Fourth (4<sup>th</sup>) Quarterly Report to the Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism for consideration and report back to the Legislature, as contemplated in Rule 218 (4) of the Rules and Orders of Mpumalanga Provincial Legislature (the Rules).

The Committee met on 13 June 2019 to deliberate on the entity's research analysis on the fourth quarterly report and scrutinize in detail the aforementioned document and met the entity on 21 June 2019 on the 2018/19 fourth (4<sup>th</sup>) quarter report. The Committee subsequently met to consider the draft Committee report.

### **3. UPDATED PROGRESS REPORT ON HOUSE RESOLUTIONS ON THE 2018/19 THIRD (3RD) QUARTER REPORT**

The Committee considered an updated progress report in relation to the implementation of the House Resolutions emanating from the Committee report for the entity's 3rd Quarterly Performance Report for the 2018/19 financial year. The Committee had to check the relevance of the progress the entity submitted against the resolutions of the House (see Annexure A).

### **4. GENERAL OBSERVATIONS**

The Committee observed that the entity attained twenty five (25) of its thirty (30) planned targets, translating to 83% achievement at the end of the fourth quarter for the 2018/19 financial year. This is against the 27 of the 35 targets achieved in the third quarter, which translated to 77%. The entity received a total adjusted budget of R438 933 000, 00 for the 2018/19 financial year, upon the end of the fourth quarter, the entity had spent R415 359 000, 00 translating to 96.6% if rounded off. This is against the expenditure of R341 643 000 in the third quarter at 71.7%. The entity projected to spend R107 782 000 during the fourth quarter however managed to spend R100 716 000, 00 which reflects an underspending by 6.5%.

### **4. OVERVIEW BY THE MEC**

The Member of the Executive Council, Hon PS Ngomane, gave an overview on the performance of the Department of Economic Development and Tourism (DEDT) to the Committee; and also covered the performance of Mpumalanga Tourism and Parks Agency (MTPA) as a public entity under the department.

The MEC indicated that the entity, continues to market the Province as a tourist destination of choice, at local and international tradeshows, albeit not adequately funded. The entity requires additional funding to effectively carry-out its marketing and promotions functions.

The MEC mentioned that they have also been provided with certain pointers to ensure that Tourism remains on the apex of priorities and again specific pronouncements will be made on or before his 100 days in office action plan.

The MEC indicated that they were able to launch the Nkangala Resistance and Liberation Heritage Route in March this year. The launch highlighted the key freedom fighters who fought against racial segregation, as well as the destinations that featured prominently during the

liberation struggle. The four (4) key towns and sites forming part of this Heritage Route include Delmas, eMalahleni, Botshabelo and Mapoch Caves.

The MEC further indicated that one of the priority areas requiring immediate funding is for the establishment of the Management Authority for the Barberton Makhonjwa Mountains World Heritage Site. The establishment of the heritage site was one of the non-negotiable condition of the inscription of the Site by UNESCO. According to the MEC, the department and the entity cannot fail on the above-mentioned matter. There is a need to find funding to address the issue and all alternative scenarios are currently being mapped. He indicated that, failure to fund the project would run the risk of the Site losing its World Heritage status and it is something they intend avoiding at all costs.

The MEC further indicated that the entity has continued to exercise its responsibility regarding the management and conservation of biodiversity and ecosystems in the Province, despite financial and human resource constraints and that work must be done and regular reports will be provided.

## **5. PROGRAMME ANALYSIS**

### **PROGRAMME 1: EXECUTIVE OFFICE**

**The responsibility of this programme is to provide strategic support and oversee specialist functions.**

The Committee noted that Programme 1 achieved 50% of its targets for the fourth quarter of the 2018/19 financial year. This programme had four (4) planned targets and achieved two (2) targets as outlined on the entity's fourth quarter performance report.

Sub-programme: Project Management completed three (3) instead of six (6) deliverables on infrastructure upgrade at Blyde Nature Reserve. The deliverables include: electricity supply at the Drie Rondawels; construction of the Coffee Shop and walk ways at Drie Rondawels, as well as the installation of new gates at the Drie Rondawels and the God's Window.

The Sub-programme completed one (1) instead of three (3) deliverables on infrastructure upgrades at Mdala Nature Reserve, which includes: renovation of the educational centre and workshop, as well as renovating ranger pickets.

The Committee requested the entity to brief the Committee on their failure to complete infrastructure upgrades at Blyde and Mdala Nature Reserves by 31 March 2019. The entity reported that the upgrades could not be completed as planned due to non-responsive quotations received from potential service providers during the procurement phase, which led to the reissuing of a request for quotation (RFQ). The Local community protest against the CPA leadership also contributed in delaying the commencement of the projects. The entity further indicated that the construction of new entrance gates at the Three Roundawels, Pinnacle and God's Window view sites commenced in the fourth quarter of the 2018/19 financial year and were completed in the first (1<sup>st</sup>) quarter of 2019/20 financial year.

The construction of the new coffee shop at the Three Roundawels is delayed due to high cost of the initial project designs proposals. The terms of reference (ToR) were changed and the entity was in the process of appointing a service provider for the design of the building within the available budget. The budget for the coffee shop is incorporated in the 2019/20 APP.

The entity reported the following in relation to Mdala Nature Reserve incomplete infrastructure upgrades:

- that the upgrades could not be completed as planned because a large portion of the building that was planned for the upgrades was struck by lightning and burned down before the service provider moved on site and as a result, the service had to be cancelled. The incident was reported to the insurance and the outcome is pending.

The Committee asked if the building had lightning detectors and whether the insurance would pay for the whole building that was burnt down including the car that was parked. The entity indicated that they were in a process of ensuring that lightning detectors are in place although it is a challenge because the area is prone to lightning.

### Programme 1: Expenditure Analysis

Programme R'000	Main Budget R' 000	Actual Expenditure	Expenditure %
Executive Office	67 813	69 460	102.4%

Programme 1 had a total budget of R67 813 000 for the 2018/19 financial year and has spent 102.4% of the budget in the fourth quarter. The budget for this programme was not adjusted during the year under review.

The Committee noted that the programme has overspent its allocated budget for the 2018/19 financial year and enquired on how the entity would ensure that the remaining projects are completed. The entity reported that the overspending includes the budget for committed projects that could not be completed during the 2018/19 financial year; which included the entrance gates at the Blyde River Canyon Nature Reserve view sites and the renovation of field rangers pickets at Mdala Nature Reserve. The entity further reported that the coffee shop project at the Drie Roundawels was not fully budgeted for in the 2018/19 financial year, as it was anticipated that it would be completed in the 2019/20 financial year.

### Economic Classification:

Classification R'000	Annual Budget R' 000	Actual Expenditure	Expenditure %
Compensation of Employees	18 003	18 666	103.7%
Compensation of board	1 995	2 133	106.9%
EPWP Compensation	2 259	2 250	99.6%
Goods and Services	13 095	12 625	96.4%
Programme Cost	5 334	5 925	111.1%
Capital Assets	3 062	3 796	124.0%
<b>Total Programme Budget</b>	<b>43 747</b>	<b>45 395</b>	<b>103.8%</b>
Zithabiseni	24 065	24 065	100.0%
<b>Total Approved Budget</b>	<b>67 813</b>	<b>69 460</b>	<b>102.4%</b>

The Committee noted that the programme has spent 103.7% of the budget allocated to Compensation of Employees, 106.9% on Compensation of the Board, 99.6% on EPWP Compensation, 96.4% on Goods and Services, 111.1% on Programme Cost and 124.0% on Payment for Capital Assets. It was also noted that Zithabiseni Resort has spent 100% of its budget for the quarter.

Firstly, the entity reported that the underspending on Goods and Services is due to uniforms which was planned for the fourth quarter but was purchased in the third quarter. Secondly, entity reported that the overspending on Compensation of the Board is due to additional trips taken, which were not planned. Lastly, it was reported that the overspending on Payment for

Capital Assets is mainly on capital expenditure, repairs and maintenance for infrastructure and building developments.

The Committee requested the entity to brief them on the progress made towards commercialising the Zithabiseni Resort. The entity reported that it commenced with the commercialisation of the Resort during 2017/18. The independent commercial operator was appointed in March 2019. Negotiations of the concession agreement have commenced with the CPAs, MTPA and the concessionaire. The entity indicated that the process would be concluded during September 2019 and the concessionaire will take over occupation of the Resort with effect from October 2019. The Committee indicated that the entity should state the period of the concession in the contract. The entity further reported that the process of redeploying the existing staff as required by commercialisation process has commenced. The interim arrangement is that the Zithabiseni staff will be parked and deployed in the nearby MTPA Reserves until their transfers to different organs of state is finalised.

The Committee enquired about the incurring of over-expenditure on board fees, which were not initially planned for. The entity reported that the over-expenditure on board fees was due to additional meetings and events attended.

The Committee enquired on the entity's failure to properly budget for Programme Cost as well as Payment for Capital Assets. The entity indicated that it experienced a high need for unplanned infrastructure maintenance requirements due to the ageing infrastructure conditions. Furthermore the entity was receiving a baseline budget allocation that is reduced every year, which negatively affects proper budget allocation for Programme Cost and Payment for Capital Assets. The Committee requested the MEC to provide clarity on the reduction of MTPA baseline.

## **PROGRAMME 2: CHIEF FINANCIAL OFFICER**

**The purpose of this programme is to provide financial management services.**

The Committee noted that Programme 2 has achieved 75% of its targets for the fourth quarter of the 2018/19 financial year. This programme had four (4) planned targets and achieved three (3) targets as outlined on the entity's fourth quarter performance report. The Sub-programme: Financial and Management Accounting collected R736 000 instead of R800 000 in the fourth quarter.

The Committee enquired on whether the under collection of revenue affected the performance of the entity. The entity reported that the year to date under collection of revenues has indeed

affected the performance in the following areas; Overspending on Goods and Services, Board Fees and Payment of Capital Assets. Restrictions on fulfilment of planned targets such as infrastructure maintenance, inadequate tourism operations and management of protected areas.

### Programme 2: Expenditure Analysis

Programme R'000	Annual Budget R' 000	Actual Expenditure	Expenditure %
Financial Officer	31 684	28 034	83.2%

The budget for this programme increased by R2 000 000 during budget adjustment and the entity managed to spend 83.2% of the R33 684 000 total adjusted budget by the end of the fourth quarter.

### Economic Classification

Classification R' 000	Annual Budget R' 000	Actual Expenditure	Expenditure %
Compensation of Employees	17 642	14 475	82.0%
Goods and Services	14 574	12 332	84.6%
Programme Cost	1 393	1 145	82.2%
Payment for Capital Assets	75	82	109.3%
<b>Total</b>	<b>33 684</b>	<b>28 034</b>	<b>83.2%</b>

Programme 2 spent 82.0% of its allocated budget for Compensation of Employees, 84.6% on Goods and Services, 82.2% on Programme Cost and 109.3% on Payment for Capital Assets.

The entity reported that underspending on CoE is due to a vacant positions for Accountant debtors and Procurement officers, while the underspending on Programme Cost is due to adjustment budget received for assets valuation which is still in progress to be finalised in first quarter of 2019/2020.

The Committee requested the entity to explain why vacant positions for Accountant Debtors and Procurement Officer were not filled and reasons why the budget for assets valuation was not completed by March 2019.

The entity reported that the vacant positions for an Accountant Debtors and Procurement Officer were internally advertised and suitable candidates were not obtained. The positions had to be re-advertised externally in January 2019 and a suitable candidate for procurement Officer was secured and has started work in April 2019. Interviews for a position of an Accountant Debtors were conducted in June 2019 and the incumbent will commence in July 2019. The entity further indicated that budget for assets valuation was not finished by March 2019 since the appointment process was finalized in February 2019.

### **PROGRAMME 3: CORPORATE SERVICES**

**The purpose of programme 3 is to improve effective and efficient management and business support.**

The Committee noted that Programme 3 has achieved 100% of its targets for the fourth quarter of the 2018/19 financial year. This programme had seven (7) planned targets and managed to achieve all of them as outlined on the entity's fourth quarter performance report.

#### **Programme 3: Expenditure Analysis**

Programme R'000	Adjusted Budget R' 000	Actual Expenditure	Expenditure %
Corporate Service	43 737	35 460	81.1%

Programme 3 has a total budget of R43 737 000 for the 2018/19 financial year and has spent 81.1% of the budget in the fourth quarter. The budget for this programme was not adjusted during the year under review.

#### **Economic Classification**

Classification R'000	Annual Budget R' 000	Actual Expenditure	Expenditure %
Compensation of Employees	20 355	18 273	89.8%
Goods and Services	10 375	8 983	86.6%
Programme Cost	11 721	6 686	57.0%
Capital Assets	1 287	1 518	117.9%
Total	43 737	35 460	81.1%



The programme spent 89.8% of the budget allocated to Compensation of Employees, 86.6% on Goods and Services, 57.0% on Programme Cost and 117.9% on Capital Assets.

The entity indicated that the low spending on CoE is due to saving on vacant posts for both Legal Secretary and Manager Employee Relations. It was also reported that more expected activities on legal fees did not materialize during the quarter, hence the underspending on Programme Cost. The entity further reported that the overspending on Capital Assets is due to the procurement of I-pads and CCTV cameras for Blyde.

The Committee enquired from the entity the progress on the process of filling the vacant positions for the Legal Secretary and Manager: Employee Relations. The entity reported that the process to fill the vacant position for the Employee Relations Manager was finalised in March 2019 and the incumbent started work on 13 April 2019. Regarding the position of the Legal Secretary, the entity resolved to deploy an employee with requisite skills to assist the unit until the organogram which is under review has been approved.

The Committee further requested the entity to explain what influenced the overspending on Capital Assets. The entity developed a Revenue Enhancement Plan as an intervention on the under collection of revenue, which required the procurement of CCTV cameras and improved revenue collection systems at cash collection points.

The entity reported that the challenges that were experienced in developing and reviewing policies were that the required consultations with internal stakeholders (employees) took longer than anticipated; as a result, the planned process of approval did not go as planned thus resulting in further delays. Following the completion of the protracted consultation process, two (2) out of the four (4) planned policies were approved in the second quarter. The two (2) outstanding policies were not approved by the end of the quarter but were submitted to the Board for approval at the end of the fourth quarter.

#### **PROGRAMME 4: TOURISM**

**The purpose of the tourism programme is to foster, promote sustainable development and market tourism.**

The Committee noted that Programme 4 has achieved 100% of its targets for the fourth quarter of the 2018/19 financial year. This programme had seven (7) planned targets and managed to achieve all of them as outlined on the entity's fourth quarter performance report.

**Programme 4 Expenditure Analysis**

Programme R'000	Adjusted Budget R' 000	Actual Expenditure	Expenditure %
Tourism	41 701	39 637	95.1%

The budget for this programme increased by R7 500 000 during budget adjustment and the entity spend 95.1% of the R41 701 000 total adjusted budget by the end of the fourth quarter.

**Economic Classification**

Classification R'000	Adjusted Budget R' 000	Actual Expenditure	Expenditure %
Compensation of Employees	21 038	20 706	98.4%
Goods and Services	862	1 594	184.9%
Programme Cost	19 801	17 337	87.5%
<b>Total</b>	<b>41 701</b>	<b>39 637</b>	<b>95.1%</b>

The entity spent 98.4% of its allocated budget for Compensation of Employees, 184.9% on Goods and Services and 87.5% on Programme Cost. The entity indicated that the overspending on Goods and Services was due to vehicle reimbursement while underspending on Programme cost is due to Adjustment budget received for Gert Sibande Celebration, ICC and Phiri Memorial.

The Committee enquired on the entity's failure to ensure that proper planning was done in order to prevent the huge spending on travelling. The entity received an additional mandate of marketing the province without an additional budget. As part of the broader mandate to market all districts in the province, an additional funding was allocated to activate new tourism activities. The revival of the Gert Sibande Liberation Heritage Route and launching of the International Convention Bureau were prioritised, which led to increased travelling. The

Committee further questioned the move to give additional mandate without an additional budget.

The Committee enquired about the measures put in place to mitigate high expenditure on Goods and Services in 2019/20 financial year. The entity reported that the measures in place to mitigate high expenditure on Goods and Services in the 2019/20 financial year include cost curtailment measures related to address enforcement of reduced kilometres of travelling and continuous monitoring of operational budget before commitments are made.

## **PROGRAMME 5: BIODIVERSITY CONSERVATION**

**This programme is responsible for the management and conversation of biodiversity and ecosystems within the Province.**

The Committee noted that Programme 5 has achieved 71% of its targets for the fourth quarter of the 2018/19 financial year. This programme had seven (7) planned targets and achieved five (5) targets as outlined on the entity's fourth quarter performance report.

Sub-programme: Biodiversity Support Services educated 18 977 instead of 25 000 learners on conservation, the sub-programme also failed to compile an assessment report on Komati River Ecosystem Health.

The entity was requested to inform the Committee on their failure to educate 6 023 learners on conservation. The entity reported that the shortfall on the number of learners provided with conversation education was as follows:

- The marketing of the Nature Reserves, which did not create the necessary enthusiasm and as a result, a limited number of schools visiting Nature reserves for educational purposes was experienced;
- Limited number of learners' participation during school outreach programmes organized by the entity.

The Committee enquired about the entity's failure to compile the assessment report on Komati River Ecosystem Health and requested the entity to also indicate when the report will be finalized. It was reported that an assessment draft report to Inkomati Usuthu Catchment Management Agency was compiled and submitted in January 2019 as the management agent of the Department of Water Affairs for consensus and submission to the Department of Water Affairs. However, the management Agency for Department in the Inkomati River catchment

area delayed to submit the report to the Minister. The entity received inputs to the assessment report from the Inkomati Usuthu Catchment Management Agency in April 2019 and the report has been submitted to the Minister of Water Affairs for tabling to the Portfolio Committee.

The Committee requested the entity to provide reasons for slow spending on the budget for Youth Environmental Services and what influenced the huge spending on Goods and Services. It was reported that the year to date overspending on Goods and Services was as a result of the following factors:

- an increase in municipal rates and taxes were higher than normal; vehicle reimbursement for travel by wildlife management officials travelling more than the allocated kilometres due to increased wildlife crime.

The Committee indicated that there is need for the entity to liaise with the Department of Cooperative Governance and traditional Affairs to resolve the problems of abnormal rates and taxes.

#### **Programme 5 Expenditure Analysis**

<b>Programme R'000</b>	<b>Adjusted Budget R' 000</b>	<b>Actual Expenditure</b>	<b>Expenditure %</b>
Biodiversity Conservation	248 626	239 592	96.4%

The budget for this programme increased by R3 000 000 during budget adjustment and the entity managed to spend 96.4% of the R248 626 000 total adjusted budget by the end of the fourth quarter.

#### **Economic Classification**

<b>Classification R'000</b>	<b>Adjusted Budget R' 000</b>	<b>Actual Expenditure</b>	<b>Expenditure %</b>
Compensation of Employees	211 739	207 090	97.8%
<b>Goods and Services</b>	<b>19 761</b>	<b>23 067</b>	<b>116.7%</b>
Programme Cost	13 898	5 999	43.2%
Capital Assets	3 228	3 436	106.4%
<b>Total</b>	<b>248 626</b>	<b>239 592</b>	<b>96.4%</b>

This programme has spent 97.8% of the budget allocated to Compensation of Employees, 116.7% on Goods and Services, 43.2% on Programme cost and 106.4% on Capital Assets.

The entity reported that the slow spending under Programme Cost is due to R3 million received during budget adjustment for Rhino Anti-Poaching as well as slow progress on the R5 million Youth Environmental services.

## PROGRAMME 6: COMMERCIAL OPERATIONS

**This programme is responsible to sustainably improve revenue generation and collection in order to secure the future existence of the MTPA.**

The Committee noted that Programme 6 has achieved 100% of its targets for the fourth quarter of the 2018/19 financial year. This programme had one (1) planned target and managed to achieve it accordingly.

### Programme 6 Expenditure Analysis

Programme R'000	Adjusted Budget R' 000	Actual Expenditure	Expenditure %
Commercial Operations	3 371	3 176	94.2%

The programme has an annual budget of R3 371 000 for the 2018/19 financial year and spent 94.2% of the budget in the fourth quarter. The budget for this programme was not adjusted during the year under review.

### Economic classification

Classification R'000	Adjusted Budget R' 000	Actual Expenditure	Expenditure %
Compensation of Employees	743	420	56.5%
Goods and Services	118	168	142.4%
Programme Cost	2 510	2 588	103.1%
<b>Total</b>	<b>3 371</b>	<b>3 176</b>	<b>94.2%</b>

Programme 6 has spent **56.5%** of the budget allocated to Compensation of Employees, **142.4%** on Goods and Services and **103.1%** Programme Cost. The entity reported that the low spending on CoE is as result of contract ended for consultants in this section. It was further reported that overspending on Goods and Services is due to increased travel reimbursement on commercialisation projects.

## **6. FINDINGS**

**After the interaction with the entity, the Committee made the following finding:**

- 6.1. The changes on Programme 1 on the design of the construction of the new coffee shop at the Three Roundawels.
- 6.2. The sub-programme management failed to complete the other three (3) deliverables on infrastructure upgrade at Blyde Nature Reserve.
- 6.3. The commercialisation of the Zithabiseni Resort commenced in 2017/18 and there were negotiations on the concession agreement between the CPA's, the entity and the concessionaire.
- 6.4. There is reduction of the entity's baseline, yet there was additional functions for marketing the Province.
- 6.5. The Mdala Nature Reserve did not have lighting detectors, resulting in a building burning down.
- 6.6. There is an over expenditure on Board fees, which were not initially planned for.
- 6.7. There was over-spending on Capital Assets due to procurement of I-Pads and CCTV cameras for Blyde Nature Reserve.
- 6.8. There is under collection of revenue under Programme 2 due to inadequate marketing.

## **7. RECOMMENDATIONS**

**The Committee made the following recommendation:**

- 7.1. The entity must ensure that the designs are translated to the implementation of the infrastructure upgrades and completed without delay.
- 7.2. The entity must submit a plan to address the incomplete infrastructure upgrade at Blyde Nature Reserve and provide the committee with a report on the progress made.
- 7.3. The entity must ensure that the term or period of the concession at the Zithabiseni Resort is included on the contract of agreement.
- 7.4. The Department and the entity must ensure that there is adequate budget for the additional functions to enable the entity to implement them accordingly as planned within a specified timeframe.

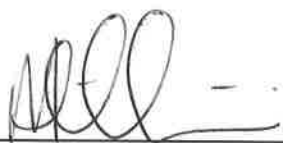
- 7.5. The entity must ensure that lightning arrestors are in place in order to avoid challenges with insurance pay outs.
- 7.6. The entity must ensure that measures are put in place to curb over - expenditure.
- 7.7. The entity must ensure that effective measures are put in place to curb over-spending on Capital Assets and are accordingly implemented in the 2019/20 financial year.
- 7.8. The entity must address the shortfall on revenue collection by ensuring effective implementation of the approved Revenue Collection Enhancement Plan. Furthermore, the entity must ensure that adequate revenue is collected in the 2019/20 financial year.

## 8. CONCLUSION

The Chairperson wishes to express his gratitude to the MEC, Mr P Ngomane, Acting HOD Mr NM Sebitso and the senior officials of the Mpumalanga Tourism and Parks Agency (MTPA) for their active involvement during the deliberations with the entity.

The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the fourth (4<sup>th</sup>) quarter report of the Mpumalanga Tourism and Parks Agency and also thanked the Legislature staff for their support and contribution towards the production of this report.

**Unless otherwise stated a report detailing progress in the implementation of all recommendations in this report should be forwarded to the Committee by 15 August 2019 and thereafter on a quarterly basis.**



**HON M LATCHMINARAIN (MPL),  
CHAIRPERSON: PORTFOLIO COMMITTEE ON  
PREMIER'S OFFICE; FINANCE;  
ECONOMIC DEVELOPMENT AND TOURISM**

03-07-2019

**DATE**

## ANNEXURE A

### UPDATED PROGRESS REPORT ON HOUSE RESOLUTIONS ON THE 2018/19 THIRD (3<sup>RD</sup>) QUARTER REPORT

RESOLUTIONS	UPDATED PROGRESS REPORT	STATUS
<p>1. The entity must ensure that the measures put in place to curb over-spending on capital assets are implemented in the fourth quarter of the current 2018/19 financial year.</p>	<ul style="list-style-type: none"> <li>- The entity will continue to monitor that the procurement of assets is in line with the programme plans for the financial year to ensure that procurement outside the plans do not take place.</li> <li>- The entity had unplanned procurements as a result of medical recommendation that had to be procured in the 4th Quarter</li> </ul>	On-going
<p>2. (a) The entity must address the shortfall on revenue collection by ensuring effective implementation of the approved revenue collection enhancement plan. Furthermore, the entity must submit this plan to the committee by 29 March 2019.</p> <p>(b) The entity must strengthen their marketing activities according to their marketing strategy and ensure that adequate revenue is collected in the final quarter of the 2018/19 financial year.</p>	<ul style="list-style-type: none"> <li>- The entity ensured that the revenue collection enhancement plan was implemented.</li> <li>- The implementation of the plan resulted in the entity generating revenue to the amount of R 58 000 000.00</li> <li>- The overall shortfall on revenue was R2 000 000.00 from the anticipated R8 000 000.00 shortfall in the third quarter.</li> </ul> <p>The entity is still continuing with the implementation of the revenue collection enhancement plan.</p> <p>The entity conducted marketing activities such as mall activations and promotion of special offers to tourists during low season to ensure that collection of revenue is maximized.</p>	On-going