



culture, sport & recreation

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

VOTE 11

ANNUAL REPORT

2017 / 2018



Contents

PART A: GENERAL INFORMATION	3
1. DEPARTMENT GENERAL INFORMATION	4
2. LIST OF ABBREVIATIONS / ACRONYMS.....	5
3. FOREWORD BY THE MEC	7
4. REPORT OF THE ACCOUNTING OFFICER	10
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE AR.....	14
6. STRATEGIC OVERVIEW	15
6.1. Vision	15
6.2. Mission.....	15
6.3. Values.....	15
7. LEGISLATIONS	16
8. ORGANISATIONAL STRUCTURE	18
9. ENTITIES REPORTING TO THE MEC	18
PART B: PERFORMANCE INFORMATION	19
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	20
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	20
2.1 Service Delivery Environment	20
2.2 Service Delivery Improvement Plan	22
2.3 Organisational environment	25
2.4 Key policy developments and legislative changes	25
3. STRATEGIC OUTCOME ORIENTED GOALS	25
4. PERFORMANCE INFORMATION BY PROGRAMME	28
4.1 Programme 1: Administration	28
4.2. Programme 2:Cultural Affairs	34
4.3. Programme 3: Library and Archives	50
4.4. Programme 4: Sport and Recreation.....	59
5. TRANSFER PAYMENTS	72
5.1. Transfer payments to public entities	72
5.2. Transfer payments to all organisations other than public entities	72
5.3. Conditional grants and earmarked funds paid.....	75
5.4.. Conditional grants and earmarked funds received.....	75
6. DONOR FUNDS	80
6.1. Donor Funds Received.....	80
7. CAPITAL INVESTMENT	80
7.1. Capital investment, maintenance and asset management plan	80

PART C: GOVERNANCE	82
1. INTRODUCTION	83
2. RISK MANAGEMENT	83
3. FRAUD AND CORRUPTION	83
4. MINIMISING CONFLICT OF INTEREST	85
5. CODE OF CONDUCT	85
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	85
7. PORTFOLIO COMMITTEES	86
8. SCOPA RESOLUTIONS	118
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	124
10. INTERNAL CONTROL UNIT	125
11. INTERNAL AUDIT AND AUDIT COMMITTEES	125
12. AUDIT COMMITTEE REPORT	129
PART D: HUMAN RESOURCE MANAGEMENT	134
1. INTRODUCTION	135
2. OVERVIEW OF HUMAN RESOURCES	135
3. HUMAN RESOURCES OVERSIGHT STATISTICS	135
PART E: FINANCIAL INFORMATION	184
1. REPORT OF THE AUDITOR GENERAL SA	185
2. APPROPRIATION STATEMENT	192
3. NOTES TO THE APPROPRIATION STATEMENT	212
4. STATEMENT OF FINANCIAL PERFORMANCE	216
5. STATEMENT OF FINANCIAL POSITION	218
6. CASH FLOW STATEMENT	222
7. NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	224
8. ANNEXURES	310

PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

DEPARTMENT OF CULTURE, SPORT AND RECREATION

PHYSICAL ADDRESS: Government Boulevard, Building No.5 2nd Floor
Riverside Park
Mbombela

POSTAL ADDRESS: P. O. Box 1243
Mbombela
1200

TELEPHONE NUMBER/S: +27 (013) 766 5242

FAX NUMBER: +27 (013) 766 5592 / 8253

EMAIL ADDRESS: nkosist@mpg.gov.za

WEBSITE ADDRESS : [www.mpumalanga.gov.za.](http://www.mpumalanga.gov.za/) / dcsr

2. LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements	HOD	Head of Department
AGSA	Auditor - General South Africa	ICT	Internet Communication Technology
AIDS	Acquired Immune Deficiency Syndrome	IGR	Intergovernmental Relations
APP	Annual Performance Plan	IRM	Infrastructure Reporting Model
BBBEE	Broad Based Black Economic Empowerment	IYM	In Year Monitoring
BSA	Boxing South Africa	LGNC	Local Government Names Committee
CD	Compact Disc	LM	Local Municipality
CFO	Chief Financial Officer	LSEN	Learners with Special Educational Needs
CGICT	Corporate Governance Information and Communication Technology	MDG	Millennium Development Goal
COO	Chief Operations Officer	MEC	Member of the Executive Council
CTF	Communication Technology Framework	MHRAC	Mpumalanga Heritage Resources Authority Council
DAC	Department of Arts and Culture	MIG	Municipal Infrastructure Grant
DAS	District Academies of Sport	MILN	Multi Index of Library Need
DCSR	Department of Culture, Sport and Recreation	MINMEC	Minister and Members of the Executive Committee
DoE	Department of Education	MMS	Middle Management Services
DORA	Division of Revenue Act	MOU	Memorandum of Understanding
DPSA	Department of Public Service and Administration	MP	Mpumalanga Province
DVD	Digital Video Disc	MPAT	Managing Performance Assessment Tool
EPWP	Expanded Public Works Programme	MPGNC	Mpumalanga Provincial Geographical Names Committee
EU	European Union	MPLC	Mpumalanga Provincial Language Committee
FC	Football Club		
HIV	Human Immune Virus		

MPLIS	Mpumalanga Provincial Library Information System	PSETA	Public Service and Training Authority
MPUWA	Mpumalanga Writers Association	RMC	Risk Management Committee
MRM	Moral Regeneration Movement	RSA	Republic of South Africa
MSAII	Mpumalanga Sport Association for the Intellectually Impaired	SADC	Southern African Development Countries
MSC	Mpumalanga Sport Confederation	SAFA	South African Football Association
MTEF	Medium Term Expenditure Framework	SAHRIS	South African Heritage Resource Information System
MTSF	Medium Term Strategic Framework	SAGNC	South African Geographic Names Council
MUNIMEC	Municipalities and MEC	SAGPA	South African Gold Panning Association
NAAIRS	National Automated Archival Information Retrieval System	SANCTA	South African National Community Theater
NDP	National Development Plan	SASCOC	South African Sport Confederation and Olympic Committee
NPO	Non- Profit Organization	SCM	Supply Chain Management
NQF	National Qualifications Framework	SCOPA	Standing Committee in Public Accounts
NZASM	Nederlandsche Zuid - Afrikaansche Spoorwegmatschappij	SDIP	Service Delivery Improvement Plan
PAS	Provincial Academy of Sport	SETA	Sector Education and Training Authority
PERSAL	Personnel Salary System	SITA	State Information Technology Agency
PF	Provincial Federation	SLIMS	SITA Library Information Management System
PFMA	Public Finance Management Act	SMS	Senior Management Services
PGNC	Provincial Geographical Names Committee	SRSA	Sport and Recreation South Africa
PHRA	Provincial Heritage Resources Authority	TR	Treasury Regulations
PMC	Provincial Management Committee	TVET	Technical Vocational Education and Training
PMDS	Performance Management Development System	WIL	Workplace Intergrated Learning
PPP	Public Private Partnership	WSP	Workplace Skills Plan
PSCC	Provincial Social Cohesion Committee		

3. FOREWORD BY THE MEC

Achievements in relation to policy directives and strategic outcome related goals

The Department has been mandated to lead Outcome 14: Nation Building and Social Cohesion as part of MTSF facilitation and implementation. Therefore, the Department has aligned its strategic goals to the sub outcomes of the National Development Plan (NDP) 2030 which reminds us of the fundamental relationships that defines us as South Africans are vitally important.

The Department has an obligation to build a cohesive society and responsible citizens in the Province. There were various platforms such as the national commemorated days that were utilized in order to realize these noble objectives of promoting human rights, reconciliation, cultural diversity and nation building. The messages that seek to build and intergrate society were communicated in these events in order to redress the imbalances of the past.

In addition, there were other social cohesion interventions that were rolled out in schools and all municipalities to promote the charter of positive values as enshrined in the Constitution. These interventions do gradually contribute to bring the theme “united in diversity” into reality. This is because we believe that if we are united, we can be able to collectively, regardless of race and class, tackle the socio-economic challenges that we face especially the triple challenge of poverty, unemployment and inequality.

The Department also reconfigured the Mpumalanga Cultural Xperience to widen its scope of intergration to be more responsive to cultural diversity by introducing new pillars such as; Carnival and Traditional Festival in partnership with the House of Traditional Leaders, Moral Regeneration Movement (MRM) Prayer - Gospel Xperience, Music Festival, Sunday Soul Session and eKasi Xperience. There were also other build up events undertaken with the key highlight of orchestra wherein a group from Russia participated which changed the complexion of this event. It is envisaged that the event will gradually grow and reach its maturity level in the upcoming years.

Furthermore, the NDP 2030 also advocates for active citizenry and broad base leadership. In the year under review the Department worked tirelessly together with various community based structures and other stakeholders within the sector. The participation of these structures was very key for broadening the scope of service delivery in both Culture and Sport. Some of the notable achievements includes the support of Mpumalanga Praise that scouted choristers who are predominantly unemployed youth and gave them an opportunity to advance their careers in music. In addition structures were supported in the three regions to empower youth in theatre, music and dance as well as provide a platform to showcase their talent.

The Department collaborated with Loskop Marathon which is rated third in the country after Comrades Marathon in Durban and the Two Oceans in Cape Town respectively. This tournament attracted more than 6000 national and international athletes who contributed to local economic development through sport tourism. It is also worth noting that the tournament also accommodates up and coming athletes from the Province who also get a licence to participate in other major tournaments.



Mrs BT Shongwe
*MEC for Department of Culture,
Sport and Recreation*

Social cohesion is also about equalizing opportunities, inclusion and redress. The Department also swiftly responded to this call by investing in socio-economic infrastructure to close the backlogs in many parts of the Province to address the imbalances of the past. Three (3) new state of the art public libraries were built and handed over at Zithabiseni, Verena and Balfour. These facilities contribute to the pool of 115 existing public libraries equipped with books and latest technology to empower people with information in order to have a sustainable livelihood.

Sport infrastructure backlog is another area that needs to be acknowledged. The resources to build and/or upgrade sport infrastructure facilities is allocated within the Municipal Infrastructure Grant (MIG) by National Treasury to all Local Municipalities. Therefore, standing meetings exist between the MEC and all Municipalities to monitor implementation and also advocate for appropriate usage of the allocated funds. The availability of these facilities provides a space for communities across race and class to converge to produce healthy and competitive participants which also go a long way to achieve a united and cohesive society.

Sport and Recreation is also a vehicle to increase interaction across race and class. There are various Community sport events and tournaments such as, Indigenous Games, Big Walk and Golden Games that were coordinated in the spirit of building competitiveness and enhancing social cohesion in the Province.

In order to develop and nurture talent at a tender age, School Sport programme also had its own fair share of success with participation of learners at District, Provincial and National level with very high level competitive performance.

Challenges

Nations around the globe pride themselves through cultural identity especially their indigenous languages and the Department has embarked on the mission to promote indigenous languages through the support of language structures that increases our foot print of developing and promoting indigenous languages amongst others in the Province. However, the budgetary constraints inhibit full implementation of the Language Act of 2014.

Medium and long term goals

Despite progress made in other social infrastructure delivery such as public libraries, the fiscus is not adequate to close the backlog at the speed required by the needs our people. Therefore, the Department will continue to pursue infrastructure funding model intended to attract private sector investment for the key provincial infrastructure projects such as Cultural Hub and High Altitude Training Centre. A lot of ground work has been done with the help of the Transactional Advisor to package the projects in order to get PPP compliance documents from National Treasury. This work will be continued in 2018/19 financial year until final approval is granted and investors secured for both projects.

Appreciation

We are proud of the all achievements and accolades brought by the top achievers both in Culture and Sport from the Province. The Province continue to dominate in the field of culture and heritage with Internationally acclaimed Ndebele artist Dr Esther Mahlangu who received an honorary doctorate from the University of Johannesburg. Dr Mahlangu will always be the symbol of hope that embraces culture and heritage excellence of our people.

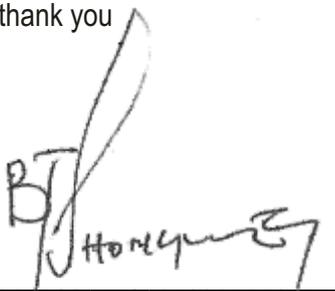
I also wish to thank Audrey Skhosana from Thembisile Hani Local Municipality who was crowned Miss Indoni 2017/18, taking over from 2016/17 winner Thembelihle Mpofu who also hails from this Province, Nkomazi Local Municipality.

Lastly, Mpumalanga dominated at the SATMA awards held in Mahikeng with accolades going to the Department of Culture, Sport and Recreation and Ligwalagwala FM presenters for the good work done to develop and promote culture. The same achievements have prompted the organisers of this event to consider Mpumalanga as a destination of choice to host the event in the year 2020.

All the above achievements are the manifestation of commitment and dedication to service delivery by the staff, management and stakeholders that I would like to pass my sincere gratitude. We will selflessly continue to make service delivery top on our agenda.

Our appreciation also goes to the Portfolio and Select Committees for the oversight and leadership they provided during the implementation of Departmental programmes as well as all sport and culture delivery agents and funders, without whom we would have not achieved the current milestones.

I thank you

A handwritten signature in black ink, appearing to read 'BT Shongwe', is written over a horizontal line. The signature is stylized and includes a large, sweeping flourish that extends upwards and to the right.

Mrs BT Shongwe
MEC for Department of Culture, Sport & Recreation
Date: 31st August 2018

4. REPORT OF THE ACCOUNTING OFFICER

4.1. Overview of the operations of the Department

The Department has significantly strived to meet the expectations of its stakeholders in the Cultural Affairs, Library & Information Services, Sport and Recreation as well as that of civil society and other spheres of government.

The achievements were attained by ensuring that all systems and controls are in place and that Cultural Affairs, Library & Archives as well as Sport and Recreation are guided to successfully fulfil their obligations to roll out service delivery to the people of Mpumalanga.

The highlights of some of the key achievements were as follows;

- Mpumalanga Cultural Xperience 2nd edition was successfully hosted to enhance cultural diversity and promotion of tourism in the Province. The event had five (5) pillars and build up events with the participation of Traditional leaders “Amakhosi” taking a center stage.
- Coordinated eight (8) national commemorative days to promote human rights, reconciliation, cultural diversity and nation building.
- Two hundred and thirty eight (238) heritage sites assessed, graded and protected through SAHRIS in collaboration with the University of Pretoria and the Dutch Embassy which owns the Netherlands-South African Railway Company.
- Provision of library books and other related services to public libraries as well as completion and handover of three (3) new libraries at Verena, Zithabiseni and Balfour in order to provide equal opportunities and redress the imbalances of the past.
- Collaborated with community based structures on the implementation of key events and tournaments such as Loskop Marathon, Mpumalanga Cycling Tour and Innibos Festival.
- Coordinated twenty three (23) teams to participate in rural sport tournaments in partnership with Local Traditional Councils.
- Eleven thousand, three hundred and four (11 304) learners coordinated as part of school sport programme at district, provincial and national tournaments.
- One hundred and thirty three thousand, three hundred and sixty seven (133 367) athletes participated in the community sport mass participation programme with key highlights on indigenous games, golden games and other recreation events.
- Sport equipment and attire was handed over to one hundred and twenty (120) schools, sixty (60) clubs and seventeen (17) local municipal hubs.
- Continued engagement with National Treasury in an effort to secure PPP investment for Cultural Hub and High Altitude Training Center and the processes are still work in progress.



Mr GS Ntombela

Head: Culture, Sport and Recreation

Challenges during the year

The economic situation of the country necessitated the rationalization of operations and had the effect of the non-filling of vacant posts in certain key positions. Despite this challenge the Department continued to perform well.

4.2. Overview of the financial results of the Department:

4.2.1. Departmental Receipts

Programme Name	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	94 516	94 501	15	88 327	89 113	(785)
Cultural Affairs	95 831	98 51 7	(2 686)	106 798	98 046	8 752
Library and Archives	194 889	193 222	1 667	212 925	191 527	21 398
Sport and Recreation	66 831	65 803	1 028	89 450	89 004	446
Total	452 067	452 043	24	497 500	467 690	29 811

The Department has been allocated a total budget of R 452 067 million in 2017/18 financial year and spent R452 043 million which constitute 100% of the total allocated budget. The underspending amount to R24 thousand of which significant portion is attributable to goods and services, machinery and equipment procured but not delivered and infrastructure projects in progress at year end.

4.2.2 Virements / Rollovers

The virement proposed for affected programmes declared below

Programme 1: Administration

A total amount of R3.8 million has been shifted to defray excess spending on Programme 2: Cultural Affairs and Programme 3: Library and Archives

Programme 2: Cultural Affairs

A total amount of R2.1 million has been shifted from Programme 1: Administration to defray excess spending on Programme 2: Cultural Affairs for goods and services

Programme 3: Library and Archives

A total amount of R3.0 million has been shifted from Programme 4: Sports and Recreation as well as Programme 1: Administration.

Programme 4: Sport and Recreation

A total amount of R 1.3 million has been shifted to defray excess spending on Programme 3: Library and Archives Services for compensation of employees.

4.2.3. Rollover for 2017/18

The Department submitted a request to roll over for appropriated funds at the end of the year 2017/18. The total amount requested by the Department amounts to R 904 thousand summarised below

Goods and Services

An amount of R412 thousand from Programme 4 (Sports and Recreation) was not spent during the year due to late submission of source documents.

Machinery and Equipment

An amount of R492 thousand from Programme 4 (Sports and Recreation) was not spent during the year due to late submission of source documents

4.3 New activities on the year 2017/18:

None.

4.4. Supply Chain Management.

None

4.5. Gift donations received in kind from non-related parties

None

4.6. Exemptions and deviations received from National Treasury

None

4.7. Other

None.

4.8. Acknowledgement/s or appreciation

The Accounting Officer would like to thank managers and staff who went an an extra mile to ensure that service delivery is not compromised regardless of the shortage of human capital in the key positions. The Department will continue to appreciate those selfless contribution while it re-organizes itself.

4.9 Approval

The Annual Financial Statements set out on page **192** to **319** have been approved by the Accounting Officer



Mr GS Ntombela
Accounting Officer
Department of Culture, Sport and Recreation
Date: 31st July 2018

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines of the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully



Mr GS Ntombela
Accounting Officer
Department of Culture, Sport and Recreation
Date: 31st July 2018

6. STRATEGIC OVERVIEW

6.1. Vision

A patriotic socially cohesive society

6.2. Mission

To promote social cohesion and nation building through culture, sport and information service to people of Mpumalanga

6.3. Values

- Caring
- Accountability
- Teamwork
- Integrity
- Creativity

7. LEGISLATIONS

Legislations	Purpose of the legislation
The Constitution of South Africa, Act 108 of 1996	To provide for promulgation of all legislations in the Republic.
Library Ordinance No. 20 of 1992	To consolidate and amend the laws relating to the establishment, control and management of the library service, museum service and certain libraries and museums
Mpumalanga Arts and Culture Council Act No 2 of 1999	To establish a juristic body to be known as the Mpumalanga Arts and Culture Council; to determine its objectives, functions and method of work; to prescribe the manner in which it is to be managed and governed; to regulate its staff matters and financial affairs
National Sports Act No. 110 of 1998	To provide for promotion and development of sport and recreation and the co-ordination of the relationships between Sport and Recreation South Africa and Sport Confederation, National federations and other agencies; to provide for measures aimed at correcting imbalances in sport and recreation; to provide for dispute resolution mechanisms in sport and recreation.
National Archives of South Africa No.43 of 1996	To provide for proper management and care of the records of governmental bodies and the preservation and use of archival heritage.
South African Library for the Blind Act No.91 of 1998	To provide library for the Blind, information services and print-handicapped readers
The National Library of South Africa Act No.92 of 1998	To provide for a library; for collecting, preserving, making available and promoting awareness of the documentary heritage.
National Heritage Resources Act No. 25 of 1999	To promote good management of the Nations estate, and enable and encourage communities to nurture and conserve their legacy so that it may be bequeathed to future generations. To establish an Agency together with its Council, to co-ordinate and promote the management of heritage resources of South Africa.
South African Geographical Names Council Act No. 118 Of 1998	To establish a permanent advisory body to be responsible for arts and culture on the transformation and standardization of geographical names for official purposes

7.1 Listing of Legislations

Legislations	Purpose of the legislation
National Arts Council Act No. 25 of 1999	To establish a juristic person to be known as the National Arts Council; to determine its objects, functions and method of work; to prescribe the manner in which it is to be managed and governed; to regulate its staff matters and financial affairs; and to provide for matters connected therewith
National Heritage Council Act No.11 of 1999	To establish a juristic person to be known as the National Heritage Council act; to determine its objects, functions and method of work; to prescribe the manner in which it is to be managed and governed; to regulate its staff matters and financial affairs; and to provide for matters connected therewith.
Heraldry Act No. 18 of 1962	To make provision for the establishment of a bureau of heraldry, a heraldry committee and a heraldry council; for the registration and protection of coats of arms, badges, other emblems, names and uniforms; and for other incidental matters
National Film and Video Foundation Act No. 73 of 1997	To establish a juristic person to be known as the National film and video foundation to determine its objects, functions and method of work, to prescribe the manner in which it is to be managed and governed; to regulate its staff matters and financial affairs and to provide for matters connected therewith.
Pan South African Language Board Act No. 59 of 1995	To provide for the recognition, implementation and furtherance of multilingualism in the Republic of South Africa; and the development of previously marginalized languages; to establish a Pan South African Language Board; and to provide for matters connected therewith.
Safety at Sport and Recreational Event Act no.2 of 2010	To provide for measures to safeguard the physical well-being and safety of persons and property at sports, recreational, religious, cultural, exhibition, organizational or similar events held at stadiums, venues or along a route; to provide for the accountability of event role-players; to provide for certain prohibitions; to provide for the risk categorization of events; to provide for the establishment of measures to deal with safety and security at events

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

None

PART B:

PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, amongst the three programmes audited (Cultural Affairs, Library and Archive as well as Sport and Recreation) and no material finding were reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 192 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The National Department of Arts and Culture has drafted the South African Public Library and Information Services Bill, 2012. The Bill aims to –

- ensure consistency in the delivery of public library and information services in the country;
- put in place measures to ensure redress of the inequalities in the provision of public library and information services; and
- provide for principles, norms and standards for the provision of public library and information services.

The norms and standards proposed for a Basic Public Library suggest that the type of library must be 225m², only be built when there is a population of 3 800 people with a population density of 115 per m². Conceptually, these are based on international norms, but the international norms and standards are structured quite differently. As already noted, they would normally use ranges: i.e. they would say “where there is a community between 2 500 to 3 800 people there should be a library between 180 and 300m² etc.” Norms and standard that use ranges are more practical when it comes to specifying minimum levels of a service, but they do not lend themselves to being used in a costing model.

Based on the Multi Index of Library Need (MILN) compiled by Cornerstone research in 2013, Bushbuckridge Local Municipality scores high that means it needs a library more than any other in the country. Amongst the top 20 Municipality with high MILN the Emalahleni Municipality also feature. It should be noted that the backlog of libraries could not be eradicated “overnight” due to budgetary constraints.

Hence, the Province make sure that in each financial year, a library is delivered withn Bushbuckridge Municipality. In the period under review, a library was construction was initiated at MP Stream, Kanyamazane and Masobye public library was completed due for completion in 2018/19 financial year. In addition planning for the new libraries due for construction was also completed at Thulamahashe, Standerton and Newtown.

The baseline of public libraries has remained 115 despite construction of the 3 new libraries since they were substituting existing container libraries facilities. Access was created to a total number of 14 libraries that offer services to the people living with sight disability and this number will be increased to 21 in the upcoming financial year in order to cover more scope. There are approximately 281 users that are being serviced. In addition there will be realignment of services to the neediest areas to limit the travelling cost.

Noting that the Province is predominantly rural in nature the rural sport programme has been launched in the Province. This is a tournament where Traditional Councils will play with each other to promote active participation in sport. The programme was piloted with two (2) Traditional Councils in Ehlanzeni that catered for Mbuyane and Msogwaba Traditional Council. The pilot programme was rolled out with success hence it will be extended to other Traditional Councils in the other regions Nkangala and Gert Sibande in the next financial year.

2.2 Service Delivery Improvement Plan

The Department reviewed its service delivery improvement plan. The plan focused on three selected services that needed to be improved namely: Transfers to Cultural Institutions, Transfers to Sports Structures and Provision of Library Materials.

- Turnaround time to transfer the funds to the structures took 10 months for cultural institutions and 9 months for sport institutions in 2016/17 and the plan for 2017/18 was to reduce the turnaround time to 3 months which was not achieved. This intervention will assist beneficiaries to plan and implement their projects effectively and timeously.
- The Department, through the Conditional Grant Community Library has a responsibility to support and transform community libraries, this including the Provision of library materials to 115 Public Libraries. In 2016/17 the Department facilitated and concluded the procurement of 21 124 library materials which took over 12 months due to delays of internal processes and delivery of books. Books were not dispatched to Public Libraries because of the non availability of library system that was discontinued. This greatly affects the functioning of Public Libraries with regards to the availability of relevant and up to date library materials. The turnaround plan is to procure and dispatch books to all public libraries within 09 months which was not achieved in 2017/18.

The table below highlights the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Transfer of grants to 11 Cultural Institutions	Cultural institutions	10 Provincial Cultural Institutions received grant within 12 months	6 Cultural Institutions received grant within 3 months (April -June)	06 Cultural Institutions received grant within period of 9 months (Only 5 structures received payment within 3 months and only 1 within 9 months))

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Grant transfers to 4 sport structures	Community sports structures <ul style="list-style-type: none"> • Loskop Marathon • Cycling tournament • Mpumalanga School Sport organisation • Mpumalanga Sport Confederation 	4 Community based structures received grant after 9 months	4 Community based structures received grant within 3 months(April-June)	4 Community based structures received grant within 9 months (3 structures received payment within 3 months and only 1 within 9 months)
Provision of Library Materials to 115 Public Libraries	115 Public Libraries	115 Public Libraries 21 124 Library materials were procured and not distributed to public after 12 months	115 Public Libraries provided with 25 000 library materials within 9 months	Not achieved A total of 25 892 books were procured and not distributed to public libraries due to non-availability of library system that was discontinued.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
5 consultation meeting with each institution before the grant transfer	Coordinate 2 meetings per annum with Cultural Institutions for consultation and monitoring	2 meetings coordinated with Cultural Institutions for consultation and monitoring
5 meeting before grant transfer to provide information on the amounts and time frames for transfer of grants	Coordinate 2 meetings per annum to provide information on the amounts and time frames for transfer of grants	2 meetings coordinated with Sport Institutions for consultation and monitoring
10 quality circles meetings per quarter & 4 quarterly IGR meetings coordinated to provide information on the budget , status of the process of providing libraries and programme management	6 quality circles meetings per quarter & 4 quarterly IGR meetings coordinated to provide information on the budget , status of the process of providing libraries and programme management	8 quality circle meetings and 1 IGR coordinated with Cultural Institutions for consultation and monitoring

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
5 meeting before grant transfer to provide information on the amounts and time frames for transfer of grants	Coordinate 2 meetings per annum to provide information on the amounts and time frames for transfer of grants	2 Standing meeting before grant transfer to provide information on the amounts and time frames for transfer of grants
5 meeting before grant transfer to provide information on the amounts and time frames for transfer of grants	Coordinate 2 meetings per annum to provide information on the amounts and time frames for transfer of grants	Coordinate 2 meetings per annum to provide information on the amounts and time frames for transfer of grants
10 quality circles meetings per quarter & 4 quarterly IGR meetings coordinated to provide information on the budget , status of the process of providing libraries and programme management	6 quality circles meetings per quarter & 4 quarterly IGR meetings coordinated to provide information on the budget , status of the process of providing libraries and programme management	8 quality circles meetings per quarter & 1 quarterly IGR meetings coordinated to provide information on the budget , status of the process of providing libraries and programme management

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
All complaints should be directed in writing to the Regional Heads and resolved within 14 days and 21 days in case/s appealed to the Chief Director	Departmental complaints/suggestion boxes in all Departmental service points Complaints registers All registered complaints resolved within 21 days	No complaints related to the transfers of grants and on provision of library material were received in the year 2017/18

2.3 Organisational environment

The Department managed to implement successfully most of its planned targets of the year that is under review. However, those achievements recorded required extra-ordinary measures due to the limitation of not having adequate staff compliments with only the post of Accounting Officer permanently filled.

The shortage emanates from existing moratorium that resulted on the abolishment of all vacated posts in the Departmental structure. Amongst the key position that has been vacated it includes the position of Accounting Officer, Senior Manager and Managers. Only the of Accounting Officer vacancy has been permanently filled. Request for funding of some of the key vacancies has been submitted to the Office of the Premier for consideration.

In order to mitigate the above shortage of staff the Department in the interim added functions to some of its managers and staff members. In the period under review there were no major external environmental factors such as strikes etc. that affected the services of the Department negatively.

2.4 Key policy developments and legislative changes

There were no key policy development and legislative changes. However, the Department participated in the initiative driven by National Department of Arts and Culture to review the White Paper on Arts, Culture and Heritage that might have effects on the future operations.

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department has been mandated to lead Outcome 14: Nation Building and Social Cohesion as part of MTSF facilitation and implementation. Therefore, the Department has customized sub outcomes of nation building and social cohesion advocated by the National Development Plan as its strategic outcome oriented goals for the five years on the Strategic Plan 2015 – 2020.

The following achievements were recorded on each strategic outcome oriented goals of the Department:

- **Improved knowledge and upheld values enshrined in RSA Constitution**
 - Promoted human rights, reconciliation, cultural diversity and nation building through the host and support of 8 national commemorated days.
 - Enhanced knowledge of the constitution through the roll out of 45 campaigns in all municipalities and 410 schools receiving preamble of the constitution to be recited at school assemblies.
 - Coordinated three (3) Community Conversations/Dialogues sessions that benefited 338 people on issues of social cohesion and nation building.

• **Equalize opportunities, inclusion and redress:**

- Promoted heritage and culture through variety of activities that included;
 - ✓ Supported four (4) cultural preservation events of projects that promote Culture and Heritage.
 - ✓ Created jobs through arts and craft where 55 cooperatives and 214 youth were supported to promote heritage and culture as part of investment in the cultural and creative industries.
- Initiated campaigns to improve utilization of currently marginalized languages by ensuring speeches of the Executive Authority are also available in Siswati and isiNdebele. In addition the Department developed one (1) terminology list in IsiNdebele and Siswati to promote African literature.
- Facilitated the protection, conservation and promotion of heritage and museums in the Province through attraction of approximately 33 109 visitors in the 3 museums who also got exposed to the temporary exhibitions staged.
- Improved literacy level in the province through provision of access to library service that increased from 114 to 115 as well as provision of necessary resources such as ICT and books to all of them.

• **Social cohesion across society through increased interaction across race and class:**

- Ensured that equal opportunities exist for all citizens of Mpumalanga to participate and excel in sport and recreation. The following are the activities that were achieved in this regard;
 - ✓ Coordinated 133 367 people who participated in recreation activities and events, some of the high profile events includes; Loskop marathon with approximately 6 000 athletes and 89 upcoming athletes, Provincial and National Indigenous Games festival, Big Walk and Recreation Day both at Mbombela Stadium.
 - ✓ Coordinated 11 284 learners participating in school sport starting at district, provincial until national level. The Province is participating eight other Provinces on various seasons such as Autumn and Winter.
 - ✓ Capacity building was given to all athletes that included learners and teams through training and involvement of 3 regional sport academies.
 - ✓ Enabled effective participation through the provision of sport equipments and attire to 120 schools, 60 clubs and 17 hubs which included an outside gym at Nkomazi, Kamhushwa.
 - ✓ Staged 6 tournaments and leagues to foster club development in the following priority codes; Boxing, Netball, Volleyball, ABC Motsepe Play Offs, Basketball and Hockey local league.

- **Active citizenry and broad-based leadership:**

- Improved participation of community based structures in the roll out of Departmental projects and programmes that as follows:
 - ✓ Seven(7) Arts and Culture structures that are based in all municipalities
 - ✓ Four (4) structures for the development of Languages in the province (Mpumalanga Provincial Language Committee, Silulu National Lexicography Unit, Iziko lesiHlathululi-mezwi sesiNdebele and Mpumalanga Writers Association
 - ✓ Three (3) museum structures supported to keep museums open during weekend and holidays and host of national and international gold panning tournaments
 - ✓ Four (4) sport structures (Cycling tournament, Loskop marathon, MP School Sport Organization and MP Sport Confederation.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: ADMINISTRATION

- The purpose of this programme is to provide for the overall management and administrative support of the Department, in accordance with applicable National and Provincial policies, the Public Finance Management Act, the Public Service Act and other legislations and policies.
- The programme comprises of two sub-programmes; which are the Office of the MEC and Corporate Services. Corporate Services includes the following key sections, Office of the Head of the Department, Office of the Chief Financial Officer and General Manager: Administration. The divisions providing support functions includes; Planning and Programme Management, Communication, Human Resource Management, Legal and Security Services, International Relations, Transversal Services and Regional Administration.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme Name: Administration					
Strategic Objective	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
To co-ordinate planning, monitoring and reporting on implementation of departmental plans.	2	Annual Report and Annual Performance Plan produced per Annum	2	None	None

Programme Name: Administration						
Strategic Objective	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Achieve unqualified audit opinion on financial statements	Qualified audit opinion without matters of emphasis	Unqualified audit opinion without matters of emphasis	Unqualified audit opinion with matters of emphasis	Matters of emphasis	The Department will gradually move towards clean audit in the outer years	
Hire, develop and retain the right people in the right positions for the Department throughout the planning period	311 permanent & 171 workforce retained	420 workforce retained	285 permanent & 153 contract workforce retained	(18)	Target not achieved due to attrition	
Successfully implement and realize benefits from ICT solutions in doing the work of the Department in line with ICT corporate governance framework by 2020	100%	100% of ICT corporate Governance Framework	100% of ICT corporate Governance Framework	None	None	
To promote good corporate governance practices and management	Promoted overall good corporate governance and management (exception on HIR & SCM)	Promoted overall good corporate governance and management	Promoted overall good corporate governance and management	None	None	

Performance Indicators

Sub - Programme : Strategic Management						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of APP approved and submitted to OTP and Legislature on time	1	1	1 APP approved and submitted to OTP and Legislature on time	None	None	
Number of Quarterly Performance Reports approved by Executive Authority and submitted to OTP and Legislature within 30 days after the end of the quarter	4	4	4 Quarterly Performance Reports approved by Executive Authority and submitted to OTP and Legislature within 30 days after the end of the quarter	None	None	
Number of Annual Report produced	1	1	1 Annual Report produced	None	None	

Sub - Programme : Office of the Chief Financial Officer						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of financial Statements and reports produced (PMG, IYM and IRM)	36	36	36 Financial Statements and reports produced	None	None	
% of invoices paid within 30 days	94% (2640 of 2804 invoices processed)	100%	Not achieved 93.4% of invoices paid within 30 days (2703 of 2905 valid invoices paid)	(6.6%)	Payment delayed due to inadequate cash flow since the Department rely on the tranche from conditional grant	

Sub - Programme : Human Resource Management					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of Internship, Learnership, workplace integrated and experiential learners enrolled	100% (Total – 83 of 83 enrolled)	36	Not Achieved 28 Internship, Learnership, workplace integrated and experiential learners enrolled	(8)	Some interns declined the offer due to other external opportunities
Number of performance agreements entered between employer and employee by due dates	461	420	Not achieved 375 performance agreements entered between employer and employee	(45)	Could not enforce full compliance due to the dispute between the employer and unions regarding the new proposed PMDS policy. An interim measure has since been agreed upon.
Number of training interventions conducted as per the workplace skills plan	14	14	14 training interventions conducted as per the workplace skills plan	None	None
% of disciplinary cases finalized within the timeframe	50% (1 of 2 case received and resolved)	100%	100% of disciplinary cases finalized within the timeframe 1 of 1 disciplinary case finalized	None	None
% of SMS members submitting financial disclosures	90% (9 of 10 SMS members complied)	100%	100% SMS members submitted financial disclosure	None	None

Sub - Programme : Information Technology Support					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of ICT Corporate Governance Framework phases completed	2	Phase 3 of the ICT Governance Framework completed (6 of 6 requirement of Phase 3 achieved	Not Achieved 1 ICT Corporate Governance Framework phases completed	(2)	Delayed by the review of phase 2 documents that will enable transition to phase 3 of the framework

Sub - Programme : Enterprise Risk Management					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Approved risk plan and Risk management reports	1 approved risk implementation plan and 4 Risk management reports	4 quarter risk review reports Annual Risk Assessment report and risk implementation plan	Four (4) quarterly risk review report submitted to Risk and Audit committee and Annual Risk Implementation Plan concluded	None	None

Strategy to overcome areas of under performance

- a) Stipends will be reviewed to be to be attractive in competitive in the market to ensure that interns
- b) The new transitional agreement between the employer and labour union has been shared with staff members and they are expected to submit outstanding Performance Agreements and Assessments to be concluded in 2018/19
- c) Phase 3 of ICT has been reprioritized for the next financial year

Changes to planned targets

There were no changes to the planned target on the period under review.

Linking performance with budgets

Programme expenditure

Programme Name: Administration	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Office of the MEC	8 639	8 637	2	7 369	7 439	(401)
Corporate Services	85 877	85 864	13	80 958	78 252	(384)
Total	94 516	94 501	15	88 327	89 113	(785)

Notes:

The programme provide executive support, strategic management support, human capital management and , financial management and procurement, legal support, communication and liaison, regional support services, security services and Employee Health and Welln ess support.

4.2 Programme 2: Cultural Affairs

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

Sub programme	Purpose
Arts and Culture	Development, promotion and preservation of arts and culture in visual arts and craft, performing arts, art technology, art industries and living culture.
Museums and Heritage	Development, conservation, preservation and promoting the heritage of the province through museum services and heritage resource management.
Language Services	Development of historically marginalised languages, promotion of multi-lingualism.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme Name: Cultural Affairs						
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Promotion of human rights, reconciliation, cultural diversity and nation building	18	17 municipalities	17 municipalities benefitted on promotion of human rights, reconciliation, cultural diversity and nation building	None	None	
Develop and promote Arts and Culture in the Province	3	3 districts	3 districts benefitted in the development and promotion of Arts and Culture in the Province	None	None	
Develop Siswati and IsiNdebele and promote all official languages	3	3 districts	3 districts benefitted in the develop Siswati and IsiNdebele and promote all official languages	None	None	
Protect, conserve and promote Heritage and Museums in the Province	2	6 museums and 2 sites of historic significance	6 museums and 2 sites of historic significance were protected, conserved and promoted	None	None	
Sustain Cultural Institutions supported to deliver on Departmental programmes	18	3 districts	3 districts benefitted through the sustenance and support of Cultural Institutions supported to deliver on Departmental programmes	None	None	

Performance indicators

Programme Name: Cultural Affairs					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of promotional interventions on promotion of national symbols and orders implemented <ul style="list-style-type: none"> ▪ Communities ▪ Schools 	2	2 promotional interventions on promotion of national symbols and orders implemented	2 promotional interventions on promotion of national symbols and orders implemented <ul style="list-style-type: none"> • 410 Preambles of the constitution delivered in schools • 45 National symbols campaigns in communities 	None	None
Number of community conversations/dialogues conducted	3	3 community conversations/dialogues conducted	3 Community conversation conducted <ul style="list-style-type: none"> • Mindy Community Hall • Emakhazeni LM • Rooikopen Community Hall- Lekwa LM 	None	None
Number of Cultural Hub phases established	The following activities were implemented; <ul style="list-style-type: none"> • Extensive stakeholder mobilisation • Geohydro investigation 	PPP Procurement	The project is behind schedule due to the National Treasury that is considering submission. The Bankable feasibility study was submitted. This stage will be finalized after RFQ (Right of Qualification) activity has been satisfactory concluded.	PPP Procurement not achieved	Changes at National Treasury which is a regulator had a negative effect to the pace of the project

Programme Name: Cultural Affairs					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
		Implementation of bulk services	The implementation of bulk services were put on hold 4 bore holes have been drilled for the provision of bulk water supply	Bulk services incomplete	Funds were moved during Provincial Treasury budget adjustment for other priorities
Number of Mpumalanga Cultural Festival hosted to celebrate diverse culture and heritage	Mpumalanga Cultural Festival hosted	Mpumalanga Cultural Festival hosted to celebrate diverse culture and heritage	Hosted successful 2 nd Mpumalanga Cultural Festival to celebrate diverse culture and heritage <i>Main pillars of the festival:</i> <ul style="list-style-type: none"> • Carnival and Traditional Festival • (MRM) Prayer and Gospel Xperience • Music Festival • Sunday Soul Session <i>Build up events of the festival:</i> <ul style="list-style-type: none"> • Russia and SA season • Comedy in partnership with Emnotweni • eKasi Xperience with CATHSSETA • Fun Run partnership with Nelspruit Marathon Club • Children Festival in partnership with FNB 	None	None

Programme Name: Cultural Affairs					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of projects that promote Culture and Heritage supported	3	4 projects that promote Culture and Heritage supported	4 Heritage projects supported	None	None
<ul style="list-style-type: none"> • Miss Culture Indoni • Umkhosi woMhlanga • Komjejejeke • Erholweni 	<ul style="list-style-type: none"> • Miss Culture Indoni • Umkhosi woMhlanga • Komjejejeke • Erholweni 	<ul style="list-style-type: none"> • Provincial Miss Culture Indoni 2 -16 July 2017 • Umkhosi womhlanga - 9th December 2017 • Erholweni Cultural Event - 19th Dec 2017 • Komjejejeke Event - 3rd March 2018 	<ul style="list-style-type: none"> • Provincial Miss Culture Indoni 2 -16 July 2017 • Umkhosi womhlanga - 9th December 2017 • Erholweni Cultural Event - 19th Dec 2017 • Komjejejeke Event - 3rd March 2018 	None	None
Number of community cultural structures supported	10	6 community cultural structures supported	7 community cultural structures supported	1	Additional structure Melokuhle Entertainment was supported due to external demand for the cultural event in Gert Sibande
<ul style="list-style-type: none"> • Innibos Festival • CCIFSA (as part of OVS) • Izithethe • SANCTA • CMDA • Big Fish Arts 	<ul style="list-style-type: none"> • Innibos Festival • CCIFSA (as part of OVS) • Izithethe • SANCTA • CMDA • Big Fish Arts 	<ul style="list-style-type: none"> • Innibos Festival • Cultural and Creative Industry Federation of SA CCIFSA (as part of Operation Vuka Sisebente) • Izithethe Arts Institute • Caterbridge Music Development Academy (CMDA) • Big Fish Arts • South African National Community Theatre Association (SANCTA) • Melokuhle Entertainment was included and supported as additional Community structure. 	<ul style="list-style-type: none"> • Innibos Festival • Cultural and Creative Industry Federation of SA CCIFSA (as part of Operation Vuka Sisebente) • Izithethe Arts Institute • Caterbridge Music Development Academy (CMDA) • Big Fish Arts • South African National Community Theatre Association (SANCTA) • Melokuhle Entertainment was included and supported as additional Community structure. 	1	Additional structure Melokuhle Entertainment was supported due to external demand for the cultural event in Gert Sibande

Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of arts and craft cooperatives supported to promote heritage and culture as part of investment in the cultural and creative industries	30	30	54 arts and craft cooperatives supported <ul style="list-style-type: none"> • 30 Cooperatives attended Mpumalanga Agriculture Show • 24 cooperatives attended Business and Arts South training on business and entrepreneurial skills 	24	Exceeded the target due to partnership with Business and Arts South Africa. The Department provided accommodation and conferencing while other cost were carried by the partner
Number of EPWP jobs opportunities created	373	203	214 jobs opportunities created	11	The target was adjusted to accommodate the grant allocation

Sub-programme: Events Management and Special Projects					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
National and historical days celebrated	8	8 national and historical days celebrated <ul style="list-style-type: none"> • Freedom day • May Day • Africa Day • Youth Day • Women's Day • Heritage Day • Reconciliation Day • Human Rights Day 	8 national and historical days celebrated <ul style="list-style-type: none"> • Freedom day – Dr JS Moroka LM • May Day - Nkomazi LM • Africa Day - Chief Albert Luthuli LM • Youth Day – Nkomazi LM • Women's Day – Mskukaligwa LM • Heritage Day – Dr JS Moroka LM • National Day of Reconciliation – City of Mbombela • Human Rights Day – Govan Mbeki LM 	None	None

Sub-programme: Language Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of official correspondences or speeches translated to transform the utilization of currently marginalised languages	8	8	<p>8 official correspondence translated</p> <ul style="list-style-type: none"> • Women's Day celebration Speech • Opening of Zithabiseni Library speech • Freedom Day Speech • Policy and Budget speech • Africa day speech • Youth Day Speech • National Day of Reconciliation hosted in partnership with Department of Correctional service at Barberton prison • Library week celebration speech 	None	None
Number of terminology list developed	1	1	1 terminology list developed in IsiNdebele and Siswati	None	None

Sub-programme: Language Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
<p>Number of language coordinating structures supported</p> <ul style="list-style-type: none"> • MPUWA • MPLC • Silulu SeSiswati • IsiNdebele Dictionary Unit 	4	4	<p>4 Support structures supported</p> <ul style="list-style-type: none"> • Mpumalanga Provincial Language Committee for the development of literature in the indigenous languages of the province. • Silulu National Lexicography Unit for the development of Siswati dictionaries • Iziko Lesihlathululi-Mezwi SesiNdebele for the development of IsiNdebele dictionaries • Mpumalanga Provincial Language committee for carrying out language awareness projects and advising MEC on Language Matters in the Province 	None	None

Sub-programme: Museum Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of community outreach programmes conducted in museums	3	17	<p>17 outreach programmes conducted:</p> <ul style="list-style-type: none"> • 27 994 Brochures distributed at Pilgrim's Rest, Barberton, Kghodwana, Tourism centres, and during Departmental events. • Mounted an exhibition stand at Durban's Tourism Indaba to target international market. • 39 Schools visited • Hosted a night-time heritage walk and tour of the Museums to approximately 50 guests in Barberton to celebrate Museum Day. • Conducted an awareness programme for 42 Pilgrim's Rest hawkers and car washers in celebration of Museum Day. • Launched post box exhibition in Pilgrim's Rest. • In partnership with the Gold Panning Association, Pilgrim Rest Museum put up a stall at Innibos festival to market the museum and gold panning. • Produced a DVD on OR Tambo which is played for visitors at Barberton Museum. • Hosted a geotrail tour for 12 youths at Barberton in celebration of heritage month. 	None	None

Sub-programme: Museum Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
			<ul style="list-style-type: none"> • Exhibition at Barberton local shopping center • Put up stall at Greenstone Trading Post flea market. • Displayed the Mjindini Liberation struggle exhibition at Emjindini Library. • Visited Bushbuckridge Municipal offices, Hazyview Tourism center, and Burgersfort to market Pilgrim's Rest. • Targeted King Silamba Commemoration to market Kghodwana Cultural Village & Museum. • Hosted heritage consultants in Pilgrim's Rest on gold panning outreach. • Mounted an exhibition on African Culture in Russia. • Conducted an awareness for Kghodwana Cultural Village & Museum to target community members during the cabinet outreach programme in Emalahleni. 		

Sub-programme: Museum Services						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of provincial museums rendering services <ul style="list-style-type: none"> Barberton Pilgrims Rest Kghodwana 	3	3	3 museums rendered services: <ul style="list-style-type: none"> Provided guided tours to 33 109 museum visitors and school groups at Pilgrim's Rest, Barberton, and Kghodwana. Conducted research on OR Tambo and AmaNdebele. 	None	None	
Number of museums provided with maintenance <ul style="list-style-type: none"> Barberton Pilgrims Rest Kghodwana Nomoya Masilela 	3	4	2 museums provided with maintenance <ul style="list-style-type: none"> 4 Traditional huts renovated at Kghodwana Roof renovated at Nomoya Masilela Museum 	(2)	2 museums renovation still outstanding because of delays in the finalization of Bill of Quantities (BoQ) and appointment of contractors for Barberton and Pilgrim's Rest museums.	
Number of museum community structures supported <ul style="list-style-type: none"> Friends of Barberton Friends of Pilgrim's Rest SA Gold Panning Association 	3	3	3 museum community structures supported: <ul style="list-style-type: none"> SA Gold Panning Association Friends of Barberton Friends of Pilgrim's Rest 	None	None	

Sub-programme: Heritage						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of practitioners benefiting from heritage and museums capacity building opportunities	46	30	37 practitioners were capacitated on "Writing collection management policy"	7	Exceeded the target due to the demand for the service	
Number of heritage outreach/educational programmes coordinated through MHRA & PGNC	3	3	<p>3 Capacity training programmes coordinated:</p> <ul style="list-style-type: none"> Collaborated with SAGNC in hosting a provincial workshop for municipalities on the "Transformation of Heritage Landscape through standardization of Geographic Names" on the 27 July 2017. Coordinated workshop on geographic features for Councillors in Thaba Chweu Municipality. Targeted government departments and municipalities to capacitate them on heritage resources and geographic features at Nkangala District Municipality. 	None	None	
Number of heritage sites assessed for protection through MHRA	6	6	<p>238 heritage sites assessed for provisional protection:</p> <ul style="list-style-type: none"> Mpumalanga NZASM Sites were assessed, graded and protected through SAHRIS 	232	Overachievement was due to collaboration with the University of Pretoria and the Dutch Embassy which owns the NZASM heritage.	

Sub-programme: Heritage					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of geographical names and features reviewed	8	5	6 Geographical names reviewed by Mpumalanga Provincial Geographic Names Committee and submitted for approval to SA Geographic Names Council. All names submitted are from Thembisile Hani Local Municipality <ul style="list-style-type: none"> • Ekuthuleni from Tweefontein N. • Somaroborho from Somarobogo (spelling correction) • Sibonukhanya from Zusterhoek • Mabhoko Village (new registration) • Vezubuhle (new registration) • Luthuli Village (new registration) 	1	Exceeded the target due to more names that were received from Thembisile Hani Municipality
Number of oral history projects undertaken	1	2	2 Time Travel oral history project undertaken <ul style="list-style-type: none"> • Partnered with Freedom Park in celebration of King Nyabela, King Mampuru, and former president OR Tambo at Kghodwana Cultural Village and Museum. Tagerted audience included amongst others learners, traditional leaders and healers, and Departments. • Time travel oral history on potato boycott conducted in Bethal prison and attended by 97 learners. 	None	None

Sub-programme: Heritage					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of National and historical days celebrated <ul style="list-style-type: none"> 31st Samora Machel commemoration 68th Waterval Boven Commemoration 	3	2	2 National and historical days celebrated <ul style="list-style-type: none"> 31st Samora Machel commemoration, 68th Waterval Boven train disaster commemoration 	None	None

Strategy to overcome areas of under performance

- A new Transactional Advisor has been appointed and the activities of PPP arrangement have been reprioritized for 2018/19 financial year and funds for the bulk services will be reallocated after conclusion of PPP
- 2 museum projects will be prioritized in the next financial year

Changes to planned targets

- None

Linking performance with budgets

Programme expenditure

Programme Name: Cultural Affairs	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management	1 768	1 772	(4)	1 732	1 669	693
Arts and Culture	72 256	74 905	(2 649)	83 802	74 902	8 900
Museum and heritage	19 195	19 193	2	18 587	19 061	474
Language services	2 612	2 647	(35)	2 677	2 414	263
Total	95 831	98 517	(2 686)	106 798	98 046	8 752

Notes:

The programme is responsible for management of key subprograms and implementation of projects linked to Arts and Culture, Museum and Heritage and Language Services. The programme was allocated R95 831 million for the year under review and spent R98 517 million. The programme was able to achieve its planned outcomes despite the inadequate financial resources allocated.

4.3. Programme 3: Library and Archives

- The aim of this programme is to provide and promote public libraries, archives and records management in the province.

Sub programme	Purpose
Library Services	Improvement of access to facilities and the promotion of a sustainable reading culture
Archival Services	Maintain good archival and records management practices

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme Name: Library and Archives					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Increase access to library service in the Province	117	118	115 public libraries provided access of library services in the Province	(3)	New libraries were built on existing sites with container libraries and that made the number not to increase
Preserve and provide access to valuable information from public institutions	2	3	2 public institution valuable information was preserved at the archive repository	1	Lack of personnel to carry out the process

Performance indicators

Sub-programme: Library Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of new libraries built	3	3	3 new libraries built <ul style="list-style-type: none"> • Boekenhouhoek/ Zithabiseni 100% complete • Verena 100% complete • Balfour 100% complete 	None	None
Number of new libraries under construction due for completion in the following year 2018/19	3	4 (each library to be at 80% complete stage)	Not achieved 1 project was 93% complete. The 4 new libraries under construction due for completion in the following year 2018/19 : <ul style="list-style-type: none"> • Thubelihle – 12% • MP Stream – 36% • Kanyamazane – 70% • Masobye – 93% 	3 Construction started in all sites as planned and could not reach the projected completion stage.	Projected stage 80% of completion could not be achieved due to varying reasons however they will be completed in 2018/19 as planned
Number of existing facility upgraded for public library purposes	2	2	Not achieved 2 existing facilities upgrades in progress <ul style="list-style-type: none"> • Mishinging Regional Library – 60% • Standerton Regional Library – 65% 	None	Slow progress by contractor to deliver with inadequate support by the engineer who has already been reprimanded

Sub-programme: Library Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of new Libraries at plenary stage for construction and upgrade in the following year 2018/19	4	4	4 new libraries at plenary stage completed	None	None
<ul style="list-style-type: none"> • Thulamahashe (Bushbuckridge) • Chromeville (Steve Tshwete) • Standerton Public Library(Lekwa) • Mbombela (Upgrade) 			<ul style="list-style-type: none"> • Thulamahashe • Standerton • Chromeville (Newtown) • Mbombela (Feasibility study completed) 		
Number of municipal libraries maintained	6	7	7 municipal libraries maintenance completed	None	None
			<ul style="list-style-type: none"> • Khululwazi (Chief Albert Luthuli) • Wesselton (Msukaigwa) • Ekulindeni (Chief Albert Luthuli) • Siyabuswa (Dr JS Moroka) • Delmas (Victor Khanye) • Botleng (Victor Khanye) • Vukuzakhe (Dr Pixley ka Isaka Seme) 		

Sub-programme: Library Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of library materials procured	21 124	25 000	25 892 Library materials procured	892	Exceeded with Library Materials due to increased demand
Number of libraries offering services to the blind	14	14	14 libraries offering services to the blind supported <ul style="list-style-type: none"> • Siyabuswa • Mhluzi • Emalahleni • Mashishing • Kamaqhekeza • Mkhondo • Volksrust • Mbombela • Msogwaba • Maphotla • Gerald Sekoto • Secunda • Ermelo • Mafemane 	None	None

Sub-programme: Library Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of community outreach programmes in libraries conducted	18	17	<p>18 community outreach programmes in libraries conducted</p> <ul style="list-style-type: none"> • Emfuntini Public Library (Nkomazi Municipality) • Somuhle Public Library (Nkomazi Municipality) • Marapyane Public Library (Dr JS Moroka Municipality) • Valencia Public Library (City of Mbombela) • Kwazanele Public Library (Msukaligwa Municipality) • Emakhazeni Public Library (Emakhazeni Municipality) • Amersfort Public Library (Dr Pixley Ka Isaka Seme Municipality) • Morgenon Public Library (Lekwa Municipality) • Mhluzi Public Library (Steve Tshwete Municipality) • Emalahleni Public Library (Emalahleni Municipality). • Thistle Gove Public Library (Goven Mbeki Municipality) 	<ul style="list-style-type: none"> • 1 Somuhle Public Library (Nkomazi Municipality) 	The variance was as result of the need to increase the the culture of reading in rural areas.

Sub-programme: Library Services					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
			<ul style="list-style-type: none"> • Sabie Public Library (Thaba Chweu Municipality). • Nthoroane Public Library (Dipaleseng Municipality). • Acornhoek Public Library (Bushbuckridge Municipality). • Zithabiseni Public Library (Thembsile Hani Municipality). • Botleng Library (Victor Khanye) • Amsterdam Library (Mkhondo) • Ezenzeleni Public Library (Chief Albert Luthuli) 		
Number of library training programmes conducted to capacitate the librarians	11	4	4 library training programmes to capacitate the Librarians	None	None
Number of community libraries maintained and provided with ICT services <ul style="list-style-type: none"> • Internet and Wi Fi • Head Count System • Multipurpose Copier • Computers 	114	115	Not achieved 80 Libraries are provided with Internet and Wi Fi, Head Count System, Multipurpose Copier and Computers	Deviation was as follows: 35 libraries were not provided with the ICT services.	ICT challenges were as follows: <ul style="list-style-type: none"> • Delayed appointment of ICT service providers.

Sub - programme: Archives services						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of records classification Systems / file plan approved for government bodies	3	1	1 record classification Systems / file plan approved for government body • Victor Khanye	None	None	
Number of government bodies inspected on compliance to record management	38	39	39 government bodies inspected	None	None	
Number of records management practitioners benefiting from capacity building opportunities	30	30	32 Records Managers were trained on Records Management Disaster recovery Plan	2	Exceeded target due to the increase demand for the service	
Number of community outreach programmes in archives conducted	3	3	3 community outreach programmes in archives conducted. • Ehlanzeni benefited Thulamahashe, Rolle, Sabie and Loueville • National Archives Awareness Week Programme in Nkangala District, Dr JS Moroka • Gert Sibande District: (Areas covered include: Ntombe, Moolman, Kormandale, Perdekop and Wakkerstrom)	None	None	

Sub - programme: Archives services						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of oral history projects undertaken	1 Oral History Conference in Middelburg, Steve Tshwete Municipality on the 15 December 2016	1	1 Oral history projects conducted • Oral History conference hosted in Msukaligwa, Gert Sibande District	None	None	
Number of client institutions documents transferred to the provincial repository to be archived	Not Achieved	1	Not Achieved	(1)	Lack of personnel to carry out the process	

Strategy to overcome areas of under performance

- Contractor for new libraries and upgrades will catch up and library to be completed in 2018/19 as planned
- Completion of ICT installation reprioritized for the next financial year and Bushbuckridge municipality engaged with plenary processes to refurbish the library
- Target to transfer of documents to archive will be reprioritized in the next financial year considering available resources

Changes to planned targets

- None

Linking performance with budgets

Programme Name: Library & Archives	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management	-	-	-	-	-	-
Library Services	191 379	189 722	1 657	203 031	188 429	14 602
Archives Services	3 510	3 500	10	9 894	3 098	6 796
Total	194 889	193 222	1 667	212 925	191 527	21 398

Notes:

The programme is responsible for management of key subprograms and implementation of projects linked to Library, Information and Archives Services.

The programme was allocated R194 889 million for the year under review and spent R193 222 million. The capital projects in progress are being monitored to ensure completion within agreed time frames and goods and services procured will be delivered in the first quarter.

4.4. Programme 4: Sport and Recreation

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

sub programme	Purpose
Sport	Facilitate establishment and support of sport structures and institutions.
Community Sport & Recreation	Improvement of the quality of life for the people of Mpumalanga by promoting recreational activities.
School Sport	Development of Sport at school level by providing support and organizing school competitions
Club Development	Development of sport at club level

Strategic objectives, performance indicators planned targets and actual achievements

Programme Name: Sport and Recreation					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Increased access to Sport Infrastructure	3	1 district	1 district access Sport Infrastructure through Municipal Infrastructure grant	None	None
Increased athletes participating in community sport in the Province	135 107	118 000	133 367 people actively participated	15 367	Exceeded the target due to partnership with other Departments and Municipalities on sport related events

Programme Name: Sport and Recreation					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Improved competitiveness of learners in school sport	Aggregate position 4 of 9 Province	Position 6 out of 9 Provinces	Aggregate position 8 of 9 Province Tournaments divided into three seasons Winter Games – position 7 Summer Games – position 6 Autumn Games – 3	(2)	The province excelled in gymnastics
Sustain and support Sport and Recreation Structures	3	3 districts	3 districts benefited in the support to sustain Sport and Recreation Structures	None	None
Improved number of athletes participating at National and International championships	1	3	55 athletes participated at the Swimming National Championships in Polokwane. In addition the athletes won 42 medals which are as follows: 12 gold, 14 silver, 16 bronze medals, at South African Schools Swimming Championships in Polokwane and currently training with the squad that will represent the country internationally.	52	The was an increased demand from athletes

Performance Indicators

Sub - programme: Sport	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Performance Indicator Number of phases for High Altitude Training Centre established	<p>The following activities were implemented;</p> <ul style="list-style-type: none"> • Extensive stakeholder mobilisation in the country and SADC of which 3 countries have already pledged their support for the projects • Statistics of each code from SADC as part of the requirement for utilization has been secured • Memorandum of Agreement between DCSR and DoE has been concluded • Submission for stage 1: Feasibility study was submitted to National Treasury for approval 	<p>Phase 1 High Altitude Training Centre established</p> <p>PPP Procurement</p>	<p>The project is behind schedule due to the National Treasury that is considering submission. The Bankable feasibility study was submitted. This stage will be finalized after RFQ (Right of Qualification) activity has been satisfactory concluded.</p>	<p>PPP Procurement not achieved</p>	<p>Changes at National Treasury which is a regulator had a negative effect to the pace of the project</p>

Sub-programme: Sport					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of sports and recreation bodies receiving financial and non-financial support in an effort to assist them in meeting transformation target <ul style="list-style-type: none"> ▪ Cycling tournament ▪ Loskop marathon ▪ MP School Sport Organization ▪ MP Sport Confederation 	4	4	4 sports and recreation bodies receiving financial and non-financial support <ul style="list-style-type: none"> ▪ Cycling tournament ▪ Loskop marathon ▪ MP School Sport Organization ▪ MP Sport Confederation activities has been supported through internal procurement of their needs 	None	None
Number of domestic competitions supported	3	2	2 domestic competitions supported <ul style="list-style-type: none"> • Mbombela Umsebe Soccer Spectacular • Football match Mozambique versus Mpumalanga Legends 	None	None

Sub-programme: School Sport						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of learners participating in school sport tournaments at a district level	5607	8000	8167 Learners Participated at district tournament <ul style="list-style-type: none"> • Ehlanzeni • Gert Sibande • Bohlabela • Nkangala 	167	Exceeded target due to increased demand of the service	
Number of learners participating in school sport tournaments at a provincial level	1347	2000	2023 learners participated at Provincial tournament	23	Exceeded target due to increased demand of the service	
Number of learners supported to participate in the National School Sport Championship	828	1100	1114 learners supported to participate in the National School Sport Championship	14	Exceeded target by 14 due to increased demand of the service	

Sub - programme: School Sport						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Numbers of people trained to deliver school sport	280	240	254 People trained to deliver school sport programme	14	Exceeded target by 14 due to increased demand of the service	
Number of schools provided with sport equipment and / or attire as per established norms and standards	160	120	120 schools provided with sport equipment and / or attire as per established norms and standards	None	None	
Number of school sport coordinators implementing school sport programme	33	16	16 school sport coordinators implementing school sport programme	None	None	
Number of school sport structures supported	16	19	19 Structures supported <ul style="list-style-type: none"> • Bohlabela district summer code meeting • Provincial chess AGM • Provincial Basketball AGM • MPUSSO Regional AGM (Gert Sibande) • Provincial summer code meeting • MPUSSO Regional AGM (Ehlanzeni) • Athletics Executive Meeting 	None	None	

Sub - programme: School Sport						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
			4x Joint District technical task • team winter codes meetings • Provincial swimming AGM • Provincial winter codes meetings • School Sport Codes and MPUSO meeting • Athletics Meetings • Provincial school sport plenary meeting • Table tennis AGM • Volleyball • Chess			

Sub - Programme : Community Sport and Recreation: Siyadlala						
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations	
Number of youth participating at the National Youth Camp	250	250	250 Youth participated at the National youth camp	None	None	

Sub - Programme : Community Sport and Recreation: Siyadlala					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of active recreation events organized and implemented	3	4	4 Active recreation events organized <ul style="list-style-type: none"> • Provincial Indigenous Games • Provincial Golden games • Big walk • Recreation day 	None	None
Number of people actively participating in organised sport and active recreation events	135 107	118 000	133 367 people actively participating in organised sport and active recreation events	15 367	Exceeded target due to increased demand of the service
Numbers of people in the hubs trained to deliver Siyadlala in the Mass Participation Programme	121	120	120 people trained in <ul style="list-style-type: none"> • Jukskei Code Specific • Sport Club Administration • Facilitators training • Events Management Training 	None	None
Number of indigenous games clubs participating in Indigenous games tournaments	None	108	108 Indigenous games clubs participated in indigenous games tournament	None	None
Number of hubs provided with equipment and/or attire as per established norms and standards	18	17	17 hubs provided with equipment and/or attire as per established norms and standards	None	None

Sub - Programme : Community Sport and Recreation:Club Development					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of local leagues supported	8	6	6 Local league supported <ul style="list-style-type: none"> • Volleyball, • Boxing and • Netball • Basketball • ABC Motsepe play offs for Arckonbush United FC • Hockey local league 	None	None
Number of people trained to deliver club development programme	120	120	123 People trained to deliver Club Development Programme for Football D Licence Coaching. <ul style="list-style-type: none"> • Financial management • Netball level 1 • Boxing referee and judges course 	3	Exceeded the target due to increase demand
Number of clubs participating in the rural sport development programme	None	23	23 clubs participated in rural sport development programme	None	None
Number of clubs provided with equipment and / or attire as per established norms and standards	60	60	60 clubs Provided with equipment and / or attire as per established norms and standards	None	None

Sub - Programme : Community Sport and Recreation: Club Development					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Number of athletes supported through the academies scientific support programme	154	150	151 Athletes supported through the Academies Scientific Support Programme. Training camp for football	1	Exceed by 1 due to the demand of the service
Number of Sport Academies Supported	3	3	3 Sport Academies Supported <ul style="list-style-type: none"> • Kanyamazane - Ehlanzeni • Lilian Ngoyi – Gert Sibande • Hockey farm - Nkangala 	None	None
Number of people trained to deliver the sport academy programme	50	50	50 People trained to deliver the Sport Academy Programme on Talent Identification and Anti-doping drug free sport	None	None
Number of Sport Focus Schools supported	4	5	5 Sport focus schools supported <ul style="list-style-type: none"> • Lowveld High School • Ligbron Academy of Technology • Hoerskool Rob Ferreira • Hoerskool Lydenburg • Hoerskool General Hertzog 	None	None
Number of sport and active recreation projects implemented by Provincial Sports Confederation	21	20	20 Sport council projects supported: <ul style="list-style-type: none"> • Thaba Chweu • Nkomazi 	None	None

Sub - Programme : Community Sport and Recreation:Club Development					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
			<ul style="list-style-type: none"> • Mbombela • Govan Mbeki • Chief albert Luthuli • Msukaligwa • Steve Tshwete • Emakhazeni • Victor khanye • Ehlanzeni • Gert Sibande • Dr Pixley Ka Isaka Seme • Dipaliseng • Lekwa • Mkhondo • Bushbuckridge • Emalahleni • Thembisile Hani • Dr JS Moroka • Nkangala Regional office 		
Number of provincial sport programmes implemented	2	3	Not Achieved	(1)	School Sport Awards not achieved because of shortage of funds after cost escalated in participation in
<ul style="list-style-type: none"> ▪ Indigenous training Camp 			2 provincial sport programmes		

Sub - Programme : Community Sport and Recreation:Club Development					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
<ul style="list-style-type: none"> ▪ Outdoor gym in Nkangala-Emakhazeni-Belfast (Siyathuthuka) ▪ Schools Sport Awards 			implemented <ul style="list-style-type: none"> • Provincial Training camp • Outdoor gym installed in Thembisile Hani Local Municipality 		National School Sport Summer Games
Number of branding material procured as per specifications for rural sport programme	None	20	136 branding material procured as per specifications for rural sport programme	116	More branding was acquired to intensify marketing after introduction of rural sport development programme
Number of coordinators implementing community sport programme	52	38	Not achieved 33 coordinators appointed	(5)	Other coordinators resigned due to other better opportunities

Strategy to overcome areas of under performance

- A new transactional advisor has been appointed and activities of PPP arrangements have been reprioritized for the 2018/19 financial year and funds for the bulk services will be reallocated after conclusion of PPP
- School sport awards programme has been withdrawn and reprioritized for the next financial year
- Re-organized the existing personnel to balance service delivery. No replacement will be made to balance the budget shortfall on grant COE

Changes to planned targets

- There were no changes to planned targets on the period under review.

Linking performance with budgets

Programme expenditure

Programme Name: Sport and Recreation	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Management	2 528	2 522	6	2 795	2 962	(167)
Sport	14 697	15 433	(736)	37 691	37 512	179
Recreation	27 148	25 440	1 708	25 436	22 630	2 806
School Sport	22 458	22 408	50	23 528	25 900	(2 372)
Total	66 831	65 803	1 028	89 450	89 004	446

Notes:

- The programme is responsible for management of key subprograms and implementation of projects linked to Sports, Recreation and School Sport. The programme was allocated R66 831 million for the year under review and spent R65 803 million. The programme was able to achieve almost all its planned outcomes for the year under review.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

None

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
1. Izithethe Arts Institute	NPO	Music Development	Yes	200	200	None
2. Caster bridge Music Academy	NPO	Music Development	Yes	200	200	None
3. SA National Community Theatre Association	NPO	Music Theatre	Yes	150	150	None
4. Cultural and Creative Industries Federation of South Africa	NPO	Creative Industries	Yes	200	200	None
5. Innibos Arts Festival	NPO	Performing Art and Craft Exhibitions	Yes	2 000	2 000	None
6. Big Fish Arts	NPO	Gospel Music Promotion	Yes	500	500	None
7. Melukhleh Arts Entertainment	NPO	Traditional Music Promotion	Yes	200	200	None
8. Provincial Language Committee	NPO	To carry out language projects	Yes	150	150	None

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
9. MP Writers Association	NPO	To develop literature in the province	Yes	150	150	None
10. Iziko LeSihlathululi Mezwi SesiNdebele Dictionary Unit	NPO	To develop and conserve IsiNdebele language through compilation of dictionaries	Yes	150	0	Delayed in printing publication
11. Silulu SeSiswati Dictionary Unit	NPO	To develop and conserve Siswati language through compilation of dictionaries	Yes	150	150	None
12. Friends of the museum - Barberton Museum	NPO	Provision of stipends to volunteers and support to the Museum	Yes	250	240	The balance will be paid to auditors
13. Friends of the museum - Pilgrims Rest Museum	NPO	Provision of stipends to volunteers and support to the Museum	Yes	300	305	Overspending paid through fundraising project
14. South African Gold Panning Association (SAGPA)	NPO	Support to SAGPA is provided to support SA team participating in International Championships and host National Gold Panning Championships	Yes	1 300	1 300	None

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
15. Library for the Blind South Africa	NPO	Provision of library service for the blind	Yes	1 573	338	The transfer process took time to conclude this resulted in the transfer happening in January 2018
16. MP Cycling Union	NPO	Administration and Programmes for Sport Development	Yes	1 000	1 000	None
17. MP School Sport Organisation	NPO	Administration and Programmes for Sport Development	Yes	300	300	None
18. Loskop Marathon	NPO	Operational cost for the Marathon	Yes	700	700	None

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None				

5.3. Conditional grants and earmarked funds paid

- None

5.4. Conditional grants and earmarked funds received

- The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2017 to 31 March 2018.

Conditional Grant Community Library:

Department who transferred the grant	Department of Culture, Sport and Recreation
Purpose of the grant	To have transformed community library infrastructure, facilities and services in Mpumalanga through a recapitalised programme at National, Provincial and Local government level
Expected outputs of the grant	<ul style="list-style-type: none"> - 25 000 Library material purchased - 115 libraries supported - 3 New libraries built - 7 municipal libraries maintained - Provide 4 training programmes - 17 Municipal libraries marketing initiatives supported

Actual outputs achieved	<ul style="list-style-type: none"> - 25 892 Library material purchased - 115 libraries supported - 3 new libraries built - 7 municipal libraries maintained - Provided 4 training programmes - 17 Municipal libraries marketing initiatives supported
Amount per amended DORA	R169 993
Amount received (R'000)	R169 993
Reasons if amount as per DORA was not received	None
Amount spent by the entity (R'000)	R169 993
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	<ul style="list-style-type: none"> - Implementing projects according to the approved business plan submit monthly, quarterly and annual reports - Conduct site visits where all library projects are implanted and make follow ups with the implementing agent where there are challenges

- **Conditional Grant EPWP Integrated:**

Department who transferred the grant	National Department of Public Works Road and Transport
Purpose of the grant	To create job opportunities
Expected outputs of the grant	81 job opportunities created through the Cultural sector
Actual outputs achieved	81 job opportunities created through the Cultural sector
Amount per amended DORA (R'000)	R2 000
Amount received (R'000)	R2 000
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R1 866
Reasons for the funds unspent by the entity	Funds unspent due late appointment for some of coordinators
Reasons for deviations on performance	None
Measures taken to improve performance	The process of recruiting to be started before financial begins
Monitoring mechanism by the receiving Department	<ul style="list-style-type: none"> - Implementing projects according to the approved business plan - Submit monthly, quarterly and annual reports

- **Conditional Grant EPWP Social Sector:**

Department who transferred the grant	National Department of Public works
Purpose of the grant	To support sustainable businesses
Expected outputs of the grant	122 job opportunities created through the EPWP Social Sector
Actual outputs achieved	133 job opportunities created through the EPWP Social Sector
Amount per amended DORA (R'000)	R 3 083

Amount received (R'000)	R3 083
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R3 083
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	The target was adjusted to accommodate the grant allocation
Monitoring mechanism by the receiving Department	<ul style="list-style-type: none"> - Implementing projects according to the approved business plan - Submit monthly, quarterly and annual reports

- Conditional Grant Mass Participation:

Department who transferred the grant	Department of Sports and Recreation
Purpose of the grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders
Expected outputs of the grant	<ul style="list-style-type: none"> - 118 000 athletes participated, 17 hubs received equipment and attire, 250 youth participated in youth camp and 120 athletes were trained as part of Community Sport and Recreation. - 11 100 learners participated, 120 schools received equipment & attire and 240 educators trained as part of School Sport sub programme. - 60 clubs received equipment and attire, 8 leagues and tournaments staged, 150 athletes trained and support of 3 regional academies as part of Club Development sub programme.

Actual outputs achieved	<ul style="list-style-type: none"> - 133 367 athletes participated, 17 hubs received equipment and attire, 250 youth participated in youth camp and training of 121 athletes as part of Community Sport and Recreation. - 11 248 learners participated, 120 schools received equipment and attire and 254 people trained to deliver School Sport. - 60 clubs received equipment and attire, 8 leagues and tournaments staged, 151 athletes trained and support of 3 regional academies as part of Club Development sub programme.
Amount per amended DORA (R'000)	R46 352
Amount received (R'000)	R46 352
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R45 448
Reasons for the funds unspent by the entity (R'000)	The last tranche of the conditional grant was transferred towards the end of the financial year. It affected payment of some invoices.
Reasons for deviations on performance	Target for athletes exceeded due to partnership with other Departments and Municipalities on sport related events. More learners qualified in the tournaments at a District level leading to more learners qualifying at a Provincial level and National level.
Measures taken to improve performance	The target will be reviewed in the next financial year due to increase demand of the service
Monitoring mechanism by the receiving Department	<ul style="list-style-type: none"> - Implementing projects according to the approved business plan - Submit monthly, quarterly and annual reports

6. DONOR FUNDS

6.1. Donor Funds Received

None

7. CAPITAL INVESTMENT

7.1. Capital investment, maintenance and asset management plan

- The progress on new and upgraded library infrastructure projects can be summed up to 100% completion, 4 new libraries (Boekenhouthoek/ Zithabiseni, Verena and Balfour) were completed. The upgrades Mashishing Regional Library and Standerton Regional Library are still work in progress.
- The multi-year High Altitude Training Centre and Cultural Hub that are on plenary to get PPP compliance document from National Treasury are still work in progress.
- The projects in progress including new ones and their projected completion date are listed below,

Nr	Name of Project	Revised / Completion Date
1	MP Stream	30 Sep 2018
2	Masobye public library	30 Sep 2018
3	Thubelihle public library	30 Sep 2018
4	Kanyamazane public library	30 Sep 2018
5	Mashishing Regional Library upgrade	30 Sep 2018
6	Standerton Regional Library upgrade	30 Sep 2018
7	Thembisile Hani Library upgrade	30 Sep 2018

- The Department is not planning to downscale any projects during the year.
- The progress on maintenance of existing public libraries was at 100% completed with 7 public libraries maintained. Khululwazi - Chief Albert Luthuli LM, Wesselton Msukaligwa LM, Ekulindeni -Chief Albert Luthuli LM, Siyabuswa - Dr JS Moroka LM, Delmas, Victor KhanyeLM, Botleng Victor Khanye LM and Vukuzakhe - Dr Pixley ka Isaka Seme LM). Thembisile Hani public library scope of work has been changed to an upgrade and substituted by Vukuzakhe
- Developments relating to the above that are expected to impact on the Department's current expenditure. A rollover has been requested for the infrastructure projects that were not concluded.

- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

Donations (Transfers)

Asset category	Value
Machinery and Equipment's	R2 886

Scrap: Motor Transport

Asset category	Value
Motor transport	R421

Losses due to theft

Asset category	Value
Motor transport	R3 716
Machinery and equipment's	R8 121
Total	R11 837

- All capital projects are fully accounted for in the records of the Department and timely update for work in progress is provided.
- Quarterly reconciliations are carried to safeguard assets of the Department.
- All capital assets in custody of the Department are in good condition and accounted for in the asset register.
- Plans for maintenance have been finalized and awaiting appointment of contractors by (Department of Public Works, Roads and Transport).
- Special Committee has been formed with implementing agent to oversee progress of the infrastructure projects to ensure timely completion of the projects.

Infrastructure projects	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	56 492	39 267	17 225	95 584	83 465	12 119
Existing infrastructure assets	27 070	23 549	3 521	-	-	-
- Upgrades and additions	15 883	11 231	4 652	6 000	1 896	4 104
- Rehabilitation, renovations and refurbishments				-	-	-
- Maintenance and repairs	11 187	12 318	1 131	-	-	-
Infrastructure transfer				-	-	-
- Current	13 687	14 715	(1 028)	-	-	-
- Capital	72 375	50 498	21 877	-	-	-
Total	86 062	65 213	20 849	101 584	85 361	16 223

PART C:

GOVERNANCE



1. INTRODUCTION

Governance embodies processes and systems by which Departments are directed, controlled and held to account. The Department's enabling legislation is applied through the prescripts of the Public Finance Management Act (PFMA), Treasury Regulations Act, Public Sector Risk Management Framework, and Code of Conduct for the Public Service and run in tandem with the principles contained in the King III Report on Corporate Governance.

2. RISK MANAGEMENT

For the year under review, the Department reviewed and approved an Enterprise Risk Management Framework, Risk Management Policy, Risk Management Committee Charter, Strategy and Implementation Plan which guide the process of managing risks. The approved policy documents were presented to the Audit Committee. The Committee monitored progress on the risk management activities and made recommendation to the Accounting Officer.

Risk assessment workshops were conducted where management identified, assessed and rated the Strategic, Operational, Information Technology and Fraud risks of the Department. Risk registers were compiled and approved by the Accounting Officer, with the recommendation of the Risk Management Committee.

Three (3) Risk Management Committee meetings were convened during the 2017/18 financial year. The Committee reviewed the effectiveness of the Department's risk management systems, practices and procedures, and providing recommendations for improvement thereof.

As part of creating awareness on importance of risk management, the risk management framework, policies and strategy were communicated via email to all officials in the Department

3. FRAUD AND CORRUPTION

The Department's Fraud Prevention Plan was implemented. The following aspects covered: Training and Awareness, Staff Vetting, Fraud Disclosure and Reporting of Fraud. The purpose of the plan is to list and discuss several fraud prevention initiatives which the Department would initiate to actively prevent fraud, create a fraud free environment and to empower its employees to assist in the active fight against fraud and corruption.

In terms of reporting of Fraud, the Department utilises the National Anti-corruption Hotline. All stakeholders and beneficiaries of the Department use the National hotline to report.

The following cases were dealt with for the financial year under review:

CLAIMANT	CASE SUMMARY	CASE STATUS/PROGRESS	PROSPECT	AMOUNT CLAIMED
HJ Samuels	<p>Big Swing: Case no. 23237/12</p> <p>The plaintiff sustained serious injuries in which his wife died while participating in the Big Swing for leisure and is now instituting actions against any of the 9th defendants, for a breach of which would be lawful to ensure that the business and or operation of the Big Swing was safe for persons using it.</p>	<p>An application was filed to the plaintiff attorneys to amend the particulars of claim on 24 April 2014. However the particulars of claim lack averments to sustain an action plaintiff to prosecute the claim. The legal section requested the Council to make an application for Rule 24 (Application to strike the matter off the court roll because the applicant is failing to amend the particulars of claim). No progress.</p> <p>The case is still pending and the first respondent in this case is Sport and Recreation South Africa. The plaintiff is still to amend particulars of claim outlining each of the 12 respondents responsibilities</p>	Arguable	R580 000.00 at an interest rate of 9% per annum in terms of Prescribed Rate of interest Act, 55 of 1957, calculated from the date of demand, till date of payments order is made.
NDH & ASV Travel Agency	<p>The Dept. had a three-year contract with the NDH & ASV Travel Agency to provide traveling and accommodation services. The contract was signed on or about 24 January 2008 according to the appointment letter dated 23 January 2008. The plaintiff is suing the Department for an amount of R769 773.06 for service rendered and not paid. According to our records the invoices submitted by the service provider were not paid.</p>	<p>The Dept. is currently negotiating out of court settlement with the service provider attorneys. Settlement and also assessing which invoices were paid and which are not paid. (Meeting was held between the legal services and Attorneys on 4 May 2016).</p> <p>Finalized through out of court settlement</p>	Finalized	R769 773.06 at an interest rate of 9% per annum in terms of Prescribed Rate of interest Act, 55 of 1957, calculated from the date of demand, till date of payments order is made
CFO Position Case No: J1406/17	The application is suing the Department for not appointing him as a CFO in 2009.	The applicant has conceded on his obligation to comply with the provisions of Rule 7A(6) and paragraphs 11.2.2 and 11.2.3 of the Practice Manual in his answering affidavit to the Department's application for an order that the review application is deemed withdrawn.	Finalized	

4. MINIMISING CONFLICT OF INTEREST

In terms of the Financial Disclosure Framework set forth by the Department of Public Service and Administration (DPSA) all Senior Management Service (SMS) members must disclose their financial interests by the 30th of April every year. During the year under review 90% of SMS members complied and the information was submitted to the Public Service Commission.

With regards to Supply Chain Management processes and recruitment of Human Resources, committee members are required to complete declaration of interest forms.

5. CODE OF CONDUCT

The Code of Conduct aims at promoting ethical behaviour between the employees and the employer, amongst employees themselves and the Public Service at large. It captures a vision of excellence, of what individuals and societies should be striving for and what they can achieve. Code of Ethics is a fundamental document that can provide the framework that public servants, politicians and civil service use to carry out their lawful public responsibility.

In nature the Code assists the employer and the employees in eradicating corruption, theft, bribery, nepotism and maladministration and promotes mutual respect and gives employees a sense of belonging in an organization.

The Department adheres to the Code of Conduct; awareness is conducted on a quarterly basis to all employees, permanent, contractual as well as learners and internship learners. When there is a breach of the Code of Conduct by employees. The employer follows the Disciplinary code and Procedures in the public service (Resolution 1 of 2003)

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The safety and health of staff and visitors are paramount importance to the Department. The Department acknowledges the role it has to play therefore has established an Occupational Health and Safety Committee. The audit was conducted and revealed weaknesses in Health, Safety and Environmental Issues. An implementation plan to address these weaknesses has been developed.

7. PORTFOLIO COMMITTEES

The Portfolio Committee continuously provide oversight responsibility to the Department performance on service delivery. The following meeting (s) were held in the year under review:

7.1. Tabling of Annual Report 2016/17

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
PART B: BUDGET AND EXPENDITURE ANALYSIS	
The Department's final appropriation	
<p>(a) Can the Accounting Officer provide a detailed explanation in relation to the underspending <u>per programme</u> and indicate the intervention measures that were put in place to address the reasons for under-spending.</p>	<p>The detailed explanation in relation to the under /Over spending per programme is as follows:</p> <p>Programme 1: Administration, (R785 000)</p> <p>The overspending on this item is mainly caused by the challenges on the budget allocated for the operating lease, travelling, property payment (water and lights, municipal services etc.) The Department has addressed this challenge by ensuring the correct budget is allocated for the said financial year.</p> <p>Programme 2: Cultural Affairs, R 8 752 000</p> <ul style="list-style-type: none"> • The delay in the finalisation of the planning process for the Cultural Hub as a PPP capital projects had an

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
	<p>impact in the spending of the said program taking the number of the continuous consultation with the National Treasury. The Department would like to report that the projects is currently at an advance stage as submission were made to the Budget Office at National Treasury for consideration by the PPP unit in order to finally invite the Request for Qualification (RFQ).</p> <p>Programme 3: Library and Archives, R21 398 000</p> <ul style="list-style-type: none"> • The sum of R21, 398 000 was not spent and it is committed to infrastructure projects in progress and other library materials procured but not delivered at year-end. • There were 3 new library facilities construction that were not completed. In addition some of the invoices could not be paid within 30 days period as most of the accruals are emanating from this program. • Processes and systems are in place to address the failure to make the necessary payments within the required timeframe and as such the Department would like to report that for the period ending September 2017, 93% of payment were made within the 30 days period. <p>Programme 4: Sport and Recreation – R 446 000</p> <p>The Department planned to coordinate participation in the national athletics championship that was held in Durban. The overall budget needed was in excess of R2million of which the Department had only R446 000 remaining due to escalation of cost in previous projects. The participation was withdrawn hence the underspending.</p>

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
(b) Can the Accounting Officer provide a detailed explanation in relation to the under-spending on conditional grants as disclosed in the financial statement?	<ul style="list-style-type: none"> • The delay in finalising the (Library infrastructure projects had an impact in the spending of the said program and the failure for the payment of services rendered within the 30 days period as most of the accruals are emanating from this program. • Processes and systems are in place to address the failure to make the necessary payments within the required timeframe and as such, the Department would like to report that for the period ending September 2017, 93% of payment were made within the 30 days period. • The project(s) has been reprioritized for completion in the first quarter of 2017/18 financial year and have as such been completed.
(c) Whether such under-spending had an impact on the overall performance of the Department and on service delivery?	The delayed completion of libraries and underspending hindered the community to access to 3 new library facilities that were due to them timeously.
(d) What measures or systems has the Accounting Officer put in place to prevent future recurrence?	<p>The Department will implement the multipronged strategy that include the following;</p> <ul style="list-style-type: none"> • In collaboration with the Implementation Agent the Department will utilize the Infrastructure Development Management System (IDMS) that

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	<p>will also assist to ensure that contractors are appointed on time.</p> <ul style="list-style-type: none"> • The Implementing Agent is developing social facilitation policy that will assist to calm down the social unrest whenever new projects are introduced in the communities. • The Department will improve the turnaround time of paying service providers within 30 days to avoid cash flow problems that is normally encountered by emerging contractors.
<p>(e) Section 43(3) of the PFMA requires that the Accounting Officer must submit a written report within 7 days containing details how savings will be utilised within the main division. Can the Accounting Officer provide proof that such report was compiled and submitted to the Executive Authority and the Provincial Treasury?</p>	<p>The Department has in line with sec. 43(3) of the PFMA submitted a written report to the Executive Authority and the Provincial Treasury containing details on how the savings will be utilised.</p>
<p>(f) Can the Accounting Officer provide a detailed explanation in relation to the underspending per economic classification and indicate the intervention measures that were put in place to address the reasons for under-spending.</p>	<p><u>Current Payments:</u></p> <ul style="list-style-type: none"> • Compensation of Employees -The under expenditure of Compensation of Employees is due to resignation and attrition. • Goods and Services underspending is not material. <p><u>Transfer Payments</u></p> <ul style="list-style-type: none"> • Province and Municipalities – 80.9% <p>The underspending on this item is informed by the</p>

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
	<p>number of GG vehicles registered for the period under review.</p> <ul style="list-style-type: none"> • Non-Profit Organisation – 98.3% The under expenditure under transfers is attributed to the non-compliance on the side of NPO due for funding. • Households - 85.1% The underspending on this items is informed by the number of claims received on injury on duty, leave gratuity etc. <p><u>Payments for Capital Assets</u></p> <p>Building and other fixed structures - 81.1%</p> <ul style="list-style-type: none"> • Library and Archives – The sum of R21 398 000 was not spent and it is committed to infrastructure projects in progress and other library materials procured but not delivered at year-end. • The delay in finalising the Library infrastructure projects had an impact in the spending of the said program and the failure for the payment of services rendered within the 30 days period as most of the accruals are emanating from this program. • Processes and systems are in place to address the failure to make the necessary payments within the required timeframe and as such, the Department would like to report that for the period ending September 2017, 93% of payment were made within the 30 days period. <p>Machinery and Equipment's- 60.1%</p>

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	<ul style="list-style-type: none"> The delay in finalising the appointment of contractors for the library furniture and the computers had an impact and the number of three libraries that were not yet finalised as at the end of the year, 2016. <p>In future the Department will explore parallel procurement of furniture when the library is at its final stage of construction completion.</p>
PART C: PROGRAMME PERFORMANCE	
Programme 1: Administration	
a) Despite under achievement on the programme, what led the Department to overspend on the division or programme?	The overspending on this item is mainly caused by the unforeseen escalation of costs for the operating lease, travelling, property payment (water and lights, municipal services etc.) The Department has addressed this challenge by ensuring the adequate budget that is linked to inflation is allocated for this financial year.
b) What appropriate steps were taken to prevent the overspending on programme 1 as per Section 39(2) (a) the PFMA?	The Department has put austerity measures to ensure that the Department does not exceed its allocated budget. Over and above these majors, savings were identified in other programmes to defray overspending in programme 1 in line with section 43(1) and 43(2) of the PFMA, 1 of 1999 (amended as act no 29, of 1999).
c) Why the Accounting Officer failed to exercise responsibilities on the budget as required by Section 39(1) (a) and (b) of the PFMA?	The total budget reduction of R30.1 million impacted negatively during the finalisation of the 2016/17 MTEF equitable allocation.

Finalisation of the 2016/17 MTEF equitable allocation	
24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
<p>a) Why did the Accounting Officer contravene the PFMA Section 38(1) (a) that the Accounting Officer must ensure</p> <p>(i) effective, efficient and transparent system of control financial and risk management and internal control;</p> <p>(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instruction prescribed in terms of section 76 and 77;</p> <p>(iii) An appropriate procurement and provisioning system, which is fair, equitable, transparent, competitive and cost-effective?</p>	<p><i>Minor assets</i></p> <p>Minor assets were previously audited without an opinion and as such opinion was issued for the first time in the audit of 2015/16.</p> <p>The main finding was that the minor asset register did not reconcile due to the usage of the Sita Library Information Management System (SLIMS).</p> <p>In trying to remedy the situation the Department migrated from SLIMS to manual system. However, the manual system became more difficult to reconcile, hence during the 2016/17 audit the Department received the qualification on minor assets and immovable tangible capital assets.</p> <p><i>Immovable capital assets</i></p> <p>The Department did not have adequate systems in place to maintain the records of immovable assets. As a result thereof, the Department did not have an updated asset register.</p> <p><i>Misstatements</i></p> <p>The inadequate capacity in the Office of the CFO due to the number of critical vacant posts including the posts of CFO. This attrition impacted negatively on the quality of work. The post of the CFO has since been filled and an attempt is made to get personnel for other vacant critical posts.</p>

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
Resignation and attribution of employees	
a) What impact did the resignation and attrition of permanent and contract employees within the Department have?	The is impact on the day to day management and administration of the Departmental programmes especial within the finance environment as they rely primarily on contract workers within the SCM and the Expenditure unit. Over and above this, the Office of the CFO could not be able to meet the Audit target(s) when engaging with the Office of the AG
ICT Corporate Governance and Framework	
a) Why did the Accounting Officer contravene Treasury Regulation 16A6.3 (e) where the Accounting Officer must ensure that contract relating to IT are prepared in accordance with State Information Technology Act 88 of 1998 ?	The Department acknowledges the finding raised in this regard and would like to report that it was an oversight not to have followed the basis requirement in ensuring that the purchases are in line with the rules and regulations.
Corporate Governance and Management	
a) Can the Accounting Officer explain how the Department was running without good corporate practices on HRM and SCM?	In view of the Executive Council resolution on moratorium, regarding the filling of vacant posts. The Department reconfigured its organisational design to cover for the vacant critical post. This resulted in overburden in some of the senior management where they performed more duties as identified by the AG but also create the gaps on corporate governance.
b) How the lack of good corporate practices on HRM and SCM had impacted on service delivery?	The Department still had challenges to pay service providers within 30 days and that impacted negatively in delivering goods and services timeously

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
c) Which actions were taken by the Accounting Officer in the current financial year 2017/18 to ensure the implementation of good corporate practices on HRM and SCM?	<p>The following actions were implemented;</p> <ul style="list-style-type: none"> ✓ The appointment of the CFO through horizontal transfer ✓ The transfer of the Manager to the posts of SCM ✓ The appointment of the Departmental SCM Committee members ✓ The appointment of the Department Budget Committees ✓ The development of SCM threshold The development of the SCM delegation ✓ The appointment of the ICT Steering Committee ✓ The advertisement of Library conditional grant posts
100% payment of invoices within 30 days	
a) What are the challenges that prohibit the Department from achieving the 100% payment of invoices within 30 days from date of receipt?	<p>The main contributing factors included were as follows;</p> <ul style="list-style-type: none"> • Shortage of staff in the office of the CFO to review and monitor compliance with applicable laws and regulations with regards to payments. • The late transfer of the grant by the Sport and Recreation SA.
Resolving all disciplinary cases within 90 days	
a) Can the Accounting Officer detail the nature of the disciplinary cases and their implications to the operations of the Department?	The disciplinary cases in question are handled by the Office of the Premier (Integrity Unit)
b) What are the varying reasons that impeded the closure of the cases?	Refer to the response (a) as stated above.
c) What are the financial implications incurred by the Department due to the prolonging of the case?	Refer to the response (a) as stated above.

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
PROGRAMME 2 : CULTURAL AFFAIRS	
Outcome 14: Nation Building and Social Cohesion.	
a) Why is the Accounting Officer failing to provide leadership on the finalisation of the Provincial Social Cohesion Strategy?	The finalization of the Provincial Social Cohesion Strategy has been hindered due to processes controlled by the National Department of Arts and Culture. The consultation with all provinces has been finalized in the current financial year
b) What effective steps were taken by the Accounting Officer to expedite the finalisation of the Provincial Social Cohesion Strategy?	The Department has organised a workshop with National Arts and Culture in partnership with the University of Mpumalanga and OTP. The workshop is scheduled for 01 November 2017 to look at the draft strategy. The refined strategy will be presented to the relevant Executive Council Committees.
Non-finalisation of the PPP procurement plan and value for money report	
a) Although the Department failed to perform on this target, expenditure is accumulated on a monthly basis due to the appointment of the Transactional Advisor and the additional staff. Can the Accounting Officer provide an explanation and updated progress report in this regard?	<p>The PPP processes of the Cultural Hub and High Altitude Training Center were submitted to the technical committee of National Treasury (G-Tac) that deals with PPP arrangement to check compliance with relevant prescripts. The committee suggested remedial work on stage 1; bankable feasibility study that has since been attended.</p> <p>Thereafter, the committee after it has satisfied itself with remedial work, then recommended them for (RFQ) Request for Qualification that will test the market appetite. The projects are at the level of getting approval from the Budget Committee in order to advance to the next stage; RFQ & Procurement.</p> <p>The Department and Provincial Treasury has since written to National Treasury to expedite these two projects.</p>

24 October 2017 - Tabling of Annual Report 2016/17																	
Resolution	Progress																
Programme 3: Library and Archive Services																	
Incomplete Infrastrucure Projects																	
a) Why does the fourth quarter of 2016/17 financial year indicate 100% practical complete of Verena library, while the AR 2016/17 shows 90% complete?	The 10 % difference represent snag list, these are issues that needed the contractor to finish up after an inspection was carried out by the client Department and the Implementing Agent.																
b) What was the initial completion time/date for the all library infrastructure under construction in 2016/17 financial year?	<p>The following is the list of library and projected completion date.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">1. Zithabiseni/Boekenhouhoek</td> <td style="text-align: right;">31 December 2016</td> </tr> <tr> <td>2. Balfour</td> <td style="text-align: right;">31 December 2016</td> </tr> <tr> <td>3. Verena</td> <td style="text-align: right;">31 December 2016</td> </tr> <tr> <td>4. Mgobodzi</td> <td style="text-align: right;">30 June 2016</td> </tr> <tr> <td>5. Acornhoek</td> <td style="text-align: right;">30 June 2016</td> </tr> <tr> <td>6. Thusiville</td> <td style="text-align: right;">30 June 2016</td> </tr> <tr> <td>7. Mashishing (upgrade)</td> <td style="text-align: right;">30 September 2016</td> </tr> <tr> <td>8. Sabie (upgrade)</td> <td style="text-align: right;">30 September 2016</td> </tr> </table>	1. Zithabiseni/Boekenhouhoek	31 December 2016	2. Balfour	31 December 2016	3. Verena	31 December 2016	4. Mgobodzi	30 June 2016	5. Acornhoek	30 June 2016	6. Thusiville	30 June 2016	7. Mashishing (upgrade)	30 September 2016	8. Sabie (upgrade)	30 September 2016
1. Zithabiseni/Boekenhouhoek	31 December 2016																
2. Balfour	31 December 2016																
3. Verena	31 December 2016																
4. Mgobodzi	30 June 2016																
5. Acornhoek	30 June 2016																
6. Thusiville	30 June 2016																
7. Mashishing (upgrade)	30 September 2016																
8. Sabie (upgrade)	30 September 2016																
c) What are the bottlenecks that are hindering the completion of libraries within the stipulated time frame?	<p>The bottlenecks in the main relate to the following;</p> <ul style="list-style-type: none"> ✓ Delayed appointment and contractor's not assuming construction on time. ✓ Community unrest. ✓ Delayed procurement of material especially for Acornhoek Library. ✓ In some instances claims for job completed not received on time to facilitate payments. 																

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
d) What measures implemented to speed up construction of library infrastructure?	Regular engagements with the Implementing Agent and close monitoring assist in speeding up construction of library infrastructure.
e) How much was rolled over to complete the library infrastructure?	A total amount of R14 920 million has been rolled over to complete the library infrastructure.
f) Can the Accounting Officer provide proof that all the procedures for the rollovers were duly followed and approval was granted?	All procedures were followed and still waiting for approval from Provincial Treasury. Letter of request for approval is attached as annexure A.
New Library Management system	
a) Why did the Accounting Officer fail to address the recurring Auditors finding on minor assets?	<p>Minor assets were previously audited without an opinion and as such opinion was issued for the first time in the audit of 2015/16.</p> <p>The main finding was that the minor asset register did not reconcile due to the usage of the Sita Library Information Management System (SLIMS). In trying to remedy the situation the Department migrated from SLIMS to manual system. However, the manual system became more difficult to reconcile, hence during the 2016/17 audit the Department received the qualification on minor assets and immovable tangible capital assets</p>
b) What is the progress made by the Department in the implementation of the new library catalogue system?	The Department plan to installed new library system in the 6 regional libraries. Currently, the system has been implemented in 3 regional libraries namely; Middelburg, Mbombela and Archive building. The 3 outstanding libraries (Ermelo, Kwamhlanga and Standerton) will be considered when funds are available.

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
c) What are the challenges encountered by the Accounting Officer to produce proper records to the Auditor-General that are reconcilable with the accounting system and the minor assets?	The magnitude of the challenge was under estimated as it required appropriate intervention in verifying and establishing the correctness of lists including the value of each item per library.
Qualified audit opinion on immovable and tangible capital assets	
a) Why did the Accounting Officer fail to develop systems to maintain proper accurate records of financial information used to determine work in progress for immovable tangible capital assets?	There was inadequate capacity in the SCM unit. Hence, a manager has been horizontally transferred in order to strengthen the internal controls and systems.
b) What system does the Accounting Officer envisage to implement for proper evaluating of all major capital projects prior to final decision?	The Department have internal dedicated infrastructure personnel who monitor and conduct verification of the work completed before the payment can be processed.
c) Why did the Accounting Officer not maintain assets register for immovable capital assets of libraries that are completed but not transferred?	The Department did not have adequate capacity in the SCM due to the moratorium on the filling of vacant posts.
d) What current effective corrective measures are being implemented to avert the audit finding from recurring during financial year 2017/18?	The Department has a dedicated SCM manager who is also assigned with the responsibility of developing asset register of immovable assets. This register is being updated on the quarterly basis.

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
------------	----------

Programme 4: Sports and Recreation

School Sports

<p>a) What activities led the Department to overspend on sub-programme Management and School Sport?</p>	<p>The overspending on school sport was prompted by the decision from Sport and Recreation South to disaggregate the participation of learners in national championships into seasons namely; autumn, winter and summer games.</p> <p>The biggest cost drivers in these activities is transport and accommodation and such decision overstretched the school sport budget. For an example instead of delivering one team to one national tournament, the Department had to deliver three separate teams to three different national tournaments.</p> <p>The overspending on sub programme management relate to travelling cost that was not adequately budgeted for two senior managers in the programme.</p>
---------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Production of PPP procurement plan and value for money report

<p>a) Can the Accounting Officer quantify and cost the milestone achieved on the implementation of the Cultural Hub and the High Altitude Training Centre since the appointment of the Transactional Advisor?</p>	<p>The following milestones has been achieved;</p> <ul style="list-style-type: none"> • Registration of the two projects with National Treasury • Extensive stakeholder mobilization in the country and SADC (Institutions and NGOs) • Compiled the stage 1: Bankable feasibility study documentation and submitted to National Treasury which made inputs that needed remedial work • Reviewed the Bankable Feasibility to incorporate inputs and resubmitted inputs back to National Treasury • The remedial work has been accepted by the
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	<p>National Treasury Technical Committee of (G-tac) and awaiting final approval of stage; 1 bankable feasibility study from the budget committee of National Treasury.</p> <ul style="list-style-type: none"> • The Request for Qualification (RFQ) to test the market appetite has been compiled. <p>Approval of stage one; Feasibility Study and Request for Qualification (RFQ) will open the doors for the project to move to stage two; procurement that will lead to Request for Proposals (RFP) in order to secure potential investors</p>
PART D: GOVERNANCE	
Internal Audit Committee	
<p>a) Can the Accounting Officer explain the effective communication and coordination system of activities between the Audit Committee and the Internal Audit to ensure that the all significant actual or potential financial and nonfinancial risks are addressed?</p>	<p>Effective communication and coordination system of activities between the Audit Committee and Internal Audit</p> <p>The Department considers the activities / operations of the Audit Committee and the Internal Audit activity to be critical components for the good practice of corporate governance within the Department. Further, the Internal Audit is seen as one of the important resource and source of information for the Audit Committee such that it is not possible for the Audit Committee to be able to perform / execute its numerous roles and responsibilities, without the appropriate interaction and communication with the Internal Audit.</p> <p>In order to promote effective communication and coordination of activities to ensure that all the significant actual or potential financial and non-financial risks are addressed, the Audit Committee has the following</p>

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
	<p>responsibilities, amongst others, in relation to the Internal Audit function:</p> <ul style="list-style-type: none"> ➤ Reviews and approves the Internal Audit Charter ➤ Reviews the Internal Audit Strategic and Operational plans and ensures the plans are based on the Department's risk assessment and that all significant actual or potential financial and non-financial risk are addressed in the plans prior to approving such plans ➤ Have final authority to review and approve the annual audit plan and all major changes to the plan ➤ Ensures there are no unjustified restrictions or limitations, and provide advice to the Accounting Officer on the appointment, replacement, or dismissal of the Chief Audit Executive ➤ Oversees the co-ordination of audit programs conducted by internal and external audit to minimize duplication of efforts ➤ Reviews all high risk audit reports and provide advice to the Accounting Officer on significant issues identified in audit reports and action taken to issues raised. The highest risk for the Department remained the accounting for inventory in terms completeness and accuracy of the purchases and recording of library books. The AC requested internal audit to intervene by performing continuous audits to enable the Department to correct timeously as challenges were being identified. However, the challenges relating human resource capacity constraints and the discontinuation of the use of the

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	<p>ICT system (SLIMS) compromised the progress on this project hence it resulting in yet another qualification.</p> <ul style="list-style-type: none"> ➤ Monitors Management's implementation of the Internal Audit function recommendations ➤ On a regular basis, meet separately with the Chief Audit Executive to discuss any matters that the Committee or Internal Audit believes should be discussed privately ➤ Reviews the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' (IIA) <i>International Professional Practices Framework for Internal Auditing consisting of the Definition of Internal Auditing, Code of Ethics and the Standards</i>; ➤ Monitor's the performance of the internal audit activity as well as evaluates the work arrangements and resources allocated to Internal Audit to ensure that there are no unjustified restrictions or limitations placed on Internal Audit
<p>b) What mechanisms exist in the Department for resolving differences of opinion between the Audit Committee and Internal Audit regarding the audit findings from the AG?</p>	<p><i>Mechanism to resolve differences of opinion:</i></p> <p>The Audit Committee has a responsibility to resolve any disagreements between management and auditors which include both internal audit and AG. The Accounting Officer is not aware of any differences of opinion between the Audit Committee and the Internal Audit regarding the findings from the Auditor-General of South Africa.</p> <p>However, as mentioned above, on a regular basis, the Audit Committee meets separately with each of the following; the Chief Audit Executive, the Auditor-General</p>

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	and Management of the Department, to ensure that there are no unresolved issues of concern with a view to afford the Committee a chance to resolve such differences of opinion as it regards findings from either Internal Audit or from the Auditor-General
c) Does the Department have sense of urgency in addressing issues raised by the AG?	<p><i>Addressing issues raised by the Auditor-General</i></p> <p>The Department does have a sense of urgency in addressing the issues raised by Auditor-General. However, the Department has been faced with some challenges which have impacted negatively on the speedily resolution of the issues. Such challenges include amongst others, the capacity constraints in relation to vacancies that existed at Senior Management level, including the post of the Chief Financial Officer, as well as at Middle Management level.</p> <p>The available and limited human resources were, at times, over-stretched as the Department did not have adequate senior officials to direct and monitor the progress of implementation of the audit action plan to ensure that issues raised by the AG are resolve satisfactorily. Reliance was placed on lower level officials who had to assume the big task without proper guidance and supervision at times.</p>
Governance of Risk	
a) What are the biggest risk exposures to the Department and how it managed?	<p>The dominant risk in the Department includes;</p> <ul style="list-style-type: none"> • Inadequate Human Resources Management due to high staff turnover • Inadequate implementation of ICT governance

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
b) How often the Department considered the same risk related issue in the various management and governance meetings?	The Department have quarterly meetings where risk are reviewed and mitigated.
c) Does the Department specifically consider compliance risk and, if so, how it is effectively covered?	Yes, the Department have a Risk Committee and the external chairperson.
d) Are risks prioritised and ranked to focus the responses and interventions on those risks?	Inadequate Human Resources Management due to high staff turnover – The remedy is negatively affected by the existing moratorium Inadequate implementation of ICT governance – Establishment and operationalize of ICT governance committees including continued support to IT function by the Executive management of the department.
e) Do the Department have an approved annual risk management plan?	Yes, the Department have the approved risk management plan
f) How the Accounting Officer assures that non-financial risks are addressed within the Department?	The Department utilize the Risk Management Committee that sit on the quarterly basis
g) Does the Department have a fraud risk plan to consider fraud exposure and prevention?	Yes the fraud risk plan is available.
IT Governance	
a) Does the Department have an IT governance framework in place which defines and supports decision models, governance structures, accountability and governance processes?	Yes, the Department has the Corporate Governance of Information and Communication Framework (CGICT) as adopted by the Executive Council in 2013.

24 October 2017- Tabling of Annual Report 2016/17	
Resolution	Progress
b) Can the Accounting Officer explain how the Department ensures the compliance of IT with laws, rules, codes, standards and regulations?	The Department has appointed the ICT steering committee to ensure implementation of the Corporate Governance of Information and Communication Framework.
c) What assurance the Committee is getting from the Accounting Officer that IT objectives and the containment of IT risks are adequately addressed?	The ICT steering committee meets on quarterly basis for the implementation and realization of the ICT objectives.
Compliance with laws, regulations, codes and standards	
a) What are the key statutory and regulatory obligations to which the Department has challenges on complying with?	<p>The Department has a challenge in complying with the statutory and regulatory obligations of the Mpumalanga Provincial Language Act of 2014 in the following areas:</p> <ul style="list-style-type: none"> • to designate the official languages of the Province; (IsiNdebele, Siswati, English and Afrikaans) • to provide for the regulation and monitoring of the use of designated official languages by all Provincial organs of state; • to elevate the status and advance the use of indigenous languages spoken in the Province; • to assist in the development, implementation and monitoring of the language policy; • to provide for the establishment of the Mpumalanga Provincial Language Forum;

24 October 2017 - Tabling of Annual Report 2016/17

Resolution	Progress
	<ul style="list-style-type: none"> • to provide for the development of internal language policies by Provincial organs of state; • to provide for the establishment of a Provincial Language units within the organs of state, and • to empower the public to use language of their choice in order to access government services, knowledge and information. <p>The Department is able to implement the following statutory requirements of the Act;</p> <ul style="list-style-type: none"> • to provide for the recognition of the Mpumalanga Language Committee as established in terms of the Pan South African Language Board Act, 1995; (The Province does have an established and functional Mpumalanga Language Committee).
d) How often the Department consider compliance with laws, regulations, codes and standards at the Management Level?	The governance issues are standing items in management meetings.
e) Does the Accounting Officer have sufficient system and records/evidence to prove the Department has taken compliance with laws, regulations, codes and standards?	The Department do not have adequate systems, for an example the system that detect all civil servants when appointing service providers in order to prevent those trading with government while they did not disclose upfront.
f) Which measures have been put in place by the Department to address the lack of financial disclosure by employees and enhance compliance with laws, regulations, codes and standards?	The Department conduct awareness programme to all its employees to comply with laws and regulations.

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
g) How often does the Accounting Officer conduct awareness programmes to indicate the importance of compliance with laws, regulations, codes and standards and impact of non-compliance?	The Department conduct awareness campaigns 3 times in a year.
Internal financial control	
a) What effective, efficient and transparent system developed and implemented by the Accounting Officer for reporting risk of financial and internal controls?	The Department have fraud prevention and whistle blowing policies.
b) Have all probable risks to fair presentation in the financial statement and disclosures been identified and documented to prevent recurrence?	Yes the risk has been identified and known to the Department with remedial work in action. Although additional support staff in finance section is still needed in this regard.
c) Can the Accounting Officer explain, what are the controls in place that adequately designed to prevent and detect material misstatements in the financial statement and disclosures?	The Department will strengthen the Finance Committee that review the financial statement. Arrangements are in place to get additional support staff in the critical vacancies.
d) What effective and efficient system put in place to allow the Accounting Officer to maintain proper records of financial affairs of the Department?	The Department have record management systems to manage and administer the filing of financial documents.

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
e) Do the controls identified operate as they are supposed to and are they appropriately evidenced?	Yes the controls operate as expected.
f) Has internal audit tested the controls identified above and reported their results to the audit committee completely and accurately?	The Department did not include this on internal audit plan since it utilize a shared service from Office of the Premier that it does not have control over.
PART E: HUMAN RESOURCE OVERSIGHT	
Page 29 of the AR 2016/17	
a) Can the Accounting Officer explain what effective and efficient measures currently implemented to ensure the challenge of staff turnover does not affect service delivery?	The Department has allocated additional responsibility to certain officials and senior managers according to their strength, experience, skills and competencies to assists with service delivery. In addition, the Department has appointed interns to give them an opportunity for experiential learning and to further assist in implementing service delivery.
b) Despite the moratorium of the filling of vacant posts, what is the plan of the Department to address the 50% women representation at senior management of the Department?	Proposals were made to the rationalisation task team based in the Office of the Premier to consider the placement of women in senior management positions in the Department in order to address the 50% women representation.
c) What are the approaches developed and maintained to attract people with disabilities to the Department?	The Department continue to implement the following approaches; <ul style="list-style-type: none"> • Liaising with the Department of Social Development to engage all organization of persons with disabilities and encourage them to apply to vacant position in the Department. • The advertisement has a clause that encourage

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
	<p>persons with disability to apply. Currently, the Department has advertised internship and Library conditional grant posts which explicitly indicated that persons with disabilities are encouraged to apply. However, it becomes a challenge for the Department to identify persons with disabilities due to non-disclosure.</p>
<p>LEGAL ANALYSIS OF THE 2016/17 ANNUAL REPORT OF THE DEPARTMENT</p> <p>COMPLIANCE WITH KEY LEGISLATION</p>	
<p>Mpumalanga Provincial Languages Act No. 3 of 2014</p>	
<p>a) Can the Department provide a report on how does it promote multilingualism and develop previously marginalized languages in the province since the Mpumalanga Provincial Languages Act (the Act) is not operational?</p>	<p>To promote multilingualism the Department is undertaking the following Activities:</p> <ul style="list-style-type: none"> • Providing support to the following language structures: <ul style="list-style-type: none"> ✓ Mpumalanga Writers Association for the development of literature in the indigenous languages of the province; ✓ Silulu National Lexicography Unit for the development of Siswati dictionaries; ✓ IsiNdebele Dictionary Unit for the development of IsiNdebele dictionaries; ✓ Mpumalanga Provincial Language committee for carrying out language awareness projects and advising MEC on Language Matters in the Province. • Terminology development i.e. developing field specific terminology lists in the designated indigenous languages of the Province (isiNdebele and Siswati). • Literature Exhibitions to promote African Literature and • Translation of speeches by MEC during national events including budget and policy speech.

24 October 2017 - Tabling of Annual Report 2016/17	
Resolution	Progress
b) What is the latest update regarding the coming into operation of the Act?	The Department needs funding from the provincial treasury to be able to establish the Language Unit. The estimated cost for the establishment of the Language Unit is R8.5m. The economic decline in the country and the moratorium is impeding the implementation of the Language Act.
South African Library for the Blind Act No. 91 of 1998	
a) Can the Department provide a report on how many libraries in Mpumalanga have documents and books for the use of the blind and print-handicapped readers?	The Department render services to the blind through 14 public libraries across the province (Siyabuswa, Mhluzi, Emalahleni, Mashishing, Kamaqhekeza, Mkhondo, Volksrust, Mbombela, Msogwaba, Maphotla, Gerald Sekoto, Secunda, Ermelo and Mafemane) The Department have budget R1,5million to strengthen the provision of services to ensure that dedicated libraries have necessary equipment's and books.
b) Has the Department encouraged the blind and print-handicapped to use libraries?	The Department in partnership with South African Library for the blind initiated a programme of making communities aware of the service provided for the blind and in the process encouraged beneficiaries to make use of the service. The Department further initiated a capacity building programme to empower librarians responsible for marketing the service provided to the blind.
c) If so how often and can the Department provide a plan?	Each library has its own dedicated day to provide the service for the blind. In some cases transport is provided for the users.

24 October 2017 - Tabling of Annual Report 2016/17

Resolution

Progress

Skills Development Act 97 of 1998

a) Can the Department provide the list of training that was attended by its employees?

The Department implemented the following training interventions;

- Report writing
- Project Management Course
- Mentoring and Coaching
- Leadership Development Program
- Senior Management Program
- Policy Development Program
- Financial Management for non-financial managers
- Records Management

7.2. Tabling of Annual Performance Plan 2017/18

30 June 2017 - Tabling of Annual Performance Plan 2017/18	
Resolution	Progress
1) There must be compliance with the Treasury Regulations; all invoices for services rendered to the Department must be paid within 30 days of the receipt thereof. Provide progress by 30 June 2017 on the measures in place.	<p>The payment of service providers within 30 days were recorded at 93.4% by 31 March 2018.</p> <p>There was notable improvement in response to the interventions that were put in place in order to reach 100% target.</p> <p>The main challenge still remain with the delayed release of conditional grant funds from Sport and Recreation SA and engagements are continuing.</p>
2) In terms of the Department's legal cases: <ul style="list-style-type: none"> i. There must be compliance with the PFMA and Treasury Regulations in order to ensure proper litigation management; ii. The Accounting Officer must ensure collection of monies incurred in irregular expenditure from the responsible official(s) and disciplinary action must be taken for failure to comply with the relevant prescripts of the law; 	<p>Improvement has been recorded with (2) of the (3) cases finalized</p> <p>(2) closed</p> <ul style="list-style-type: none"> ▪ Kgokagano trading CC: Case No 27778/15 ▪ NDH & ASV Travel Agency <p>(1) in progress</p> <ul style="list-style-type: none"> ▪ Big Swing: Case no. 23237/12.
3) The Department must fast track the finalization and approval of the Provincial Social Cohesion Strategy and provide a progress report by 30 June 2017.	<p>This House Resolution was superseded by a later House Resolution that the Department should submit the Draft strategy to the Committee in order to make inputs (the Committee resolved this since the Department had not consulted the Committee initially in consolidating the strategy).</p>
4) The key milestones for the 2017 Mpumalanga Cultural Festival must be implemented as planned and the Provincial government's transformation agenda must be implemented at the 2017 Innibos Festival. Provide a progress report by 30 June 2017.	<p>Both Festivals Mpumalanga Cultural Xperience and Innibos Festival were implemented as planned in 2017/18 financial year. The transformation agenda is gradually being implemented and notable strides of success to realize social cohesion is unfolding.</p>

30 June 2017 - Tabling of Annual Performance Plan 2017/18	
Resolution	Progress
a) Submit a copy of the Mzansi Golden Economy strategy document to the Committee and an updated list of arts and culture institutions submitted by the Department for funding in 2017/18 financial year through Mzansi Golden Economy. The list must also indicate the status of the 18 institutions submitted for funding in 2016/17 financial year.	The copy of the strategy was submitted together with the list of two anchor projects to be funded (Mpumalanga Comes Alive and Innibos Festival). Other applicants submitted direct to National Department of Arts and Culture
b) Submit the concept document for the Mpumalanga Cultural Experience and a costed plan for the 2017/18 planned activities. Regarding the Innibos Festival, submit the costed plan for the support to be provided to the festival in 2017/18, indicating clearly the role of the Department (provincial government) and how all cultural backgrounds will showcased at Innibos. A detailed breakdown of the R14 500 000.00 allocation must be submitted to the Committee.	The resolution was implemented and both events were hosted by year end.
c) Submit an expenditure breakdown of the R17 577 000.00, which according to the 2017/18 APP was allocated for construction of the Cultural Hub., indicate the 2017/18 deliverables and budget allocation from the equitable share.	Expenditure breakdown of both projects was submitted with the three key deliverables: <ul style="list-style-type: none"> - Feasibility study for PPP compliance approved by National Treasury. - Produced Bid documents & draft PPP agreement approved by National Treasury - Produced PPP procurement plan and value for money report approved by National Treasury.
d) Regarding the Public Private Partnership (PPP) of the Cultural Hub and High Altitude Training Centre, submit a technical progress report on the feasibility study that is underway, clearly indicating the scope of work. The report must include progress with regard to the 2017/18 FY plans for the PPP, which includes production of the blueprint for PPP compliance.	Technical report was submitted to the Committee

30 June 2017 - Tabling of Annual Performance Plan 2017/18

Resolution	Progress
<p>e) Regarding the implementation of the Social Cohesion Strategy, the Department must provide a progress report (including an expenditure report) on the planned outputs for social cohesion and nation building for the 2017/18 FY.</p>	<p>The Department has aligned all its activities of the Annual Performance Plan to address, outcome 14 social cohesion and nation building. The expenditure was provided in the first quarter report 2017/18.</p>
<p>f) Meet with the Department of Public Works, Roads and Transport (DPWRT) regarding management of heritage resources, artefacts and sites in the Province to ensure that all operational challenges are addressed and that these state assets are adequately protected. Provide a progress report on interventions put in place.</p>	<p>The management of heritage resources, artefacts and state assets are well managed as per the resolution.</p> <p>All artefacts are on display on a daily basis are in lockable display cases. Artefacts which are not on display on a daily basis are kept in lockable store rooms. The documents and photos which are of historical significance are stored in lockable offices at the museums. The precious metals and the Firearms at Barberton museum are in a walk in safe. The Department tour guides and museum care takers are present on site at our house Museums/ site museums during the day. During the night security guards are present on the premises.</p> <p>With regards to the Infrastructure at Pilgrims Rest, the DPWRT has done some restoration and maintenance work on the museum buildings over the last few years, however this year they have indicated that they have prioritized the homesteads so that the town starts to look more presentable.</p>
<p>g) Meet with the DPWRT, the Mpumalanga Resources and Heritage Authority (MRHA), Municipalities, the Mpumalanga House of Traditional Leaders (MHTL) and relevant stakeholders in order to develop a collaborative synergy that will enhance the quality of museums in the Province and the number of visitors to museums, thereby boosting the tourism sector of the Province and indicate</p>	<p>The Department work with key stakeholders regarding such as MTPA with regards the marketing of our Museums took place at International Tourism Indaba and also part of regional tourism initiative that includes KZN, MTPA, Swaziland and Mozambique as well as Tourism Inter-Governmental Forum led by DEDT. There are also dedicated website</p>

30 June 2017 - Tabling of Annual Performance Plan 2017/18	
Resolution	Progress
<p>achievements made. The report must include progress on the Department's conceptualizing of the new museum for the Province, which is to be constructed within the current term of administration (by 2019) and should have a strong cultural emphasis of the Province's historical origins</p>	<p>address to market these facilities.</p> <p>The concept of new provincial museum has been put on hold due to budgetary constraints.</p>
<p>h) Strengthen the monitoring of the implementing agent DPWRT and the contractors for the three (3) libraries to be constructed in 2017/18 FY (Boekenhouthoek, Balfour and Verena) so that the past mistakes experienced with other libraries are rooted out. Fast track the completion of the three (3) libraries that were rolled over from the previous financial year 2016/17 (Mgobodzi, Acornhoek and Thusiville) to be completed by the end of the 1st quarter of 2017/18 FY. Provide a progress report by 30 June 2016.</p>	<p>Monitoring of capital projects has been strengthened and the 3 new libraries were completed.</p>
<p>i) Ensure that the rollout ICT maintenance and services to 114 community libraries planned as per the 2017/18 APP. Provide a progress report on the challenges encountered and interventions put in place.</p>	<p>The ICT maintenance and service to 114 has been successfully rolled out. Only SLIMS has been discontinued and substituted with manual system in order to resolve challenges of accounting for minor assets</p>
<p>j) Submit a progress report on the operations of the Archive Building in terms of the planned targets for the 1st quarter (indicate the specific clients and services rendered) and also strengthen the marketing around the services provided by the Archive Building</p>	<p>The resolution was implemented</p>
<p>k) Must ensure that the function shift of School Sports sub-programme to the Department of Education is efficiently managed and that there is a signed Memorandum of Understanding (MOU) in place to implement the School Sports League. Provide a progress report in this regard and also how the league will be rolled out.</p>	<p>The School Sport League (Premier League) has been seamlessly been transferred to the Department of Education to implement it</p>

30 June 2017 - Tabling of Annual Performance Plan 2017/18	
Resolution	Progress
l) Re-prioritize its budget to cater for sport combo courts in the 2017/18 financial year, to be built in deep rural areas of the Province since these communities are in dire need of these facilities for the youth.	Budget cut by Provincial Treasury negatively affected implementation of the resolution
m) The MEC must continue raising the issue of the Municipal Infrastructure Grant (MIG) funding coming to the Province so that sports infrastructure can be delivered and the funding can be accounted for. The Department must also convene a meeting with the municipal sport councils and federations to come up with a plan to improve monitoring of sports facilities and running of sports programmes in 2017/18 FY.	<p>The MEC is continual raising the MIG at national level. There were series of meetings on MIG funding organised by Sport and Recreation SA. A presentation by SRSA on the roles and responsibilities of all the stakeholders involved in the MIG funding has since been adopted by all provinces.</p> <p>There is a list of all allocation for Provinces and municipalities on projects to be implement in 2017/18. The following is the list of project for Mpumalanga to be implemented by SRSA:</p> <ul style="list-style-type: none"> - Chief Albert Luthuli Local Municipality - Msukaligwa Local Municipality - Lekwa Local Municipality - Victor Khanye Local Municipality - Emalahleni Local Municipality <p>There are meetings that hold with Mpumalanga Sport Confederation to improve monitoring of sports facilities in the province especially the functioning of the sport councils in the various municipalities.</p>
n) Convene a stakeholder meeting with management and stakeholders of the provincial and district academy system, the body that supports sports legends of the Province and the sports programmes for people with disabilities and develop a plan to increase awareness and marketing of these important structures and programmes.	<p>The Academy of Sport has supported 120 athletes, 20 of which were on a full time athlete support programme.</p> <p>The nature of support includes, coaching fees, scientific support, periodic medical screening, injury rehabilitation, transport and accommodation to competitions and nutrition. Three of the athletes on the full time programme are disabled swimmers.</p>

30 June 2017 - Tabling of Annual Performance Plan 2017/18

Resolution	Progress
	<p>Together with Mpumalanga swimming, we have started engagements with Estralita, a school for people with disabilities based in Thaba Chweu to develop programme for swimmers with disabilities. The establishment of Ehlanzeni District Academy has also created an opportunity to resuscitate wheelchair basketball in the region since the Kanyamazane Sport Complex has appropriate facilities for the sporting code.</p> <p>Stakeholder engagements with Provincial, District and Local Federations have taken place continuously through standing meetings.</p>
<p>o) Investigate the matter of Masibambane Disabled Centre in Mbombela, which has allegedly submitted numerous requests to the Department for sporting equipment, facilities and attire but has not had any response from the Department. Provide a progress report in this regard as at 30 June 2016</p>	<p>Two meetings were held with Masibambane Disabled Centre to put plans for their future participation in sport. Games were also held at the centre on the 25th May 2016. Playing equipment, caps and t-shirts were provided to the centre.</p>

8. SCOPA RESOLUTIONS

The role of Standing Committee on Public Accounts is to exercise oversight over Provincial Government to ensure accountable utilization of resources and prudent financial management and to make recommendations to the Legislature. This role is complemented by the Auditor-General, whose mandate is to conduct audits of Provincial state Departments, and to submit reports to the Legislature, as per the requirements of the Public Audit Act, 2004 (Act No. 25 of 2004) and the Constitution of RSA.

The following are the resolutions that were made by SCOPA and the progress of implementation by the Department;

Resolution no.	Details	Response by the Department	Resolved (yes/no)
Subject: 3.1.Implementation of 2016/17 Audit Action Plan			
3.1.1	The Accounting Officer must submit to the Committee a progress report on the implementation of the 2016/17 Audit Action Plan.	The updated progress report was submitted	Yes
Subject: 3.2.Inadequate Systems to Maintain Records (Library Books)			
3.1.1	i)The Accounting Officer must ensure that adequate systems to maintain records of library books or minor assets are in place.	The Department used manual system to record all library materials. In relation to the SLAs signed with municipalities' library material were to be transferred after verification. The majority of municipalities have already acknowledged receipt of the assets.	Yes
	ii)The Accounting Officer must take disciplinary actions against officials who failed to ensure that there are adequate systems to maintain records of library or minor assets.	The matter is still under investigation by Office of the Premier and remedial actions will be done upon its conclusion.	In progress
	iii)The Accounting Officer must take disciplinary actions against officials who failed to ensure that all assets have proper description or are barcoded.	The challenge of barcoding library materials was associated to the unavailability of electronic library management system hence; no disciplinary actions were taken against any official.	Yes

Resolution no.	Details	Response by the Department	Resolved (yes/no)
Subject: 3.2.1 immovable and Tangible Capital Assets			
3.2.1.	i)The Accounting Officer must put measures in place to ensure that the financial statements are prepared in accordance with prescribed financial reporting framework and supported by proper records.	The Department had capacity constraints as a main challenge that has been resolved by securing permanent Chief Finance Officer. In addition Annual Financial Statement training was attended by the financial reporting officials to ensure that they are updated with the amended financial reporting framework Modified Cash Standard (MCS).	In progress
	ii)The Accounting Officer must take disciplinary actions against officials who contravened Section 42 (1) (a) (b) of the PFMA.	The non-compliance with Section 42 (1) (a) (b) of the PFMA was caused by the delays by local municipalities who still had to conduct due process of inspecting the library facilities before they could be transferred to them. Hence, disciplinary actions were not taken.	Yes
	iii)The Accounting Officer must submit a progress report on the inventory of library capital assets transferred to municipalities.	Municipalities are continuously engaged and progress was submitted	Yes
	iv)The Accounting Officer must submit a progress report on the rollout plan of the installation of new Library system.	The roll out of new Library management system is on hold pending investigation that is in progress.	In progress
3.3.1	The Accounting Officer must put measures in place to ensure that the financial statements are prepared in accordance with prescribed financial reporting framework and supported by proper records.	Capacity within the Department was enhanced through Annual Financial Statement (AFS) training that was attended by the financial reporting officials to be updated with the amended Financial Reporting Framework (Modified Cash Standard)	Yes

Resolution no.	Details	Response by the Department	Resolved (yes/no)
	The Executive Authority must take disciplinary actions against the Accounting Officer for failure to prepare and submit accurate and complete financial information in accordance with the prescribed financial reporting framework as per Section 40 (1) (a) of the PFMA.	The root cause of the non-compliance was the instability within the office of the CFO who was on acting capacity due to the moratorium on filling of vacant post, hence disciplinary actions were not taken.	In progress
Subject: 4.2.Unauthorized, Irregular and Fruitless and Wasteful Expenditure			
4.2.1	a)The Executive Authority must take disciplinary action against the accounting officer for failure to resubmit documents and/or improved responses as directed by the Committee (SCOPA)	The initial response submitted to the committee had an attachment that relate to the proof of submission of irregular expenditure. The challenge was that the attachment was incorrectly referenced. The correct annexure requested was submitted	Yes
	b)The Accounting Officer must investigate and ensure implementation of recommendations of the investigation.	The matter was handed over to Office of the Premier for investigation which is still in progress.	In progress
Subject: 4.3 Fruitless and Wasteful Expenditure			
4.3.1	i)The Executive Authority must take disciplinary actions against the Accounting Officer for contravention of Section 38(1) (c) (ii) of the PFMA and Treasury regulation (TR) 9.1.1.	The non-compliance that relate to the irregular expenditure is still under investigation by the Office of the Premier.	In progress
	ii) The Accounting Officer must take disciplinary actions against official(s) who caused the Department to incur irregular expenditure of R 51 857 000.	The non-compliance that relate to the irregular expenditure is still under investigation by the Office of the Premier.	In progress

Resolution no.	Details	Response by the Department	Resolved (yes/no)
	iii) The Accounting Officer must put measures in place to ensure that the financial statements are prepared in accordance with prescribed financial reporting framework and supported by proper records.	Capacity within the Department was enhanced through Annual Financial Statement (AFS) training that was attended by the financial reporting officials to be updated with the amended Financial Reporting Framework (Modified Cash Standard)	In progress
	iv) The Accounting Officer must take disciplinary actions against official(s) who contravene section 38 (1) (h) (iii) of the PFMA and Treasury Regulations 9.1.3.	The non-compliance that relate to the irregular expenditure is still under investigation by the Office of the Premier.	In progress
	v) The Accounting Officer must submit a detailed report indicating all the contracts which were appointed through the RIU within the Office of the Premier and indicate how the department plans to recover monies from those liable for the irregular expenditure.	The report was submitted	Yes
	vi) The Accounting Officer must provide a detailed report on the services received from Mcgeza Communications cc of an amount of R2 000 000, 00 and how the department will treat the expenditure.	The service received from Mcgeza communication; <ul style="list-style-type: none"> • Business plan for Cultural and Creative Industry Hub • Sector strategies namely; performing art strategy and arts and craft strategy. 	In progress
	vii) The Accounting Officer must submit a detailed report to the Committee stating which investigations are done by the Department and which ones are done by the Office of the Premier.	The detail report was submitted	Yes

Resolution no.	Details	Response by the Department	Resolved (yes/no)
	viii) The Accounting Officer must submit a breakdown of the investigated cases which were concluded by the Office of the Premier and submit copies of reports.	The Department has requested the report from Office of the Premier and it will be submitted upon receipt.	Yes
Subject: 4.4 Compliance with Legislation			
4.4.1	i) The Executive Authority must consider taking disciplinary actions against the Accounting Officer for contravention of Section 38 (1) (c) (ii); Section 39 (1) (a) (b) of the PFMA and Treasury regulation 9.1.1 resulting in unauthorized expenditure amounting to R785 000.	The Executive Authority has considered the committee recommendation and the disciplinary actions was not an option since the overspending relate to the escalation of cost for services such operating lease and property payment that were already committed.	Yes
	ii) The Accounting Authority must take disciplinary actions against officials who caused the department to overspend by R785 000.	The Executive Authority has considered the committee recommendation and the disciplinary actions was not an option since the overspending relate to the escalation of cost for services such operating lease and property payment that were already committed.	Yes
	iii) The Accounting Officer must ensure that appropriated funds are spent for intended purpose and as appropriated by the Legislature.	The Department is noting the recommendation of the committee and will ensure that funds are well spent as appropriated by the Legislature.	Yes
Subject: 4.5 Annual Financial Statements, Performance Reporting and Annual Report			
4.5.1.	i) The Executive Authority must consider taking disciplinary actions against the Accounting Officer for contravention of Section 40 (1) (a) of the PFMA.	The Department is noting the recommendation. The root cause of the non-compliance was the instability within the office of the CFO who was on acting capacity due to the moratorium on filling of vacant post, hence disciplinary actions were not taken.	In progress

Resolution no.	Details	Response by the Department	Resolved (yes/no)
	ii) The Executive Authority must consider taking disciplinary actions against the Accounting Officer for contravening Section 38 (1) (C) (ii) of the PFMA.	The Department is noting the recommendation. The root cause of the non-compliance was the instability within the office of the CFO who was on acting capacity due to the moratorium on filling of vacant post, hence disciplinary actions were not taken.	In progress
Subject: 4.6 Expenditure Management			
4.6.1.	The Accounting Officer must take disciplinary actions against officials who contravened Section 38 (1) (f) of the PFMA and Treasury Regulation 8.2.8.	The non-compliance that relate to the irregular expenditure is still under investigation by the Office of the Premier.	In progress
	The Accounting Officer must ensure that infrastructure projects of the Department are completed within the stipulated timeframes and invoices are paid accordingly.	There is a continuous engagement with Joint operations committee and project operations management meeting to ensure that the timeframes for infrastructure projects are reviewed and that the invoices are paid within 30 days.	In progress
Subject: 4.7 Procurement and Contract Management			
4.7.1.	i) The Accounting Officer must take disciplinary actions against officials who failed to follow the Supply Chain Management processes as prescribed.	The Department is noting the recommendation of the committee and will ensure that disciplinary processes are implemented.	In progress
	ii) The Accounting Officer must take disciplinary actions against officials who contravened Treasury Regulations 16 A6.1.	The Department is noting the recommendation of the committee and will ensure that disciplinary processes are implemented.	In progress

Resolution no.	Details	Response by the Department	Resolved (yes/no)
	iii) The Accounting Officer must take disciplinary actions against officials who contravened Section 2 (a) of the Preferred Procurement Policy Framework Act of No 5 of 2000 and Treasury Regulation 16A6.3 9 (b)	The Department is noting the recommendation of the committee and will ensure that disciplinary processes are implemented.	In progress
Subject:4.8. Transfer of Funds			
4.8.1	i) The Accounting Officer must take disciplinary actions against officials who contravened Treasury Regulations 8.4.1	The Department is noting the recommendation of the committee and will ensure that disciplinary processes are implemented.	In progress
Subject: 5 Progress Towards Achieving Clean Audit			
5.1	i) The Accounting Officer must ensure that a clean audit is achieved in 2017/18.	The Accounting and management of the Department is working towards ensuring unqualified audit opinion from AGSA in 2017/18 financial year	In progress
	ii) The Accounting Officer must ensure that there is a detailed plan outlining how the process of manual verification will unfold and how are the teams going to be compensated and monitored.	The detail plan of processing manual verification is available and being implemented	In progress

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None		

10. INTERNAL CONTROL UNIT

Internal controls are any actions taken by management, the executive authority and other parties to enhance risk management and increase the likelihood that established objectives and goals to be achieved. Management achieved this control by implementing an internal control system encompassing all the policies and procedures adopted by management to assist the Department in achieving its objectives.

The Department does not have an internal control unit, however, the shared internal audit function located within the Office of the Premier provides management with assurance on the adequacy and effectiveness of internal controls.

Based on the internal audit work performed for the Department, we can report that there has been a generally improvement in the system of internal control for the period under review.

Where weaknesses were identified, these was communicated to management, who committed itself and developed action plans to remedy the situation and strengthen the internal control environment. This commitment resulted in significant number of management action plans being successfully implemented.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

We are pleased to present our report for the financial year ended 31 March 2018.

11.1. INTERNAL AUDIT

The Department utilizes the services of the shared Internal Audit function within the Office of the Premier. The shared Internal Audit function was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The mission of the shared Internal Audit function, being what the shared Internal Audit aspires to accomplish, is to enhance and protect departmental value by providing risk-based and objective assurance, advice and insight.

In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary mandate and objective of the shared Internal Audit function is to provide an independent, objective assurance and consulting activity designed to add-value and improves the operations of the Department.

In keeping with its primary mandate, the shared Internal Audit supports the Head of the Department through evaluating and contributing to improving the effectiveness of risk management, control and governance processes. In addition, it also facilitates the functioning of the shared Audit Committee.

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must be in accordance with the Standards; during the year under review, the shared Internal Audit function ensured that their operations were aligned with the revised Standards.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, its Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing (“Standards”) set by the Institute of Internal Auditors. During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. These plans were supported by the Head of the Department and approved by the Audit Committee in May 2017.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and these were performed by the shared Internal Audit function as such. Respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and also incorporated agreed Management action plans for implementation of corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight. The following is the summary of the audit work done by the shared Internal Audit function during the year under review as per the approved plans:

Assurance services

- Review of Departmental Performance Information;
- Review of Interim and Annual Financial Statements;
- Supply Chain Management;
- Transfer Payments and DORA;
- Risk Management;
- Sports and Recreation;
- Information and Communication Technology Audits; and
- Monitoring and tracking of audit findings as previously reported by both Auditor - General South Africa and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment;

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, provision of advice, as and when invited and required.

Ad-Hoc Reviews

- Staff Verification;
- Adequacy review of Audit Action Plans; and
- Management of library Books.

11.2. AUDIT COMMITTEE

Similarly to the Internal Audit function, the Department utilizes the services of the shared Audit Committee based within the Office of the Premier. The shared Audit Committee was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The shared Audit Committee serves as an independent governance structure whose primary function being to provide an oversight over the department's financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Accounting Officer in the effective execution of his/her responsibilities.

The shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside public service). It operates in terms of formally documented and approved Terms of Reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and in accordance with the requirements set by the PFMA and Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, shared Internal Audit function and Auditor-General South Africa.

Attendance of audit committee meetings by audit committee members

In accordance with Legislation, section 77(b) of the PFMA, an Audit Committee must meet at least twice a year. However, as per the approved Audit Committee Terms of Reference (Audit Committee Charter), the shared Audit Committee shall meet at least 4 times a year, with authority to convene additional meetings as may be deemed necessary.

In the meetings held, the Accounting Officer and Executive Management were always represented. The AGSA is always invited to attend the meetings of the shared Audit Committee, thus ensuring that such meetings are as effective and transparent as possible.

The shared Audit Committee meetings held were attended as follows:

Name	Qualifications	Role	No of meetings Attended
Ms P Mzizi CA(SA)	BBusSci Finance (UCT) BCompt Hons CTA (UNISA) BCom Hons in Transport Economics (UNISA)	Chairperson External Member Appointed - 01 Feb 2016	9
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01 Feb 2016	8
Mr MS Mthembu	Diploma in Accounting and Business Studies (UNISA) BCom Accounting (UNISA) MBL (UNISA)	External Member Appointed - 01 Feb 2016	8
Mr. HG Hlomane	Masters in IT (UP) BSc Degree in Mathematical Science (UCT) Diploma in Project Management (Varsity College) Diploma in Business Management (Varsity College)	External Member Appointed – 01 March 2017	8
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme in Project Management (UNISA)	External Member Appointed – 01 March 2017	9

Note:

A new Audit Committee was appointed at the end of 2017/18 financial year chaired by Mr MS Mthembu

12. AUDIT COMMITTEE REPORT

We are pleased to present our final report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

The non-timeous submission of Audit Committee minutes at the beginning of the financial year nearly impacted negatively on the effective functioning of the Audit Committee as the Committee could not effectively track the implementation of resolutions taken. The minutes were however, later finalised towards the end of the year.

The effectiveness of internal control

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

From the various reports of the Internal Auditors and the Auditor - General South Africa it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to annual financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

The following internal audit work was completed during the year under review:

Assurance services

- Review of Departmental Performance Information;

- Review of Interim and Annual Financial Statements;
- Supply Chain Management;
- Transfer Payments and DORA;
- Risk Management;
- Sports and Recreation;
- Information and Communication Technology Audits; and
- Monitoring and tracking of audit findings as previously reported by both Auditor - General South Africa and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment;

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, provision of advice, as and when invited and required.

Ad-Hoc Reviews

- Staff Verification;
- Adequacy review of Audit Action Plans; and
- Management of library Books.

The following were areas of concern:

- Delays and/or challenges in implementation of agreed management corrective action plans to address identified control weaknesses;
- Control deficiencies in the management of library books; and
- Non-compliance issues and control deficiencies within SCM – procurement management processes.

Through our analysis of audit reports and engagement with the Department it can be reported that the system on internal controls for the period under review was not adequate and effective.

Based on our interaction with the department we conclude that the department does not have an adequate and effective action plan management system to address internal audit and Auditor - General of South Africa findings.

Risk Management

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the departmental processes and system relating to fraud prevention and risk management is requires improvement.

In-Year Management and Quarterly Reporting

The Department has confirmed that they have reported to the Treasury as is required by the PFMA.

Evaluation of the Annual Financial Statements

The Audit Committee has not reviewed the draft annual financial statements prepared by the department as these were not submitted to the Internal Audit and Audit Committee for review prior to submission of the annual financial statements to the Auditor - General South Africa.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the Auditor - General South Africa was discussed with the Audit Committee.

Evaluation of the reporting on predetermined objectives

The Audit Committee has not reviewed the draft annual report as this was not submitted to the Internal Audit and Audit Committee for review prior to submission of the annual report to the Auditor - General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on predetermined objectives to be included in the annual report with the Auditor - General South Africa and the Accounting Officer.

Compliance with laws and regulations

Throughout the year under review the Audit Committee has remained concerned with the status of compliance with all applicable laws and regulations. If the Department does not implement an adequate and effective compliance framework and system, non-compliance will continue to occur.

Internal Audit

The Audit Committee is reasonably satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the department in its audits during the year under review.

The Audit Committee has regularly enquired and reviewed the work performed by Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit Function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies. However, there is still room for improvement in areas such as flexibility of the planning process to adapt to emerging risks and changing risk profile of the Department; the timing and execution of internal audit engagements; influence and persuasion by Internal Audit of Management to effect the necessary changes and improvement of the maturity of governance, risk management and internal control systems.

The Audit Committee noted with concerns the transfer of officials from Internal Audit function and that the function remains under-resourced without interventions being made.

The Audit Committee further appreciates improvements made by the Internal Audit, the support provided by the Acting Chief Audit Executive and all the Internal Audit Officials, by assisting the Committee in discharging its responsibilities.

Auditor General South Africa

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied that all the matters have been adequately resolved.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the Auditor - General South Africa on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor - General South Africa.

Conclusion

The Audit Committee wishes to extend its appreciation to the Executive Authority and Management, Internal Auditors and Auditor -General South Africa for their tireless efforts, commitment and support throughout the year.

The Audit Committee commends the department for improving their audit outcome by obtaining an unqualified audit opinion and further recommend that the Department ensures adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits to further improve on the audit outcome.

Signed on behalf of the Audit Committee by:



Mr. MS Mthembu
Chairperson of the Audit Committee
Date: 31 July 2018

PART D:

HUMAN RESOURCE

MANAGEMENT



1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The Department acknowledges that effective management of human resources capital is the cornerstone of effective service delivery. This continues to drive the Department to strive for efficient human resources service. This has however been limited by the challenging economic climate which has led to budget cuts and the moratorium on filling of posts.

Despite the moratorium on filling of posts, natural attrition, and resignations, the current staff complement has increased from 421 employees during the previous financial year to the 440 employees during the year under review. This represents an increase of 4.3% in the overall staff complement. This increase is attributed to appointment of Library Services through the conditional grant.

The Department comprises of nine (9) SMS, one (1) women representation and eight (8) Males, this represents 11.1 percent of women representation at Senior Management Level. Eight (8) people with Disabilities are represented in the Department, this represents 1.8% of the total staff establishment.

The Department has managed to offer training programmes in line with Work Skills Plan and Personal Development Plan. This training programmes included the Policy Development, Report writing, Records Management, Project Management, Supply Chain Management, Fleet Management, Monitoring and Evaluation and Asset Management. These course' were offered in order to respond to urgent service delivery matters, Auditor - General findings and most importantly to ensure continuous development of employees.

The rate of compliance on Performance Management and Development System has improved during the year under review when we compare to the previous financial year. The Human Resources Directorate successfully conducted PMDS workshops and Mid - term moderations were aimed at ensuring compliance to the PMDS policy and most importantly to ensure alignment of individual performance and organisational performance.

The Department continues to strive to achieve its objectives despite the challenging overwhelming the Mpumalanga province including Department such moratorium, abolishment of post and overstretched of officials.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 to 31 March 2018

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	94 500	52 309	3 200	0	55,40	6 100
Cultural Affairs	98 516	40 385	0	0	41,00	4 700
Library & Archive services	193 224	53 289	0	0	27,60	6 200
Sports & Recreation	65 803	19 475	0	0	29,60	2 300
Total as on Financial Systems (BAS)	452 043	165 458	3 200	0	36,60	192 00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 to 31 March 2018

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	23 170	13	109	213
Highly skilled production (Levels 6-8)	48 725	28	117	416
Highly skilled supervision (Levels 9-12)	32 930	19	52	633
Senior management (Levels 13-16)	10 472	6	9	1 164
Contract (Levels 1-2)	149	0.10	0.00	0
Contract (Levels 3-5)	10 534	6	50	165
Contract (Levels 6-8)	22 833	13	69	285
Contract (Levels 9-12)	3 436	2	5	491
Contract (Levels 13-16)	2 606	2	2	1 303
Periodical Remuneration	118	0.10	9	13
Abnormal Appointment	10 485	6.2	412	26
TOTAL	165 458	95%	861	193

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 to 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Administration	42 482	76.20	1 671	3	1 497	2.7	2 374	4.3	55 750
Cultural Affairs	33 341	76.5	669	1.5	1 522	3.5	1 774	4.1	43 582
Library & Archive Services	49 264	92.2	230	0.4	745	1.4	1 241	2.3	53 439
Sport and Recreation	16 400	76.9	464	2.2	393	1.8	763	3.6	21 332
TOTAL	141 486	80.8	3 034	1.7	4 157	2.4	6 153	3.5	175 071

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 to 31 March 2018

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 3-5)	17 128	73.2	441	1.9	1 567	6.7	2 001	8.5
Highly skilled production (levels 6-8)	37 713	74	1 511	3	1 762	3.5	3 019	5.9
Highly skilled supervision (levels 9-12)	27 351	74.3	810	2.2	591	1.6	987	2.7
Senior management (level 13-16)	9 173	75.7	0	0	224	1.8	126	1
Contract (Levels 1-2)	103	69.1	00	00	0	0	0	0
Contract (Levels 3-5)	10 452	98.8	65	0.6	0	0	0	0
Contract (Levels 6-8)	22 668	98.8	146	0.6	0	0	0	0
Contract (Levels 9-12)	3 357	83.2	62	1.5	0	0	0	0
Contract (Levels 13-16)	2 606	88.4	0	0	0	0	0	0
TOTAL	141 486	80.8	3 034	1.7	4 157	2.4	6 153	3.5

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1:Administration	121	109	9.9	1
Programme 2:Cultural Affairs	109	105	3.7	9
Programme 3:Library & Archive	224	194	13.4	142
Programme 4:Sport and Recreation	34	32	5.9	1
TOTAL	488	440	9.8	153

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (Levels 3-5), Permanent	121	109	10	1
Highly skilled production (Levels 6-8), Permanent	137	117	15	6
Highly skilled supervision (Levels 9-12), Permanent	65	52	20	2
Senior management (Levels 13-16), Permanent	12	9	25	0
Contract (Levels 3-5).	64	64	0	61
Contract (Levels 6-8)	80	80	0	77
Contract (Levels 9-12).	7	7	0	5
Contract (Levels 13-16).	2	2	0	1
TOTAL	488	440	10	153

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related.	23	20	13	3
Archivists Curators and Related Professionals.	37	36	2.7	4
Auxiliary and Related Workers, Permanent	8	8	0	0
Building and Other Property Caretakers, Permanent	33	33	0	0
Bus and Heavy Vehicle Drivers, Permanent	5	5	0	4
Cleaners in Offices Workshops Hospitals etc., Permanent	35	30	14.3	13
Client Inform Clerks(SwitchB Receipt Inform Clerks), Permanent	3	3	0	0
Communication and Information Related, Permanent	27	23	14.8	4
Finance and Economics Related, Permanent	10	8	20	0
Financial and Related Professionals, Permanent	20	17	15	0.
Financial Clerks and Credit Controllers, Permanent	9	8	11	0
General Legal Administration & Rel. Professionals, Permanent	1	1	0	0
Household and Laundry Workers, Permanent	4	4	0	0

Human Resources & Organisat Developm & Relate Prof, Permanent	3	3	0	0
Human Resources Clerks, Permanent	9	9	0.	0
Human Resources Related, Permanent	1	1	0	0
Language Practitioners Interpreters & Other Commun, Permanent	2	2	0	0.
Legal Related, Permanent	1	1	0	0
Librarians and Related Professionals, Permanent	88	76	13.6	66
Library Mail and Related Clerks, Permanent	78	73	6.4	47
Light Vehicle Drivers, Permanent	2	2	0	0
Messengers Porters and Deliverers, Permanent	2	2	0	0
Other Administrat & Related Clerks and Organisers, Permanent	41	38	7.3	3
Other Administrative Policy and Related Officers, Permanent	3	3	0	0
Other Information Technology Personnel., Permanent	11	6	45.5	6
Other Occupations, Permanent	1	1	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	14	13	7.1	2
Senior Managers, Permanent	12	9	25	1
Trade Labourers, Permanent	5	5	0	0
TOTAL	488	440	9.8	153

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a Department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 - MEC	1	1	100%	0	0%
Salary Level 15 - HOD	1	1	100%	0	0%
Salary Level 14	2	2	100%	0	0%
Salary Level 13	6	6	100%	0	0%
Total	10	10	100%	0	0%

Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 - MEC	1	1	100%	0	0%
Salary Level 15 – HOD	1	1	100%	0	0%
Salary Level 14	2	2	100%	0	0%
Salary Level 13	5	5	100%	0	0%
Total	10	10	100%	0	0%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 to 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 - MEC	1	1	100%	0	0%
Salary Level 15 - HOD	1	1	100%	0	0%
Salary Level 14	2	2	100%	0	0%
Salary Level 13	6	6	100%	0	0%
Total	10	10	100%	0	0%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 to 31 March 2018

Reasons for vacancies not advertised within six months
Due to moratorium on filling of posts and its abolishment on PERSAL system
Reasons for vacancies not filled within six months
Due to moratorium on filling of posts and its abolishment on PERSAL system

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 to 31 March 2018

Reasons for vacancies not advertised within six months
Due to moratorium on filling of posts and its abolishment on PERSAL system
Reasons for vacancies not filled within six months
Due to moratorium on filling of posts and its abolishment on PERSAL system

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 to 31 March 2018

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	121	7	5.8	17	100	0	0
Highly skilled production (Levels 6-8)	137	0	0	0	87.8	0	0
Highly skilled supervision (Levels 9-12)	65	11	16.9	16	93.7	0	0
Senior Management Service Band A	8	0	0	0	0	0	0
Senior Management Service Band B	2	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Contract (Levels 3-5)	64	0	0	0	0	0	0
Contract (Levels 6-8)	80	0	0	0	0	0	0
Contract (Levels 9-12)	7	0	0	0	0	0	0
Contract Band A	2	0	0	0	0	0	0
Total	488	18	3.7%	74%	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 to 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	4	0	0	1	5
Male	5	0	0	0	5
Total	9	0	0	1	10
Employees with a disability					0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 to 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0%
Percentage of total employed				0%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
------------------------------------------------------------------------------------------	------

3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 to 31 March 2018

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Skilled (Levels 3-5)	99	0	0	0
Highly skilled production (Levels 6-8)	132	0	7	5.3
Highly skilled supervision (Levels 9-12)	44	0	1	2.3
Senior Management Service Bands A	5	0	1	20
Senior Management Service Bands B	2	0	0	0
Senior Management Service Bands D	1	0	0	0
Contract (Levels 3-5),	50	17	3	6
Contract (Levels 6-8),	69	14	6	8.7
Contract (Levels 9-12),	3	4	4	133.3
Contract (Band A),	3	1	1	33.3
Contract (Band C),	1	1	0	0
TOTAL	421	36	24	5.7

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related, Permanent	23	1	3	13
Archivists curators and related professionals, Permanent	37	0	0	0
Auxiliary and related workers, Permanent	8	0	0	0
Building and other property caretakers, Permanent	32	1	0	0
Bus and heavy vehicle drivers, Permanent	5	0	1	20
Cleaners in offices workshops hospitals etc., Permanent	26	5	1	3.8
Client inform clerks(switch board reception inform clerks), Permanent	3	0	0	0
Communication and information related, Permanent	21	3	1	4.8
Finance and economics related, Permanent	8	0	0	0
Financial and related professionals, Permanent	18	0	1	5.6
Financial clerks and credit controllers, Permanent	8	0	1	12.5

Critical occupation	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
General legal administration & rel. professionals, Permanent	1	0	0	0
Household and laundry workers, Permanent	4	0	0	0
Human Resources & Organisat Developm & Relate Prof Permanent	3	0	0	0
Human Resources Clerks Permanent	9	0	0	0
Human Resources Related Permanent	1	0	0	0
Language Practitioners Interpreters & Other Commun Permanent	2	0	0	0
Legal Related Permanent	1	0	0	0
Librarians and Related Professionals Permanent	69	12	5	7.2
Library Mail and Related Clerks Permanent	64	11	4	6.3
Light Vehicle Drivers Permanent	2	0	0	0
Messengers Porters and Deliverers Permanent	2	0	0	0
Other Administrat & Related Clerks and Organisers Permanent	40	0	2	5.0

Critical occupation	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Other Administrative Policy and Related Officers Permanent	3	0	0	0
Other Information Technology Personnel. Permanent	4	2	0	0
Other Occupations Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	13	0	1	7.7
Senior Managers Permanent	8	1	3	37.5
Trade Labourers Permanent	5	0	0	0
Total	421	36	24	5.7

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a Department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the Department.

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2017 to 31 March 2018

Termination Type	Number	Percentage
Death, permanent and contract	3	12.5
Resignation, Permanent	7	29.2
Expiry of contract, Permanent	10	41.7
Retirement, Permanent	4	16.6
TOTAL	24	100%
Total number of employees who left as a % of total employment		5.4%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 to 31 March 2018

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related Permanent	23	0	0	14	60.9
ARchivists Curators and Related Professionals Permanent	37	0	0	29	78.4
Auxiliary and Related Workers Permanent	8	0	0	8	100
Building and Other Property Caretakers Permanent	32	0	0	33	103.1
Bus and Heavy Vehicle Drivers Permanent	5	0	0	0	0
Cleaners in Offices Workshops Hospitals etc. Permanent	26	0	0	22	84.6

Client Inform Clerks(SwitchB Recept Inform Clerks) Permanent	3	0	0	3	100
Communication and Information Related Permanent	21	0	0	9	42.9
Finance and Economics Related Permanent	8	0	0	6	75
Financial and Related Professionals Permanent	18	0	0	13	72.2
Financial Clerks and Credit Controllers Permanent	8	0	0	8	100
General Legal Administration & Rel. Professionals Permanent	1	0	0	1	100
Household and Laundry Workers Permanent	4	0	0	4	100
Human Resources & Organisat developm & relate prof Permanent	3	0	0	3	100
Human Resources Clerks Permanent	9	0	0	9	100
Human Resources Related Permanent	1	0	0	1	100
Language Practitioners Interpreters & Other	2	0	0	1	50
Commun Permanent					
Legal Related Permanent	1	0	0	1	100

Librarians and Related Professionals Permanent	69	0	0	46	66.7
Library Mail and Related Clerks Permanent	64	0	0	52	81.3
Light Vehicle Drivers Permanent	2	0	0	0	0
Messengers Porters and Deliverers Permanent	2	0	0	2	100
Other Administrat & Related clerks and Organisers Permanent	40	0	0	29	72.5
Other Administrative Policy and Related Officers Permanent	3	0	0	2	66.7
Other Information TechnologY Personnel. Permanent	4	0	0	3	75
Other Occupations Permanent	1	0	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	13	0	0	10	76.9
Senior Managers Permanent	8	0	0	7	87.5
Trade Labourers Permanent	5	0	0	4	80
TOTAL	421	0	0	319	75.8

Table 3.5.5 Promotions by salary band for the period 1 April 2017 to 31 March 2018

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	99	0	0	104	105.1
Highly Skilled Production (Levels 6-8)	132	0	0	95	72
Highly Skilled Supervision (Levels 9-12)	44	0	0	31	70.5
Senior Management Service (levels 13 – 15)	8	0	0	8	100
Contract (Levels 1-2)	12	0	0	0	0
Contract (Levels 3-5)	50	0	0	34	0
Contract (Levels 6-8)	69	0	0	45	0
Contract (Levels 9-12)	3	0	0	1	0
16 Contract Band C (level 13-16)	4	0	0	1	25
TOTAL	421	0	0	319	75.8

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	6	0	1	0	2	0	0	0	9
Professionals, Permanent	68	0	0	1	101	0	0	4	174
Technicians and associate professionals, Permanent	19	0	0	1	10	1	0	0	31
Clerks, Permanent	59	0	0	0	81	1	0	3	144
Plant and machine operators and assemblers, Permanent	7	0	0	0	0	0	0	0	7
Labour and Related Workers	39	0	0	0	36	0	0	0	74
TOTAL	198	0	1	2	230	2	0	7	440

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	1	0	0	0	1
Senior Management, Permanent	5	0	1	0	1	0	0	0	7
Professionally qualified and experienced specialists and mid-management, Permanent	22	0	0	2	26	1	0	1	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	49	0	0	0	63	0	0	5	117
Semi-skilled and discretionary decision making, Permanent	54	0	0	0	53	1	0	1	109
Contract (Top Management)	2	0	0	0	0	0	0	0	1
Contract (Senior Management)	2	0	0	0	0	0	0	0	2

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Professionally Qualified), Permanent	6	0	0	0	1	0	0	0	7
Contract (Skilled Technical), Permanent	28	0	0	0	52	0	0	0	80
Contract (Semi-Skilled), Permanent	31	0	0	0	33	0	0	0	64
TOTAL	198	0	1	2	230	2	0	7	440

Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	9	0	0	0	14
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	9	0	0	0	10	0	0	0	19
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0								
Employees with disabilities	0								

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0		0	0	0	0
Contract (Professionally qualified)	3	0	0	0		0	0	0	3
Contract (Skilled technical),	4	0	0	0	3	0	0	0	7
Contract (Semi-skilled),	1	0	0	0	5	0	0	0	6
Contract (Unskilled), Permanent	24	0	0	0	16	0	0	0	40
TOTAL	38	0	0	0	24	0	0	0	62

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	12	0	0	1	10	0	0	0	23
Technicians and associate professionals	15	0	0	0	9	0	0	0	24
Clerks	40	0	0	0	35	1	0	0	76
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	23	0	0	0	9	0	0	0	32
Total	90	0	0	1	63	1	0	0	155
Employees with disabilities	2	0	0	0	2	0	0	0	4

Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total	Total	Total number	Signed performance
	number of	number	of signed	agreements as % of
	funded	of SMS	performance	total number of
	SMS posts	members	agreements	SMS members
Salary Level 16 - MEC	1	1	1	100%
Salary Level 15 - HOD	1	1	1	100%
Salary Level 14	2	2	2	100%
Salary Level 13	6	6	6	100%
Total	10	10	10	100%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
None

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

Reasons
None

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.7. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	117	196	59.7	1 070	9
Female	131	226	58.0	1 243	9
Asian					
Male	1	1	100	14	14
Female	0	0	0	0	
Coloured					
Male	0	0	0	0	0
Female	0	1	0	0	0
White					
Male	1	1	100	32	33
Female	6	6	100	74	12
Employees with a disability	6	8	75	37	6
Total	262	439	60	2 472	9

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)
Skilled (level 3-5)	91	109	83.5	534	6
Highly skilled production (level 6-8)	83	117	70.9	828	9
Highly skilled supervision (level 9-12)	33	52	63	623	19
Contract (3-5)	21	64	33	110	5
Contract (6-8)	23	80	29	195	8
Contract (9-12)	2	7	29	36	18
Total	253	429	59	2 326	9

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Administrative related	16	20	80	325	20
Archivists curators and related professionals	25	36	69.4	240	10
Auxiliary and related workers	8	8	100	46	6
Building and other property caretakers	25	33	75.8	114	5
Bus and heavy vehicle drivers	0	5	0	0	0
Cleaners in offices workshops hospitals etc.	14	26	53.8	54	4
Client inform clerks (switch board reception information clerks)	16	30	53.3	65	4
Communication and information related	10	23	53.5	175	18
Finance and economics related	8	8	100	73	9
Financial and related professionals	15	17	88.2	172	11
Financial clerks and credit controllers	8	8	100	68	9
General legal administration & rel. professionals	0	1	0	0	0
Household and laundry workers	4	4	100	73	9

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Human resources & organisational development & related profession	3	3	100	67	22
Human resources clerks	7	9	77.8	69	10
Human resources related	0	1	0	0	0
Language practitioners interpreters & other committees	1	2	50	7	7
Legal related	1	1	100	26	26
Librarians and related professionals	26	76	34.2	257	10
Library mail and related clerks	38	73	52.1	246	6
Light vehicle drivers	2	2	100	11	6
Messengers porters and deliverers	2	2	100	12	6
Other administration & related clerks and organisers	22	38	57.9	189	9
Other administrative policy and related officers	22	3	66.7	23	11
Other information technology personnel.	1	6	16.7	10	10
Other occupations	0	1	0	0	0
Secretaries & other keyboard operating clerks	9	13	69.2	65	7

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Senior managers	7	9	77.8	100	14
Trade labourers	5	5	40	22	4
TOTAL	262	440	59.5	2 472	9 435

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a Department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Band A	7	7	100	113	16
Band B	2	2	100	33	17
Band C	0	1	0	0	0
Band D	0	1	0	0	0
Total	9	11	82	146	33

3.8. Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 to 31 March 2018

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	1	100	1	100	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 to 31 March 2018

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	1	100	1	100	0	0
Total	1	100	1	100	0	0

3.9. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2018

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Skilled (levels 3-5)	791	75.9	97	35.9	8	572
Highly skilled production (levels 6-8)	644	80.30	80	29.6	8	882
Highly skilled supervision(levels 9-12)	212	80.2	26	9.6	8	483
Top & Senior management (levels 13-16)	30	93.3	6	2.2	5	111
Contract (Levels 1-2)	14	88.9	4	1.3	8	6
Contract (Levels 3-5)	173	54.9	27	9.0	6	124
Contract (Levels 6-8)	146	34.9	31	10.3	5	160
Contract (Levels 9-12)	9	66.7	4	1.5	2	5
TOTAL	1 987	76.9	270	100	7	2 395

NB : Please note that a column for total number of employees with medical certificate as indicated in Vulindlela is 1227 hence the average percentage days with medical certificates is 53.86.

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled Levels 3-5)	2 538	110	23
Highly skilled production (Levels 6-8)	2 786	124	22
Highly skilled supervision(Levels 9-12)	1 191	54	22
Senior management (Levels 13-16)	165	11	15
Contract (Levels 1-2)	30	8	4
Contract (Levels 3-5)	807	48	17
Contract (Levels 6-8)	1 138	65	18
Contract (Levels 9-12)	41	4	10
TOTAL	9 570	485	20

Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Skilled Levels 3-5)	0	0	0	65
Highly skilled production (Levels 6-8)	0	0	0	71
Highly skilled supervision(Levels 9-12)	7	1	7	90
Senior management (Levels 13-16)	0	0	0	64
Total	7	1	7	290

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2017 to 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	96	3	32
Capped leave payout on termination of service	448	16	28
Total	544	19	60

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	N/A

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Yes, a Senior Manager has been designated, Mr. B.C Themba
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Yes, 2 staff members have been designated R350 thousand has been allocated for the unit.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Yes, the Department jointly with the Department of Health:- -Educate employees on HIV and AIDS -Conduct voluntary counselling and testing on HIV and AIDS -Conduct voluntary screening of TB and other chronic diseases

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Members of Employee Health and Wellness Committee Mr BC Themba – Chairperson Ms BN Mtsweni –Deputy Chair Mr ZI Nkosi – Member:PILLIR Ms JN Skosana – Member Ms NN Simelane– Member Ms IP Skhondze – Member Ms MO Mashiye – Member Mr NF Mahalefa – Member Mr SJ Khumako – Member Mr RJ Mnisi – Member Mr JJ Masina - Member Ms TN Ndlazi - PSA Mr SP Mokoena – NEHAWU Ms MTJ Segage – Member Ms MK Mokoena - Secretariat Ms CA Mdletshe - Secretariat
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Yes, 4 policies has been reviewed: - HIV,AIDS and TB Management Policy - Wellness Management Policy - Health & Productivity Management Policy - SHEQ Management policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		-We have established a support group -Run awareness workshops on HIV and AIDS -Coordinate information sessions
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Yes, 157 employees participated in Voluntary Counselling and Testing. 55 male and 102 females.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		-Number of employees who test for HIV and AIDS -Number of employee who participate in wellness sessions - Number of employees who voluntary screened for TB, Hypertension and Diabetes

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 to 31 March 2018

Subject matter	Date
None	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	0
----------------------------------------------	----------

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 to 31 March 2018

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	1	100%
Suspended without pay	1	100%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	2	100%

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	1
--------------------------------------------------------	----------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 to 31 March 2018

Type of misconduct	Number	% of total
Gross Negligence and Prejudice of Administration	0	0%
Breach or Contravention of the Procurement Procedure and /or Treasury Regulations	0	0%
Contravention of an Act	1	100%
Total	1	100%

Table 3.12.4 Grievances logged for the period 1 April 2017 to 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	2	50%
Number of grievances not resolved	2	50%
Total number of grievances lodged	4	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 to 31 March 2018

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	0	0%

Table 3.12.6 Strike actions for the period 1 April 2017 to 31 March 2018

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2017 to 31 March 2018

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	30
Cost of suspension(R'000)	R27 618.50

3.13. Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2017 to 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2		2		2
	Male	8		0		0
Professionals	Female	29				
	Male	24		2		2
Technicians and associate professionals	Female	99		0		0
	Male	73				
Clerks	Female	65		2		2
	Male	57		2		2
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	38	14	1		1
	Male	26	12	1		1
Sub Total	Female	233	14	7		5
	Male	188	12	7		5
Total		421	28	10		10

Table 3.13.2 Training provided for the period 1 April 2017 to 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2		3		3
	Male	8		0		0
Professionals	Female	29				
	Male	24		2		2
Technicians and associate professionals	Female	99		0		0
	Male	73				
Clerks	Female	65		3		3
	Male	57		4		4
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	38	14	1		1
	Male	26	12	1		1
Sub Total	Female	233	14	7		7
	Male	188	12	7		7
Total		421	28	14		14

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	2	100%

3.15. Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a Department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand R'000
Report Writing	2	5	295
Project management course	1	5	307
Customer Relations.	1	5	209
Advanced Project Management	1	5	274
Records Management	1	5	308
Fleet Management	1	5	65
Policy development	1	5	295
Asset Management.	1	5	294
Advanced Computer training.	1	5	198
Supply Chain Management.	1	5	294
Records Management Disaster	1	5	302
Recovery Plan			
Risk Management	1	5	10
Total			2 851

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Report Writing	100%	100%	1
Project management course	100%	100%	1
Customer Relations.	100%	100%	1
Advanced Project Management	100%	100%	1
Records Management	100%	100%	1
Fleet Management	100%	100%	1
Policy development	100%	100%	1
Asset Management.	100%	100%	1
Advanced Computer training	100%	100%	1
Supply Chain Management	100%	100%	1
Records Management Disaster Recovery Plan	100%	100%	1
Risk Management	100%	100%	1

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Report Writing	100%	100%	1
Project management course	100%	100%	1
Customer Relations.	100%	100%	1
Advanced Project Management	100%	100%	1
Records Management	100%	100%	1
Fleet Management	100%	100%	1
Policy development	100%	100%	1
Asset Management.	100%	100%	1
Advanced Computer training.	100%	100%	1
Supply Chain Management.	100%	100%	1
Records Management Disaster Recovery Plan	100%	100%	1
Risk Management	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 to 31 March 2018

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	0	0	0
None	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0
0	0	0	0

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 to 31 March 2018

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E:

FINANCIAL INFORMATION



Report of the auditor-general to the Mpumalanga Provincial Legislature on vote no. 11: Department of Culture, Sport and Recreation

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Culture, Sport and Recreation set out on pages 192 to 319, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Culture, Sport and Recreation as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2018.

Accruals and payables not recognised

8. As disclosed in note 22 to the financial statements, payables that exceeded the payment term of 30 days as required in treasury regulation 8.2.3 amounted to R6 397 000. This amount, in turn, exceeded the voted funds to be surrendered of R24 000 as per the statement of financial performance by R6 373 000. The amount of R6 373 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Unauthorised, irregular as well as fruitless and wasteful expenditure

9. As disclosed in note 10 to the financial statements, unauthorised expenditure of R8 459 000 incurred in previous years had not been investigated.
10. As disclosed in note 25 to the financial statements, irregular expenditure of R69 831 000 incurred in previous years was still under investigation.
11. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure of R9 161 000 incurred in previous years had not been investigated.

Other matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

13. The supplementary information set out on pages 310 to 319 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – cultural affairs	34 – 49
Programme 3 – library and archives	50 – 58
Programme 4 – sport and recreation	59 – 71

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – cultural affairs
 - Programme 3 – library and archives
 - Programme 4 – sport and recreation

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on pages 28 to 71 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the library and archives programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements, performance report and annual report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

Procurement and contract management

29. Some information technology related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (Sita), as required by treasury regulation 16A6.3(e) and section 7(3) of the Sita Act of South Africa, 1998 (Act No. 88 of 1998). Similar non-compliance was also reported in the prior year.

Expenditure management

30. Effective and appropriate steps were not taken to prevent unauthorised expenditure amounting to R2 686 000, as disclosed in note 10 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
31. Effective steps were not taken to prevent irregular expenditure amounting to R27 015 000, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the contravention of supply chain management legislation. Irregular expenditure amounting to R25 443 240 was incurred on an information technology project.
32. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred unauthorised expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because the department did not maintain proper and complete records as evidence to support the investigations into unauthorised expenditure.
34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because the department did not maintain proper and complete records as evidence to support the investigations into irregular expenditure.

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because the department did not maintain proper and complete records as evidence to support the investigations into fruitless and wasteful expenditure.

Other information

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. I have nothing to report in this regard.

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

41. There was inadequate oversight of the monitoring of the implementation of internal controls during the year, resulting in material misstatements in the financial statements as well as instances of irregular and unauthorised expenditure.
42. Senior management positions were vacant for more than 12 months.

Financial and performance management

43. Supporting schedules submitted with the financial statements for auditing were not adequately reviewed for accuracy and completeness, as errors were noted during the audit.

44. The action plan to address prior year findings was not adequately implemented.
45. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

Governance

46. The risk management documents were not approved on time.

Auditor-General

Mbombela
31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT <i>for the year ended 31 March 2018</i>									
Appropriation per economic classification									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	356,884	-	520	357,404	364,198	(6,794)	101.9%	365,881	363,522
Compensation of employees	165,217	-	324	165,541	165,458	83	99.9%	161,450	161,091
Salaries and wages	150,088	-	189	150,277	149,068	1,209	99.2%	146,915	145,682
Social contributions	15,129	-	135	15,264	16,390	(1,126)	107.4%	14,535	15,409
Goods and services	191,647	-	196	191,843	198,721	(6,878)	103.6%	204,431	202,431
Administrative fees	3,199	-	(148)	3,051	3,059	(8)	100.3%	1,707	2,455
Advertising	6,737	-	(237)	6,500	5,565	935	85.6%	8,272	9,234
Minor assets	9,856	-	(237)	9,619	2,049	7,570	21.3%	12,538	8,907
Audit costs: External	4,000	-	-	4,000	3,061	939	76.5%	3,600	3,002
Catering: Departmental activities	11,561	-	321	11,882	12,872	(990)	108.3%	11,941	14,929
Communication (G&S)	4,680	-	-	4,680	4,717	(37)	100.8%	5,560	5,425
Computer services	11,500	-	-	11,500	18,416	(6,916)	160.1%	14,013	10,969

APPROPRIATION STATEMENT for the year ended 31 March 2018										
Consultants: Business and advisory services	1,100	-	638	1,738	7,643	(5,905)	439.8%	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	-
Legal services	125	-	-	125	1,668	(1,543)	1334.4%	50	186	
Contractors	17,251	-	(121)	17,130	17,161	(31)	100.2%	23,723	14,459	
Agency and support / outsourced services	9,875	-	(376)	9,499	2,112	7,387	22.2%	15,177	20,551	
Fleet services (including government motor transport)	3,660	-	-	3,660	5,544	(1,884)	151.5%	4,040	3,687	
Housing	-	-	-	-	-	-	-	-	(8)	
Inventory: Clothing material and accessories	35	-	-	35	-	35	-	-	-	
Inventory: Farming supplies	71	-	-	71	-	71	-	-	8	
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	52	-	-	52	-	52	-	10	-	
Inventory: Learner and teacher support material	50	-	-	50	400	(350)	800.0%	-	-	
Inventory: Materials and supplies	11,337	-	251	11,588	11,371	217	98.1%	9,207	9,295	
Consumable supplies	3,038	-	(1)	3,037	2,026	1,011	66.7%	3,796	9,998	
Consumable: Stationery, printing and office supplies	5,139	-	(100)	5,039	2,582	2,457	51.2%	5,346	3,001	
Operating leases	20,514	-	-	20,514	21,505	(991)	104.8%	20,320	20,298	

APPROPRIATION STATEMENT									
for the year ended 31 March 2018									
Property payments	19,168	-	19,168	20,344	(1,176)	106.1%	16,348	12,710	
Transport provided: Departmental activity	7,638	390	8,028	9,757	(1,729)	121.5%	10,288	17,692	
Travel and subsistence	32,207	(28)	32,179	32,723	(544)	101.7%	27,228	25,840	
Training and development	2,100	-	2,100	2,698	(598)	128.5%	2,549	947	
Operating payments	585	-	585	2,534	(1,949)	433.2%	535	1,076	
Venues and facilities	1,565	(156)	1,409	3,040	(1,631)	215.8%	5,385	3,121	
Rental and hiring	4,604	-	4,604	5,874	(1,270)	127.6%	2,798	4,649	
Interest and rent on land	20	-	20	19	1	95.0%	-	-	
Rent on land	20	-	20	19	1	95.0%	-	-	
Transfers and subsidies	10,690	(559)	10,131	10,088	43	99.6%	9,732	9,484	
Provinces and municipalities	110	(35)	75	73	2	97.3%	105	85	
Provinces	110	(35)	75	73	2	97.3%	105	85	
Provincial agencies and funds	110	(35)	75	73	2	97.3%	105	85	
Non-profit institutions	10,000	(288)	9,712	9,673	39	99.6%	9,100	8,950	
Households	580	(236)	344	342	2	99.4%	527	449	

APPROPRIATION STATEMENT for the year ended 31 March 2018									
Social benefits	580	-	(236)	344	342	2	99.4%	527	449
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	84,493	-	39	84,532	77,755	6,777	92.0%	121,887	94,625
Buildings and other fixed structures	72,375	-	(15,569)	56,806	50,497	6,309	88.9%	100,833	81,827
Buildings	72,375	-	(15,569)	56,806	50,497	6,309	88.9%	100,833	81,827
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12,118	-	279	12,397	11,930	467	96.2%	21,054	12,770
Transport equipment	3,791	-	-	3,791	3,716	75	98.0%	1,000	1,992
Other machinery and equipment	8,327	-	279	8,606	8,214	392	95.4%	20,054	10,778
Software and other intangible assets	-	-	15,329	15,329	15,328	1	100.0%	-	28
Payment for financial assets	-	-	-	-	2	(2)	-	-	59
	452,067	-	-	452,067	452,043	24	100.0%	497,500	467,690

APPROPRIATION STATEMENT									
for the year ended 31 March 2018									
	2017/18						2016/17		
	1	2	3	4	5	6	7	8	9
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 1: ADMINISTRATION									
Sub programme									
1. OFFICE OF THE MEC	9,704	-	(1,065)	8,639	8,637	2	100.0%	7,369	7,770
2. CORPORATE SERVICES	88,687	-	(2,810)	85,877	85,864	13	100.0%	80,958	81,343
	98,391	-	(3,875)	94,516	94,501	15	100.0%	88,327	89,113

APPROPRIATION STATEMENT for the year ended 31 March 2018										
Economic classification										
Current payments	92,687	(2,334)	90,353	90,347	6	100.0%	84,595	85,539		
Compensation of employees	53,324	(1,012)	52,312	52,309	3	100.0%	48,861	50,688		
Salaries and wages	47,132	(1,012)	46,120	45,721	399	99.1%	42,823	44,509		
Social contributions	6,192	-	6,192	6,588	(396)	106.4%	6,038	6,179		
Goods and services	39,363	(1,322)	38,041	38,038	3	100.0%	35,734	34,851		
Administrative fees	596	(95)	501	490	11	97.8%	416	498		
Advertising	542	(170)	372	152	220	40.9%	280	147		
Minor assets	495	(237)	258	93	165	36.0%	262	120		
Audit costs: External	4,000	-	4,000	3,061	939	76.5%	3,600	3,002		
Bursaries: Employees	-	-	-	-	-	-	-	-		
Catering: Departmental activities	1,090	(200)	890	533	357	59.9%	375	792		
Communication (G&S)	4,091	-	4,091	4,119	(28)	100.7%	4,993	4,788		
Computer services	-	-	-	115	(115)	-	180	119		
Consultants: Business and advisory services	-	-	-	25	(25)	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-		

APPROPRIATION STATEMENT for the year ended 31 March 2018										
Legal services	125	-	125	1,668	(1,543)	1334.4%	50	186		
Contractors	200	(100)	100	30	70	30.0%	210	93		
Agency and support / outsourced services	2,101	-	2,101	696	1,405	33.1%	1,490	1,288		
Entertainment	-	-	-	-	-	-	-	-		
Fleet services (including government motor transport)	3,660	-	3,660	5,544	(1,884)	151.5%	4,037	3,684		
Inventory: Farming supplies	-	-	-	-	-	-	-	8		
Consumable supplies	1,642	-	1,642	745	897	45.4%	595	524		
Consumable: Stationery, printing and office supplies	1,260	-	1,260	955	305	75.8%	1,605	866		
Operating leases	6,920	-	6,920	6,480	440	93.6%	6,800	6,658		
Property payments	3,350	-	3,350	3,102	248	92.6%	2,847	3,877		
Transport provided: Departmental activity	92	-	92	61	31	66.3%	10	47		
Travel and subsistence	6,650	(450)	6,200	7,243	(1,043)	116.8%	6,021	6,113		
Training and development	1,730	-	1,730	1,663	67	96.1%	1,500	947		
Operating payments	388	-	388	448	(60)	115.5%	134	425		
Venues and facilities	431	(70)	361	814	(453)	225.5%	326	669		
Rental and hiring	-	-	-	1	(1)	-	3	-		

APPROPRIATION STATEMENT <i>for the year ended 31 March 2018</i>									
Transfers and subsidies	663	-	(271)	392	388	4	99.0%	632	491
Provinces and municipalities	110	-	(35)	75	73	2	97.3%	105	85
Provinces	110	-	(35)	75	73	2	97.3%	105	85
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	110	-	(35)	75	73	2	97.3%	105	85
Households	553	-	(236)	317	315	2	99.4%	527	406
Social benefits	553	-	(236)	317	315	2	99.4%	527	406
Payments for capital assets	5,041	-	(1,270)	3,771	3,764	7	99.8%	3,100	3,065
Buildings and other fixed structures	-	-	-	-	-	-	-	-	17
Buildings	-	-	-	-	-	-	-	-	17
Machinery and equipment	5,041	-	(1,270)	3,771	3,764	7	99.8%	3,100	3,048
Transport equipment	2,391	-	-	2,391	2,320	71	97.0%	1,000	881
Other machinery and equipment	2,650	-	(1,270)	1,380	1,444	(64)	104.6%	2,100	2,167
Payment for financial assets	-	-	-	-	2	(2)	-	-	18
	98,391	-	(3,875)	94,516	94,501	15	100.0%	88,327	89,113

APPROPRIATION STATEMENT									
for the year ended 31 March 2018									
Economic classification									
Current payments	82,643	1,167	83,810	85,043	(1,233)	101.5%	82,571	81,565	
Compensation of employees	41,480	(1,021)	40,459	40,385	74	99.8%	39,542	39,031	
Salaries and wages	37,049	(1,021)	36,028	35,415	613	98.3%	35,425	34,309	
Social contributions	4,431	-	4,431	4,970	(539)	112.2%	4,117	4,722	
Goods and services	41,163	2,188	43,351	44,658	(1,307)	103.0%	43,029	42,534	
Administrative fees	800	-	800	573	227	71.6%	60	670	
Advertising	3,990	(67)	3,923	3,457	466	88.1%	3,063	4,561	
Minor assets	195	-	195	50	145	25.6%	397	-	
Catering: Departmental activities	5,943	750	6,693	6,490	203	97.0%	5,994	8,922	
Communication (G&S)	234	-	234	259	(25)	110.7%	195	233	
Consultants: Business and advisory services	130	300	430	1,012	(582)	235.3%	-	-	

APPROPRIATION STATEMENT for the year ended 31 March 2018									
Contractors	15,642	-	(20)	15,622	15,189	433	97.2%	19,398	8,976
Agency and support / outsourced services	1,943	-	-	1,943	185	1,758	9.5%	1,275	3,065
Inventory: Clothing material and accessories	35	-	-	35	-	35	-	-	-
Inventory: Farming supplies	31	-	-	31	-	31	-	-	-
Inventory: Fuel, oil and gas	27	-	-	27	-	27	-	-	-
Consumable supplies	157	-	-	157	465	(308)	296.2%	346	316
Consumable: Stationery, printing and office supplies	151	-	(100)	51	35	16	68.6%	293	88
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	907	-	-	907	497	410	54.8%	27	236
Transport provided: Departmental activity	1,801	-	490	2,291	2,274	17	99.3%	3,680	9,029
Travel and subsistence	5,668	-	835	6,503	8,014	(1,511)	123.2%	3,662	2,347
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	388	(388)	-	98	91

APPROPRIATION STATEMENT									
for the year ended 31 March 2018									
Venues and facilities	94	-	-	94	1,094	(1,000)	1163.8%	3,981	1,054
Rental and hiring	3,415	-	-	3,415	4,676	(1,261)	136.9%	560	2,946
Transfers and subsidies	6,500	-	(288)	6,212	6,100	112	98.2%	6,650	6,700
Non-profit institutions	6,500	-	(288)	6,212	6,100	112	98.2%	6,650	6,700
Payments for capital assets	4,500	-	1,309	5,809	7,374	(1,565)	126.9%	17,577	9,765
Buildings and other fixed structures	4,500	-	1,309	5,809	7,374	(1,565)	126.9%	17,577	9,765
Buildings	4,500	-	1,309	5,809	7,374	(1,565)	126.9%	17,577	9,765
Payment for financial assets	-	-	-	-	-	-	-	-	16
	93,643	-	2,188	95,831	98,517	(2,686)	102.8%	106,798	98,046

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

	2017/18							2016/17	
	1	2	3	4	5	6	7	8	9
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme 3: LIBRARY AND ARCHIVES SERVICES									
Sub programme									
1. MANAGEMENT	-	-	-	191,379	-	-	-	-	-
2. LIBRARY SERVICES	188,364	-	3,015	3,510	189,722	1,657	99.1%	203,031	188,429
3. ARCHIVES	3,510	-	-	-	3,500	10	99.7%	9,894	3,098
	191,874	-	3,015	194,889	193,222	1,667	99.1%	212,925	191,527

APPROPRIATION STATEMENT									
for the year ended 31 March 2018									
Economic classification									
Current payments	115,895	3,015	118,910	125,005	(6,095)	105.1%	135,085	133,332	
Compensation of employees	50,248	3,042	53,290	53,289	1	100.0%	52,418	51,522	
Salaries and wages	47,653	2,827	50,480	50,479	1	100.0%	49,744	48,995	
Social contributions	2,595	215	2,810	2,810	-	100.0%	2,674	2,527	
Goods and services	65,627	(27)	65,600	71,697	(6,097)	109.3%	82,667	81,810	
Administrative fees	184	-	184	306	(122)	166.3%	419	188	
Advertising	1,460	-	1,460	1,956	(496)	134.0%	4,526	3,699	
Minor assets	9,166	-	9,166	1,906	7,260	20.8%	11,879	8,787	
Catering: Departmental activities	731	(27)	704	1,797	(1,093)	255.3%	2,850	2,620	
Communication (G&S)	204	-	204	75	129	36.8%	228	150	
Computer services	11,500	-	11,500	18,301	(6,801)	159.1%	13,833	10,850	
Consultants: Business and advisory services	-	-	-	5,019	(5,019)	-	-	-	
Contractors	1,265	-	1,265	1,887	(622)	149.2%	3,815	5,012	
Agency and support / outsourced services	3,386	-	3,386	797	2,589	23.5%	6,594	12,591	
Fleet services (including government motor transport)	-	-	-	-	-	-	3	3	

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Housing	-	-	-	-	-	-	-	-	(8)
Inventory: Farming supplies	40	-	40	-	-	40	-	-	-
Inventory: Fuel, oil and gas	25	-	25	-	25	-	10	-	-
Inventory: Learner and teacher support material	50	-	50	400	(350)	-	-	800.0%	-
Inventory: Materials and supplies	-	-	-	-	-	-	30	-	18
Consumable supplies	1,232	-	1,232	680	552	-	2,855	55.2%	9,158
Consumable: Stationery, printing and office supplies	3,076	-	3,076	1,561	1,515	-	3,438	50.7%	2,036
Operating leases	13,234	-	13,234	14,593	(1,359)	-	13,000	110.3%	13,563
Property payments	14,691	-	14,691	16,727	(2,036)	-	13,474	113.9%	8,597
Transport provided: Departmental activity	105	-	105	58	47	-	326	55.2%	261
Travel and subsistence	3,686	-	3,686	3,144	542	-	3,618	85.3%	2,421
Training and development	370	-	370	704	(334)	-	-	190.3%	-
Operating payments	175	-	175	753	(578)	-	71	430.3%	185
Venues and facilities	106	-	106	137	(31)	-	53	129.2%	43
Rental and hiring	941	-	941	896	45	-	1,645	95.2%	1,636

APPROPRIATION STATEMENT for the year ended 31 March 2018									
Interest and rent on land	20	-	-	20	19	1	95.0%	-	-
Rent on land	20	-	-	20	19	1	95.0%	-	-
Transfers and subsidies	1,527	-	-	1,527	1,600	(73)	104.8%	-	43
Non-profit institutions	1,500	-	-	1,500	1,573	(73)	104.9%	-	-
Households	27	-	-	27	27	-	100.0%	-	43
Social benefits	27	-	-	27	27	-	100.0%	-	43
Payments for capital assets	74,452	-	-	74,452	66,617	7,835	89.5%	77,840	58,136
Buildings and other fixed structures	67,875	-	(16,878)	50,997	43,123	7,874	84.6%	60,286	48,972
Buildings	67,875	-	(16,878)	50,997	43,123	7,874	84.6%	60,286	48,972
Machinery and equipment	6,577	-	1,549	8,126	8,166	(40)	100.5%	17,554	9,136
Transport equipment	1,400	-	-	1,400	1,396	4	99.7%	-	1,111
Other machinery and equipment	5,177	-	1,549	6,726	6,770	(44)	100.7%	17,554	8,025
Software and other intangible assets	-	-	15,329	15,329	15,328	1	100.0%	-	28
Payment for financial assets	191,874	-	3,015	194,889	193,222	1,667	99.1%	212,925	191,527

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

	2017/18			2016/17			Actual Expenditure	Final Appropriation	
	1	2	3	4	5	6			7
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: SPORTS AND RECREATION									
Sub programme									
1. MANAGEMENT	3,068	-	(540)	2,528	2,522	6	99.8%	2,795	2,962
2. SPORT	15,823	-	(1,126)	14,697	15,433	(736)	105.0%	37,691	37,512
3. RECREATION	27,586	-	(438)	27,148	25,440	1,708	93.7%	25,436	22,630
4. SCHOOL SPORTS	21,682	-	776	22,458	22,408	50	99.8%	23,528	25,900
	68,159	-	(1,328)	66,831	65,803	1,028	98.5%	89,450	89,004

APPROPRIATION STATEMENT <i>for the year ended 31 March 2018</i>									
Economic classification									
Current payments	65,659	(1,328)	64,331	63,803	528	99.2%	63,630	63,086	
Compensation of employees	20,165	(685)	19,480	19,475	5	100.0%	20,629	19,850	
Salaries and wages	18,254	(605)	17,649	17,453	196	98.9%	18,923	17,869	
Social contributions	1,911	(80)	1,831	2,022	(191)	110.4%	1,706	1,981	
Goods and services	45,494	(643)	44,851	44,328	523	98.8%	43,001	43,236	
Administrative fees	1,619	(53)	1,566	1,690	(124)	107.9%	812	1,099	
Advertising	745	-	745	-	745	-	403	827	
Catering: Departmental activities	3,797	(202)	3,595	4,052	(457)	112.7%	2,722	2,595	
Communication (G&S)	151	-	151	264	(113)	174.8%	144	254	
Consultants: Business and advisory services	970	338	1,308	1,587	(279)	121.3%	-	-	
Contractors	144	(1)	143	55	88	38.5%	300	378	
Agency and support / outsourced services	2,445	(376)	2,069	434	1,635	21.0%	5,818	3,607	
Inventory: Materials and supplies	11,337	251	11,588	11,371	217	98.1%	9,177	9,277	
Consumable supplies	7	(1)	6	136	(130)	2266.7%	-	-	

APPROPRIATION STATEMENT for the year ended 31 March 2018									
Consumable: Stationery, printing and office supplies	652	-	652	31	621	4.8%	10	11	
Operating leases	360	-	360	432	(72)	120.0%	520	77	
Property payments	220	-	220	18	202	8.2%	-	-	
Transport provided: Departmental activity	5,640	(100)	5,540	7,364	(1,824)	132.9%	6,272	8,355	
Travel and subsistence	16,203	(413)	15,790	14,322	1,468	90.7%	13,927	14,959	
Training and development	-	-	-	331	(331)	-	1,049	-	
Operating payments	22	-	22	945	(923)	4295.5%	232	375	
Venues and facilities	934	(86)	848	995	(147)	117.3%	1,025	1,355	
Rental and hiring	248	-	248	301	(53)	121.4%	590	67	
Transfers and subsidies	2,000	-	2,000	2,000	-	100.0%	2,450	2,250	
Non-profit institutions	2,000	-	2,000	2,000	-	100.0%	2,450	2,250	
Payments for capital assets	500	-	500	-	500	-	23,370	23,659	
Buildings and other fixed structures	-	-	-	-	-	-	22,970	23,073	
Buildings	-	-	-	-	-	-	22,970	23,073	
Machinery and equipment	500	-	500	-	500	-	400	586	
Other machinery and equipment	500	-	500	-	500	-	400	586	
Payment for financial assets	-	-	-	-	-	-	-	9	
	68,159	(1,328)	66,831	65,803	1,028	98.5%	89,450	89,004	

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

- 1 Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure (1-2) to the Annual Financial Statements.
- 2 Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3 Detail on payments for financial assets**
Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.
- 4 Explanations of material variances from Amounts Voted (after virement):**

Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Programme name ADMINISTRATION	94,516	94,501	15	0%

The underspending is as a result of cost curtailment measures.

**NOTES TO THE APPROPRIATION STATEMENT
 for the year ended 31 March 2018**

Programme name CULTURAL AFFAIRS	95,831	98,517	(2,686)	-3%
------------------------------------	--------	--------	---------	-----

The overspending is as a result of a proclaimed state provincial funeral.

Programme name LIBRARY AND ARCHIVES SERVICES	194,889	193,222	1,667	1%
-------------------------------------------------	---------	---------	-------	----

The variance was caused by an increase in accruals from prior year

Programme name SPORTS AND RECREATION	66,831	65,803	1,028	2%
-----------------------------------------	--------	--------	-------	----

The under spending was as a result of late transfer of the conditional grant

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)

4.2 Per economic classification:

Current payments

Compensation of employees 165,458 83 0%

Goods and services 191,843 (6,878) -4%

Interest and rent on land 20 19 5%

Transfers and subsidies

Provinces and municipalities 75 73 3%

Non-profit institutions 9712 9673 0%

Households 344 342 1%

Payments for capital assets

Buildings and other fixed structures 56806 50497 11%

Machinery and equipment 12397 11930 4%

Software and other intangible assets 15329 15328 0%

Payments for financial assets

0 2 0%

Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final of Approp. %
165,451	165,458	83	0%
191,843	198,721	(6,878)	-4%
20	19	1	5%
75	73	2	3%
9712	9673	39	0%
344	342	2	1%
56806	50497	6309	11%
12397	11930	467	4%
15329	15328	1	0%
0	2	-2	0%

The underspending in Capital Assets is as a result of delays in submitting infrastructure invoices by the implementing agent.

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Per conditional grant				
Community Library Service Grant	169,993	169,994	(1)	0%
Mass Participation and Sports Development Grant	46,352	45,448	904	2%
Expanded Public Works Programme Incentive	2,000	1,867	133	7%
Social Sector Expanded Public Works Programme	3,083	3,083	-	0%

4.3

The underspending on EPWP is as a result of resignations during during the year.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
REVENUE		
Annual appropriation	452,067	497,500
Statutory appropriation	-	-
Departmental revenue	2,329	1,842
NRF Receipts	-	-
Aid assistance	-	-
TOTAL REVENUE	454,396	499,342
EXPENDITURE		
Current expenditure		
Compensation of employees	165,458	161,091
Goods and services	198,721	202,431
Interest and rent on land	19	-
Aid assistance	-	-
Total current expenditure	364,198	363,522
Transfers and subsidies		
Transfers and subsidies	10,088	9,484
Aid assistance	-	-
Total transfers and subsidies	10,088	9,484
Expenditure for capital assets		

Note

1

2

3

4

5

6

8

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

Tangible assets	<u>9</u>	62,427	94,597
Intangible assets	<u>9</u>	15,328	28
Total expenditure for capital assets		77,755	94,625
Unauthorised expenditure approved without funding	<u>10</u>	-	-
Payments for financial assets	<u>7</u>	2	59
TOTAL EXPENDITURE		452,043	467,690
SURPLUS/(DEFICIT) FOR THE YEAR		2,353	31,652
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		24	29,810
Annual appropriation			14,430
Conditional grants		24	15,381
Departmental revenue and NRF Receipts	<u>15</u>	2,329	1,842
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		2,353	31,652

STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	2017/18 R'000	2016/17 R'000
ASSETS		
Current Assets	11,202	37,894
Unauthorised expenditure	11,145	8,459
Cash an cash equivalents	-	29,414
Other financial assets	-	-
Prepayments and advances	43	-
Receivables	14	21
Loans	-	-
Aid assistance prepayments	-	-
Aid assistance receivable	-	-
Non-Current Assets	74	-
Investments	-	-
Receivables	74	-
Loans	-	-
Other financial assets	-	-
TOTAL ASSETS	11,276	37,894

Note

10

11

12

13

13

STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

LIABILITIES

Current Liabilities	11,276	37,894
Voted funds to be surrendered to the Revenue Fund	10,465	37,566
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	101	328
Bank overdraft	705	-
Payables	5	-
Aid assistance repayable	-	-
Aid assistance unutilised	-	-
Non-Current Liabilities	-	-
Payables	-	-
TOTAL LIABILITIES	11,276	37,894
NET ASSETS	-	-
Represented by:		
Capitalisation reserve	-	-
Recoverable revenue	-	-
Retained funds	-	-
Revaluation reserves	-	-
TOTAL	-	-

14
15
16
17

Statement of Changes in Net Assets for the year ended 31 March 2018

NET ASSETS	Note	2017/18 R'000	2016/17 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Transfers		-	-
Irrecoverable amounts written off	8.3		
Debits revised			
Debits recovered (included in departmental receipts)			
Debits raised			
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-

Other	-	-
Closing balance	-	-
Revaluation Reserves		
Opening balance	-	-
Revaluation adjustment (Housing departments)	-	-
Transfers	-	-
Other	-	-
Closing balance	-	-
TOTAL		
	-	-
	-	-
	-	-
	-	-

CASH FLOW STATEMENT for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	454,043	499,259
Annual appropriated funds received	452,067	497,500
Statutory appropriated funds received	-	-
Departmental revenue received	667	704
Interest received	1,309	1,055
NRF Receipts	-	-
Aid assistance received	-	-
	(2,791)	(635)
Net (increase)/ decrease in working capital		
Surrendered to Revenue Fund	(32,367)	(38,575)
Surrendered to RDP Fund/Donor	-	-
Current payments	(361,493)	(362,737)
Interest paid	(19)	-
Payments for financial assets	(2)	(59)
Transfers and subsidies paid	(10,088)	(9,484)
Net cash flow available from operating activities	47,283	87,769

Note

1.1

2

3

3.3

6

18

CASH FLOW STATEMENT *for the year ended 31 March 2018*

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for capital assets	(77,755)	(94,625)
Proceeds from sale of capital assets	353	83
(Increase)/ decrease in loans	-	-
(Increase)/ decrease in investments	-	-
(Increase)/ decrease in other financial assets	-	-
Net cash flows from investing activities	(77,402)	(94,542)

3.4

CASH FLOWS FROM FINANCING ACTIVITIES

Distribution/dividend received	-	-
Increase/ (decrease) in net assets	-	-
Increase/ (decrease) in non-current payables	-	-
Net cash flows from financing activities	-	-

Net increase/ (decrease) in cash and cash equivalents

(30,119) (6,773)

Cash and cash equivalents at beginning of period
 Unrealised gains and losses within cash and cash equivalents

29,414 36,187

Cash and cash equivalents at end of period

(705) 29,414

16

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

4	<p>Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably.</p> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

7	Revenue
7.1	<p>Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

8.2	<p>Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

8.4.2	<p>Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

10	<p>Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments Investments are recognised in the statement of financial position at cost.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

14	Financial assets
14.1	<p>Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables Payables recognised in the statement of financial position are recognised at cost.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are no currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS	
for the year ended 31 March 2018	
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register.</p> <p>Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

17	<p>Provisions and Contingents</p>
17.1	<p>Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS	
for the year ended 31 March 2018	
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

<p>20</p>	<p>Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<p>21</p>	<p>Changes in accounting policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

22	<p>Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Departures from the MCS requirements None</p>
24	<p>Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

25	<p>Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p>Related party transactions A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
27	<p>Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

28	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
29	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

1

1.1 Annual Appropriation	2017/18		2016/17	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation Received R'000
ADMINISTRATION	94,516	94,516	-	88,327
CULTURAL AFFAIRS	95,831	95,831	-	106,798
LIBRARY AND ARCHIVES SERVICES	194,889	194,889	-	212,925
SPORTS AND RECREATION	66,831	66,831	-	89,450
Total	452,067	452,067	-	497,500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
1.2 Conditional grants**		
Total grants received	221,427	234,813
Provincial grants included in Total Grants received	-	-
2 Statutory Appropriation		
0	-	-
0	-	-
Actual Statutory Appropriation received	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
3 Departmental Revenue		
Tax revenue	-	-
Sales of goods and services other than capital assets	647	628
Fines, penalties and forfeits	-	63
Interest, dividends and rent on land	1,309	1,055
Sales of capital assets	353	83
Transactions in financial assets and liabilities	20	13
Transfer received	-	-
Total revenue collected	2,329	1,842
Less: Own revenue included in appropriation	-	-
Departmental revenue collected	2,329	1,842

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
3.1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department	647	
Sales by market establishment	647	
Administrative fees	-	
Other sales	-	
Sales of scrap, waste and other used current goods	-	
Total	647	
		2016/17 R'000
3.2 Fines, penalties and forfeits		
Fines	-	
Penalties	-	
Forfeits	-	
Total	-	

Note 3

Note 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
3.3 Interest, dividends and rent on land		
Interest	1,309	1,055
Dividends	-	-
Rent on land	-	-
Total	1,309	1,055
	2017/18 R'000	2016/17 R'000
3.4 Sales of capital assets		
Tangible assets	353	83
Buildings and other fixed structures	-	-
Machinery and equipment	353	83
Biological assets	-	-
Intangible assets	-	-
Software	-	-
Services and operating rights	-	-
Total	353	83

Note [3](#)

Note [3](#)

[29](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
3.5 Transactions in financial assets and liabilities		
Loans and advances	-	-
Receivables	14	-
Forex gain	-	-
Stale cheques written back	-	-
Other Receipts including Recoverable Revenue	6	13
Gains on GFECRA	-	-
Total	20	13
	2017/18 R'000	2016/17 R'000
4 Compensation of Employees		
4.1 Salaries and wages		
Basic salary	105,599	99,730
Performance award	2,508	2,459
Service Based	352	125
Compensative/circumstantial	15,486	14,140
Periodic payments	118	4,984
Other non-pensionable allowances	25,004	24,244
Total	149,067	145,682

Capital remuneration, Housing Allowance, Non Pensionable allowance and Service Bonus.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
4.2 Social Contributions		
Employer contributions		
Pension	10,205	9,639
Medical	6,152	5,738
UIF	-	-
Bargaining council	34	32
Official unions and associations	-	-
Insurance	-	-
Total	16,391	15,409
Total compensation of employees	165,458	161,091
Average number of employees	440	420

The 437 comprises of 287 permanent employees and 153 contract employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5 Goods and services		
Administrative fees	3,059	2,455
Advertising	5,565	9,234
Minor assets	2,049	8,907
Catering	12,872	14,931
Communication	4,717	5,422
Computer services	18,416	10,970
Consultants: Business and advisory services	7,643	-
Legal services	1,668	186
Contractors	17,161	14,459
Agency and support / outsourced services	2,112	20,550
Audit cost – external	3,061	3,001
Fleet services	5,544	3,687
Inventory	11,771	9,296
Consumables	4,608	12,999
Operating leases	21,505	20,296
Property payments	20,344	12,709
Rental and hiring	5,874	4,649
Transport provided as part of the departmental activities	9,757	17,694
Travel and subsistence	32,723	25,842
Venues and facilities	3,040	3,122
Training and development	2,698	947
Other operating expenditure	2,534	1,075
Total	198,721	202,431

Other operating expenditure include Professional bodies and membership subscription fee, Courier and Delivery Service, Life Insurance and Printing and Publication

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5.1 Minor assets		
Tangible assets	2,049	8,907
Buildings and other fixed structures	-	-
Biological assets	-	-
Heritage assets	-	-
Machinery and equipment	2,049	8,907
Transport assets	-	-
Specialised military assets	-	-
Intangible assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
Total	2,049	8,907

Note
[5](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

5.2 Computer services			
SITA computer services		2017/18 R'000	2016/17 R'000
External computer service providers	Note 5	3,943	2,253
		14,473	8,717
Total		18,416	10,970
5.3 Audit cost – external		2017/18 R'000	2016/17 R'000
Regularity audits	Note 5	3,061	3,001
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		3,061	3,001

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5.4 Inventory		
Clothing material and accessories	-	-
Learning and teaching support material	400	-
Materials and supplies	11,371	9,296
Medical supplies	-	-
Medicine	-	-
Medsas inventory interface	-	-
Other supplies	-	-
Total	11,771	9,296

Note
[5](#)

[5.4.1](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5.5 Consumables		
Consumable supplies	2,026	9,998
Uniform and clothing	164	211
Household supplies	1,406	1,116
Building material and supplies	12	-
Communication accessories	-	-
IT consumables	84	673
Other consumables	360	7,998
Stationery, printing and office supplies	2,582	3,001
Total	4,608	12,999

Note
5

Included in other consumables is Gardening and Farming Supplies, Notice boards and signs, Recreation supplies, Tent & flag accessories, Bags and accessories and Gifts and awards.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5.6 Property payments		
Municipal services	2,052	2,907
Property management fees	18,292	9,802
Property maintenance and repairs	-	-
Other	-	-
Total	20,344	12,709
5.7 Travel and subsistence		
Local	31,274	25,842
Foreign	1,449	-
Total	32,723	25,842

Note 5

Note 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
5.8 Other operating expenditure		
Professional bodies, membership and subscription fees	544	-
Resettlement costs	-	323
Other	1,990	752
Total	2,534	1,075

Note

[5](#)

Courier and Delivery Service, Life Insurance and Printing and Publication

	2017/18 R'000	2016/17 R'000
6. Interest and Rent on Land		
Interest paid	19	-
Rent on land	-	-
Total	19	-

Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
7 Payments for financial assets		
Material losses through criminal conduct	-	-
Theft		
Other material	-	-
Losses	-	-
Purchase of equity		
Debts written off		
Forex losses	2	59
Debt take overs	-	-
Losses on GFECRA	-	-
Total	2	59

Note

[7.1](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
7.1		
Debits written off		
Nature of debits written off	7	
(Group major categories, but list material items: (debt written off relating to irregular expenditure, debt written off relating to recoverable revenue and other debits written off must be listed.)		
Irregular expenditure written off	-	-
Total	-	-
Recoverable revenue written off		
Total	-	-
Other debt written off		
Tax Debt	2	31
		1
		13
		14
Total	2	59
Total debt written off	2	59

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

		2017/18 R'000	2016/17 R'000
8	Transfers and Subsidies		
	Provinces and municipalities	73	85
	Non-profit institutions	9,673	8,950
	Households	342	449
	Total	10,088	9,484

Note

34

[ANNEXURE 1](#)

[ANNEXURE 2](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
9 Expenditure for capital assets		
Tangible assets		
Buildings and other fixed structures	62,427	94,597
Heritage assets	50,497	81,827
Machinery and equipment	-	-
	11,930	12,770
	<u>31</u>	
	<u>29,31</u>	
	<u>29</u>	
Intangible assets		
Software	15,328	28
Mastheads and publishing titles	15,328	28
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
	<u>30</u>	
Total	<u>77,755</u>	<u>94,625</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

9.1 Analysis of funds utilised to acquire capital assets - 2017/18

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	62,427	-	62,427
Buildings and other fixed structures	50,497	-	50,497
Heritage assets			-
Machinery and equipment	11,930		11,930
Specialised military assets			-
Land and subsoil assets			-
Biological assets			-
Intangible assets	15,328	-	15,328
Software	15,328		15,328
Mastheads and publishing titles			-
Patents, licences, copyright, brand names, trademarks			-
Recipes, formulae, prototypes, designs, models			-
Services and operating rights			-
Total	77,755	-	77,755

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

9.2 Analysis of funds utilised to acquire capital assets - 2016/17

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	94,597	-	94,597
Buildings and other fixed structures	81,827	-	81,827
Heritage assets	-	-	-
Machinery and equipment	12,770	-	12,770
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	28	-	28
Software	28	-	28
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	94,625	-	94,625

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
10 Unauthorised Expenditure		
10.1 Reconciliation of unauthorised expenditure		
Opening balance	8,459	7,674
Prior period error		
As restated	8,459	7,674
Unauthorised expenditure - discovered in the current year (as restated)	2,686	785
Less: Amounts approved by Parliament/Legislature with funding	-	-
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance	-	-
Current		
Capital		
Transfers and subsidies		
Less: Amounts transferred to receivables for recovery	-	-
Closing balance	11,145	8,459
Unauthorised Expenditure Analysis of closing balance	R'000	R'000
Unauthorised expenditure awaiting authorisation	11,145	8,459
Unauthorised expenditure approved without funding and not derecognised	-	-
Total	11,145	8,459

Note

[10.1](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18	2016/17
10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification		
Current	R'000	R'000
Capital	9,765	8,459
Transfers and subsidies	1,380	-
Total	11,145	8,459
10.3 Analysis of unauthorised expenditure awaiting authorisation per type		
Unauthorised expenditure relating to overspending of the vote or a main division within the vote	2017/18	2016/17
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	R'000	R'000
	9,862	7,176
Total	1,283	1,283
	11,145	8,459
10.4 Details of unauthorised expenditure - current year	2017/18	
Incident	R'000	
Overspending of vote within a main division	2,686	
Total	2,686	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
11 Cash and Cash Equivalents		
Consolidated Paymaster General Account	-	29,414
Cash receipts	-	-
Disbursements	-	-
Cash on hand	-	-
Investments (Domestic)	-	-
Investments (Foreign)	-	-
Total	-	29,414
	Note	
12 Prepayments and Advances		
Staff advances	-	-
Travel and subsistence	43	-
Prepayments (Not expensed)	-	-
Advances paid (Not expensed)	-	-
SOCPEN advances	-	-
Total	43	-
	Note	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
13.1 Other debtors		
(Group major categories, but list material items)		
Tax Debt	9	3
Salary over payment	5	5
Housing Rental (DPWRT)	11	-
Medical Aid	3	-
Pension	-	1
Income Tax	-	1
Water and Lights (DPWRT)	60	-
Total	88	21

Note [13](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
14 Voted Funds to be Surrendered to the Revenue Fund		
Opening balance	37,566	43,674
Prior period error		
As restated	37,566	43,674
Transfer from statement of financial performance (as restated)	24	29,810
Add: Unauthorised expenditure for current year	2,686	785
Voted funds not requested/not received	-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures ONLY)	(29,811)	-
Paid during the year	-	(36,703)
Closing balance	10,465	37,566

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
15 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		
Opening balance	328	358
Prior period error		
As restated	328	358
Transfer from Statement of Financial Performance (as restated)	2,329	1,842
Own revenue included in appropriation	-	-
Transfer from aid assistance	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	-	-
Paid during the year	(2,556)	(1,872)
Closing balance	101	328

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
16		
Bank Overdraft		
Consolidated Paymaster General Account	705	-
Fund requisition account	-	-
Overdraft with commercial banks (Local)	-	-
Overdraft with commercial banks (Foreign)	-	-
Total	705	-
17		
Payables - current		
Amounts owing to other entities	-	-
Advances received	-	-
Clearing accounts	5	-
Other payables	-	-
Total	5	-

Note

Note

[17.1](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
17.1 Clearing accounts		
(Identify major categories, but list material amounts)		
MEDICAL AID	5	-
Total	5	-

Note

17

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
18 Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	2,353	31,652
Add back non cash/cash movements not deemed operating activities	44,930	56,117
(Increase)/decrease in receivables	(67)	80
(Increase)/decrease in prepayments and advances	(43)	70
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	5	-
Proceeds from sale of capital assets	(353)	(83)
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	77,755	94,625
Surrenders to Revenue Fund	(32,367)	(38,575)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	-
Own revenue included in appropriation	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	47,283	87,769

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
19 Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	(705)	29,414
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	-	-
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	(705)	29,414

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

		2017/18 R'000	2016/17 R'000
20	Contingent liabilities and contingent assets		
20,1	Contingent liabilities		
	Liable to		
	Nature		
	Claims against the department	580	1 350
	Intergovernmental payables (unconfirmed balances)	273	-
	Total	853	1 350
		853	1 350

[Annex 3](#)

[Annex 4](#)

Liability for the amount of R 580 000 is dependant on Sports and Recreation SA as the 1st respondant to the matter and R 273 000 is dependant upon receiving the invoices and reconciliation of previous amount paid to the respective municipality.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

21	Commitments	Note	2017/18 R'000	2016/17 R'000
	Current expenditure			
	Approved and contracted		40,668	4,404
	Approved but not yet contracted		40,668	-
	Capital Expenditure			
	Approved and contracted		31,107	23,774
	Approved but not yet contracted		31,107	-
	Total Commitments		71,775	28,178

Commitment for current expenditure for the amount of R 40 668 000.00 is for a period longer than a year but less than 3 Years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

				2017/18 R'000	2016/17 R'000
22	Accruals and payables not recognised				
	22.1 Accruals				
	Listed by economic classification	30 days	30+ days	Total	Total
	Goods and services	6,922	-	6,922	18,777
	Interest and rent on land	-	-	-	-
	Transfers and subsidies	-	-	-	-
	Capital assets	2,051		2,051	3,327
	Other	-		-	-
	Total	8,973	-	8,973	22,104

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Accruals Listed by programme level	2017/18 R'000	2016/17 R'000
Administration	1,184	10
Cultural Affairs	3,716	29
Library and Archives Services	4,073	21,905
Sports and Recreation		160
Total	8,973	22,104

22.2 Prior period error

Nature of prior period error
 Relating to 2017/18 affecting the opening balance)
 Accruals (Library and Archives services
Total

Note	2016/17 R'000
	1,047
	1,047
	1,047

Opening balance for operating lease accruals were understated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

22.3 Payables not recognized Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	15,622	6,397	22,019	8,514
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	21,109	-	21,109	5,124
Other	-	-	-	-
Total	36,731	6,397	43,128	13,638

Payables not recognised Listed by programme level

	2017/18	2016/17
Administration	R'000 1,236	R'000 31
Cultural Affairs	-	1
Library and Archives Services	37,375	13,605
Sports and Recreation	4,517	1
Total	43,128	13,638

Included in the above totals are the following:

Confirmed balances with departments	2017/18	2016/17
Confirmed balances with other government entities	R'000 499	R'000 260
Total	499	260

Note
[Annex 4](#)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
23 Employee benefits		
Leave entitlement	8,908	7,398
Service bonus (Thirteenth cheque)	3,433	3,257
Performance awards	2,473	2,449
Capped leave commitments	8,431	7,647
Other	218	237
Total	23,463	20,988

Other refers to Long service awards for the period of 12 Month. Also note that the Leave entitlement has negative leave credits amounting to R 409 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

24 Lease commitments	24.1 Operating leases	2017/18					Total R'000
		Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000		
	Not later than 1 year			1,538	15,266	16,804	
	Later than 1 year and not later than 5 years				26,716	26,716	
	Later than five years					-	
	Total lease commitments	-	-	1,538	41,982	43,520	
		2016/17					Total R'000
		Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000		
	Not later than 1 year	-	-	2,167	3,558	5,725	
	Later than 1 year and not later than 5 years	-	-	1,538	-	1,538	
	Later than five years	-	-	-	-	-	
	Total lease commitments	-	-	3,705	3,558	7,263	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
25 Irregular expenditure		
25.1 Reconciliation of irregular expenditure		
Opening balance	69,831	51,857
Prior period error		-
As restated	69,831	51,857
Add: Irregular expenditure - relating to prior year	47	-
Add: Irregular expenditure - relating to current year	26,968	17,974
Less: Prior year amounts condoned		-
Less: Current year amounts condoned		-
Less: Amounts not condoned and recoverable		-
Less: Amounts not condoned and not recoverable		-
Irregular expenditure awaiting condonation	96 846	69,831
Analysis of awaiting condonation per age classification		
Current year	27,015	17,974
Prior years	69,831	51,857
Total	96,846	69,831

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000	
25.2 Details of irregular expenditure – added current year (relating to current and prior years)			
Incident			
Radio Frequency Identification Device	25 443		
Mgobodzi Library	32		
Irregular payment CA JV(PTY)LTD	901		
Irregular payment CA JV(PTY)LTD	47		
Non compliance with National Treasury Practice note 8 of 2007/2008	214		
Non compliance with SCM regulation	378		
Total	27 015		
25.3 Prior period error			Note
Nature of prior period error		1	
Relating to 2017/18 affecting the opening balance)		1	
Irregular expenditure		1	
Total		1	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
26. Fruitless and wasteful expenditure		
26.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	9,161	9,161
Prior period error		-
As restated	9,161	9,161
Fruitless and wasteful expenditure – relating to prior year		-
Fruitless and wasteful expenditure – relating to current year	19	-
Less: Amounts resolved		-
Less: Amounts transferred to receivables for recovery		-
	15.6	-
Closing balance	9,180	9,161
26.2 Analysis of awaiting resolution per economic classification		
Current		-
Capital	9,180	9,161
Transfers and subsidies		-
Total	9,180	9,161

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

27.1 In kind goods and services provided/received	Note	2017/18 R'000	2016/17 R'000
<i>List in kind goods and services between department and related party</i>			
Accounting and IT Services		-	-
Internal audit and Audit committee		-	-
Office rental		-	-
Total		-	-

During the year under review the Department received free of charge service from the Department of Public Works, Roads and Transport and Office of the Premier that are related to the Department. The Department of Culture Sport, and Recreation occupies Government Building in the Province provided by the Public Works, Road and Transport free of charge. The Department received service for the Audit committee and Internal Audit provided through the shared services in the office of the Premier. Department of Finance provided IT services free of charge. The Department has the General Manager which is currently the Director of Silulu seSiswati, the General Manager has disclosed to the Accounting Officer of the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	No. of	2017/18 R'000	2016/17 R'000
28			
Key management personnel			291
Political office bearers (provide detail below)	1	1,978	1,902
Officials:			-
Level 15 to 16	2	1,565	1,439
Level 14 (incl CFO if at a lower level)	3	3,701	3,366
Family members of key management personnel			-
Total		7,244	6,707

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

29 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	12	-	-	12	-
Heritage assets	12	-	-	12	-
MACHINERY AND EQUIPMENT	76,347	-	19,712	2,427	93,632
Transport assets	24,809	-	2,327	983	26,153
Computer equipment	18,416	-	11,536	668	29,284
Furniture and office equipment	23,393	-	3,517	314	26,596
Other machinery and equipment	9,729	-	2,332	462	11,599
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	76,359	-	19,712	2,439	93,632

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Additions

29.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT					
Transport assets	11,930	9,286	-	(1,504)	19,712
Computer equipment	3,716	7		(1,396)	2,327
	2,257	9,279			11,536
Furniture and office equipment	3,625			(108)	3,517
Other machinery and equipment	2,332				2,332
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	11,930	9,286	-	(1,504)	19,712

2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Disposals

9.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets	-	12	12	-
		12	12	
MACHINERY AND EQUIPMENT				
Transport assets	983	1,444	2,427	353
Computer equipment	983	668	983	353
Furniture and office equipment	-	314	668	
Other machinery and equipment		462	314	
			462	
SPECIALISED MILITARY ASSETS				
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS				
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	983	1,456	2,439	353

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

29.3 Movement for 2016/17

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	12	-	9	9	12
Heritage assets	12		9	9	12
MACHINERY AND EQUIPMENT	70,009	-	13,466	7,128	76,347
Transport assets	24,371		2,626	2,188	24,809
Computer equipment	15,743		6,256	3,583	18,416
Furniture and office equipment	20,580		3,252	439	23,393
Other machinery and equipment	9,315		1,332	918	9,729
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-		-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	70,021	-	13,475	7,137	76,359

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

29,4 Minor assets		MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018						Total	
	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000			R'000	
Opening balance	-	-	29	136 828	-			136 857	-
Value adjustments									-
Additions				12 133				12 133	
Disposals			4	2 646				2 650	
TOTAL MINOR ASSETS	-	-	25	146 315	-			146 340	
Number of R1 minor assets									1 445
Number of minor assets at cost									988 654
TOTAL NUMBER OF MINOR ASSETS	-	-	-	990 099	-			990 099	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

29.4	Minor assets	MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017						Total R'000
		Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000		
	Opening balance	-	-	37	146 416	-	146 453	
	Prior period error	-	-	(8)	(17 055)	-	(17 063)	
	Additions	-	-	-	8 618	-	8 618	
	Disposals	-	-	-	1 151	-	1 151	
	TOTAL MINOR ASSETS	-	-	29	136 828	-	136 857	
		Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total	
	Number of R1 minor assets	-	-	-	1 477	-	1 477	
	Number of minor assets at cost	-	-	5	963 957	-	963 962	
	TOTAL NUMBER OF MINOR ASSETS	-	-	5	965 434	-	965 439	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

29.4.1 Prior period error Relating to 2016/17	Note	2016/17 R'000
Nature of prior period error Prior errors on Minor assets -Library Material		(17,055)
Relating to 2016/17 Heritage assets +		(8)
Total		(8)

The prior year errors were caused by material overstatement of prices in the asset register. The department went back to the population and corrected the prices retrospectively. Inventory were disclosed as heritage assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

29,5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
-	-	-	-	-	-
Assets written off					
TOTAL MOVABLE ASSETS WRITTEN OFF					

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
-	-	-	421	-	421
Assets written off					
TOTAL MOVABLE ASSETS WRITTEN OFF					

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Intangible Capital Assets	MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					Closing balance
	Opening balance	Value adjustments	Additions	Disposals	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2,686	-	-	-	-	2,686
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	2,686	-	-	-	-	2,686

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	15,328		(15,328)	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	15,328	-	(15,328)	-	-