

## GAUTENG PROVINCIAL LEGISLATURE

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# ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

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Monday, 14 March 2022

### **ANNOUNCEMENTS**

none

### **TABLINGS**

none

### **COMMITTEE REPORTS**

1. The Chairperson of the Sport, Recreation, Arts and Culture Portfolio Committee, Hon. W M Matsheke, tabled the Committee's Oversight Report on the Detail of Vote 12 (SACR) of the Gauteng Provincial Adjustment Appropriation Bill [*G004-2021*] for the 2021/2022 financial year, as attached:



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**SPORT, RECREATION, ARTS AND CULTURE PORTFOLIO COMMITTEE**

Oversight Report on the Detail of Vote 12 (Gauteng Department of Sport, Arts, Culture and Recreation)  
1<sup>st</sup> Gauteng Provincial Adjustment Appropriation Bill

**[G004-2021]**

**2021/2022 Financial Year**

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## **ACRONYMS**

<b>APP</b>	<b>Annual Performance Plan</b>
<b>FY</b>	<b>Financial Year</b>
<b>DPSA</b>	<b>Department of Public Service and Administration</b>
<b>GCR</b>	<b>Gauteng City Region</b>
<b>GGNC</b>	<b>Gauteng Geographic Names Committee</b>
<b>GPG</b>	<b>Gauteng Provincial Government</b>
<b>HOD</b>	<b>Head of Department</b>
<b>ICT</b>	<b>Information Communication Technology</b>
<b>MTBPS</b>	<b>Medium Term Budget Policy Statement</b>
<b>PFMA</b>	<b>Public Finance Management Act</b>
<b>PHRAG</b>	<b>Provincial Heritage Resource Authority - Gauteng</b>
<b>SOM</b>	<b>Sector Oversight Model</b>

## **Sport, Recreation, Arts and Culture Portfolio Committee**

**15 March 2022,**

### **1. INTRODUCTION**

The Gauteng Provincial Adjustment Appropriation Bill (PAAB) [G004-2021] (*herein referred to as (the Bill)*) provides for the appropriation of adjusted amounts of money from the Provincial Revenue Fund for the requirements of the Province in respect of the financial year ending 31 March 2022; and to provide for matters incidental thereto. The Bill is endorsed by section 31 (1) of the Public Finance Management Act (PFMA) 1999, which enjoins the MEC for Finance to table an adjustments budget in a provincial legislature.

The Bill is in line with Section 31 (2) (a)-(g) of the PFMA. Which stipulates that an adjustments budget of a province may only provide for:

- (a) the appropriation of funds that have become available to the province.
- (b) unforeseeable and unavoidable expenditure recommended by the provincial Executive Council of the province within a framework determined by the Minister;
- (c) any expenditure in terms of section 25;
- (d) money to be appropriated for expenditure already announced by the MEC for finance during the tabling of the annual budget;
- (e) the shifting of funds between and within votes or to follow the transfer of functions in terms of section 42;
- (f) the utilisation of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote in terms of section 43; and
- (g) the roll-over of unspent funds from the preceding financial year.

The purpose of the Sport, Recreation, Arts and Culture Portfolio Committee Oversight Report on the Detail of the Gauteng Department of Sport, Arts, Culture and Recreation adjustment budget is to examine the implications of the adjusted budget allocations for the current financial year, regarding Annual Performance Plans of the Department. That is, ensuring that the adjustment budget does not negatively

impact on departmental plans to an extent that programmes entailed in those plans do not realize their strategic objectives.

This report provides an analysis of the 1<sup>st</sup> Gauteng Provincial Adjustment Appropriation Bill [G004-2021], as it relates to Gauteng Department of Sport, Arts, Culture and Recreation, whether the budget adjustment necessitated the review of APPs and account for the reprioritization of resources to spending areas.

## 2. PROCESS FOLLOWED

The Speaker formally referred the Provincial Adjustment Appropriation Bill [G004-2021] to the Sport, Recreation, Arts and Culture Portfolio Committee for consideration and reporting.

On Thursday, 10 March 2022, the Committee Researcher made a presentation on the analysis of the 1<sup>st</sup> adjustment Budget Vote 12 of the Gauteng Department of Sport, Arts, Culture and Recreation. In the same meeting, the Gauteng Department of Sport, Arts, Culture and Recreation presented its 1<sup>st</sup> adjustment Budget Vote 12 for the 2021/22 financial year.

The Committee then deliberated and adopted the Oversight Report on the 1<sup>st</sup> adjustment Budget Vote 12 for the 2021/22 financial year.

## 3. OVERALL ADJUSTMENTS

The Department's total appropriation decreased by **R40 540 000** from **R1 066 393** to **R1 025 853** during the adjustment budget process in the 2021/22 financial year. The decrease comprised of the approved rollover amounting to **R1 895 000**. An amount of **R12 200 000** was surrendered from programme 1 of which **R5 100 000** was due to the slow progress made in filling vacant posts, **R5 600 000** was due to the slow progress in fully operationalising the Kagiso Memorial and the Women's Living Heritage Monument and **R1 500 000** was due to the impact of COVID-19 regulations on the Premier's Social Cohesion Integrated Holiday Programmes which restricted the contact activities from Programmes 2.

A total amount of **R14 600 000** was surrendered of which **R6 700 000** was from the Tri-colour Games which was postponed to the next financial year, **R2 600 000** was from the Sport Awards and **R115 000** was from the Nelson Mandela Remembrance Walk because these were down scaled due to the COVID-19 regulations and **R5 200 000** from the budget allocated for bidding for and hosting major events which was delayed from Programme 4.

Furthermore, a total amount of **R10 600 000** was surrendered of which **R10 300 000** was from the Provincial Archive Centre due to the slow progress in fully operationalising the Centre by filling vacant positions and **R250 000** was from community libraries due to non-installation of ICT infrastructure in Programme 3.

An amount of **R1 100 000** was rolled over on the Community Library Services grant to perform construction work on the Akasia Community Library. The project is at 96% completion and the City of Tshwane has requested additional construction work to be done on this library. A further **R808 000** was rolled over on the Mass Sport and Recreation Participation Programme conditional grant to fund accruals on the acquisition of sporting equipment and attire for club development and training for the Siyadlala community programmes.

#### **4. DETAILED PROGRAMME ADJUSTMENTS**

##### **4.1 Programmed 1: Administration**

In the 2021/22 financial year this programme was allocated an amount of **R165 883 000**. This amount was adjusted to **R162 198 000** during the adjustment process reflecting a **R3 685 000** decrease including virements within the programme. Virements within the programme included **R1 300 000** to make provision for claims against the state as per the court instruction and paying for bursaries and an amount of **R5 400 000** was shifted within the programme to make provision for migrating telecommunication services and for the payment of the leave gratuity and claims against the state.

##### **4.2 Programme 2: Cultural Affairs**

The allocation for Cultural Affairs Programme decreased from **R233 278 000** that was allocated in the 2021/22 financial year to **R219 293 000** during the adjustment process. This shows a **R13 985 000** decrease.

An amount of **R6 500 000** was shifted to non-profit institutions of which **R4 000 000** was for the provision of financial support to Grant-in-Aid offered to community organisations in the arts and culture sector. The remaining **R2 500 000** million was for the memorandum of understanding with the Arts and Culture academies to determine how the funds will be utilised in line with the relevant roles and responsibilities.

Furthermore, an amount of **R24 000 000** was shifted within goods and services to make provision for Creative Arts and Culture programmes and for the installation of statues plaques and the declaration of economical viable routes in Heritage services including PHRA-G and GGNC committees, the Geographical Names Council board members and minor assets required at the corridor offices. Provision is also made for additional photocopiers required at the clusters, for leasing office space and for the

increase in expenditure on property at the corridors and at the Women Living Heritage Monument. It is not clear if budget provisions for these outputs were made in the main budget.

Related to the above is that a further amount of **R1 900 000** was shifted to buildings and other fixed structures for the final account and completion of the Women's Living Heritage Monument.

#### **4.3 Programme 3: Library and Archival Services**

The budget allocation for this programme has been adjusted from **R320 024 000** to **R310 096 000** reflecting a **R9 928 000** decrease.

An amount **R11 500 000** was classified within the programme to make provision for the operationalisation of both the community libraries that are still to be handed over to municipalities and the Provincial Archive Centre. However, the department informed the committee that an amount **R10 300 000** was surrendered from the Provincial Archive Centre due to the slow progress in fully operationalising the Centre by filling vacant positions.

This programme shifted an amount of **R400 000** to programme 4 for the demolition of the HM Pitje stadium.

#### **4.4 Programme 4: Sport and Recreation**

This programme was allocated an amount of **R347 208 000**, and this amount was decreased to **R334 266 000** indicating a **R12 942 000** adjustment. This programme is one of the hard-hit programmes of the department because most of its activities require mass gathering and in some instances spectators.

A total amount of **R16 600 000** was reprioritized for building and other infrastructure projects including the 5 Combi courts and the demolition of the HM Pitje stadium. This is made up of the **R400 000** from Programme 3, **R1 837 000** addition from Treasury and **R14 400 000** was reprioritized within the programme including the Compensation of Employees with the department.

### **5. COMMITTEE PROPOSED RECOMMENDATIONS**

The Portfolio Committee recommends the following:

5.1 The department should ensure proper planning to avoid roll-overs, virements and shifting of funds and ultimately underspending compromising service delivery. The Committee will monitor progress on a quarterly basis.

## 6. ACKNOWLEDGEMENTS

The Portfolio Committee wishes to thank the Honourable MEC for Sport, Arts, Culture and Recreation Department Ms. Mbali Hlophe and the acting HOD Mr Vuyani Mpofu and senior officials from the Department for their presentation of the *Gauteng Provincial 1<sup>st</sup> Provincial Adjustment Appropriation Bill [G004-2021]* Vote 12 Report.

Appreciation for diligence, dedication and commitment shown during the process goes to all Members of the Portfolio Committee W M Matsheke, M Modise, E B Letsoalo, T Ndlovu, M S Chabalala, W Peach, R B Masemola, A Tshitangano, N D Radebe and D K Adams.

The Committee also thanks the Group Committee Coordinator Z Pantshwa-Mbalo; Senior Committee Researcher S Nenweli; Committee Coordinator P Sigubudu; Committee Researcher, M Shikwane; Committee Administrator L Dabula; Senior Information Officer J Kiewits; Communications Officer A Dikola; Hansard Recorder; R Moremi and Service Officer, J Mamabolo for their role throughout the process.

## 7. ADOPTION OF THE REPORT

In accordance with Rule 117(2)(c) read together with Rule 164, the Portfolio Committee on Sport, Recreation, Arts and Culture recommends that the report on the detail of Budget Vote 12: Gauteng Department of Sport, Arts, Culture and Recreation 1<sup>st</sup> Provincial Adjustment Appropriation Bill [~~G004-2021~~] be adopted by the House.