No.0465 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Tuesday, 05 December 2023

# ANNOUNCEMENTS

none

# TABLINGS

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Sport, Recreation, Arts and Culture Portfolio Committee, Hon. T Ndlovu, tabled the Committee’s Oversight Report on** **the Annual Report of the Department of Sport, Arts, Culture and Recreation for the 2022/2023 financial year, as attached:**

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 **Sport, Recreation, Arts and Culture Portfolio Committee Annual Oversight Report on the Gauteng Department of Sport, Arts, Culture and Recreation for the 2022/23 financial year**

| **Committee Details** | **Department Details** |
| --- | --- |
| **Name of Committee** | **Sport, Recreation, Arts and Culture Committee** | **Name of Department** | **Sport, Arts, Culture and Recreation** |
| **Which Financial Year** | **2022/23**  | **Dept. Budget Vote Nr.** | **Vote 12** |
|  |  | **Hon. MEC** | **Hon. Morakane Mosupyoe** |
| **Committee Approvals** |
|  | **Name** | **Signed** | **Date** |
| **Hon. Chairperson** | **Hon. Thulani Ndlovu** |  | **30 November 2023** |
| **Adoption and Tabling** |
| **Date of Final Adoption by Committee**  | **Scheduled date of House Tabling** |
| **30 November 2023** | **5 December 2023**  |

Contents

[1. ABBREVIATIONS 3](#_Toc436147017)

[EXECUTIVE SUMMARY 5](#_Toc436147018)

[2. INTRODUCTION 6](#_Toc436147019)

[3. PROCESS FOLLOWED 7](#_Toc436147020)

[4. COMPLIANCE AND QUALITY 7](#_Toc436147021)

[5. OVERSIGHT ON STRATEGIC PRIORITIES 8](#_Toc436147022)

[6. OVERSIGHT ON TECHNICAL PERFORMANCE **.**](#_Toc436147023)

[a. SMART 8](#_Toc436147024)

[Some of the strategic objectives planned in the APP are broad therefore not specific in terms of outputs, targets and envisaged outcomes. 10](#_Toc436147025)

[b. Achievement of APP predetermined objectives 10](#_Toc436147026)

[*c.* *Programme Information* 10](#_Toc436147027)

[a. Priority, Output, Outcome Linkage 16](#_Toc436147028)

[d. OVERSIGHT ON BUDGET EXPENDITURE 16](#_Toc436147029)

[e. OVERSIGHT ON PUBLIC INVOLVEMENT 17](#_Toc436147030)

[f. FINDINGS OF THE AUDITOR GENERAL 18](#_Toc436147031)

[g. OVERSIGHT ON RESOLUTION MANAGEMENT 18](#_Toc436147032)

[h. FINDINGS, RECOMMENDATIONS AND IMPLICATIONS ON LAW MAKING 20](#_Toc436147033)

[i. ACKNOWLEDGEMENTS 20](#_Toc436147034)

[j. ADOPTION 21](#_Toc436147035)

# ABBREVIATIONS

|  |  |
| --- | --- |
| APP  | Annual Performance Plan |
| DoRA  | Division of Revenue Allocation |
| EPWP  | Expanded Public Works Programme |
| FIFA | Federation of International Football |
| FY | Financial Year |
| GACC | Gauteng Arts and Culture Council |
| GDE | Gauteng Department of Education |
| GGNC  | Gauteng Geographical Names Committee |
| IKS | Indigenous Knowledge System |
| LIS | Library Information Services |
| M&E | Monitoring and Evaluation |
| MEC | Member of Executive Council |
| MTEF | Medium Term Expenditure Framework |
| NDP | National Development Plan  |
| PANSALB | Pan South African Language Board |
| PEBA | Programme Evaluation and Budget Analysis |
| PFMA  | Public Finance Management Act |
| PHRAG | Provincial Heritage Resources Agency of Gauteng |
| PLC | Provincial Language Committee |
| SACR | Sport, Arts, Culture and Recreation |
| SAFA  | South African Football Association |
| SALB | South Africa Library for the Blind |
| SOM | Sector Oversight Model |
| SLA | Service Level Agreement |
| SMME  | Small, Medium, Macro, Enterprises |
| SRAC  | Sport, Recreation, Arts and Culture |
| SSMPP | School Sport Mass Participation Programme |

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

**05 December 2023,**

The Chairperson of the Portfolio Committee on Sport, Recreation, Arts and Culture, Honourable Thulani Ndlovu hereby tables the Committee Oversight Report on the Annual Report of the Department of Sport, Arts, Culture and Recreation for 2022/23 financial year as follows:

# 1. EXECUTIVE SUMMARY

The oversight role of the Portfolio Committee, as prescribed in the Constitution of the Republic of South Africa section 14 (2) (a) (b) and the Standing Rules section 152 (7) of the Gauteng Legislature, makes it imperative for the Committee to provide an analytical assessment on the overall performance of the Gauteng Department of Sport, Arts, Culture and Recreation for the 2022/23 Financial Year.

The Committee noted that the department achieved 69% of their service delivery targets which shows improvement when compared to 59% targets achieved in the previous financial year. These targets were achieved with the 87.9% expenditure which does not correlate and is not in compliance with the treasury regulations that stipulates that the department should have spent 100% of its allocation by the end of the financial year. It is concerning that the department continued to underspend and underperform in the year under review. The department experienced material underspending of the annual appropriation to the value of **R116 758 000** and irregular expenditure of **R56 493 000** was reported by the Auditor General.

The above-mentioned irregular expenditure was caused by expo-facto transactions and extension of expired contracts and that effective steps were not taken to prevent this irregular expenditure that is increasing yearly. Of great concern is that most of the irregular expenditure was caused by non-compliance with the treasury regulations as some of goods and services of a transaction value above **R1 000 000** were procured without inviting competitive bids and deviations were approved by the accounting officer despite it being practical to invite competitive bids.

The committee noted with concerns that the department failed to reduce the vacancy rate as planned. The plan was to maintain 9% vacancy rate, but this rate was at 36% at the end of the financial year under review with 304 vacant posts at the end of the financial year. This reflects an increase in the vacancy rate of 29.9% at the end of the previous financial year. This is due to the delays in the recruitment, selection, and appointment processes to align the organizational structure. However, this concern dates back from the previous political term where the department informed the committee that it was realigning its organisational structure. The delays in filing vacant positions further led to delays in internal planning and procurement processes which raises a concern about the department’s internal processes and capacity, leading to failure to meet some of the set targets.

Moreover, the department continued to experience delays in the implementation of the infrastructure projects. The challenges experienced relates to the upgrade and finalisation of community libraries, the operationalisation of the monuments, transfers to non-profit organisations, construction of combi courts and ekasi gyms. The committee is concerned about the challenges experienced in the operationalisation of the recently built facilities due to challenges related to interdependencies between the Department of SACR and Department of Infrastructure Development, it is however the responsibility of the Department to ensure that there is delivery as per the service level agreement with DID. Furthermore, the delays in the construction and finalisation of these infrastructure projects were carried over from the previous political term of office.

The GFC has achieved 84% of their targets with the 100.3% expenditure during the period under review. During this period, they have supported 37 productions by emerging filmmakers and in terms of issues related to Gender Responsive Budgeting, they have supported women, men, young people including members of the LGBTIQ. They are however still struggling to support productions owned by people with disabilities and having them in their employ. There were 32 service delivery targets set for the year under review and of this 27 (84.3%) were achieved and 5 (14.7) were not achieved. With regards to their expenditure, the Commission managed to spend 100.3% of the final appropriation by the end of the financial year under review which is not in correlation with the targets achieved.

# INTRODUCTION

This report provides an overview of the annual performance of the Gauteng Department of Sport, Arts, Culture and Recreation (GDSACR) for the 2020/21 Financial Year (FY). The report also aims to assess the Department’s performance on programmes and sub-programmes to check whether the Department’s planned outputs, targets and outcomes were achieved in terms of service delivery and whether the allocated funds have been effectively and efficiently utilised, in view of ensuring value for money and impact thereof.

The Committee’s approach in assessing the Department was based on the Sector Oversight Model (SOM), which puts emphasis on the following: Policy priorities, Inputs, Outputs and Outcomes. The model stipulates that there should be a balance between the Department’s inputs, outputs and outcomes.

# PROCESS FOLLOWED

3.1 On the 12 September 2023, the Speaker formally referred the Department of Sport, Recreation, Arts and Culture Annual Report for 2022/23 Financial Year to the Committee.

3.2 On the 2 November 2023, the Committee received a presentation on the Research Analysis of the Annual Report of the Department for 2022/23 financial year. In the same meeting, the Committee received the AG presentation on the Department’s AG findings for 2022/23 FY. Questions emanating from the presentations were sent to the Department.

3.3 On the 6 November 2023, the Committee held a meeting where it received the Departmental presentation on the Annual Report for 2022/23 FY. This was followed by the committee public meeting on the 9 November 2023 at Mafatsane Community Hall in Evaton whereby the department was scheduled to present the Annual Report to stakeholders. However, the meeting adjourned early prior to the presentations as stakeholders were not pleased with the MEC’s absence which led to the deferral of the meeting.

3.4 On the 30 November 2023, the Committee deliberated and adopted its 2022/23 Annual Oversight Report.

# COMPLIANCE AND QUALITY

 **4.1 Timeframes**

The report was prepared timeously and submitted to the Legislature on 30 August 2023.

* 1. **Format**

This Department has aligned its report to the format used by other Departments, and it has also linked its performance to the outcome-based approach adopted by Government.

 **4.3 Policy and Legislation**

The Department complied with Section 65 of the Public Finance Management Act (PFMA) by preparing and submitting its Annual Performance Report within 30 days of the reporting period, to the Legislature.

**4.4 Controls**

The report tabled in the Legislature has been signed off by the Head of the Department, the Accounting Officer and the Executive Authority. The approval by the most senior authority in the Department demonstrates that an effort is made to ensure that the report is accurate.

**4.5 Adequacy of Controls**

The report controls within the Department have proven to be adequate to ensure compliance with the necessary requirements for submission of the annual report.

# OVERSIGHT ON STRATEGIC PRIORITIES

GDSRAC is a lead Department in terms of implementing Outcome 14: transforming society and uniting the country, the Department is aimed at contributing significantly to this outcome as well as other outcomes such as outcome 1 (quality basic education); outcome 2 (a long and healthy life for all); Outcome 3 (all people of South Africa are and feel safe) and outcome 5 (skilled and capable workforce to support and inclusive growth path). The Department coordinates outputs relating to national identity, nation building, public participation, and social cohesion. Consequently, several programmes were developed and implemented addressing crime prevention, healthy lifestyles, job creation and skills development.

The Department is still struggling with achieving the outcome indicator on **compliance and responsive governance**. In compliance with this indicator, they have submitted the required reports as per PFMA. They are also improving with regards to paying valid invoices within 15 days as per compliance requirements, they achieved 82% and 84% which was achieved in the previous financial year. The Department received an unqualified audit opinion with findings from the AG and this has been the finding since the beginning of the current political term. The findings of the AG revealed non-compliance with regulations, for example, the Department incurred irregular expenditure amounting to **R56 493 000** which relates to issues of non-compliance to SCM procedures and expo-facto transactions and extension of expired contracts. The AG found that the accounting officer did not always exercise adequate oversight of performance reporting and compliance with applicable legislation and that action plans that were compiled to address the prior year audit findings were not in all instances adequately monitored, which resulted in several repeat findings on compliance with the PFMA.

With respect to the priority **on job creation**, the Department is still not doing well. There is a vacancy rate of 29.9% within the Department that has increased from 29.9% recorded in the previous financial year, they are struggling to have PwDs in their employ as well. The only jobs they can create are temporary jobs that they create through programmes in sports and recreation as well as the creative industry. Major events in the sport and recreation space and in the creative industries were not engaged in the financial year under review due to national treasury advisory note on preferential procurement and this affected job creation in these sectors.

With regards to the outcome of **transformed, capable and professional sport, arts, and culture sector** the Department has recorded progress in this regard. Through their script writing and directing workshops, poetry, and comedy sessions they are managing to assist beneficiaries to perform professionally in the sector. Capacity building initiatives in the fashion design and visual art spaces also equip young people with skills and market access opportunities.

As far as the outcome on **integrated and accessible sport, arts and culture infrastructure** the Department has not made progress when compared to the previous financial year reports. They did not achieve the target of building multipurpose sports facilities known as combi courts which is important sports development as it addresses the issue of equitable access to sports facilities. None of the libraries that were completed in the financial under review are operational and even then, they have taken too long to complete, and libraries planned to be constructed were not constructed as planned. Libraries such as Drieziek, Naturena and Kagiso Ext 6 remain closed even though they were completed back in 2014. The Women’s Living Heritage Monument was officially opened by the Premier in August 2016 and to date it remains a white elephant that is not being utilised because there is still work that needs to be finalised. The Operation Mabaleng multi-purpose sports courts are still not benefitting the community even though there are no other sport facilities in the area only because of a snag list that was developed around 2019/20 FY and still not resolved. The infrastructure takes too long to complete once conceptualised and cost them more than they were initially planned due to budget overruns.

The Department is doing well on **outcome on a diverse, socially cohesive society with common national identity.** They hosted and implemented 111 socially cohesive initiatives which included the 8th virtual Mandela Remembrance Walk/run, 21 social dialogues to benefit communities and library youth summit. Most programmes planned during the financial year reflects the participation of males, females, youth, and elderly as expected and in most cases the targets set were exceeded.

## SMART

Some of the strategic objectives planned in the APP are broad therefore not specific in terms of outputs, targets and envisaged outcomes. The APP of the Department is not compliant with the SMART principles thus making it difficult to measure and assess the Departmental performance and impact.

## b. Achievement of APP predetermined objectives

In terms of the annual performance plans the Department reported that it achieved 69% of the planned targets which indicates progress when compared to 60% targets achieved in the previous financial year. The Gauteng Film Commission achieved 27 out of 32 targets that were set for the year under review.

## Programme Information

In the 2022/23 FY, the Department continued to fund the following programmes under Vote 12: Administration, Cultural Affairs, Library and Archival Services and Sport and Recreation.

**Programme 1: Administration**

This programme provides professional corporate support services to the Department to facilitate excellence in service delivery and adherence to good governance principles. This programme is made up of the following Sub-Programmes; Office of the MEC, Office of HOD, Office of Chief Operating Officer, Corporate Services, Communications and Office of the Chief Financial Officer.

The administration programme consists of the following Sub-Programmes namely: Office of the MEC and Corporate Services. In the year under review this programme received a total allocation of **R155 165 000**. Of this, an amount of **R147 696 000** was spent representing an underspending of **R7 469 000**. However, only 11 of the 20 planned targets were achieved which represents 55% of the achieved targets. The department attributed the underspending in this programme to high vacancy rate contributed to the under-spending as well as the delay in the procurement processes for goods and services.

The Department had planned to achieve 9% vacancy rate during the financial year under review but just like in the previous financial years this target was not achieved but rather escalated. Ath the end of the financial year under review, 304 posts were vacant, reflecting a 36% vacancy rate. During the same period in the previous financial year there were 252 vacant posts and 29.9% vacancy rate. This has been an ongoing concern throughout the sixth administration. The committee raised this concern with the department through committee deliberations, questions, and house resolution whereby the department the Department reported to have developed a recruitment strategy that was implemented to address the high vacancy rate. However, it has not yielded positive results, as the vacancy rate is increasing.

Moreover, during the 2020/21 financial year budget deliberations, the department indicated that there was a 2.8% increase in allocation for this programme on compensation of employees due to the organisational structure alignment of the new corridor model to ensure the alignment of the budget with the current organisational structure. However, this was not achieved. As a result, the duties of these posts were attended to through acting appointments which compromised stability. Furthermore, the target to recruit people from designated groups was not achieved, the plan was to have 5% but achieved 1.3%. In the previous financial year, they had managed to achieve 1.7%. They are attributing the underperformance to the fact that they did not receive any applications for employment from this designated group. The target was 7% however 6.2% was achieved. The delays in the implementation of the new organisational structure impacts on this output. The department however performed well with regards to the employment of women in senior positions with 50% achieved in this regard.

The department did not perform well with regards to the infrastructure projects planned for the year under review. For the financial year under review, the construction of 6 libraries was not achieved as planned, the development of 15 outdoor gyms was not achieved, the construction of 20 sport and recreation facilities (combi courts) were not achieved, and the planning for the Gauteng Soccer Museum was not achieved as planned. The delays and non-achievements in this regard was a challenge in the previous political term and eventually deferred to the current term which has also failed to deal with the issues leading to the delays experienced.

**Programme 2: Cultural Affairs Programme**

The role of the Cultural Affairs programme is to identify, develop, support and promote the arts and preserve, protect, support heritage resources in the province, and the work of the Gauteng Geographic Name Committee. This programme has four Sub-programmes namely, Management, Arts and Culture, Museum, Heritage Resources and Language Services. The programme also supports the co-ordination of the commemoration of the National Days in Gauteng.

This programme has four Sub-programmes namely, Management, Arts and Culture, Museum, Heritage Resources and Language Services. In the year under review this programme was allocated an amount of **R205 633 000**. The expenditure at the end of the financial year was at **R174 913 000**. This shows an underspending of **R30 720 000**. The committee noted with concerns that the same reasons provided for underspending in this regard are like the reasons provided in the previous financial year for the reported underspending. Moreover, the failure to address issues of SLAs with the Sedibeng Municipality leading to funds not transferred thus compromising service delivery for the much-needed services. The Department responded to this concern by mentioning that an amount of **R2 927 000** was transferred to the Sedibeng District Municipality in April 2023 for the operationalisation of infrastructure projects that included the Boipatong Memorial and Youth Centre. However, the monuments are not handed over to the municipalities despite that they were finished between 2016/2018 financial years, and they are no plans to handover the monuments to municipalities but plan to establish a joint committee to manage the facilities.

There were 44 targets set for this programme in the year under review. Of these, 29 were achieved and 15 were not achieved. Most of the targets were overachieved in this programme and the department indicated that there were no financial implications for these achievements. These include the target of non-fee-paying schools supported to participate in Arts and Culture Schools integrated programmes, the plan was to support 400 and 438 was supported, Art practitioners participating in performing arts initiatives, the plan was 10 000 and 23 000 people participated and 100 Andrew Makhaya Street echoes supported with developmental programmes compared to the 50 that was planned. Furthermore, 72 Arts and Culture organizations financially were supported which is more than 50 that was planned and budgeted for, and 1 921 practitioners benefitted from capacity building opportunities exceeding the 400 planned. Though the department reported that there were no financial implications for these overachievements. However, the department should clarify how extra financial support was provided.

Some of the other targets that were not achieved as planned which included the Gauteng Gospel awards that was not hosted as planned due to procurement delays, provincial Schools Arts and Culture awards were also not hosted due to the cancellation of extra-curricular activities in schools. The target to support 3 Cultural and Creative Industries institutions was not achieved as planned because the department was looking at options for transferring funds to these institutions. However, alternative methods for implementing the support were not concluded in time.

The department continued to facilitate the celebration of National Days. The celebration of these days contributes towards some of the priorities of the Gauteng Provincial Government’s (GPG) namely social cohesion and nation building. The Department hosted the commemoration of the following National Days in the year under review: Human Rights Day, Freedom Day, Youth Day, Women’s Day, Heritage Day and Day of Reconciliation. The department reported that it also joined the rest of the world to dedicate 67 minutes to former President Nelson Mandela through community service and hosted a Mandela remembrance walk in the 3rd quarter of the financial year under review. However, the target for new statues for heroes and heroines of the Heritage Liberation Struggle installed was not achieved due to delays in the facilitation of the installation process by formal correspondence not signed off by the department to the COJ, COT, and COE to secure the occupation of the land for the installations.

**Gauteng Film Commission**

The GFC continued to play a significant role with its strategic direction that is primarily focussed on developing and supporting the industry to make an impact in a highly competitive and sophisticated entertainment industry. In line with this direction, the GFC has achieved 84% of their targets with the 100.3% expenditure during the period under review. the GFC is doing well in the achievement of their strategic priorities. During this period, they have supported 37 productions by emerging filmmakers and in terms of issues related to Gender Responsive Budgeting, they have supported women, men, young people including members of the LGBTIQ. They are however still struggling to support productions owned by people with disabilities and having them in their employ.

There were 32 service delivery targets set for the year under review and of this 27 (84.3%) were achieved and 5 (14.7) were not achieved. With regards to their expenditure, the Commission managed to spend 100.3% of the final appropriation by the end of the financial year under review which is not in correlation with the targets achieved. The issue of the vacancy rate was still a concern at the end of the financial year under review, though there were appointments made. The GFC indicates that this will be addressed when they have the budget and there is no indication with regards to where the increase in budget will come from.

**Programme 3: Library and Archival Services**

This programme provides strategic, operational and legislative framework for effective and efficient functioning of the library, information and archival services in the province; and to ensure that systems, knowledge and skills are in place for sound records management and to provide a repository for documentation to facilitate seamless access to information. It further ensures the implementation of the Gauteng Provincial Archives and Record Services Act.

This programme has three Sub-programmes namely, Management, Library Services and Archival Services. In the year under review this programme was allocated an amount of **R302 839 000**. The Department reported that by the end of the financial year under review an amount of **R260 515 000** was spent. The expenditure in this programme was at 86% at the end of the financial year under review. An amount of **R42 325 000** was not spent due to transfers that were not processed to Emfuleni Municipality due to governance challenges and the delays in implementing infrastructure projects as well as vacant posts funded by the Community Library Services Grant.

The Department did not manage to develop libraries of the future as planned. Th target was to build 15 libraries and only 8 was achieved due to scarcity of needed resources in the country resulting in service providers delaying the finalisation of implementation while waiting for imported deliveries. Furthermore, the target for 400 people accessing the Gauteng virtual libraries was not achieved due to non-renewal of the e-resource (Overdrive and Press Reader) subscriptions that resulted in the unavailability of the virtual library depriving a lot of people the opportunity to read conveniently online.

The department informed the committee that it planned to construct three new libraries in the 2020/21 financial year which was not achieved and moved to the 2021/22 financial year which was not achieved and deferred to the year under review. The 2022/23 financial year annual report of the department revealed that this target was not achieved as planned. This was attributed to that the information required for SCM processes was submitted late at which stage most Professional Services Providers’ tax compliance certificates had expired and that stage 1 fee claims were also not received for processing. However, the initiation reports were received from the implementing agent on 1 December 2021, and not approved by the department at the close of 2021/22. The approval of initiation reports will ensure that the projects move to the next stages while the speedy resolution of the departmental internal capacity challenges has the potential to assist in resolving some of the delays that occur in processing work related to infrastructure functions. the department reported that the estimated completion date for these libraries is the 31 March 2024.

Furthermore, the plan to financially support 14 non-profit organisations to inculcate culture of reading not achieved as planned. This is because the project did not get an approval, pending availability of BAC to secure a meeting. This target was not achieved in the previous financial year for the same reasons and deferred to the year under review. According to the department, The BAC feedback was received on 15 February 2023 and the outcome of the meeting was that the Library Unit should write a memorandum to the acting head of the department to request the unit to support the 2022/23 selected non-profit organisations with funding. However, due to time constraints in terms of the payment process, the remaining procedures could not be undertaken in this financial year. The new process will be commenced early in the 2023/24 financial year and an increased budget has been secured to assist more beneficiaries in the 2023/24 financial year.

**Programme 4: Sport and Recreation**

The aim of this Programme is to promote sport and recreation and school sport, facilitate talent identification, promote sport development and high performance and to make Gauteng the home of champions. In so doing, the programme contributes towards nation building, social cohesion, economic growth and the creation of job opportunities, as well as promoting sustainable livelihoods for sportsmen and sportswomen. It is also responsible for ensuring the effective and efficient co-ordination of preparations for hosting major events in the Gauteng Province, and other special projects.

This programme has four sub-programmes namely, Sport Development and Coordination, Competitive Sport, School Sport and Recreation Services. In the year under review this programme was allocated an amount of **R304 532 000**. The department reported that by the end of the financial year an amount of **R268 287 000** was spent representing 80.1% and 19.9% underspending. There was an underspending of **R36 245 000** experienced. The underspending in this regard was due to delays in transfers due to late registration on the Central Supplier Database (CSD) by some Gauteng-based football teams in the National First Division as well as in the Premier League. Furthermore, the budget allocation for school sport sub-programme was underspent due to delays in the finalisation of the equipment and attire transversal tender by the National Department for the conditional grant.

The committee noted that out of the 45 planned targets, 33 were achieved and 11 were not achieved. However, there were delays experienced in the implementation of the sport infrastructure particularly the combi courts and refurbishment of sport facilities. In the previous financial year this programme underspent its allocated budget citing the same reasons. The underspending was also attributed to delays in the implementation of infrastructure projects. They indicated that the late appointment of PSPs for combi courts. However, the same reasons are provided in the year under review.

The target for number of schools provided with attire and equipment as per the established norms and standards was not achieved, 460 was planned and the Department attributed this to the absence of an equipment tender. According to the Department, the request for quotation process was also not helpful as the unit has outstanding purchase orders for the equipment and attire. Also, the target to support 220 clubs provided with equipment was not achieved as only 16 clubs were supported. This is because the transversal tender was not finalized. Moreover, 140 jobs planned to be created under this programme was not achieved as only 41 was achieved though advertisements were issued but appointments were not made but shifted to the next financial year.

Furthermore, The target for sport and recreation facilities under planning was not achieved, the target of 10 ekasi gyms and 20 combi courts were not achieved as planned. The Department attributes this to lengthier drafting of business cases which included not receiving sufficient information from the municipalities including council resolutions with clear sites. These outputs were then deferred to the next financial year. It should be noted that these outputs were not achieved in the previous financial year and moved to the year under review.

## Priority, Output, Outcome Linkage

The Department has implemented most of the priorities as pronounced in the year under review. However, there is a need for the Department to strengthen its monitoring and evaluation system.

# 7. OVERSIGHT ON BUDGET EXPENDITURE

The Public Finance Management Act section 40 (1) (f) of 1999 stipulates that government Departments should submit reports to the Legislature to ensure accountability and transparency. It is expected that all programmes should have spent 100% of the allocated budget by end of the financial year. In the 2020/21 financial year, the final adjusted allocation for the department was **R968 169 000**. At the end of the financial year an amount of **R851 411 000** was spent. This is an expenditure of 87.9% and an underspending of 12.1%. A variance of **R116 760 000** was experienced.

The Administration Programme was allocated an amount of **R155 165 000** final budget and at the end of the financial year an amount of **R147 696 000** was spent. This is an expenditure of 95.2% and an underspending of 4.8%. The underspending was attributed to the delays in the submission of interdepartmental claims by Department of Justice. Audit fees due to the delays in the start of the interim audit, property payments, maintenance projects were cancelled due to changed scope.

The Cultural Affairs programme was allocated **R205 633 000** in the financial year under review and managed to spend **R174 913 000** reflecting an expenditure of 85.1% and an underspending on 14.9%. A variance of **R30 720 000** was recorded. The underspending is attributed to the delays in the approval of the Draft Major Events Policy and the Standard Operating Procedure. The transfers to Sedibeng Municipality were not processed during this reporting period due to non-compliance with the Service Level Agreement (SLA) regarding the business plan and monthly reporting and this also contributed to the under expenditure.

The Library and Archival Services Programme was allocated an amount of **R302 839 000 in** the financial year under review and of this, it managed to spend **R260 515 000.** This represents an expenditure of 86.0% and an underspending of 14.0%. A variance of R45 324 000.00 was recorded. In terms of the economic classification, the programme has spent 66.7% of their current payment’s allocation, 95.8% of the transfers and subsidies allocation and 45.4% of their payments to capital assets allocation.

The Sports and Recreation programme was allocated **R304 532 000** and an amount of **R268 287 000** was spent at the end of the financial year representing an expenditure of 88.1%. An amount of **R36 245 000** was not spent**.** The underspending is attributed to delays in transfers due to late registration on the Central Supplier Database (CSD) by some Gauteng-based football teams in the National First Division as well as in the Premier League. Furthermore, school sport sub-programme was underspent due to delays in the finalisation of the equipment and attire transversal tender by the national department for the conditional grant.

The Gauteng Film Commission received a total allocation of **R45 037 942**and reported to have spent an amount of **R45 042 394**which shows an overspending of **R4 452.**

# 8. OVERSIGHT ON PUBLIC INVOLVEMENT

The committee held a public meeting in Mafatsane Community Hall, Evaton to get stakeholders inputs on the Annual Performance Report of the department for the 2022/23 financial year. However, stakeholders were not pleased by the MEC’s absence and called for the meeting to be rescheduled and mandated the department to hold a meeting to address stakeholders’ inputs and report to the committee on the outcomes of the meeting.

# 9. FINDINGS OF THE AUDITOR GENERAL

The GDSACR obtained unqualified audit opinion with matters of emphasis in the year under review. The AG’s opinion is that the financial statements of the Department presents fairly in all material respects the financial position of the Department.

The following influenced the findings of the Auditor-General:

* Material underspending of the annual appropriation by **R116 758 000**.
* The AG could not determine if the achievement were correct as adequate supporting evidence was not provided.
* No sufficient appropriate audit evidence that appropriate measures were maintained to ensure that transfers and subsidies to entities were applied for their intended purposes as required by treasury regulation 8.4.1. This is a similar finding from the previous financial year
* No 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 investigations into irregular expenditure were not performed.
* Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure disclosed in the financial statements was caused by expo-facto transactions and extension of expired contracts. The irregular expenditure for the period under review is **R5 053 000**.
* Findings on procurement and contract management revealed that some goods and services of a transaction value above **R1 000 000** were procured without inviting competitive bids and deviations were approved by the accounting officer despite it being practical to invite competitive bids.

The Gauteng Film Commission obtained an unqualified audit opinion in the year under review. The AG affirms that the financial statements of the GFC presents fairly in all material respects the financial position of the GFC as at the 31 March 2023. However, the AG’s report indicated that the AG did not perform any audit on the Commission’s performance against their predetermined objectives given that they are not expected to report their performance as per the Public Finance Management Act (PFMA) because they are a Non-Profit Organisation.

# 10. OVERSIGHT ON RESOLUTION MANAGEMENT

Information on the Department’s implementation of House Resolutions for the period under review

| **RESOLUTIONS MANAGEMENT** |
| --- |
| **RESOLUTIONS PASSED DURING ALL 4 QUARTERS LEADING UP TO THIS ANNUAL REPORT** |
| **Total number of Resolutions passed during the Previous Quarters** |
| 38 |
| **Nature of Resolutions** |
| 24 are related to service delivery while 14 are related to governance |
| **RESOLUTIONS / ACTIONS NOW DUE (OR PAST DUE)** |
| **Number of Resolution Responses / Action now due** |
| 15 |
| **RESOLUTIONS CLOSED** |
| **From those now due, how many Resolutions are now satisfactorily closed** |
| None. |
| **REASONS** |
| **Reasons for Resolutions not yet closed** |
|  |
| **Measures taken by the Committee to ensure speedy Closure of Resolutions due but still open** |

# 11. FINDINGS/CONCERNS, RECOMMENDATIONS AND IMPLICATIONS ON LAW MAKING

1. **Committee Findings / Concerns**

The Committee is concerned with the following:

* The department failed to reduce the vacancy rate as planned. The plan was to maintain a 9% vacancy rate, but this rate was at 36% at the end of the financial year under review which shows an increase from the 29.9% recorded in the previous financial year.
* The infrastructure projects planned for the year under review were not achieved namely: the construction of 6 libraries, construction of 15 ekasi gyms, the construction of 20 sport and recreation facilities (combi courts) and the planning for the Gauteng Soccer Museum.
* The target for 400 people accessing the Gauteng virtual library was not achieved due to non-renewal of the e-resource (Overdrive and Press Reader) subscriptions.
* The plan to financially support 14 non-profit organisations to inculcate culture of reading not achieved as planned due to delays in getting approvals. This target was not achieved in the previous financial years for the same reasons and deferred to the year under review.
* The target for number of schools provided with attire and equipment as per the established norms and standards was not achieved, 460 was planned and the Department attributed this to the absence of an equipment tender by the National Department of Sport, Arts and Culture.

**b. Proposed Committee Recommendations**

The Committee proposes the following recommendation to the House for adoption. These recommendations should be responded by **28 February 2024**. The Department should:

* Provide the committee with a comprehensive report on the delays experienced in implementing the new organizational structure leading to the recorded increase in the vacancy rate.
* Fast track the renewal of the e-resource (Overdrive and Press Reader) subscriptions for online library and provide the committee with a status report.
* Provide a plan to deal with the backlog in the provision of the financial support for 14 non-profit organisations to inculcate culture of reading dating from the 2019/20 financial year.
* Provide the committee with a comprehensive report on the outcomes of engagements with the National Department of Sport, Arts and Culture in the provision of equipment and attire for schools and clubs noting experienced challenges of procurement delays, poor quality of equipment provided that continue to compromise the implementation of programmes.

# 12. ACKNOWLEDGEMENTS

The Portfolio Committee on Sport, Recreation, Arts and Culture wishes to thank the MEC for Sport, Arts, Culture and Recreation Department Honourable Morakane Mosupyoe and the HOD Mr Vuyani Mpofu and senior officials from the Department for the presentation of the annual report and their sustained cooperation throughout the annual report process.

The Committee appreciates the diligent deliberations of the Honourable Chairperson, T Ndlovu and Honourable Members, E B Letsoalo, M Modise, M S Chabalala, W D Peach, I Mukwevho, M Masoleng, and D K Adams.

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

# 13. ADOPTION

In accordance with Rule 117 (2) (c) read together with Rule 164, the Sport, Recreation, Arts and Culture Portfolio Committee recommends that the Annual oversight report on the Department of Sport, Arts, Culture and Recreation for the 2022/23 financial year be adopted by the House, considering Committee’s concerns and proposed recommendations made in this report.