

0837098389
TARU

PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

RESEARCH UNIT

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 8273 Fax: 27 (21) 403 8118
www.parliament.gov.za

10 October 2013

OVERVIEW AND ANALYSIS OF 2012/2013 ANNUAL REPORT OF THE DEPARTMENT OF ARTS AND CULTURE

1. INTRODUCTION

The Department of Arts and Culture (hereinafter referred to interchangeably as "the Department" and "DAC") derives its mandate from the Constitution of the Republic of South Africa (Act No. 108 of 1996) with specific focus on language and culture, access to information and, to some extent, education. In relation to government's 12 Outcomes, the Department of Arts and Culture has to respond to Outcome 12: *An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship*. It is the mandate and the responsibility of the Department of Arts and Culture to take lead in ensuring that the country achieves Outcome 12. The Department further seeks to unleash the potential of the arts, culture and heritage sector to contribute to job creation and economic growth (Outcome 4) through a strategy called the Mzansi Golden Economy (MGE) Strategy.¹

In line with the legislative requirements set out in the Section 65(1) of the Public Finance Management Act (No. 1 of 1999), the Department has to report on its performance and therefore has tabled its annual report for the 2012/2013 financial year. The legal requirements for departments' annual reports are detailed in Section 40 of the PFMA and chapter 18 of the Treasury Regulations.

In order for the Portfolio Committee on Arts and Culture (hereinafter referred to as "the Committee") to provide oversight, the annual report is an essential tool in assessing the Department's performance. The annual report also acts as a measure of service delivery and is essential to understanding how the Department has implemented its budget. An analysis of the annual report is important to determine if the Department has followed up on its prevailing strategic plan and annual performance plan.

This analysis will therefore serve as a guide to the Department's past, current and future position and will ultimately feed into the budgetary review and recommendations report (BRRR) process.

2. TECHNICAL QUALITY OF THE REPORT

The aim of assessing the technical quality of the annual report is to ensure that it complies with the legal and policy framework guiding its structuring, compilation and tabling. An annual report should present comprehensive expenditure and service delivery performance

¹ National Treasury (2012a).



information.² The following is a concise outline of the technical quality of DAC's annual report.

2.1 General information

The section deals with general information pertaining to the Department occupies pages 4 through 18 of the annual report. The Department reports on all areas as per National Treasury's *Guide for the Preparation of the Annual Report*.³ The organisational structure provides basic detail on the high-level structure. The diagram on page 6 of the report provides no information on branches and their functions.

2.2 Information on predetermined objectives

Measuring performance ensures that policy, planning, budgeting and reporting are aligned in order to achieve enhanced service delivery. This information is essential to track if aims and objectives are being met and which policies and processes are effective.⁴ Expenditure and service delivery performance is represented in the DAC 2012/2013 annual report. The quality of the information provided will be analysed in section 3 of this brief.

2.3 Annual financial statements

The annual financial statements consist of all items, as per National Treasury guidelines.

2.4 Human resources

The Department's annual report contains human resource (HR) information on almost all of the key areas detailed in National Treasury's guidelines. An account of utilisation of consultants is not presented as part of the report on human resource management.

Errors in tables reporting on aspects of HR management include:

- Programmes are incorrectly named in tables 1.1; 1.3 and 2.1.
- Table 1.2 – the figures in the column 'Total personnel cost for Department including goods and services' are not correctly reported.
- In tables 3.2; 3.4; and 6.1 the category 'Asian' when reporting on salary positions upgraded, grade of salary in relation to job evaluation, and performance rewards.

² Research Unit (nd).

³ National Treasury (2012b).

⁴ Ibid



3. SERVICE DELIVERY PERFORMANCE FOR 2012/2013

The Department has identified the following strategic goals to guide its work over the next five years:⁵

- Enhanced access to information
- Enhanced development, protection, preservation and promotion of arts, culture and heritage
- Increased economic development and empowerment
- Entrenched language diversity
- Advanced social cohesion and democracy
- Enhanced governance and accountability

These goals have been translated into strategic objectives. A number of programmes have been defined as a mechanism for achieving the strategic goals and objectives.

The activities of the Department are divided into six programmes. Their respective descriptions and purposes are set out in the 2012/2013 annual report as follows:⁶

Programme 1: Administration

Purpose: Provide leadership, management and support functions to the Department.

Programme 2: Performing Arts

Purpose: Promote the performing arts.

Programme 3: National Language Service

Purpose: Promote the official languages of South Africa and enhance the linguistic diversity of the country.

Programme 4: Cultural Development

Purpose: Stimulate the development of opportunities for the sector through sustainable, mutually beneficial partnerships.

Programme 5: Heritage Promotion

Purpose: Provide policy, legislation and strategic direction for identifying, conserving and promoting cultural heritage.

Programme 6: National Archives and Library Services

Purpose: Facilitate full and open access to the archival and information resources of South Africa.

⁵ Department of Arts and Culture (2012a).

⁶ Department of Arts and Culture (2013).



3.1 Progress on medium term focus areas

The Department's annual report is aligned to the strategic plan. The 2012/2013 Estimates of National Expenditure (ENE) outlines a number of objectives that DAC had to meet during the 2012/2013 financial year. The ENE speaks to three focus areas over the medium term (2012 – 2015)⁷, namely:

- Promoting social cohesion through national symbols and events
- Language policy and archives
- Strengthening public entities in the sector

An overview of progress in each of these focus areas for the 2012/2013 financial year follows:

- Promoting social cohesion through national symbols and events -
One of the ways in which this was to be achieved was through the dissemination and popularisation of national symbols through education, publications, workshops as well as the distribution and installation of flags in schools and public buildings. The DAC had also planned to support events to commemorate national events and therefore advancing national identity. Also planned for 2012/13 was a social cohesion summit.

NOTES ON PROGRESS IN 2012/2013:

The Department made fair progress in this focus area. However the following matters as reported on in the 2012/2013 annual report should be noted:

- The Dulcie September Memorial Lecture did not take place for the second consecutive year due to a disagreement between the family and the University of the Western Cape as well as the inability of the university to organise the lecture by the time they were approached. Is DAC satisfied with the efforts it has made to mediate and/or facilitate the negotiations between the family and the university?
- A mere 109 out of the targeted 3000 national flags were installed at schools. The Department cites problems with the appointment of the service providers and the work will only commence in the 2013/2014 financial year. The distribution of handheld flags also appears to have been problematic. The reason for deviation from the target is not satisfactory.

⁷ National Treasury (2012a).



- The commemoration of the Matola Raid did not take place as the Monument and Interpreting Centre has not yet officially opened.
- DAC successfully hosted the Social Cohesion Summit in July 2012. The summit resolutions were developed into a costed implementation framework. Going forward, the Committee should track the implementation of the Social Cohesion Strategy.

- Language policy and archives -

In 2003, Cabinet approved the national language policy framework. Areas of language planning, translation and editing, terminology development and coordination of human language technologies were to be focused on. As custodian of government records, DAC has committed to ensure the preservation of these records. To enhance accessibility in the archives, DAC had planned to upgrade the National Automated Archival Information Retrieval System (NAAIRS) over the medium term.

NOTES ON PROGRESS IN 2012/2013:

- This focus area resides within Programme 3: National Language Service and Programme 6: National Archives and Library Service. The Department has made great progress within Programme 3. However, there have been a number of issues hampering progress in Programme 6 which point to improper planning (targets set too high in some instances); problems in procurement processes (refer here to purchase of library items on page 143 of the annual report).
- In Programme 6, DAC reports on challenges with regard to infrastructural facilities and tools. The redesign and revamp of the NAAIRS system, an essential tool in accessing archival catalogues, was to have been phased in during the period under review. Only 61 per cent of the project has been completed. By when will this system be functional?
- Further, DAC planned to introduce/upgrade two archival systems but full implementation did not occur. DAC should explain why the comment on deviation reads, "reason unknown" (see page 145 of the annual report). This reason for variance is not acceptable.
- DAC has made slow progress with regard to its objective to improve the regulatory framework for archives and libraries (Programme 6, page 145 of the annual report).

- Strengthening public entities in the sector -



To ensure better alignment of strategies and therefore have a greater impact in the sector, DAC undertook to conclude shareholder compacts with all its public entities. DAC also highlighted the importance of investment in cultural infrastructure to ensure that the state's creative spaces remain accessible, functional and vibrant places for artists and communities.

NOTES ON PROGRESS IN 2012/2013:

- According to DAC's overview of departmental performance (pp. 21-28 of the annual report), the first Shareholders Compacts for the 2012/2013 financial year were signed during 2012. Further, the Department has also completed the signing of compacts for the 2013/2014 financial year. However, according to the PFMA audit outcomes of the 2012/2013 financial year for the Department, the Minister has not strengthened the shareholders compacts and failed to get assurance on skills and irregular expenditure on a quarterly basis.⁸
- During 2012/2013 building, maintenance and upgrading of infrastructure in various heritage institutions, playhouses, libraries and archives took place (refer to page 30 of the annual report). The capital works budget for the period under review was R483 million. 98 per cent of the total budget was spent, and out of 147 projects supported, only nine reached practical completion stage. The remaining 138 projects will continue into 2013/2014. Through oversight, the Committee should track the progress of these capital works projects since in some instances, the Department has initiated Facilities Management Contracts (FMC) with major financial implications.
- The Conditional Grant for community libraries aims to transform urban and rural community library infrastructure. The Committee should note that reporting on outputs of the grant is not consistent throughout the annual report. For example, the number of new libraries completed (target 15) and number of libraries upgraded (target 50) is reported on in three places:

Page	New libraries built	Existing libraries upgraded
24	13	40
30	14	37
144-145	14	36

This is unclear reporting and needs clarification from the Department.

⁸ Auditor-General of South Africa (2013).



3.2 Annual Performance Plan

This section gives a brief assessment of overall performance in terms of targets. This entails a concise look at the total number of targets for 2012/2013 and total number achieved.

The Auditor-General (A-G) has indicated that of the 185 planned targets, 83 were not achieved during the period under review. This represents 45 per cent of planned targets that were not achieved. The main reasons provided for this deviation from planned targets are:

- delays in implementation of targets,
- dependency on other key stakeholders, and
- reprioritisation of resources.

For the previous financial year, i.e. 2011/2012, only 158 out of 232 planned targets were achieved during the year under review. A total of 32 per cent of planned targets were not achieved. The A-G noted that this was because the Department did not have the staff capacity to implement the planned targets.⁹

ISSUE FOR CONSIDERATION:

- The difference in the planned targets between the two financial years represents a decrease of 47 planned targets for the period under review. However, the rate of non-achievement of targets has increased, i.e. 32 per cent not achieved in 2011/2012 versus 45 per cent not achieved in 2012/2013. The Department should clarify if there were consequences for this increase in non-achievement and what measures have been put in place to ensure that the rate of achievement of planned targets will increase going forward.
- The Department should explain why performance information relating to the national database on living heritage is absent from the report on Programme 5 (Heritage Promotion). The annual report does not reflect this target, as set out in the 2012 annual performance plan (pg. 38). What has the Department achieved as at the end of 2012/2013?

3.3 Programme performance

The Department's mid-year performance status reflects little to no progress made within the first two quarters of the 2012/2013 financial year as a result of the demand for arts and

⁹ Department of Arts and Culture (2012b).



culture events. The Department was requested to support an additional 14 cultural events during the period under review. With regard to other targets, the Department had made very little and in some instances zero progress with regard to a number of performance indicators by mid-year.¹⁰

The Department has not delivered or performed poorly against the following targets within the first six months of the 2012/13 financial year:

- Number of jobs created through the public art programme per year: 0 against a target of 2 000
- Number of jobs created through the Touring Venture programme per year: 0 against a target of 250
- Number of art work procured through the establishment of the Art Bank per year: 0 against a target of 1 500
- Number of national flags and poles installed at schools per year: 0 against a target of 4 000
- Number of new community libraries upgraded per year: 5 (i.e. 10.0 per cent) against a target of 50
- Number of new community libraries built per year: 2 (i.e. 13.0 per cent) against a target of 15.

The Department attributed the non-delivery against the first three targets mentioned above to delays by provinces in identifying public art projects, delays in obtaining National Treasury approval for the virements of earmarked funding from goods and services to transfer to households, and delays in establishing the Art Bank.

Due to the delays experienced, the Department has revised the 2012/2013 targets downwards for the number of jobs created through the public art programme and for the number of art works procured through the establishment of the Art Bank to 1 500 and 500 respectively. As a result, the Department has declared a savings of R43.5 million. The declared savings of R43.5 million on the Mzansi Golden Economy projects are:¹¹

- Programme 2 (Performing Arts): savings of R10.9 million
- Programme 4 (Cultural Development): savings of R32.6 million

From information provided in the 2012/2013 annual report is unclear how the Department progressed with its job creation strategy in relation to the public art programme Touring Venture programme. Similarly, the report is unclear with regard to the number of art works procured.

¹⁰ National Treasury (2012).

¹¹ Ibid



The number of new libraries built and existing libraries upgraded increased as projected during the third and fourth quarters. However, the planned targets were not achieved.

The following table looks at performance per programme (as at the end of the 2012/2013 financial year) as outlined by the percentage allocation of Vote 14 and final actual expenditure as a percentage of adjusted appropriation.

Table 1: Performance per programme

	Main Appropriation	Percentage Main Appropriation per programme	Adjusted Appropriation	Final Actual Expenditure	Final Expenditure as a percentage of Adjusted Appropriation
	R'000	%	R'000	R'000	%
Programme					
1. Administration	209 687	7.8	212 732	235 390	110.7
2. Performing Arts	639 996	23.8	641 686	622 095	96.9
3. National Language Service	111 850	4.2	112 233	108 574	96.7
4. Cultural Development	180 410	6.7	158 928	146 574	92.2
5. Heritage Promotion	744 243	27.7	745 215	822 097	110.3
6. National Archives and Library Services	799 471	29.8	801 676	721 741	90.0
TOTAL	2 685 657	100.0	2 672 470	2 656 471	98.9

From Table 1 the following is observed:

The Department has spent 98.9 per cent or R2.656 billion of its adjusted budget of R2.672 billion in 2012/2013. In the previous financial year, the Department spent 94.8 per cent or R2.405 billion of its adjusted budget of R2.537 billion of its adjusted budget.¹² The increase expenditure in 2012/2013 compared to 2011/12 can be attributed to increased transfers in respect of the conditional grant for community library services; increased spending on capital works of arts institutions and heritage institutions; and the operational transfer to the Pan South African Language Board (PanSALB).¹³

Programme 4 (Cultural Development) has spent 76.2 per cent or R12.1 million of its adjusted budget of R15.9 million. A total of R7.700 million was rolled over for the Mzansi Golden Economy projects. Programme 4 received rolled-over funds in both 2010/11 and 2011/12 amounting to R18.6 million and R32.1 million, respectively for Investing in Culture projects. In a summary of the AENE prepared by the Research Unit of Parliament in 2012, it

¹² Department of Arts and Culture (2013).

¹³ Research Unit (2012).



was noted that the Department has successively under-spent the adjusted budget allocation for Programme 4 for the 2010/2011 and 2011/2012 financial years. It was further predicted that the Department would under-spend the 2012/13 adjusted budget allocation by year-end, unless action is taken to accelerate spending within Programme 4.¹⁴

ISSUES FOR CONSIDERATION:

- The Department has spent 98.9 per cent of its budget. This is an increase in spending compared to 2011/2012. However, only 55 per cent of planned targets were achieved during the period under review. The Department has to explain this disparity to the Committee.
- Reporting on the number of jobs created through the MGE strategy is unclear. The Department of Arts and Culture declared savings of R43.500 million on the MGE projects. However, these “savings” are due to delays by provinces in identifying public art projects and delays in establishing the Art Bank.
- The Cultural Development programme has applied for rollovers for the past two years, even though it has consistently under-spent on its budget. The Department has applied for R7.700 million rollovers within this programme, even though the programme had under-spent on its budget by the end of the second quarter.
- The Department should clarify the issue of savings and rollovers with regard to the MGE projects and should provide the Committee with a detailed report of its expenditure and service delivery plans with regard to the MGE projects.

3.4 Key reported achievements and challenges

A brief synopsis of the Department’s key reported achievements and challenges follows.

Key achievements

- During the period under review, the Department supported 42 events, including 18 flagship events. Through supporting these events, the Department also created job opportunities.
- The Social Cohesion summit was successfully hosted in Kliptown, Johannesburg and attended by over 2500 delegates.
- The Steve Biko Centre of Remembrance was unveiled in November 2012.
- The second phase of the Ncome Museum Project was completed.

¹⁴ Research Unit (2012).



- The Minister approved eight out of 80 applications for geographical name changes.
- The Use of Official Languages Act (No. 12 of 2012) which regulates and monitors the use of South Africa's official languages came into force.
- The Department hosted and supported a number of initiatives that targets previously marginalised groups.
- Coordinating structures between DAC and its partners were established and are fully functional. These include the CEOs' Forum, the Chairpersons' Forum, the CFOs' forum and sectoral forums, to improve working relationships and governance.

Key challenges

- The Department has hosted and/or supported a significant number of events during the period under review. However, from the performance information provided, it is not clear how the costs incurred compare to the number of job opportunities created.
- The Department failed to reach employment equity targets specifically for females at the senior management level and persons with disabilities.
- A number of key policy documents were either not developed, approved or finalised as planned.
- The audit report on Community Arts Centres (CAC) was not completed.
- Even though coordinating structures have been established, there has been no improvement in the audit outcomes for the entities. There has been regression in supply chain management (SCM) procedures, quality of performance information and the quality of financial statements for 46 per cent of entities was a cause of concern for the A-G.¹⁵

3.5 Report of the Auditor-General

This section provides a brief overview of the audit outcomes and other findings for the Department as provided by the A-G.

For the period under review, the Department has received a financially unqualified audit opinion with findings on predetermined objectives and compliance. This audit opinion has remained unchanged since the previous financial year.

The A-G flagged the following three key focus areas as showing no improvement on the 2011/2012 financial year:

- Supply chain management,
- Predetermined objectives (PDOs), and
- Human resources management.

¹⁵ Auditor-General of South Africa (2013).



In the A-G's report contained within the 2012/2013 annual report highlighted the following findings:

- In relation to the reported performance against **PDOs**, significantly important targets with respect to Programme 2 (Performing Arts) were materially misstated, i.e. the Department provided inadequate evidence to support actual achievements. In addition, as mentioned earlier, 45 per cent of planned targets were achieved. Further, relative to PDOs, some material adjustments in the annual performance report identified during the audit were not corrected.
- With regard to **compliance** with laws and regulations, the Department failed to abide with Treasury Regulations pertaining to the procurement of goods and services. In addition, funded vacant posts remained unfilled for a period of more than 12 months. Furthermore, the Department incurred irregular and fruitless and wasteful expenditure amounting to R97 million and R2.8 million, respectively.¹⁶

ISSUES FOR CONSIDERATION:

- In its report, the audit committee noted a number of serious concerns including:
 - Lack of adequate policies and procedures in general;
 - Non-compliance to policies and procedures;
 - Lack of adequate SCM policies, procedures and compliance thereto;
 - Contract and records management;
 - Inadequate capacity, in particular the vacant position of the Chief Financial Officer;
 - Performance on PDOs

Why did the Department not heed the audit committee's recommendations to improve controls and governance systems, as well as compliance?
- While the Department has not incurred any unauthorised expenditure, the A-G has highlighted that the significant increase in irregular expenditure is cause for concern. Irregular expenditure for the Department has increased from R8.845 million in 2011/2012 to R97.075 million in 2012/2013. This concern has been extended to DAC's entities. This matter of non-compliance needs urgent attention since across the DAC portfolio, irregular expenditure grew from R48.553 million in 2012/2013 to R227.248 million in the period under review.¹⁷
- An increase in fruitless and wasteful expenditure, similarly, is a matter of concern growing from R56 460 across the portfolio in 2011/2012 to R5.819pan million in 2012/2013. This significant increase points to the need for more stringent controls in preventing fruitless and wasteful expenditure.

¹⁶ Auditor-General of South Africa (2013).

¹⁷ Auditor-General of South Africa (2013).



3.6 Summary of the Management Performance Assessment Tool Report

The Department of Performance Monitoring and Evaluation (DPME) developed the Management Performance Assessment Tool (MPAT) in collaboration with the Department of Public Service and Administration (DPSA) and National Treasury, with contributions from the Offices of the Auditor-General and Public Service Commission. The aim of the MPAT is to contribute to improved service delivery as underpinned by Outcome 12: 'An efficient, effective and development orientated public service'.¹⁸

The MPAT benchmarks good management practice. MPAT assesses the quality of management practices across a comprehensive range of management areas. Performance in each management area is assessed against the management standards established by National Treasury and the DPSA. MPAT does not duplicate existing monitoring by the National Treasury, the DPSA or the Public Service Commission, nor does it duplicate the auditing conducted by the Auditor-General. Instead, MPAT draws on secondary data of these departments and oversight bodies to moderate the self-assessments of departments.¹⁹

The MPAT framework is built around four management Key Performance Areas (KPA), namely:

- Strategic Management;
- Governance and Accountability;
- Human Resource and Systems Management;
- and Financial Management.

MPAT is designed to assess compliance and the quality of management practices in these four KPAs and provides a consolidated view of a department's performance across several critical performance areas. This process highlights and assists in prioritising areas that are in need of significant improvement.²⁰

DPME conducted the first round of assessments in 2011/2012. The Department has been assessed in both rounds, i.e. 2011/2012 and 2012/2013. Departments are required to assess themselves against a set of 31 standards and rate itself at one of four levels, as shown below:

¹⁸ Department of Performance Monitoring and Evaluation (2012).

¹⁹ Ibid

²⁰ Ibid



Level	Description
Level 2	Department is partially compliant with legal/regulatory requirements
Level 3	Department is fully compliant with legal/regulatory requirements
Level 4	Department is fully compliant with legal/regulatory requirements and is doing things smartly

The average scores for each of the KPAs as well as scores for management performance areas for the Department, in relation to average scored by national departments (ND), for both periods of assessment are detailed in Table 2 below.

Table 2: Summary of MPAT scores in management performance areas for the Department of Arts and Culture compared with scores for national departments

PERFORMANCE AREA	2011/2012		2012/2013	
	ND	DAC	ND	DAC
1. Strategic management (average)	2.8	4.0	3.0	2.5
1.1 Strategic planning	3.0	4.0	3.1	3.0
1.2 Programme management	3.0	4.0		
1.3 Monitoring and evaluation	2.5	4.0	2.8	2.0
2. Governance and accountability (average)	2.6	3.5	2.2	
2.1 Service delivery improvement				
2.2 Management structure	2.6	4.0	2.4	
2.3 Accountability	3.4	4.0	2.7	
2.4 Ethics	2.3	3.5	2.0	
2.5 Internal audit	2.9	4.0	2.3	
2.6 Risk management	2.8	4.0	2.0	
2.7 Delegations	2.6	4.0	2.2	
3. Human resources and systems management (average)	2.4	3.4	2.0	
3.1 HR strategy and planning	2.6	3.3	2.1	
3.2 HR practices and administration	2.2	3.8	2.0	2.0
3.3 Management of performance	2.6	3.3	2.4	
3.4 Employee relations	2.7	2.5		
3.5 IT systems		4.0		
4. Financial management (average)	2.4	2.8	2.8	2.5
4.1 Supply chain management	2.4	2.8	2.9	2.8
4.2 Expenditure management			2.8	2.3



Detailed results on each standard are contained in the scorecards for national department. The results in Table 2 indicate that the average scores in all four key performance areas for the Department has regressed since the last financial year. This highlights the need for the Department to improve the quality of management practices. The Accounting Officer is responsible for implementing improvements in this regard and further, the Minister must ensure that the Accounting Officer is held to account in this regard.

In 2011/2012 the Department fared well in relation to the average scores attained for national departments assessed in the same period. This scenario has reversed in the period under review with the Department scoring below the average for national departments.

Scores for the 'Governance and accountability' and 'Human resources and systems management' KPAs shows marked regression from the last financial year. Furthermore, scores for the Department has regressed in a number of management performance areas, with all assessment areas within the 'Governance and accountability' KPA regressing to a level of non-compliance. The 'Programme management' and 'IT systems' management performance areas were not assessed during the period under review. One particular point of concern is that for the past two assessment periods, the Department has failed to comply with service delivery improvement.

The 2013 MPAT report states that departments whose strategic plans did not meet the level 3 standard are less likely to operate effectively and deliver relevant services efficiently.²¹ The Department's score has dropped from 4.0 in 2011/2012 to 3.0 in 2012/2013, and therefore borders on the risk of wasted human and financial resources resulting in poor value for money.

One of the recommendations emanating from 2013 MPAT report is that departments should develop and implement improvement plans to address the areas of weakness indicated in their MPAT results. Departments are also expected to monitor the implementation of these improvements plans and should be requested to submit these plans as evidence in the 2013/14 MPAT cycle.

ISSUES FOR CONSIDERATION:

- The Department, through its Accounting Officer, should brief the Committee on the measures put in place to ensure improvement in the quality of management practices.
- What were the reasons for non-assessment of 'Programme management' and 'IT systems' management performance areas for the period under review?

²¹ Department of Performance Monitoring and Evaluation (2013).



- The Department should explain why the average scores have dropped so significantly since the last assessment in 2011/2012. Were there any consequences as a result of the findings of the MPAT report? The Department should brief the Committee on its improvement plans as recommendation set out in the 2013 MPAT report.

4. CONCLUSION

The Department has consistently achieved financially unqualified audit opinions with findings on predetermined objectives and compliance. This audit opinion points to the need for DAC to implement recommendations made by the A-G. Leadership, financial and performance management and governance has not improved since the last financial year, this is further corroborated by the DPME's report on the results of the MPAT assessment for the 2011/2012 and 2012/2013 financial years.

It is concerning that fruitless and wasteful expenditure and irregular expenditure has grown significantly since the last financial year. The Department should take correct steps to eliminate this going forward.

The number of planned targets achieved compared to the financial expenditure. This raises questions around value for money. Going forward, the Department should put measures in place to ensure that it meets planned targets in order to deliver an effective and efficient service.

5. REFERENCES

Auditor-General of South Africa. (2013) *PFMA audit outcomes for the Department of Arts and Culture*. Presented to the Portfolio Committee on Arts and Culture, Cape Town, 19 October.

Department of Arts and Culture. (2013) *Annual report 2012/2013*.

Department of Arts and Culture. (2012a) *Strategic Plan 2012-2013*.

Department of Arts and Culture. (2012b) *Annual Report 2011/12*.

Department of Performance Monitoring and Evaluation. (2012). *Management Performance Assessment Tool (MPAT): Report on assessment process for 2011/2012*.

Research Unit. (nd) *Operational Plan: Analysis of annual reports*. Cape Town, Parliament of the Republic of South Africa.



National Treasury. (2012b) *Guide for the preparation of the annual report*. Pretoria, National Treasury.

National Treasury. (2012a) *Estimates of National Expenditure*

National Treasury. (2012c) *Adjusted Estimates of National Expenditure 2012*.

UNEDITED DRAFT