1. **Report of the Portfolio Committee on Arts and Culture on the Governance Workshop with the Chairpersons and Deputy Chairpersons of the Department of Arts and Culture entities, Dated 13 February 2018**

The Portfolio Committee on Arts and Culture (the Committee) having conducted a workshop with Chairpersons and Deputy Chairpersons of Department of Arts and Culture Entities, reports as follows:

1. **INTRODUCTION**

The Portfolio Committee on Arts and Culture held a governance workshop where Chairpersons and Deputy Chairpersons were invited to an information sharing session after the Committee had met with entities during its oversight function between 2014-2017 and encountered the same problems amongst most entities. The Committee resolved that it would be prudent for all Accounting Officers to meeting and discuss issues that were pertinent to the problems within institutions.

This report outlines a summary of issues that emerged during the workshop.

1. **COMPOSITION**

* 1. **Members of the Portfolio Committee**

The delegation consisted of the following members:

Hon Ms. SP Tsoleli (ANC); Hon Ms. XS Tom (Chairperson and leader of delegation); Hon Dr. A Grootboom (DA); Hon Mr. Rabotapi (DA) and Dr. PWA Mulder (FF+).

* 1. **Parliamentary support staff**

Ms. A Mtiya (Committee Secretary); Ms. F Clayton Mr. L Komle (Content Advisor)

* 1. **Attendees**

Mr. Mxolisi Dlamuka (Facilitator); Ms. Hlengiwe Mgabadeli (Playhouse Company); Mr. Jan van der Merwe (War Museum); Mr. Henry Thipa (War Museum); Ms. Pearl Sithole (Msunduzi/ Ncome Museums); Mr. P Molefe (National Film and Video Foundation); Ms. Sanele Ntlabatsi (National English Literary Museum); Ms. GS Dlantwa (National English Literary Museum); Mr. Dikgang Moopela (Iziko Museum); Ms. Ronnie Makopo (Freedom Park); Dr. Bheki Mngomezulu (Nelson Mandela Museum); Ms. Andiswa Vikilahle (Nelson Mandela Museum); Ms. Sebenzile Matsebula (South African National Library for the Blind); Ms. Afrika Msimang (Performing Arts Centre of the Free State); Mr. George Kgarume (National Museum); Ms. Laura Robinson (Robben Island Museum); Prof Susan Bouillion (South African Heritage Resources Agency); Ms. Karabo Rapoo (Ditsong Museum of South Africa); Prof. F Mazibuko (KwaZulu Natal Museum); Adv. M Ralefatane (Luthuli Museum); Mr. Mava Dada (Robben Island); Mr. Sibusiso Buthelezi (Robben Island Museum); Ms. Shado Twala (Market Theatre Foundation); Mr. Kwanele Gumbi (Market Theatre); Mr. Fezile Dantile( KwaZulu Natal Museum); Dr. Somadoda Fikeni (ArtsCape); Mr. Themba Dlamini (National Library of South Africa); Mr. Themba Wakashe (Iziko Museums); Mr. Le Roux (Business and Arts South Africa); Ms. Zimkitha Zatu (National Heritage Council); Dr. M Balintulo (National Heritage Council); Mr. K Makwetu (Auditor General of South Africa); Mr. E Mohammed (Office of the Auditor General); Ms. P Maare (Office of the Auditor General); Ms. M Canca (Department of Arts and Culture); Ms. K Sethibelo (Department of Arts and Culture); Ms. P Nguzo (Department of Arts and Culture); Mr. S Nkanunu (Department of Arts and Culture)

1. **OPENING REMARKS BY THE CHAIRPERSON**

The Chairperson opened the workshop, and the members introduced themselves. The workshop focused on the following key areas.

• Programmes and vision of entities need to be aligned to those of the Department.

• Wasteful expenditure on matters of litigation.

• Boundaries of boards and management are blurred in some instances.

• Morale of staff in some entities is very low.

• Good corporate governance is of upmost importance.

• Bad labour relations need to be addressed

1. **PRESENTATION BY THE FACILITATOR**

The facilitator presented these key issues:

**Good governance:** Governance talks to the process of decision-making and the process by which decisions are implemented or not implemented. Good governance has innumerable features, which are, albeit inexhaustible, accountability, effectiveness and efficiency, transparency, responsiveness and to follow the rule of law. These features enable the entities to curb challenges like wasteful and fruitless expenditure and irregular expenditure.

**Job Creation:** Entities are delivery vehicles of Arts and Culture. Of the R4.062 billion, approximately R3.2 billion, which is 80 percent of the DAC budget, is transferred to the entities. One would ask a question as to how much out of this money is used to the ordinary people. Linking of tourism with Arts, Culture and Heritage. Create a conducive environment for the young people to get employment in the Arts, Culture and Heritage Sector.

**GRAP 103:** Practical implications of GRAP 103. The payment of valuation of assets. Insurance related to the value of the assets. These assets should be properly captured and kept.

**Legal fees:** Entities should avoid litigating on matters that may be resolved internally. Challenging CCMA results that have been adjudicated against an entity should not be done.

**Record management system:** Entities should have sound record management systems to ensure that information is easily accessible.

**Low morale of employees:** Boards have to see to it that they motivate employees and also devise a strategy attract and retain talented passionate staff in the sector.

* 1. **FINDINGS**

The Committee observed the following:

The Committee observed that the remuneration of Council members was problematic as the stipend was not worth the amount of work that they are tasked with. The Committee was also informed that absence of the Councils/Boards left the entities vulnerable, as Chief Executive Officers often took decisions that were illegitimate. It was also raised that there should be a clear indication as to who was responsible in appointing Council/ Board members should a position become vacant. The attendees indicated that the three-year term of Councils/Boards was very short and the Department should consider extending the term to five years. The attendees also agreed that there should be intense governance training/induction as well as strategic planning to assist the Councils/ Boards to understand their constitutional role within the entity.

The attendees indicated that there was a problem in terms of aligning the Departments strategic plans with that of the entities. The attendees agreed that the Department completed its own strategic plans without proper consultation with them and expected the entities to conform. The attendees noted that there was a top down approach, which was a concern.

The Committee was further informed that the officials of the Department were very problematic and often colluded with the Chief Executive Officers and derailed the mandate and functioning of the entities. It was revealed that the officials at times tried to influence the running of the entities and colluded with some Council/ Board members to take illegitimate decisions. The Committee was further informed that the Department did not support the Councils/Boards. The attendees indicated that they had no idea where the power lies, as it seemed that the CEOs wanted to take control of the Board/Councils, with the assistance from the Department.

The Committee was further informed that most entities were sitting on intellectual property that was not tapped into. The attendees indicated that the salaries were stifling and there needed to be a retention strategy should be developed for the staff who had long service and understood the institutions.

The attendees also indicated that fundraising was not easy since corporate and parastatals did not fund the arts sector. Funding for the arts was also a problem as the funding sources were split across Departments.

The attendees appreciated the initiative by the Committee to call the entities together and indicated that this sort of workshop should be considered by the Department.

1. **Recommendation**
* The Committee recommends that the Department of Arts and Culture should hold a follow up governance workshop with the Chairpersons and Deputy Chairpersons as a matter of urgency.

**Report to be considered.**