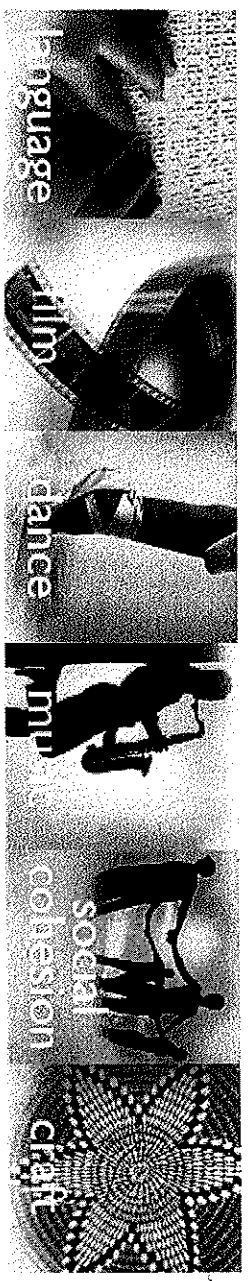


12/10/17 Pc Arts and Culture



**arts and culture**  
Department:  
Arts and Culture  
REPUBLIC OF SOUTH AFRICA



# Department of Arts and Culture

Sibusiso Xaba

ORGANISATIONAL REVIEW

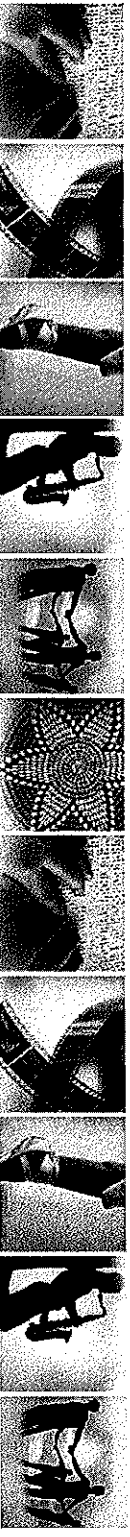
BRIEFING TO THE PORTFOLIO COMMITTEE: ARTS AND CULTURE

(Date to be determined)



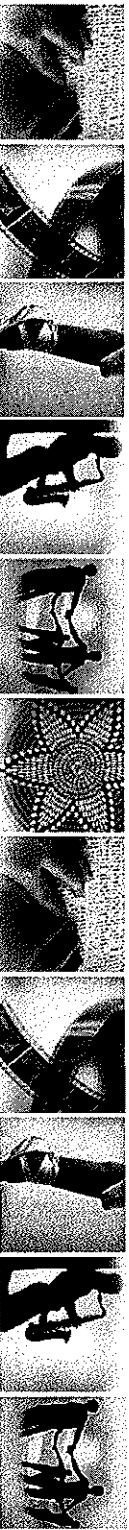
# CONTENTS

- Background
- Employee Compensation Budget
- Defining a functional structure
- Ensuring adequate capacity
- Organisational Structure
- Current status
- Filling of posts
- Way forward



# BACKGROUND

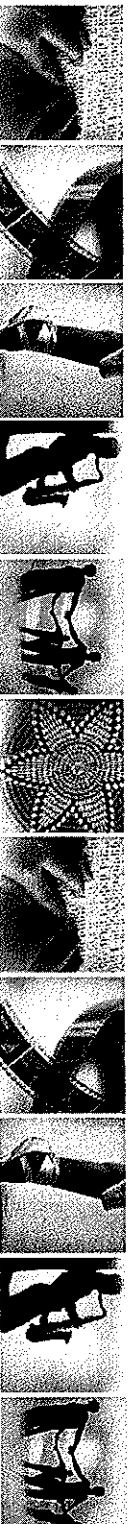
- OD investigation started April 2008, received draft report in April 2009.
- Received the close-out report in June 2009.
- Former Minister of DAC signed the letter to the MPSA November 2009.
- MPSA concurred with the recommended structure on 24 February 2010, on condition that all the positions are evaluated and Treasury confirms the budget for implementation.
- The Department envisaged a phased implementation of the structure due to the limited compensation budget.
- Only a number of critical positions were identified to be filled during the first phase.
- Although the new structure was fully implemented on the PERSAL system, a significant number of vacant posts remained unfunded.
- Unfunded posts were abolished in the previous financial year and only critical vacant posts were retained (some filled). Resulted in a vacancy rate of 4.9%. Not a true reflection of the required HR capacity.
- Current vacancy rate is 11.54%



# EMPLOYEE COMPENSATION BUDGET

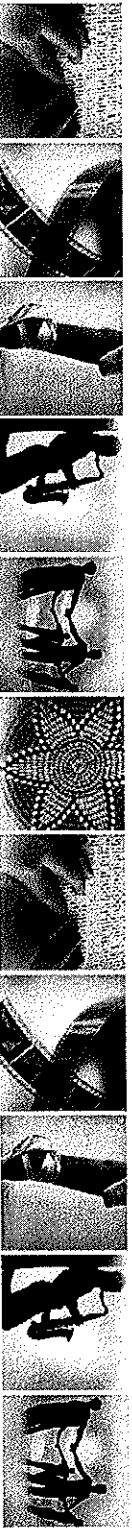
The following budget allocations were granted to the Compensation of Employees budget over the past years:

Financial Year	Amount granted	% Increase per Annum
2005/06	R85.5 mil	
2006/07	R95.0 mil	15%
2007/08	R107.1 mil	12.8%
2008/09	R138.9 mil	29.7%
2009/10	R146.2 mil	5.2%
2010/11	R152.9 mil	4.5%
2011/12	R164.8 mil	7.8%
2012/13	R180.0 mil	9.2%



## EMPLOYEE COMPENSATION BUDGET (cont'd)

- If a conservative increase of 10% per annum from 2008/09 is calculated, the Employee Compensation budget should have been R203 million in respect of the 2012/13. The current allocation is R180 million.
- The current budget is therefore R23 million less than what it should have been if realistic inflators had been awarded by National Treasury.
- It is evident that the percentage increases for the 2009/10 and 2010/11 financial years were not realistic and did not compensate for the general salary increases that were awarded to officials. Even the increase to 2012/13 is not adequate.
- The available budget is so limited that the savings on the Employee Compensation budget for 2010/11 was R75,000 in relation to the R152.907 million (0.5% of the total budget). Over expenditure on the Employee Compensation budget is not allowed by the Treasury Regulations.

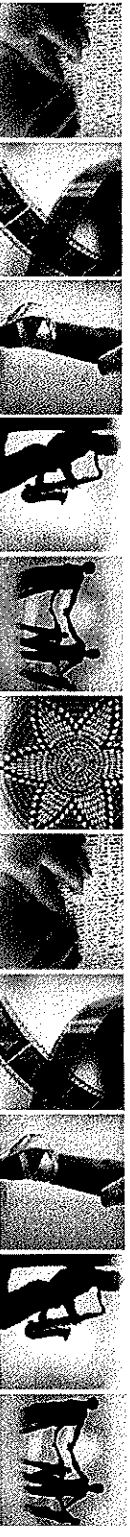


# EMPLOYEE COMPENSATION BUDGET (cont'd)

- The Department has requested additional funds from National Treasury in the 2012 MTEF period as follows:

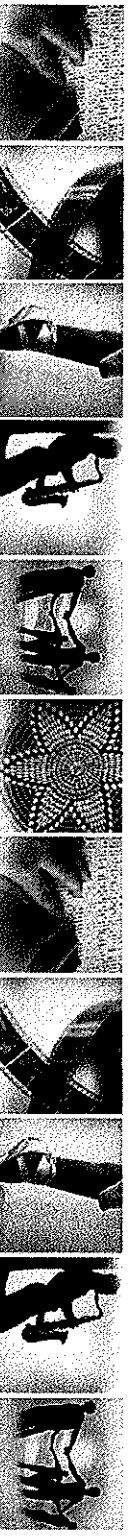
2012/13	2013/14	2014/15
R33 mil	R36 mil	R40 mil

- This represents an increase of 20% of the current total Employee Compensation budget.
- No additional funds have been received from National Treasury.
- In respect of the 2011/2012 MTEF, National Treasury authorised the following:
  - Amount of R1.930 mil transferred from Goods and Services for appointment of IT staff.
  - Additional amount of R2.558 mil received for difference in general salary increase.



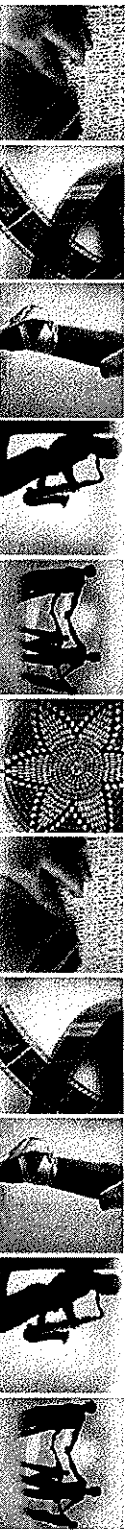
# DEFINING A FUNCTIONAL STRUCTURE

- Based on the capacity requirements and limited financial resources, a review of the organisational structure has been undertaken.
- The organisational structure should promote the efficient, economic and effective use of resources so as to improve the functioning of the department.
- In line with the requirements of the Public Service Regulations, the organisational structure must be within the available MTEF allocation.
- Evaluating the implications of the Mzansi's Golden Economy (MGE) on the structure as well as re-evaluating capacity requirements;
- The need for creation of Infrastructure Development capacity (technical project management);
- Increasing the oversight and institutional governance capability in the Department (institutions).



# DEFINING A FUNCTIONAL STRUCTURE (cont'd)

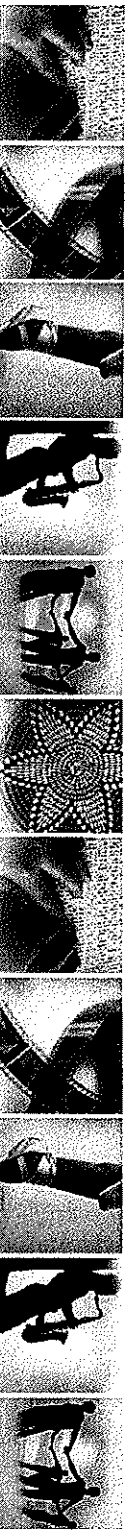
- Emphasis is also placed on the following:
  - While mainly retaining the conceptual framework of the OD exercise that was adopted in 2010, the structure is being developed within the current MTEF baseline, implying a significant decrease in the number of new posts;
  - Grouping of homogeneous functions;
  - Appropriate placement of cross-cutting functions (e.g. governance, international relations, social cohesion, nation-building, etc.)
  - Separation of core- and support functions.
  - Ensuring manageable spans of control.
  - Standardisation of administrative/support capacity (sharing).



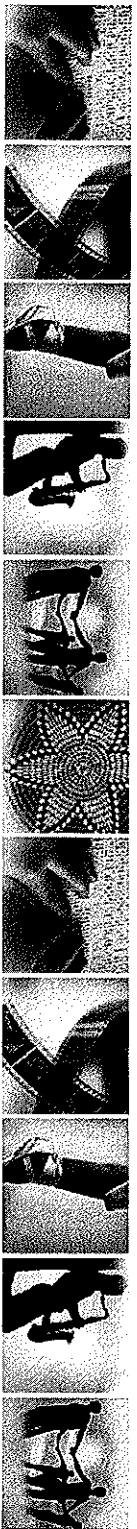
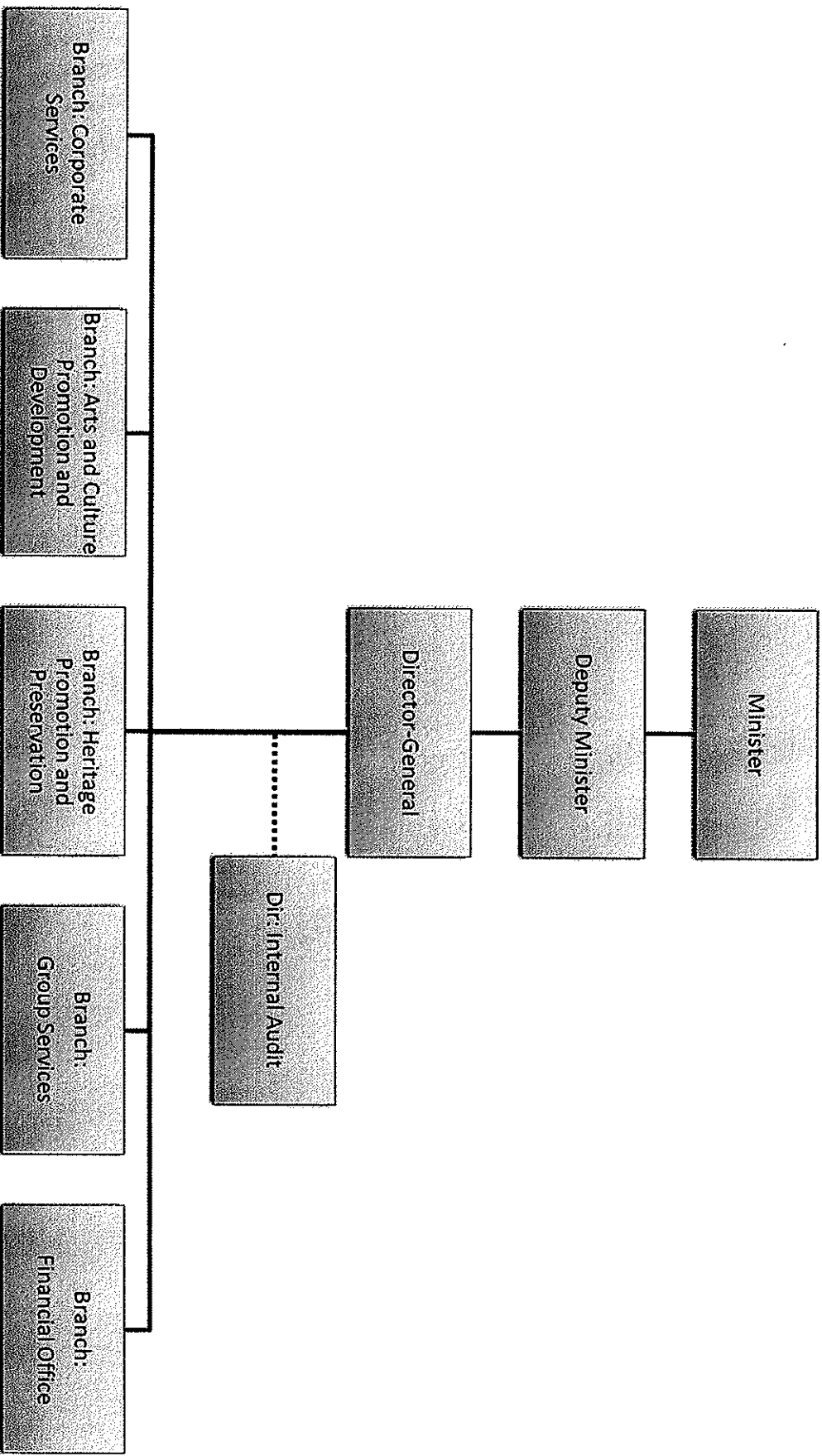


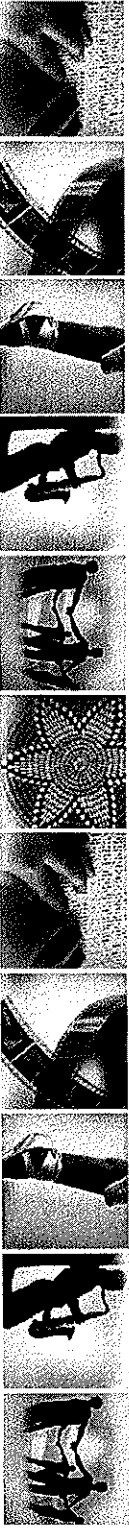
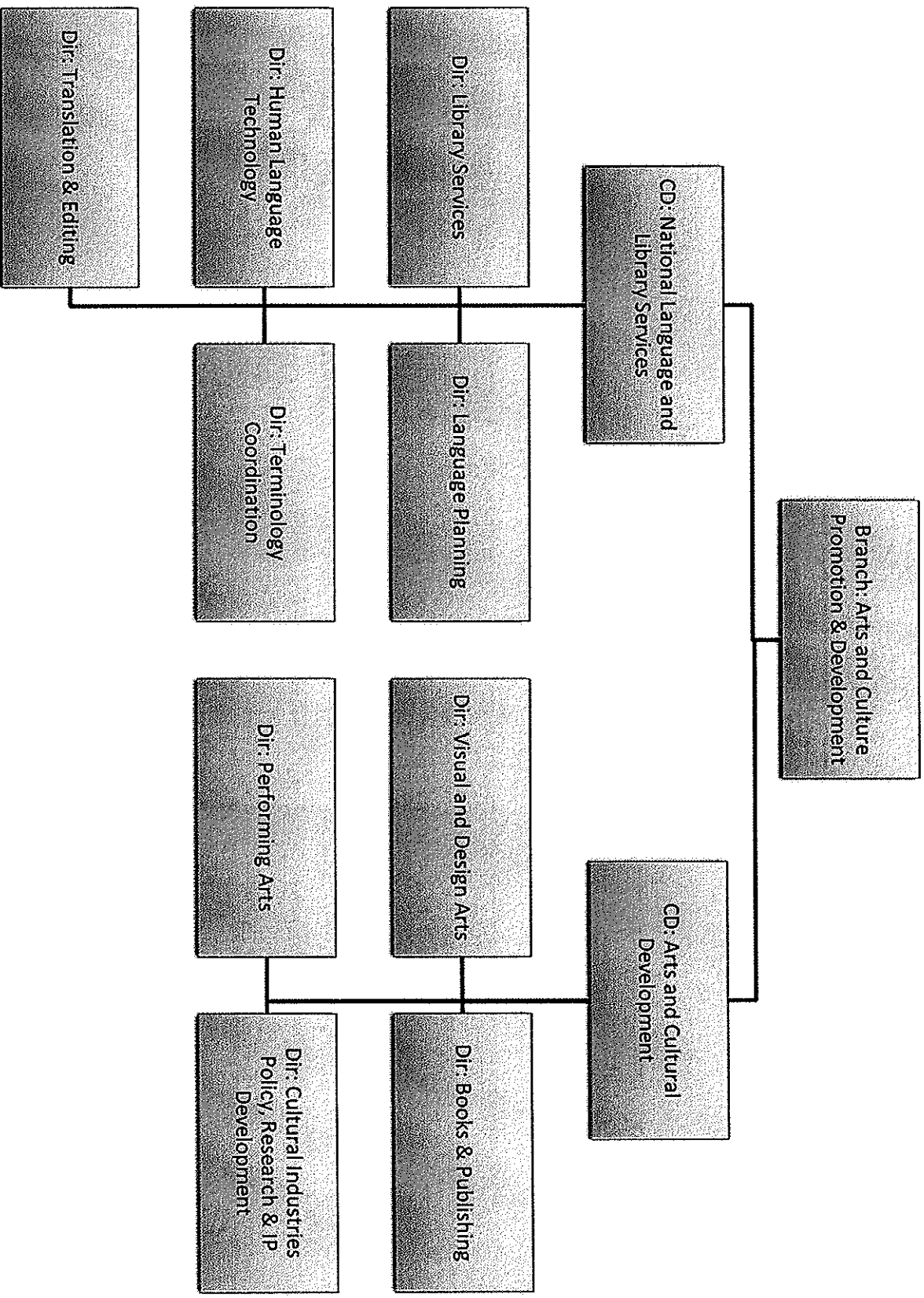
# ENSURING ADEQUATE CAPACITY

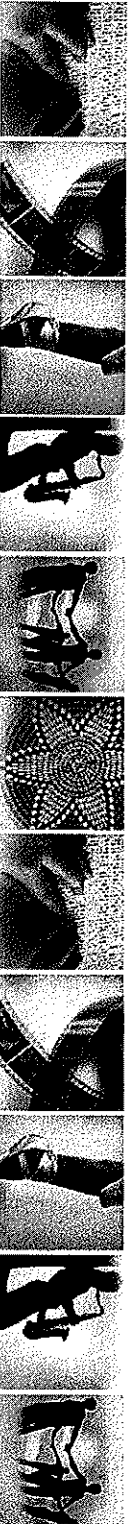
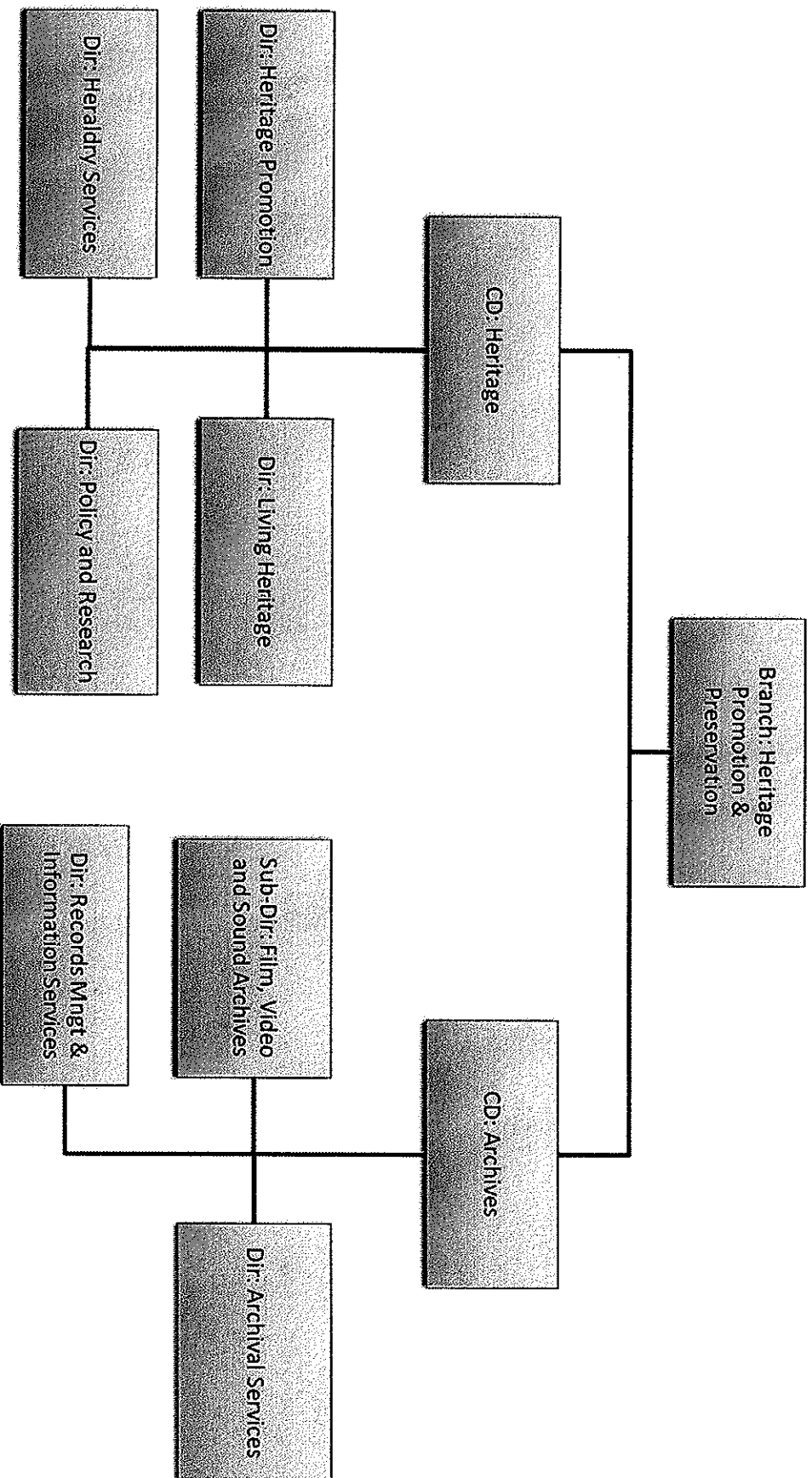
- Considering solutions other than appointing new staff to address capacity requirements:
  - Relocation/redeployment of existing capacity where it is most needed (including re-skilling);
  - Fixed-term contract appointments for specific projects;
  - Outsourcing of work that does not require internal capacity – freeing up of existing available human resources;
  - Cross functional/matrix teams to manage specific projects;
  - Conducting a skills audit and addressing strategic development areas;
  - Considering co-sourcing of existing capacity within institutions (e.g. research).
  - Improving the Performance Management and Development System (effective 2012).
- Development and implementation of a recruitment and retention strategy (2012).
- Implementation of a vacancy management strategy (ensuring that we maintain a vacancy rate of below 10%).

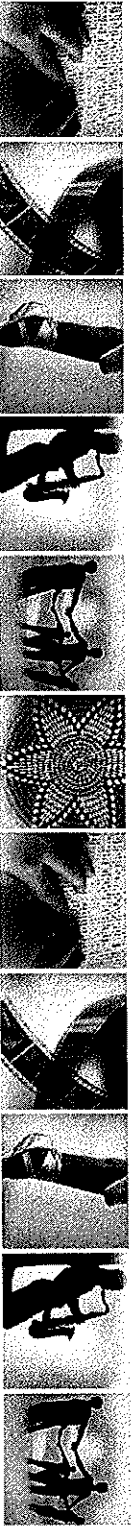
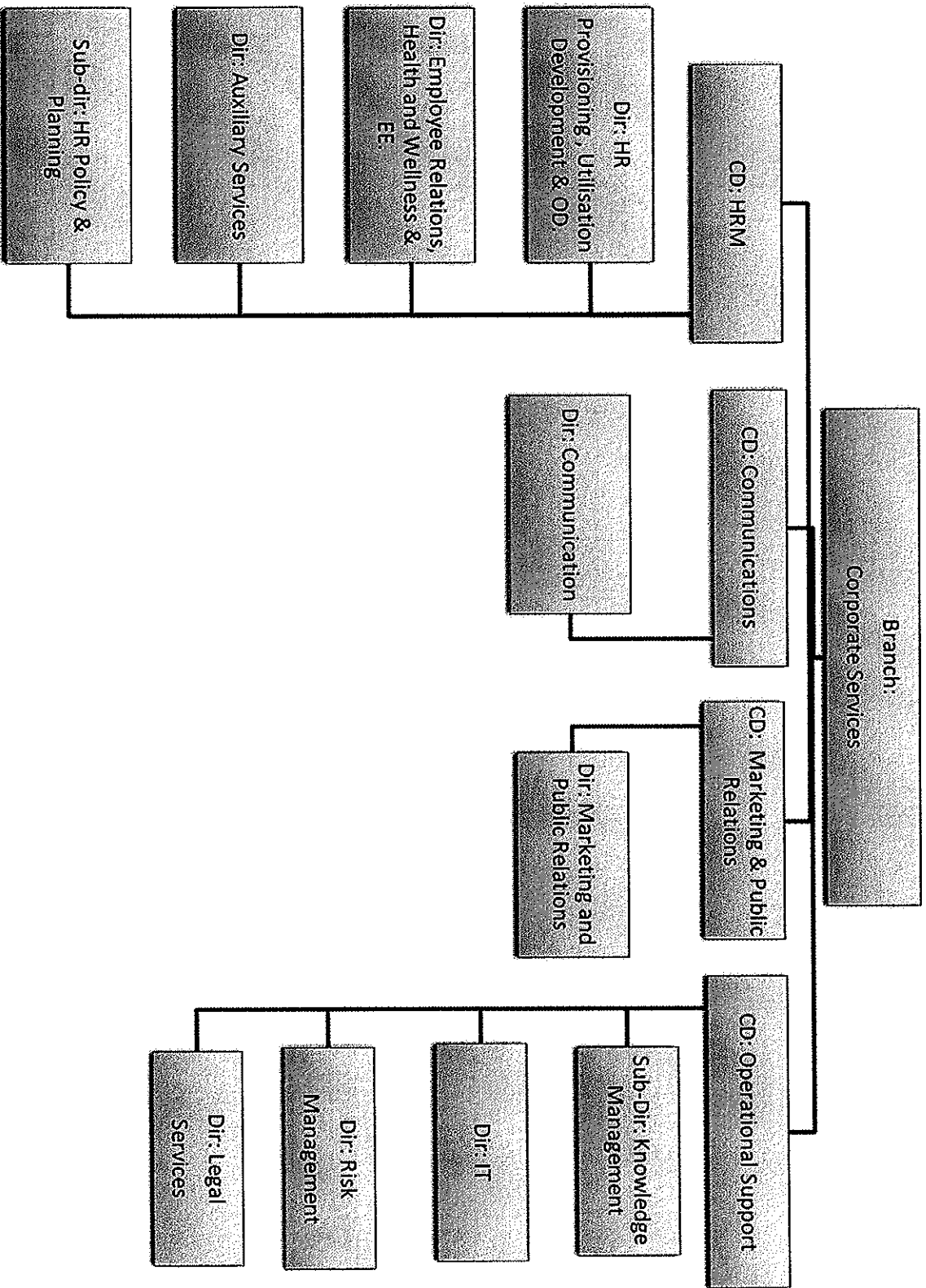


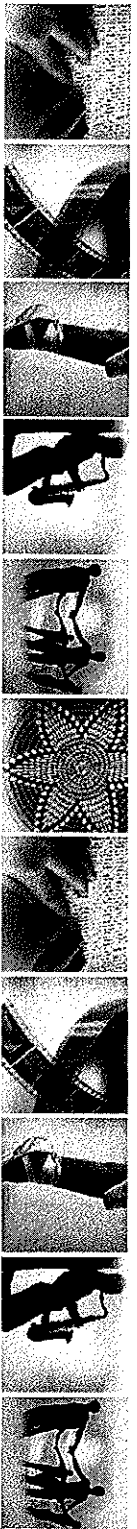
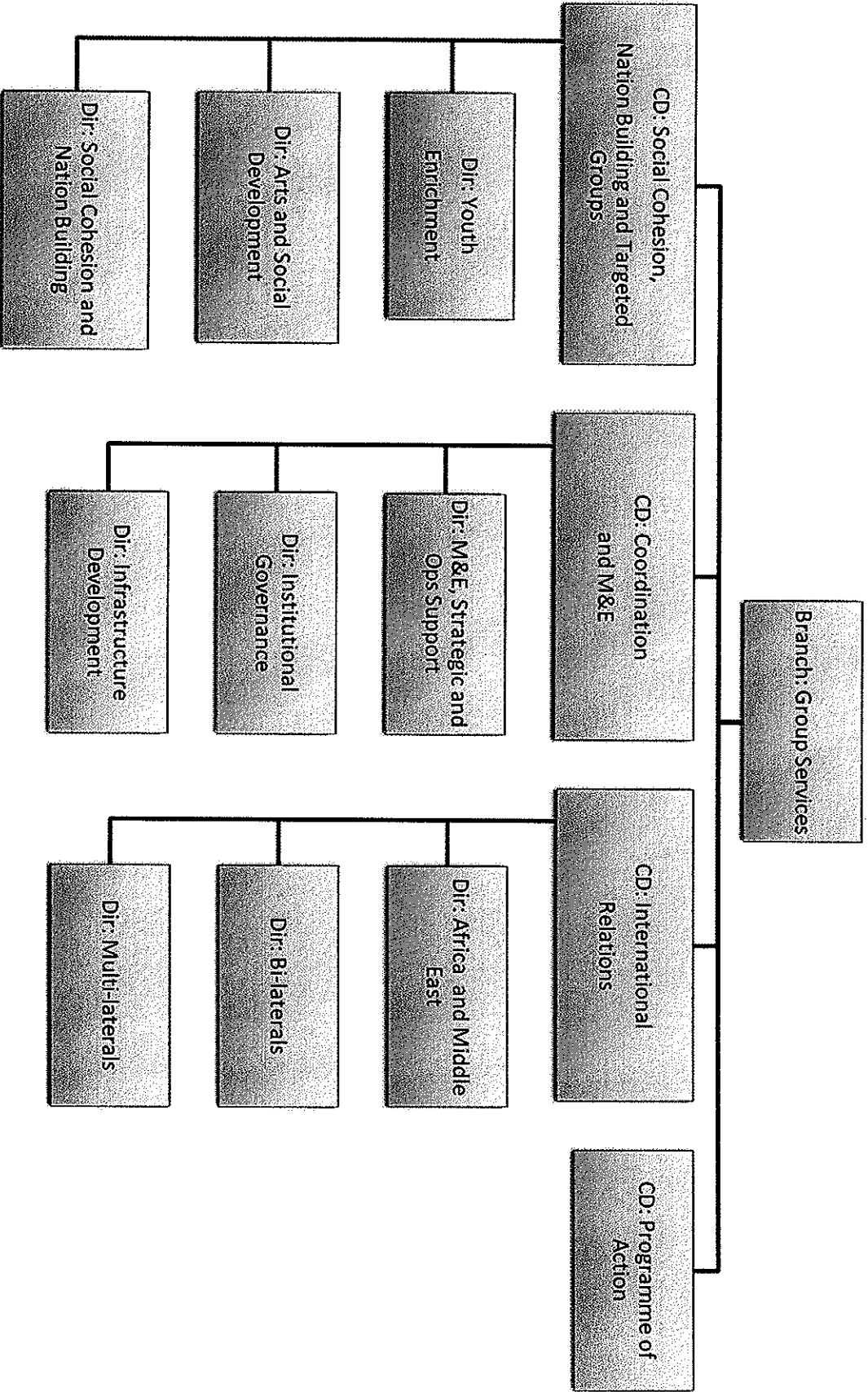
# DEPARTMENT OF ARTS & CULTURE

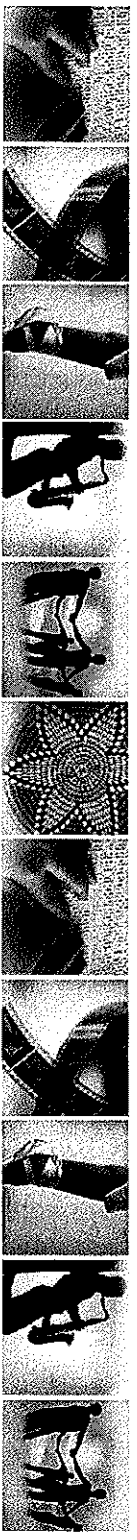
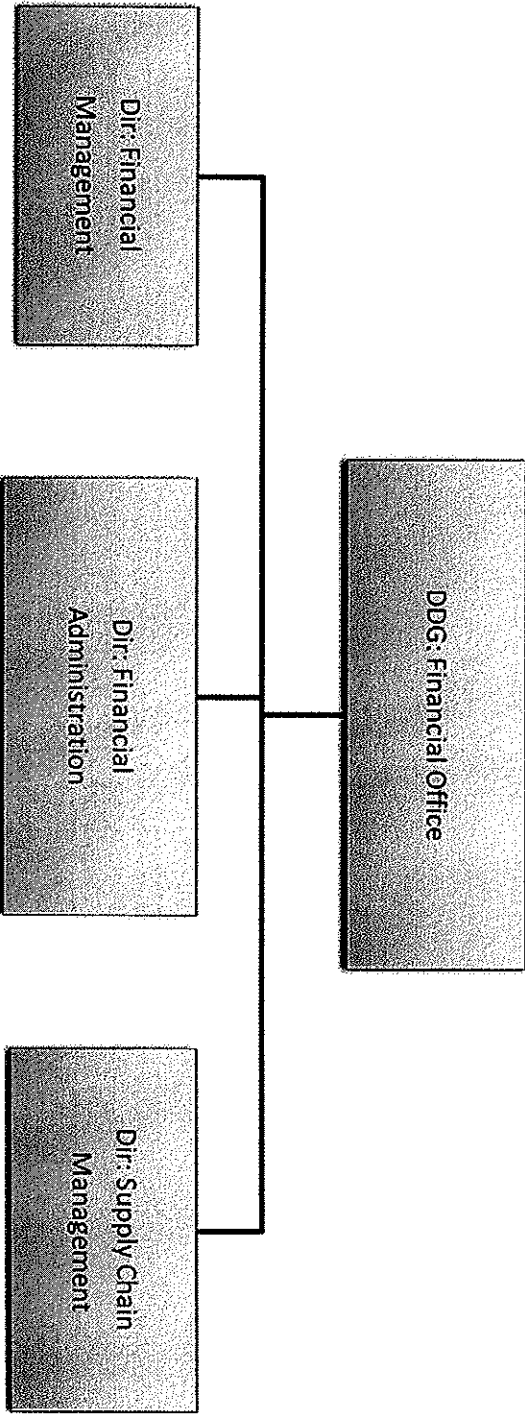






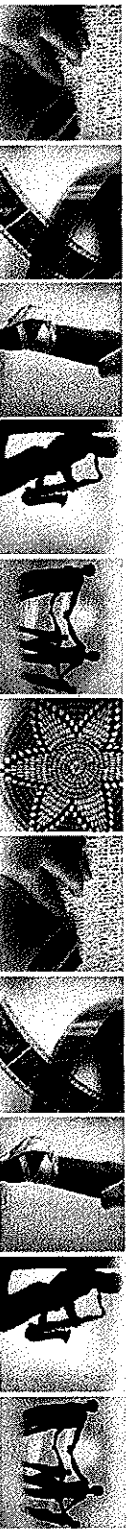






# CURRENT STATUS

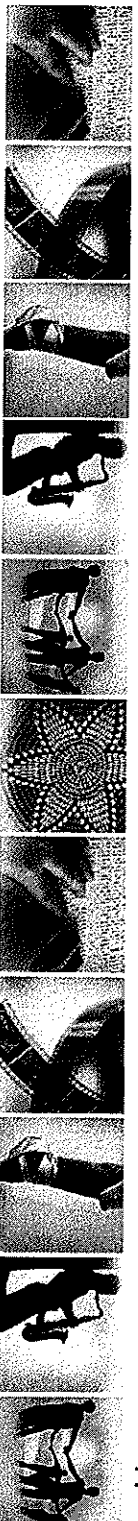
- Consultation on the macro organisational structure has already taken place with Executive-, Top- and Broad Management structures.
- Currently engaging organised labour (inputs considered on the macrostructure).
- Draft macro structure was approved by Minister.
- Consultation process with the DPSA has started.
- Priority posts (existing on the current structure and existing on the new structure are being identified for filling).
- Posts that become vacant due to natural attrition should not automatically be filled (based on need/priority).
- Matching and placement framework is being developed.
- Conducting job evaluation of posts that will be retained in the new structure.
- Acting appointments remain in place until adoption of the new structure after which a review will be conducted.





# FILLING OF POSTS

- The following critical posts were filled since the start of the 2011/2012 financial year to date:
  - Director-General, CD: Coordination, Monitoring & Evaluation, CD: HRM, CD: Social Cohesion, Dir: Office of the DG, Dir: Human Language Technology, Dir: Office of the Deputy Minister, Dep Dir: Legacy Projects, Asst Dir: Info Systems Security, Network Controller, PA: Office of the DG, Food Service Aid (Ministry), Asst Dir: Budget Management, Accounting Clerk (X3).
- Due to the current budgetary constraints and urgent need for capacity in certain units, the following contract appointments were made:
  - CD: Programme of Action, Project Manager: MGE (consultant – 24 months), Lead Economist: MGE (consultant – 22 months), Asst Dir: Administration (fixed term employment – 24 months), Consultant: Heritage Infrastructure Projects (consultant – 12 months), Dep Dir: Corporate Governance (3 months contract), Protocol Liaison Officer, Dep Dir: Governance.
- Posts that are currently in process of being filled:
  - Chief Financial Officer (DDG), DDG: Arts and Culture Promotion & Development, DDG: Heritage Promotion and Preservation, DDG: Group Services, Director: Legal Services, Director: Internal Audit, Asst Dir: Systems Admin (X2), DD: IT Governance, Chief Network Controller (X2), Principal Network Controller.
- In addition; 22 Internship positions were filled with effect from July 2012 (1 year contracts).



# WAY FORWARD

- Finalisation of the micro structure (below Directorate, number of posts, etc).
- Finalisation of the consultation with stakeholders.
- Continuing consultation process with the DPSSA.
- Job evaluation of newly defined posts.
- Matching and Placement of staff into the new structure.
- Prioritise filling of vacancies (phased approach).



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