

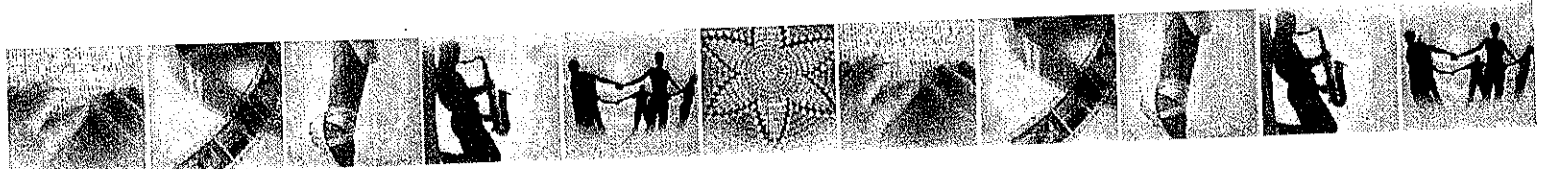
**2012/13 2nd QUARTER EXPENDITURE
REPORT AND PERFORMANCE
REVIEW**

Sibusiso Xaba

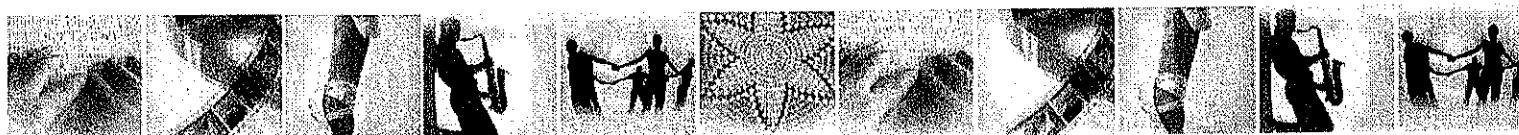
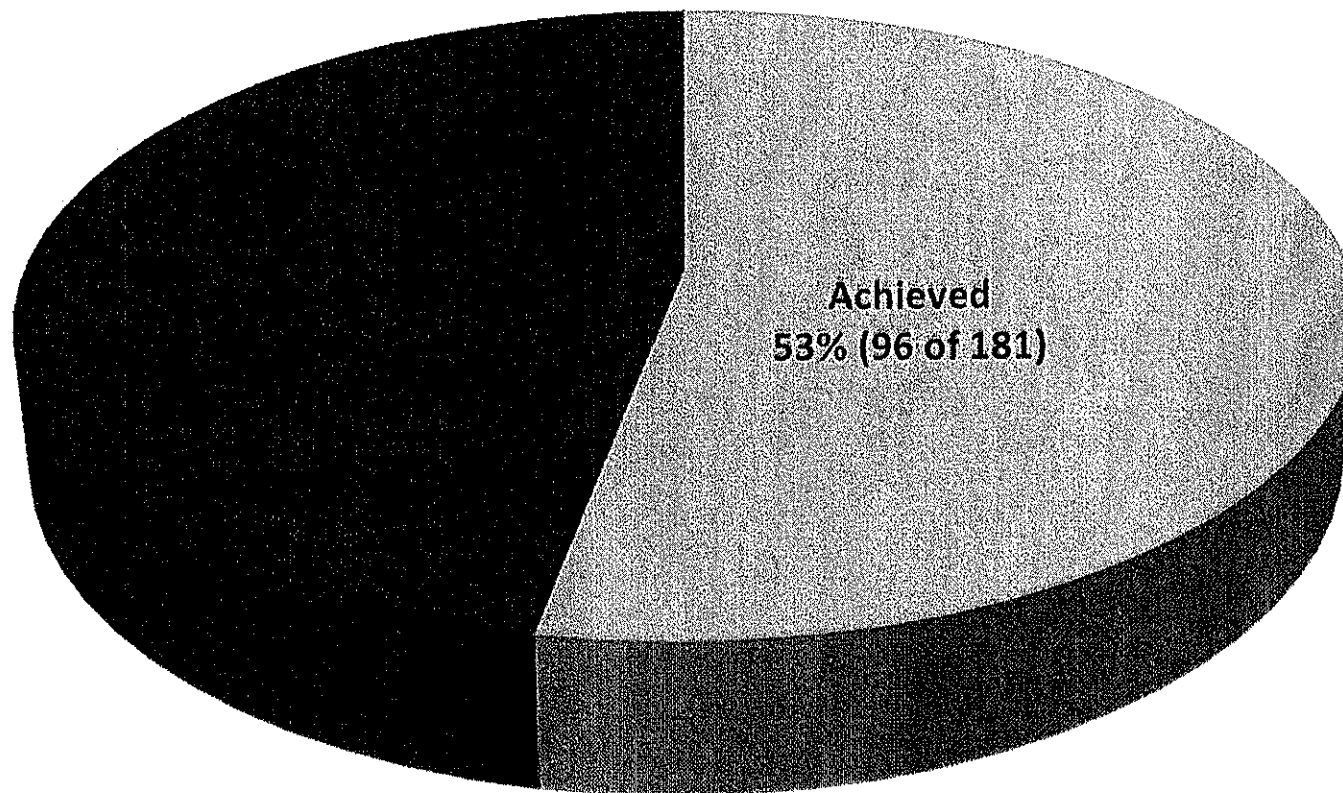
Director-General: Arts and Culture

PRESENTATION OUTLINE

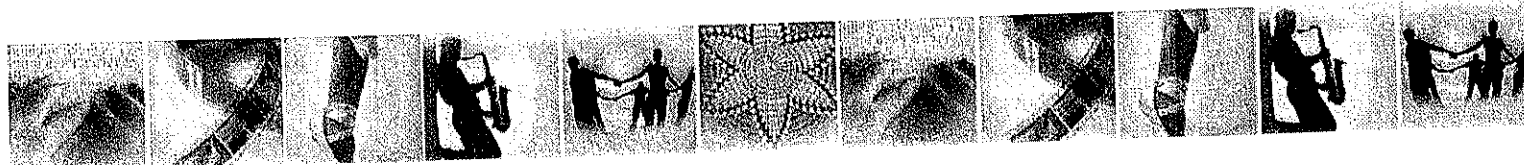
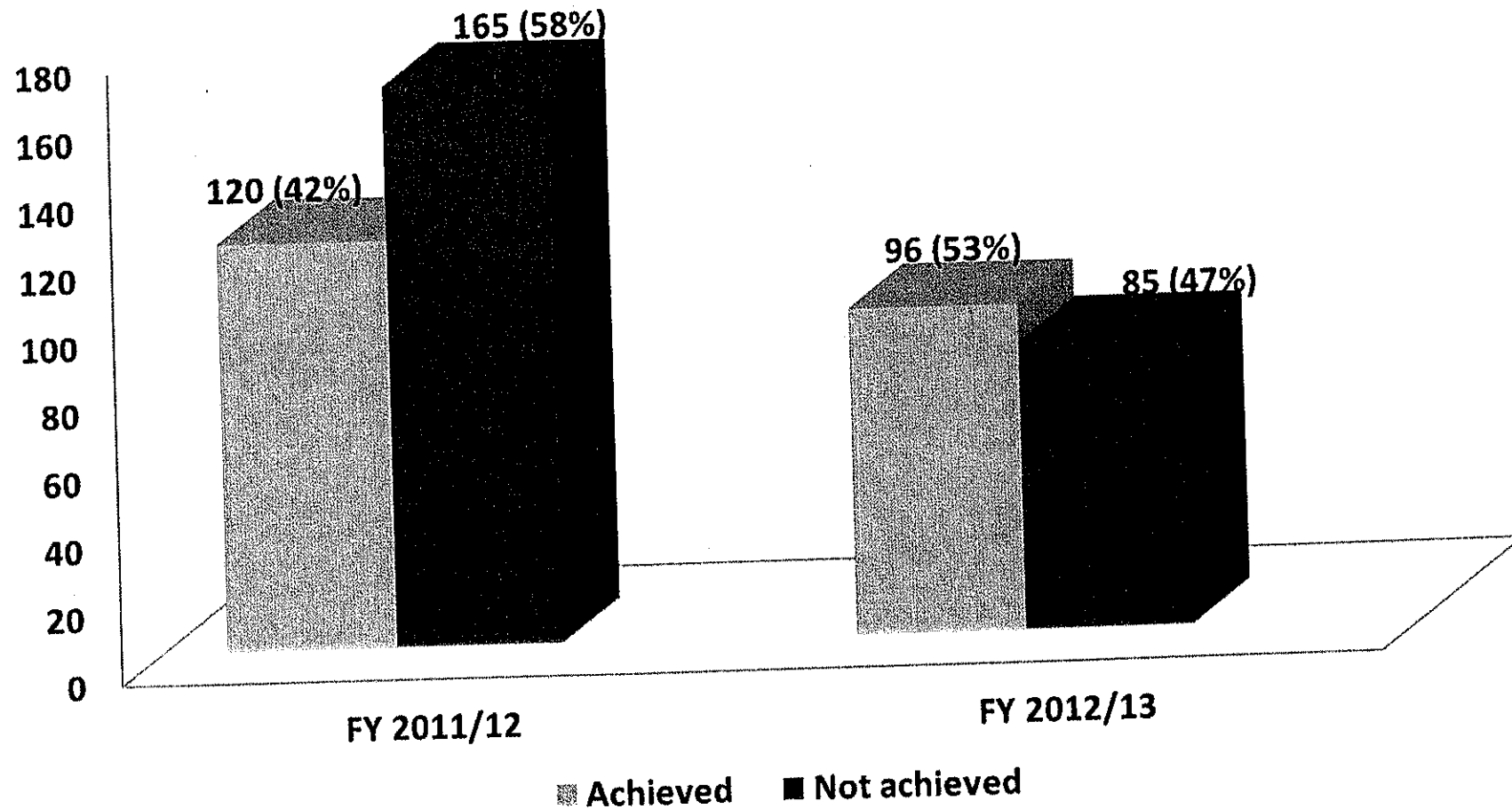
- Performance Overview
- Budget and Expenditure
- Explanation of Expenditure per Economic Classification
- Review of Programme Performance on Key Indicators
- Risk Management



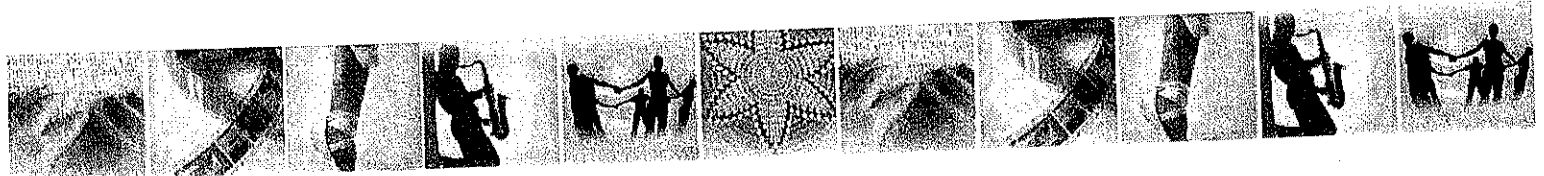
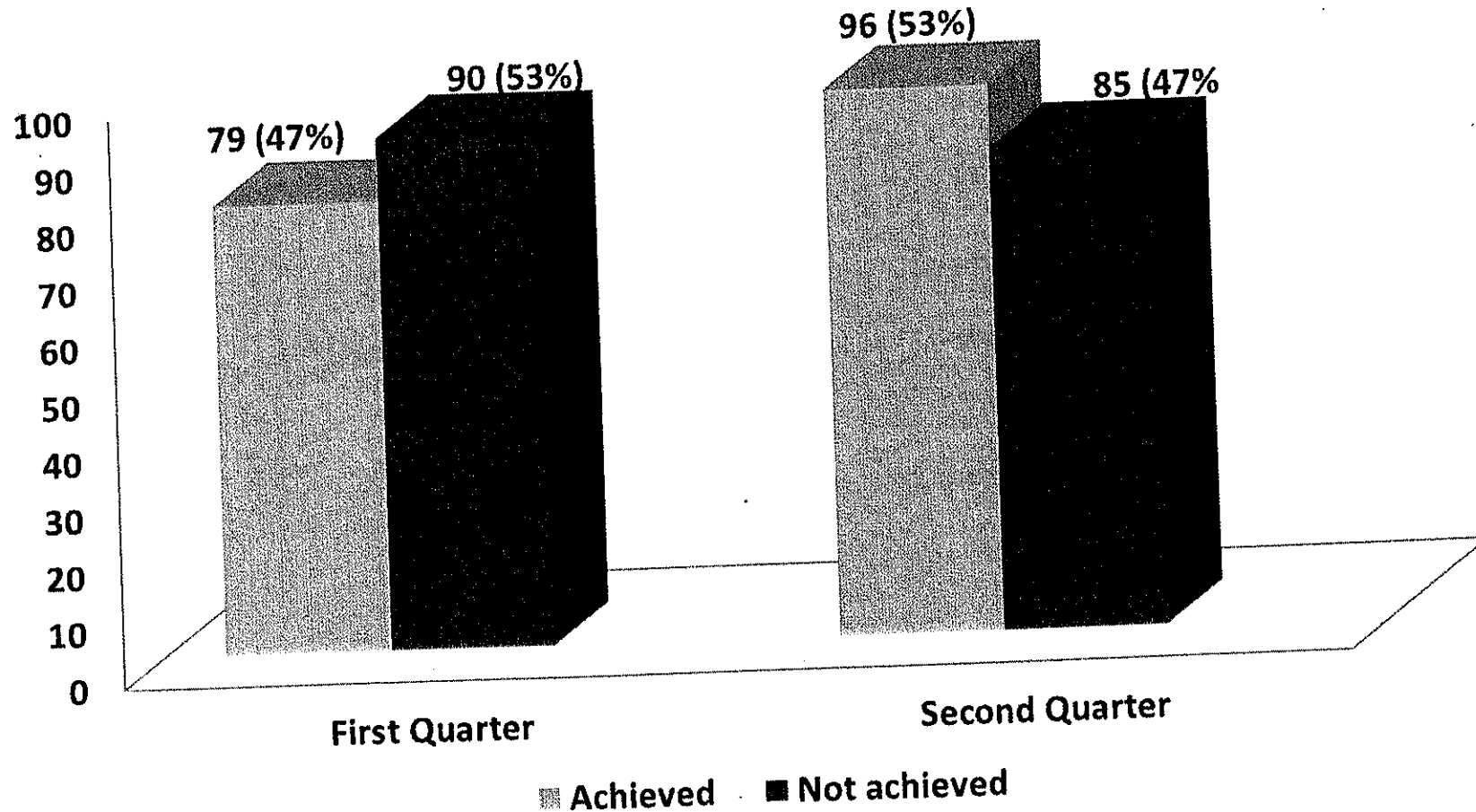
PERFORMANCE OVERVIEW



COMPARATIVE ANALYSIS OF SECOND QUARTER PERFORMANCES FOR 2011/12 AND 2012/13



COMPARATIVE ANALYSIS OF FIRST AND SECOND QUARTER PERFORMANCES FOR 2012/13

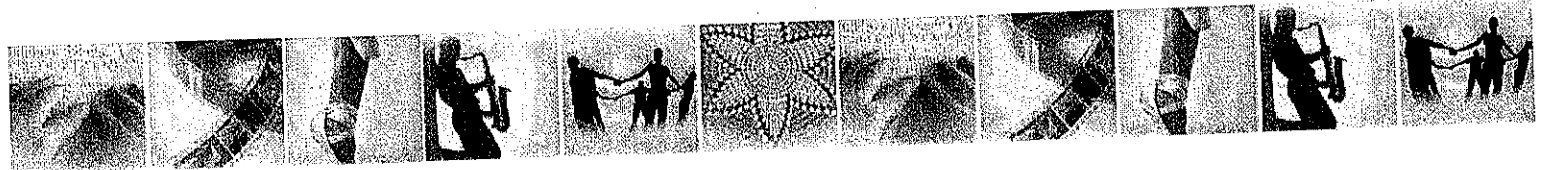


SUMMARY OF BUDGET VS EXPENDITURE PER PROGRAMME AND PER ECONOMIC CLASSIFICATION



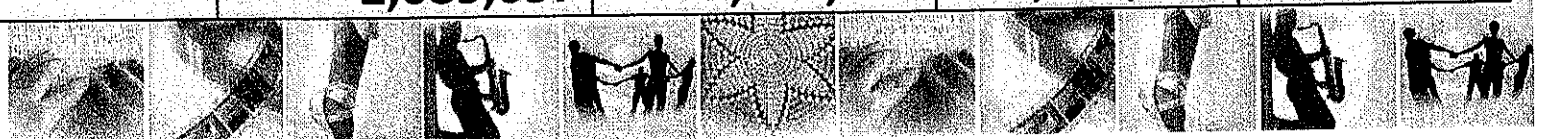
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SUMMARY OF BUDGET AND EXPENDITURE PER PROGRAMME

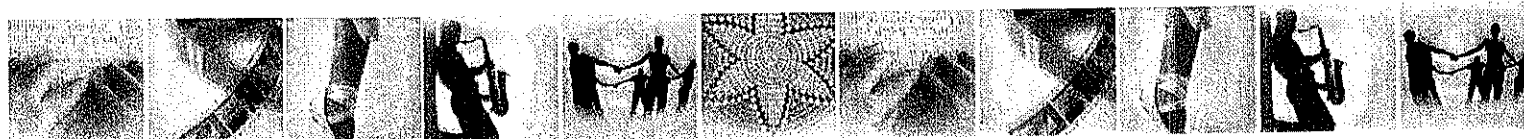
Programme	Main Appropriation 2012/13	Expenditure September 2012	Total Available	% Spent
	R'000	R'000	R'000	
Administration	209,687	121,759	87,928	58%
Performing Arts	639,996	277,468	362,528	43%
National Language Services	111,850	67,008	44,842	60%
Cultural Development	180,410	54,895	125,515	30%
Heritage Promotion	744,243	340,309	403,934	46%
National Archives and Library Services	799,471	382,675	416,796	48%
Grand Total	2,685,657	1,244,114	1,441,543	46%



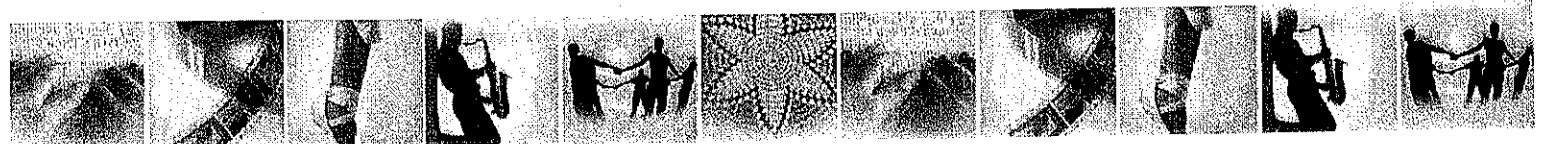
SUMMARY OF BUDGET AND EXPENDITURE PER ECONOMIC CLASSIFICATION

Economic Classification	Main Appropriation 2012/13	Expenditure September 2012	Total Available	% Spent
	R'000	R'000	R'000	
Compensation	180,030	87,514	92,515	49%
Goods & Services	398,771	164,300	234,471	41%
Conditional Grant	564,574	311,237	253,337	55%
Agencies & Accounts	952,881	520,446	432,435	55%
Capital Works	482,950	109,764	373,186	23%
Non Profit Org	12,873	7,532	5,341	59%
Households	86,964	40,946	46,018	47%
Capital Assets	6,614	2,375	4,239	36%
Grand Total	2,685,657	1,244,114	1,441,543	46%

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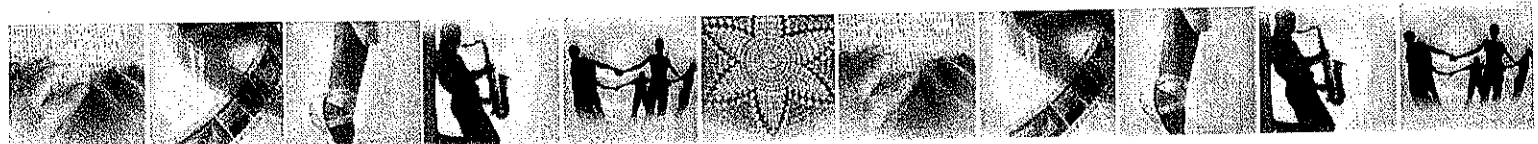


EXPLANATION OF EXPENDITURE PER ECONOMIC CLASSIFICATION



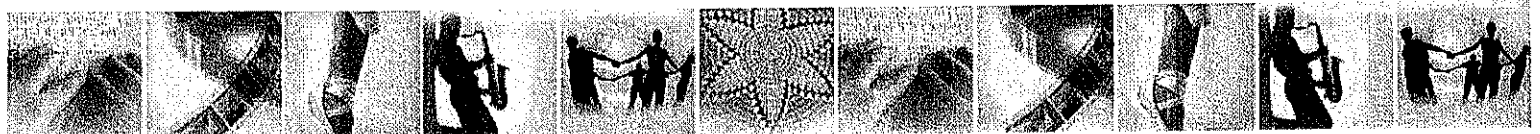
COMPENSATION OF EMPLOYEES

- An amount of R88 million (49%) has been spent as at end of September 2012
- The Department has embarked in an exercise to identify the periodical payments which should be paid from Goods and Services. After this exercise the relevant transactions will be reversed
- Management decision has been taken to reduce the spending on overtime
- An additional amount of R2,9 million allocated in the Adjusted Estimate of National Expenditure (AENE) for higher personnel remuneration increases



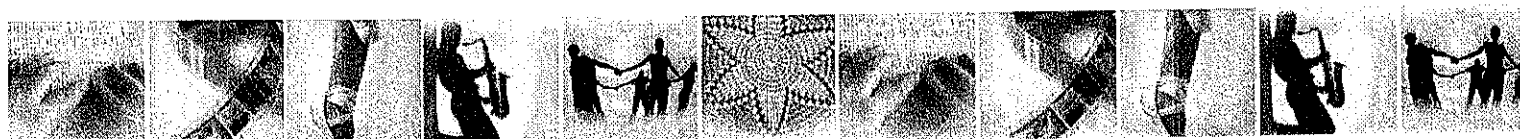
GOODS AND SERVICES

- An amount of R98 million (73%) has been spent as at end of September 2012 for the normal Departmental activities
- The property management budget relate to reimbursement of payments made by DPW for Municipal Services and Property Leases on behalf of Department and its Public Entities.
- An amount of R28,3 million (38%) has been spent by the end of September 2012. The under-expenditure is due to DPW challenges namely: Late submission of invoices and discrepancies on invoices for buildings that do not belong to the DAC. The Department has engaged DPW to address these challenges



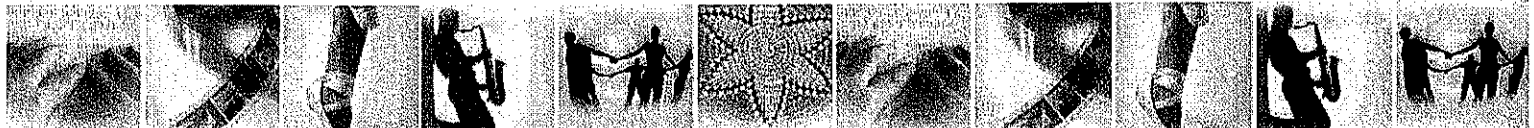
CONDITIONAL GRANT TO PROVINCES

Per Province: Conditional Grant	Main Appropriation 2012/13	Actual transfer by National	Provincial actual payments	Available	% Actual payments of total Main Appropriation
	R'000	R'000	R'000	R'000	
Eastern Cape	78,058	38,785	21,509	56,549	27.6%
Free State	50,304	19,220	20,223	30,081	40.2%
Gauteng	56,452	38,605	27,990	28,462	49.6%
KwaZulu-Natal	48,619	37,156	18,238	30,381	37.5%
Limpopo	68,822	39,238	18,266	50,556	26.5%
Mpumalanga	68,822	29,300	32,217	36,605	46.8%
Northern Cape	72,395	43,909	32,959	39,436	45.5%
North West	64,973	33,961	29,241	35,732	45.0%
Western Cape	56,129	31,063	28,721	27,408	51.2%
Total	564,574	311,237	229,364	335,210	40.6%



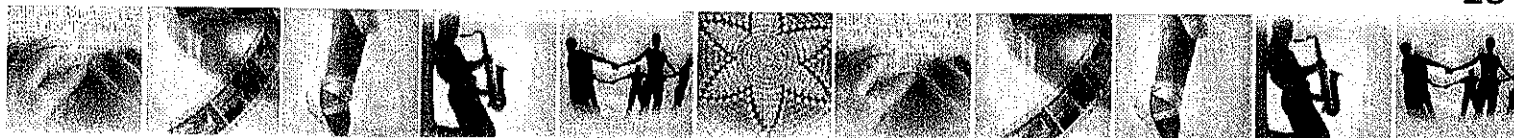
DEPARTMENTAL AGENCIES TRANSFERS CUR (SUBSIDIES)

- An amount of R520 million (55%) has been spent as at end of September 2012
- Payments to Heritage Institutions, Libraries are done monthly and Arts Institutions are done three times a year (i.e. April, August and December). No over or under expenditure is anticipated by March 2013



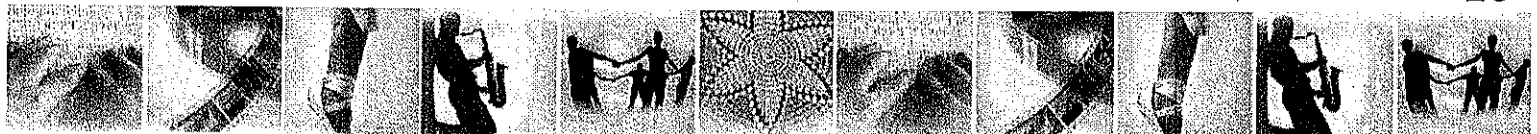
DEPARTMENTAL AGENCIES TRANSFERS (CAPITAL WORKS)

- An amount of R110 million (23%) spent as at end of September 2012
- This expenditure item relates to maintenance, upgrade and refurbishment of the Departments' Museums and Libraries as well as the construction of Legacy Projects through DPW
- The Department has received an approval from Treasury to transfer directly to Playhouses, Iziko Museum and National Library of SA. Thus expenditure will improve tremendously in the third quarter of the financial year



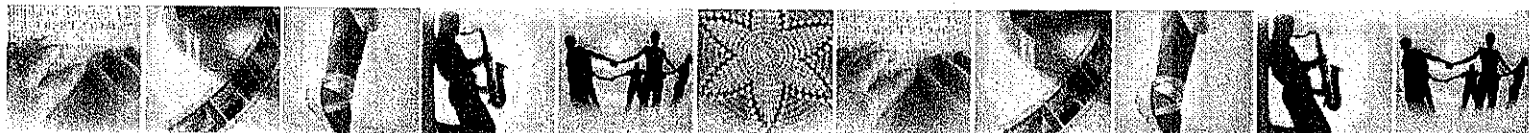
NON PROFIT INSTITUTIONS

- This expenditure relates to subsidies to BASA, Blind SA and Engelenburg Arts Collections
- An amount of R7,5 million (59%) spent by end of September 2012. This is due to the fact that BASA receives a third of its allocation in April. No over or under expenditure is anticipated by March 2013



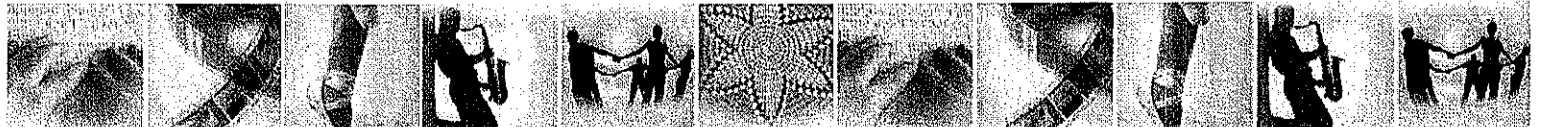
HOUSEHOLDS

- An amount of R41 million (47%) spent by the end of September 2012
- This expenditure item relates to all the financial assistance projects that the Department funds during the financial year. This expenditure will improve in the third quarter of the financial year as Finance is also processing the IIC final payments



CAPITAL ASSETS (MACHINERY AND EQUIPMENT)

- The expenditure was R2,3 million (36%) by the end of September 2012
- This budget relates to the purchasing of machinery and equipment, including the ICT equipment
- The expenditure will improve tremendously as ICT Unit does the procurement which is based on the Programmes needs. In the new financial year i.e. 2013/14 and going forward this budget will be centralized under ICT for monitoring purpose

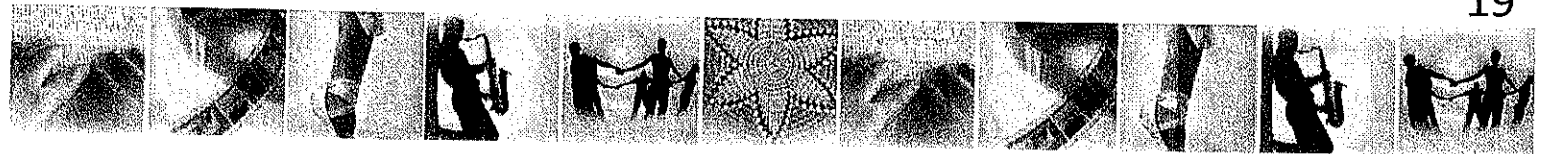


EXPLANATION OF PROGRAMME PERFORMANCE ON KEY INDICATORS



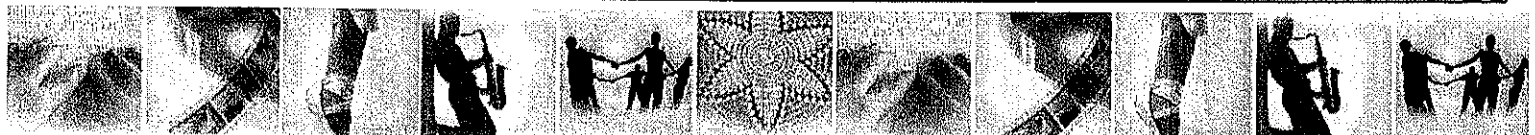
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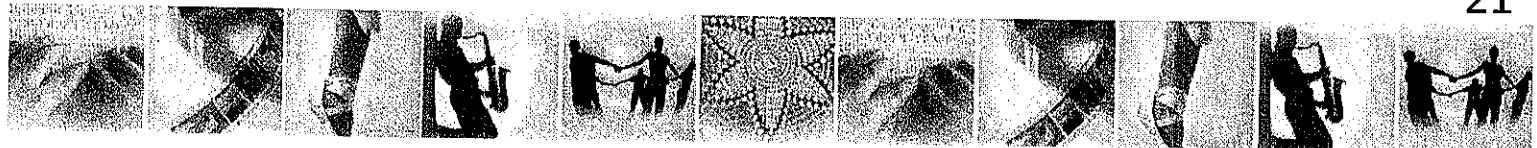
PROGRAMME 1

OBJECTIVE: To provide core support services to the department to ensure the realisation of enhanced governance and accountability			
INDICATOR	2 nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
% of successfully attained targets	80%	53% of second quarter targets fully achieved and 47% targets were not achieved	Some projects were not completed as per specified time frames due prolonged consultations, lack of participation from stakeholders etc.
The above unpacks the overall second quarter performance of the department.			
Annual review of the organisational structure in line with the departmental strategy.	Implementation of the micro-structure (including matching and placement)	The micro-structure has not yet been implemented. Consultation with the DPSA has commenced and their inputs are being considered. Senior managers are still being consulted	Delays in consultation process with organised labour.



PROGRAMME 1

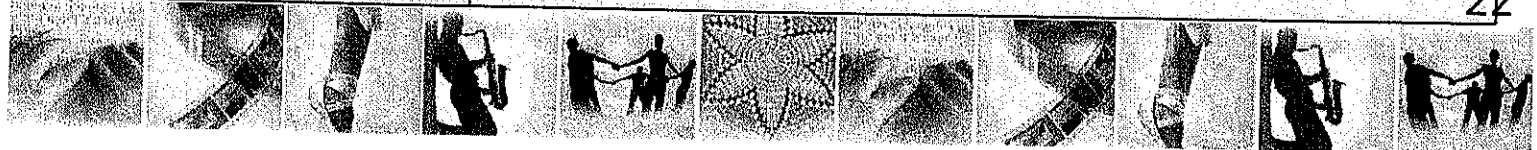
OBJECTIVE: To provide core support services to the department to ensure the realisation of enhanced governance and accountability			
INDICATOR	2nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
% Vacancy Rate to approved structure.	2nd phase of advertising of vacant posts	Prioritised vacancies have been identified	Delays in the consultation with DPISA and managers within units on the microstructure.
% Females Employed at SMS Level.	45%	Current female representivity is 40%	Only one post of SMS was filled during the period under review.
% PWD employed	1.5%	Current PWD employed: 1.6%	No posts filled with PWD. Consideration of PWD in the filling of posts in the 3rd quarter.



PROGRAMME 1

OBJECTIVE: To provide core support services to the department to ensure the realisation of enhanced governance and accountability

INDICATOR	2 nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
% of Capital Works budget spent to upgrade Public Entity facilities	50% of budget spent	Only 23% of the total Capital Works budget has been processed to date	Department of Public Works challenges. As corrective action, funds will be transferred directly to some institutions to implement the Capital Works projects
Number of Izimbizo arranged annually	6 Izimbizo	2 Izimbizo arranged (Social Cohesion Summit and - National Book Week)	
% of Social Cohesion strategy implemented.	Consultations with inter-provincial government on the strategy	The consultations on the social cohesion strategy were done to G&A cluster and Social Sector Cluster. Next stage is to cascade to provincial government .	



PROGRAMME 2: PERFORMING ARTS

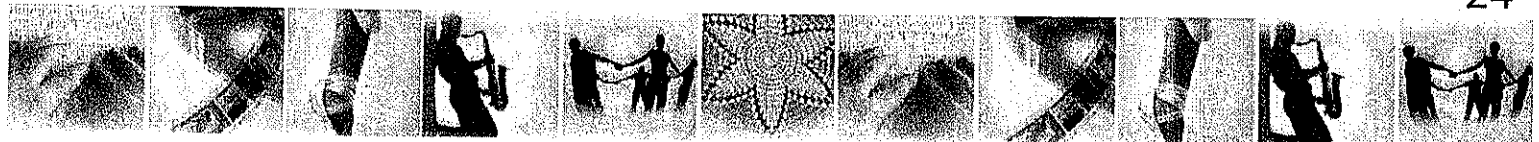
OBJECTIVE: To promote arts & culture in SA and mainstream its role in social development			
INDICATOR	2 nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
Number of Cultural programmes supported	Policy Framework consultative workshops in 6 provinces on Dance and Theatre	The consultation were done in 6 provinces with specific focus on Dance and Theatre. A consolidated provincial report is available.	
Community Arts Centres' Audit Report	Commence with Audit of CACs	Delays in the appointment of a service provider. It is anticipated that a process will finalized by November 2012	TORs had to be strengthened and have clear Outcomes. Advertisements to be done in 3 rd Quarter
Number of programmes targeting Vulnerable groups	2 Programmes implemented in collaboration with civil society	1 x Women's Month programme was held during Women's Day. 1 x Youth programme of beautifying schools was held as part of Mandela day.	



PROGRAMME 3: NATIONAL LANGUAGE SERVICE

OBJECTIVE: To develop, promote and protect all official language through policy formulation and implementation.

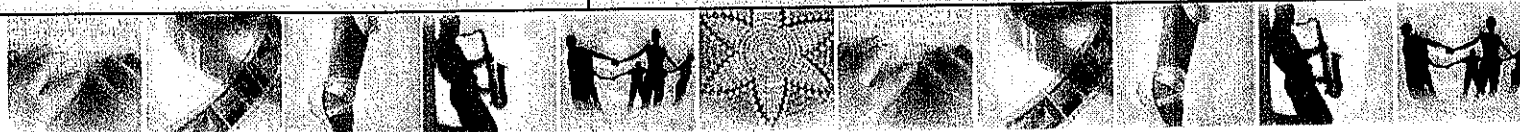
INDICATOR	2 nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Proportion of functional translation and editing as per clients request	Receipt, assessment and further processing of documents to be translated and/or edited	Achieved. English: 37 documents received and completed; Afrikaans: 16 documents received and completed; Foreign Languages: 120 documents received and completed. African languages: 158 documents received and completed , isiNdebele 15, SiSwati 10, isiXhosa 17, isiZulu 46, Sepedi 15, Sesotho 15, Setswana 13, Tshivenda 13, Xitsonga 14	
Number of bursaries offered to undergraduate and graduate students	20 students awarded bursaries and reports received	349 students awarded bursaries and reports have been received from the Universities	



PROGRAMME 3: NATIONAL LANGUAGE SERVICE

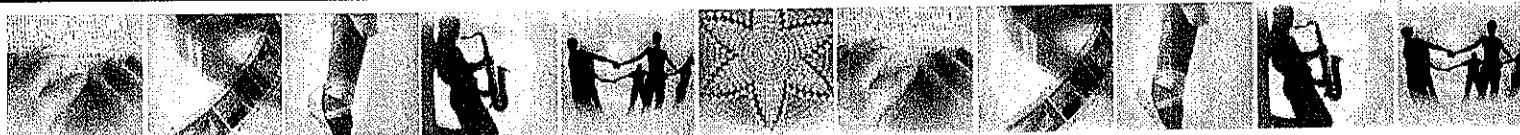
OBJECTIVE: To develop, promote and protect all official language through policy formulation and implementation.

INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Number of Terminologies developed per domain	873 terminologies developed - Arts and Culture	Achieved. 1 152 Arts & Culture terminologies were finalised	
	2 898 terminologies developed - Human, Social, Economic & Management Sciences (HSEMS)	Achieved. 2898 HSEMS terminologies were finalised	
	926 terminologies developed - Mathematics	Achieved. 926 Mathematics terminologies were finalised	
	1 491 terminologies developed - Life Orientation	Achieved. 1491 Life Orientation terminologies were finalised	
	700 terminologies developed - Election Terms	Achieved. 867 Election Terms were finalised	



PROGRAMME 4: CULTURAL DEVELOPMENT

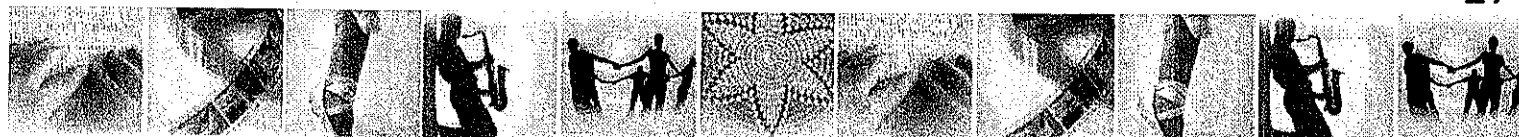
OBJECTIVE: To improve development opportunities for SA Arts & Culture, through partnerships to ensure sustainability of the sector			
INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Signing of Continental Multilateral Treaty	Present Charter for African Cultural Renaissance to the Portfolio Committee	Achieved.	The presentation to the Portfolio Committee took place 18 September 2012
Implementation of the South Africa - French Seasons	Continuation of the French Season in SA	Achieved.	A number of French cultural activities were held in SA, including the official opening of the Visual Art Exhibition at the Standard Bank Gallery on 12 July 2012.
Implementation of Phase 2 of the Rock Art Project	Implementation of Rock Art Project phase 2 and review phase II		(1) Site visit to Makgabeng, Limpopo province to monitor and evaluate the interpretation project in July 2012. (2) Wits University students also visited Makgabeng on a study trip. (3) A meeting with the Limpopo local and provincial government officials getting their support for the project was held in July 2012



PROGRAMME 4: CULTURAL DEVELOPMENT

OBJECTIVE: To improve development opportunities for SA Arts & Culture through partnerships to ensure sustainability of the sector

INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Number of partnerships supported and implemented in the Cultural Industries	Coordinated and completed the logistical and administrative arrangements for implementation of programs	Supported and implemented 4 projects in the period under a review : <ul style="list-style-type: none"> • Big Fish • Script to Screen • Emerging Creatives • Eco Design 	
Number of institutions established and supported	Service provider to develop and establish NACISA legal entity appointed	A submission to appoint the consultants was approved and subsequent letters of appointment were forwarded to consultant to accept appointment.	



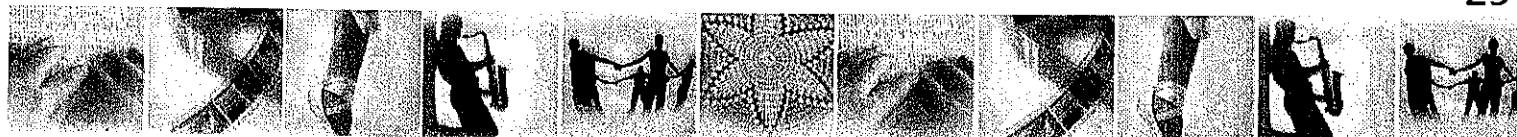
PROGRAMME 5

OBJECTIVE: Preserve, protect and promote SA's cultural & heritage through policies for socio-economic development, social cohesion and national identity			
INDICATOR	2 nd QUARTER TARGET	PROGRESS	VARIANCE/COMMENT
Number of policies/ legislative instruments developed and/or reviewed to achieve the objective	Finalization of the costing (Digitization Policy)	Finalization of the costing did not occur; process of costing of policies to be finalized at end of 2012	No precedent for costing of policies in existence. The process more elaborate than expected
	Finalization of the costing (Underwater Cultural Heritage Policy)	Finalization of the costing did not occur; process of costing of policies to be finalized at end of 2012	No precedent for costing of policies in existence. The process more elaborate than expected
	Memorandum of understanding signed with Universities	Memoranda of Understanding signed with 5 universities and the relevant funds had been transferred	



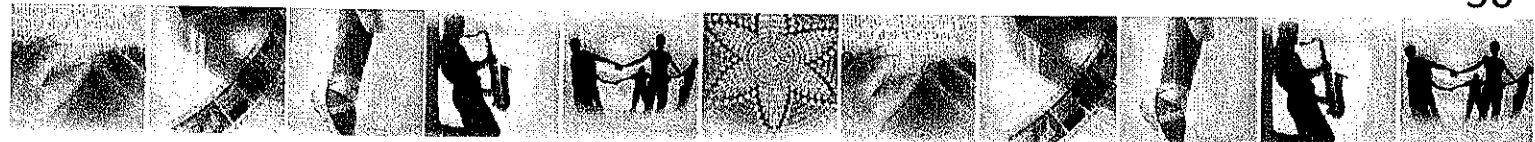
PROGRAMME 5

OBJECTIVE: Preserve, protect and promote SA's cultural & heritage through policies for socio-economic development, social cohesion and national identity			
INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
Number of agreements implemented	Submit the draft MOU for DAC approval and adoption	The Memorandum of Understanding with the Department of Tourism has been approved and vetted by the legal section of the Department and further sent to the Department of Tourism for signature.	
Number of heritage institutions established	Sarah Bartmann Centre of Remembrance - All site drawings approved by DPW. 2. Museum Planner tender appointed	All drawings were approved as planned	Budget for Museum Planner appointment not approved. Exhibition planner to be appointed in 2013/2014 financial year



PROGRAMME 5

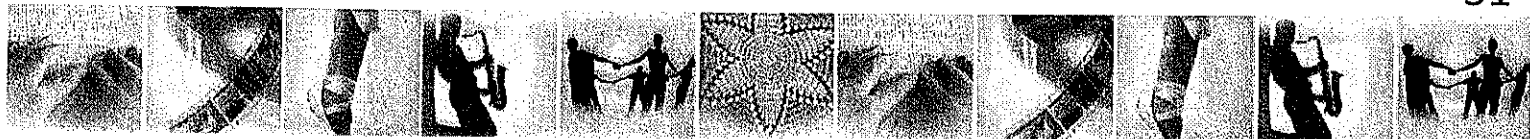
OBJECTIVE: Preserve, protect and promote SA's cultural & heritage through policies for socio-economic development, social cohesion and national identity			
INDICATOR	2ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
Number of government gazette publications on standardized geographical names	One (1) Government Gazette publication by 30 September 2012	Government Gazette could not be published as planned	Contestation in the proposed names for changes
Number of annual heritage and historic days held	Nelson Mandela Day Celebrated	The Nelson Mandela Day celebration was held on the 18th of July 2012 in Zeerust, Dinokana Stadium in the North West Province	
	Commemoration of the Samora Machel Tragedy	Commemoration of the Samora Machel Tragedy did not occur	The commemoration of the Samora Machel will occur in the third quarter



PROGRAMME 5

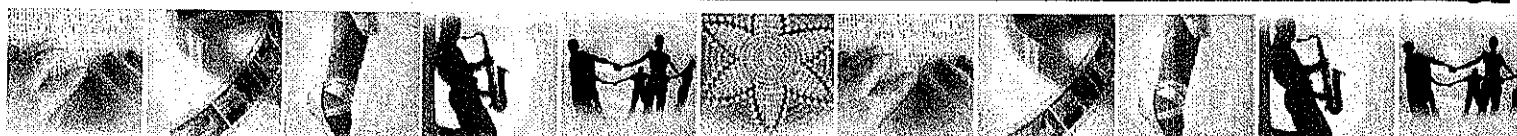
OBJECTIVE: Preserve and promote cultural heritage through the commemoration and celebration of historic and national days as well as the popularisation of national symbols

INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Number of national symbols exhibitions and workshops held	1 National symbols exhibitions hosted	1 National symbols exhibition hosted 27th of September 2012.	
Number of national flags and flag poles installed in schools	500 National flags and flag poles installed in schools	101 National flags and flag poles installed in schools	Appointment of service provider is still underway



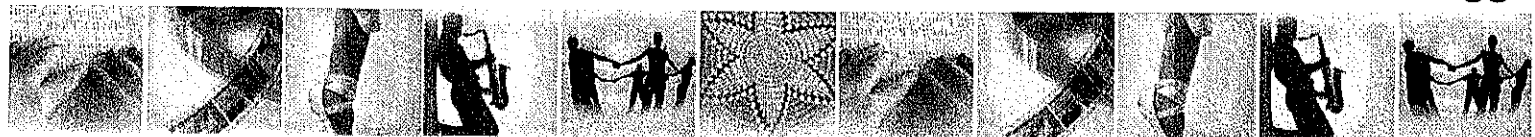
PROGRAMME 6

OBJECTIVE: Archives and record management			
INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS
Proportion of archival records accessed and consulted	100 percent (%) of requested records provided	All 8738 records requested were provided	-
Number of Library material purchased	100 000 library material purchased	70 312 items purchased for the quarter.	3 provinces did not purchase any library material in the 2nd quarter, others delayed the procurement processes
Number of Oral history projects conducted	Planning for oral history project	1 oral history project held at Mangaung	-



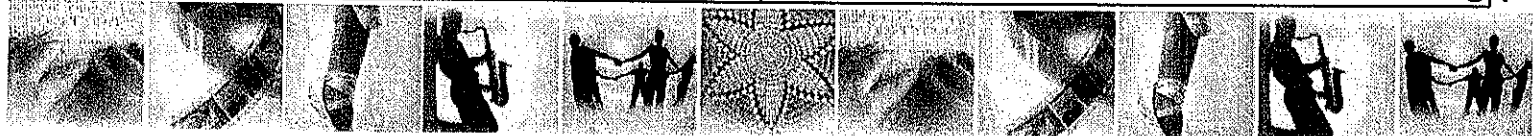
PROGRAMME 6

OBJECTIVE: Archives and record management			
INDICATOR	2ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Number of outreach programmes implemented	1 Archives outreach programme implemented	Conducted presentations at Bavianspoort Correctional Facility (Juvenile Section) as part of the programme	
No. of Oral History Conferences organized	Planning for Oral History Conference	Achieved. The Conference venue has been confirmed and the conference programme has been finalised. Printing of the programme still needs to be done	



PROGRAMME 6

OBJECTIVE: Archives and record management			
INDICATOR	2 ND QUARTER TARGET	PROGRESS	VARIANCE/COMMENTS or PROGRESS DESCRIPTION
Functional NAAIRS system	Cost analysis provided by SITA	Not Achieved	Total project status = 32 % It was requested during the business process work sessions that SITA should do an investigation regarding ICA Atom. This impacted on the Blueprint Stage.
Number of policy frameworks (and/or briefs) developed and/or reviewed	Bill approved by stakeholders consulted in quarter	Achieved (100%)	Bill approved by stakeholders. Tender to cost implementation of Bill advertised. Briefing meeting with prospective tenderers held 28 Aug. 2012. Bid Evaluation Com. Meeting held 13 Sept. 2012.

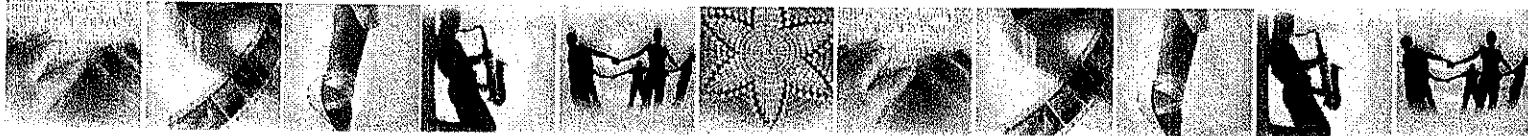


RISK MANAGEMENT REPORT FOR THE SECOND QUARTER



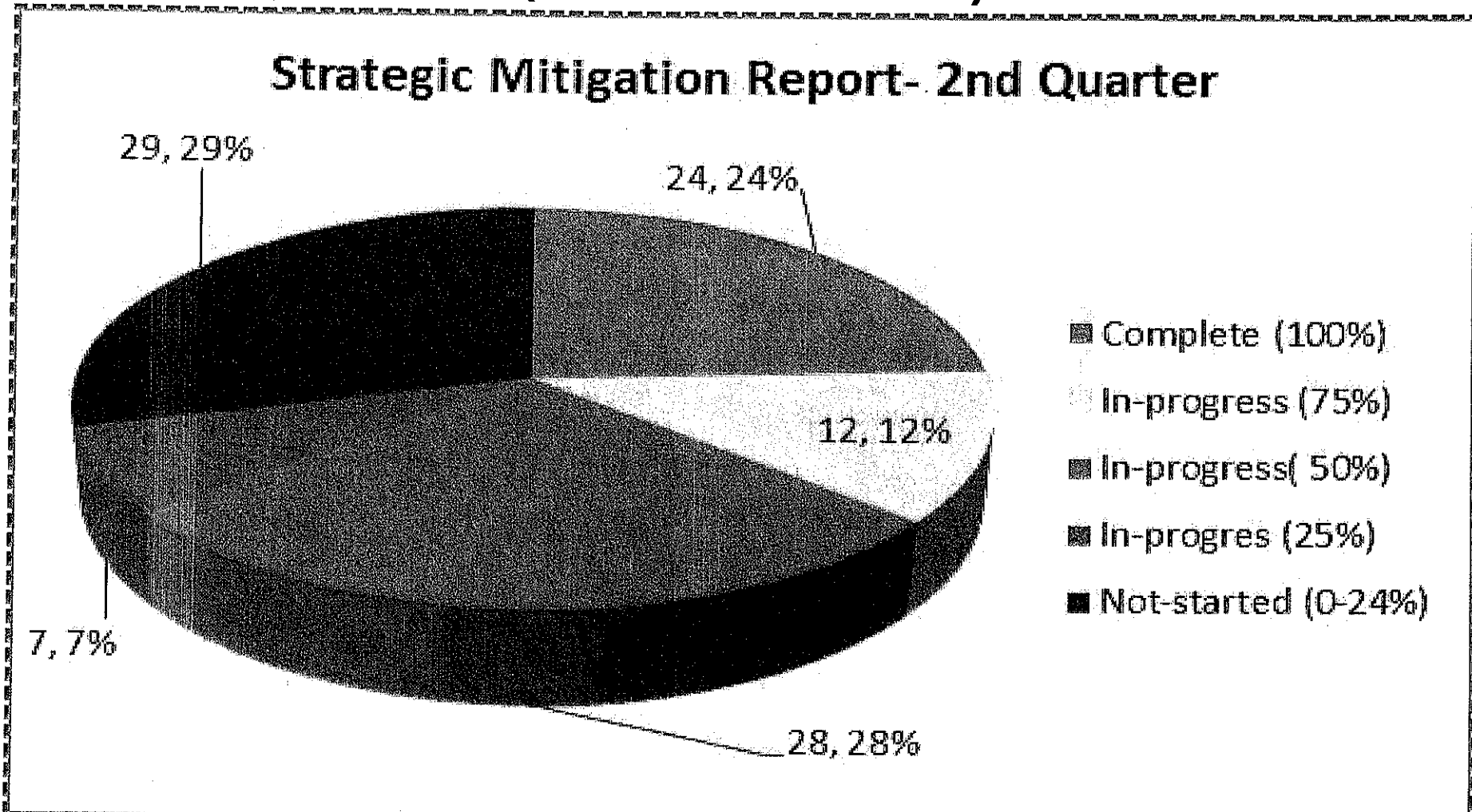
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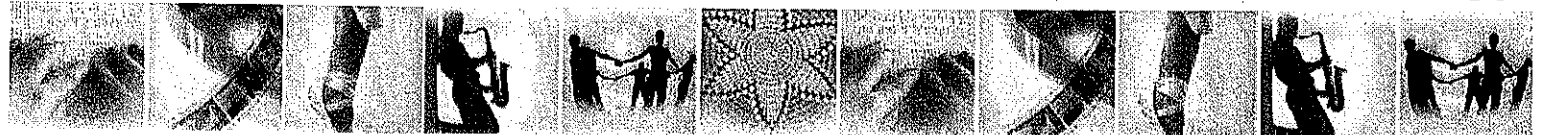


STRATEGIC RISK MANAGEMENT STATUS (2ND QUARTER)

Strategic Mitigation Report- 2nd Quarter

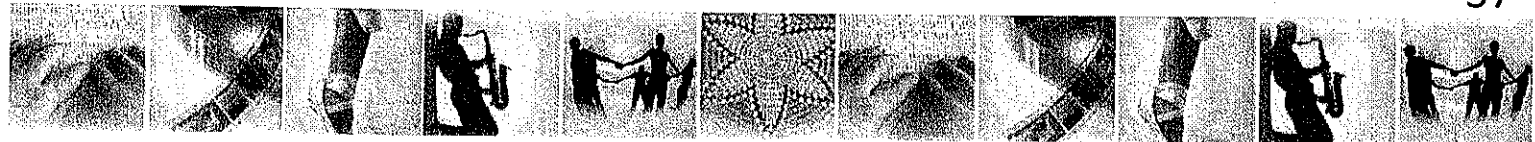


- Complete (100%)
- In-progress (75%)
- In-progress (50%)
- In-progress (25%)
- Not-started (0-24%)



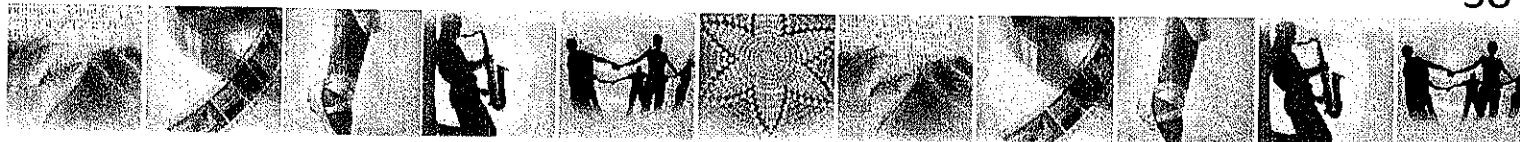
SUCCESSFUL STRATEGIC RISK MITIGATION (2ND QUARTER)

- Quarterly evaluation of Public Entities (Shareholder's Compact)
- Quarterly monitoring of fraud allegations/incidents
- Strategic Monitoring of key critical projects
- Quarterly reports of assets acquired and disposed
- Social Cohesion Summit held
- Completed review of contract commitments
- Reviewed contract checklist



SUCCESSFUL STRATEGIC RISK MITIGATION (2ND QUARTER)

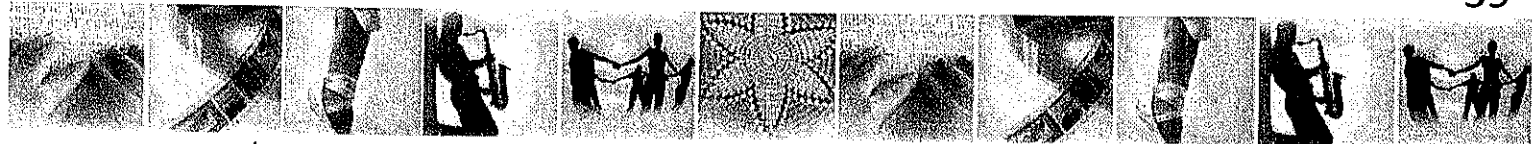
- Improved asset management system (Assetpro upgraded to Assetware)
- Quarterly deviation procurement reports maintained
- Existing database of all contracts at a Departmental level
- Audit Command Language Acquired to develop internal scripts for proactive management of exception reports
- Procurement awareness workshops conducted for all SMS
- Contract Management workshop conducted
- 2nd Quarter Procurement targets achieved



STRATEGIC RISK MITIGATION

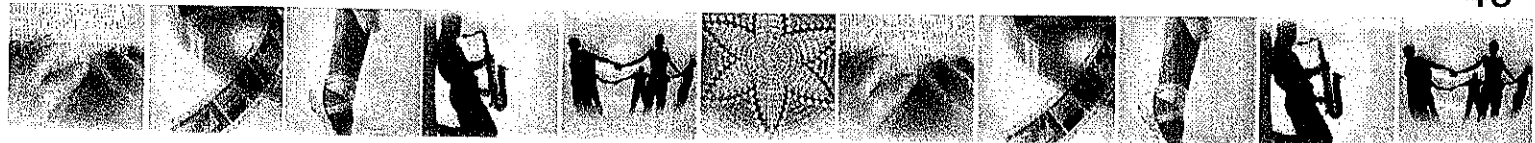
75% PROGRESS

- Establishment of a Loss Control Committee
- Establishment of a Communications Rapid Response team
- Contract Management Task team reviewed the roll-out of a CMU
- Revised Contracts Checklists
- Filling of all vacant positions within the ICT unit
- Acquisition of Legal Reference Material
- Access granted to social media networks



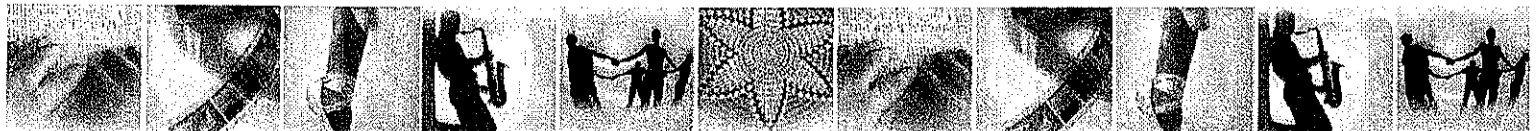
DELAYED STRATEGIC RISK MITIGATION (25 TO 50% PROGRESS)

- Capacity Risk: Roll-out Vacancy Management Plan – micro level
- Capacity Risk: Implementation of approved structure
- Capacity Risk: Implement Work Place Skills Plan
- Legal Risk: Review of current contracts – SLA's; MoA; Independent contractors
- Management Fraud Risk: Implementation of a contract management unit
- Reputation Risk: Media Monitoring and response
- Risk Register for management decision



DELAYED STRATEGIC RISK MITIGATION (25 TO 50% PROGRES)

- Compliance Risk: Monitor and follow-up on procurement targets
- Infrastructure Risk: Establish a back-up system for e-mail archiving
- Business Interruption Risk: Establish functional Disaster Recovery Committees
- Resource Allocation Risk: Define micro-structure
- Resource Allocation Risk: Matching and placing of skills
- Industry Risk: Marketing and Communications of the Arts and Culture offering externally



THANK YOU



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