

Vote 15

Arts and Culture

| R thousand | 2014/15 | | | |
|--|--|------------------------|----------|---------------|
| | Main appropriation | Adjusted appropriation | Decrease | Increase |
| Operational budget | 703 377 | 728 385 | | 25 008 |
| MEC remuneration | 1 735 | 1 735 | | |
| Total amount to be appropriated | 705 112 | 730 120 | | 25 008 |
| <i>of which:</i> | | | | |
| Current payments | 313 838 | 347 958 | | 34 120 |
| Transfers and subsidies | 308 030 | 293 022 | (15 008) | |
| Payments for capital assets | 83 244 | 89 140 | | 5 896 |
| Payments for financial assets | - | - | | |
| Responsible MEC | Mrs. N.N. Sibhidla-Saphetha, MEC for Arts, Culture, Sport and Recreation | | | |
| Administering department | Arts and Culture | | | |
| Accounting Officer | Head: Arts and Culture | | | |

1. Vision and mission

Vision

The vision of the department is: *Prosperity and social cohesion through arts and culture.*

Mission statement

The department's mission is: *To provide world class services in arts and culture for the people of KwaZulu-Natal by:*

- Developing and promoting arts and culture in the province and mainstreaming its role in social development.
- Developing and promoting previously marginalised languages and enhancing the linguistic diversity of the province.
- Collecting, managing and preserving the archival, museum and other forms of information resources.
- Integrating and providing seamless arts and culture services to the communities of the province.

2. Strategic objectives

Strategic policy direction: To ensure the cultural advancement of all the people of the province, and to encourage and assist emergent artists and to safeguard the history of the province. The strategic objectives of the department are as follows:

- To provide efficient, effective and economical administrative support to all stakeholders in an equitable manner.
- To ensure cultural diversity and the advancement of artistic disciplines into viable industries.
- To enhance social cohesion by promoting programmes in moral regeneration, community participation and redress of previously marginalised languages in the province.
- To accelerate the transformation of the country's heritage landscape by establishing and managing museum services.
- To promote multi-lingualism, redress past linguistic imbalances and develop previously marginalised languages.

- To provide library and information services which are free, equitable and accessible, provide for information, reading and learning needs of people and promote a culture of reading, library usage and lifelong learning.
- To render archival and records management services for records of national and provincial significance, proper management and care of public records, equitable access and use of archives.

3. Summary of adjusted estimates for the 2014/15 financial year

The main appropriation of the Department of Arts and Culture was R705.112 million as per the 2014/15 EPRE. During the year, the department's main appropriation was increased by R25.008 million to R730.120 million. The main adjustments are detailed below:

- *Virement between programmes:* The department undertook the following virements between programmes, which are summarised below and explained in more detailed under Section 4:
 - o A net amount of R4.307 million was moved to Programme 1: Administration against *Goods and services* to provide for higher than anticipated audit fees, as well as increased security and cleaning costs for the department's district offices and art centres. These funds were moved from Programme 3: Library and Archive Services under *Buildings and other fixed structures* as a result of savings from delays in the construction of the Umzumbe library and delays by the Department of Public Works (DOPW) in appointing contractors for the renovations of the Dundee and Pinetown depots. The department was not able to find a suitable site for the construction of the Umzumbe library.
 - o Programme 2: Cultural Affairs was increased by R28.499 million. An amount of R1.500 million was moved from Programme 1 against *Compensation of employees* due to delays in the filling of budgeted vacant posts as a result of lengthy recruitment processes and the difficulty in finding suitable candidates. These funds were moved to *Transfers and subsidies to: Non-profit institutions* in respect of the Pietermaritzburg Jazz Festival which was not budgeted for. In addition, funds amounting to R26.999 million were moved from Programme 3 against *Transfers and subsidies to: Provinces and municipalities*. Both the department and the Metro agreed to the withholding of funds from the Metro in 2014/15 in respect of provincialisation of libraries funding. The department decided to reprioritise these funds to Programme 2 to offset spending pressures against *Good and services*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*. This movement of funds requires Legislature approval because they were specifically and exclusively appropriated for provincialisation. These funds were moved as follows:
 - R6.933 million was allocated to *Goods and services* for hosting the Reed Dance Ceremony (R4 million) and the payment in respect of musical instruments ordered in 2013/14 but only delivered and paid for in the current year (R2.933 million) for the war-room packages. This year marked the 30th year celebration of the Reed Dance Ceremony (*uMkhosi Womhlanga*) at the Nyokeni Royal Palace, and the department under-estimated the size of this event. The department experienced delays with the purchase of musical instruments in 2013/14. The department initially budgeted for the musical instruments against *Machinery and equipment*. However, some were below the R5 000 threshold, hence, portion of the funding was moved to *Goods and services*.
 - R8.645 million in respect of the King and Us project (R5 million) and the hosting of the Ugu Jazz Festival (R3.645 million). The King and Us project is a sequel to the popular musical "The Lion King", aimed at celebrating the Lion King talent which comes from KZN. The department was allocated R5 million in the previous year in respect of this project, but these funds were not transferred due to delays in signing the Memorandum of Agreement (MOA) between the department and the service provider. The MOA was signed in the current year. The department budgeted an amount of R150 000 for the hosting of the Ugu Jazz Festival, but this was insufficient for the event. These funds were allocated to *Transfers and subsidies to: Non-profit institutions*.

- R11.421 million was allocated to *Machinery and equipment* in respect of the payment for musical instruments ordered in 2013/14 but delivered and paid for in the current year. These are also part of the implementation of the war-room packages programme, as mentioned above. The cost of these musical instruments is above the R5 000 threshold, hence allocated against *Machinery and equipment*.
- In addition to the above virements, the department undertook virements across economic classification within programmes. Treasury approval was obtained for the increase to *Transfers and subsidies to: Non-profit institutions*, However, the decrease in *Transfers and subsidies to: Provinces and municipalities* and *Buildings and other fixed structures* requires Legislature approval in terms of the PFMA and Treasury Regulations.
- *Shifts*: The department undertook the following shifts between programmes, where the purpose of the funds remains unchanged:
 - o R1.482 million was shifted to *Compensation of employees* in Programme 1 for the centralisation of the internship budget under Programme 1. These funds were previously decentralised across programmes, and were moved from Programme 2 (R936 000) and Programme 3 (R546 000) within *Compensation of employees*.
 - o A net amount of R1.556 million was shifted to Programme 3 against *Buildings and other fixed structures* in respect of the appointment of volunteers to assist with the construction of the Vulamehlo library. These funds were moved from *Goods and services* Programme 2. These funds relate to the EPWP Integrated Grant for Provinces which was initially budgeted for against Programme 2 for appointment of volunteers to undertake minor repairs and maintenance of art centres, libraries and museums. This is a shift, as the volunteers will still be employed, but instead of being employed for maintenance projects, they will be employed for construction projects.

In addition to the above shifts, the department undertook shifts across economic classification within programmes, which are explained in detail in section 4.

- *Other adjustments*: The department's budget was increased by R25.008 million as follows:
 - o R11 million was suspended from Provincial Treasury in terms of the Strategic Cabinet Initiatives Fund to Programme 2 under *Transfers and subsidies to: Non-profit institutions* in respect of the following:
 - R1 million for Amambazo: The Musical, a stage production launched in Durban, which tells the story of Ladysmith Black Mambazo's contribution toward the freedom of the country from apartheid.
 - R5 million for the National Choral Music Awards, held in Durban on 1 November 2014. These awards were inaugurated in South Africa in 2012 to showcase and celebrate the best of South African choral music. These awards contribute to nation building and social cohesion.
 - R5 million for the Royal Soapie Awards. These awards were inaugurated in 2013 to promote creativity, quality and excellence of local productions. This event will be held at the Inkosi Albert Luthuli International Convention Centre (ICC) in Durban in March 2015.
 - o R2.008 million was suspended from the Department of Sport and Recreation in respect of the balance of the ministry funds that remained with the department after the two ministries were amalgamated in 2009. This will ease the administrative burden of having this budget split across two departments. These funds were allocated to Programme 1 against *Goods and services*.
 - o R12 million was suspended from the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) for the movement of the KZN Music House to the department as a result of a directive from the Premier. The department allocated these funds to Programme 2 against *Transfers and subsidies to: Non-profit institutions*.

Tables 15.1 and 15.2 below reflect the summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

Table 15.1: Summary by programmes

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---------------------------------|--------------------|---------------------------|---------------------------|----------|----------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| 1. Administration | 100 579 | - | - | 4 307 | 1 482 | 2 008 | 7 797 | 108 376 |
| 2. Cultural Affairs | 149 620 | - | - | 28 499 | (3 038) | 23 000 | 48 461 | 198 081 |
| 3. Library and Archive Services | 454 913 | - | - | (32 806) | 1 556 | - | (31 250) | 423 663 |
| Total | 705 112 | - | - | - | - | 25 008 | 25 008 | 730 120 |
| Amount to be voted | | | | | | | 25 008 | |

Table 15.2: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|-----------------|----------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 313 838 | - | - | 30 523 | 1 589 | 2 008 | 34 120 | 347 958 |
| Compensation of employees | 171 214 | - | - | (3 195) | 549 | - | (2 646) | 168 568 |
| Goods and services | 142 624 | - | - | 33 718 | 1 040 | 2 008 | 36 766 | 179 390 |
| Interest and rent on land | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 308 030 | - | - | (34 237) | (3 771) | 23 000 | (15 008) | 293 022 |
| Provinces and municipalities | 271 706 | - | - | (46 591) | (2 042) | - | (48 633) | 223 073 |
| Departmental agencies and accounts | 7 445 | - | - | - | - | - | - | 7 445 |
| Higher education institutions | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - |
| Non-profit institutions | 28 879 | - | - | 11 209 | (1 729) | 23 000 | 32 480 | 61 359 |
| Households | - | - | - | 1 145 | - | - | 1 145 | 1 145 |
| Payments for capital assets | 83 244 | - | - | 3 714 | 2 182 | - | 5 896 | 89 140 |
| Buildings and other fixed structures | 76 962 | - | - | (10 107) | 2 102 | - | (8 005) | 68 957 |
| Machinery and equipment | 6 282 | - | - | 13 821 | - | - | 13 821 | 20 103 |
| Heritage assets | - | - | - | - | 80 | - | 80 | 80 |
| Specialised military assets | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - |
| Total | 705 112 | - | - | - | - | 25 008 | 25 008 | 730 120 |
| Amount to be voted | | | | | | | 25 008 | |

4. Changes to programme purposes and service delivery measures

The department has not changed the purpose of any of its programmes, which conform to the customised programme and budget structure of the Arts and Culture sector for 2014/15. Also, the non financial information in the 2014/15 EPRE correctly corresponds to the department's 2014/15 APP.

4.1 Programme 1: Administration

The purpose of Programme 1 is to provide for effective management and administration of the department and to ensure effective and efficient use of financial and human resources.

Tables 15.3 and 15.4 below reflect a summary of the 2014/15 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R7.797 million, are given in the paragraphs following the tables.

Table 15.3: Programme 1: Administration

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--------------------|--------------------|---------------------------|---------------------------|--------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Office of the MEC | 12 321 | - | - | 1 210 | - | 2 008 | 3 218 | 15 539 |
| Corporate Services | 88 258 | - | - | 3 097 | 1 482 | - | 4 579 | 92 837 |
| Total | 100 579 | - | - | 4 307 | 1 482 | 2 008 | 7 797 | 108 376 |
| Amount to be voted | | | | | | | 7 797 | |

Table 15.4: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|--------------|--------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | | |
| Current payments | 99 619 | - | - | 4 026 | 1 482 | 2 008 | 107 135 |
| Compensation of employees | 57 987 | | | (1 781) | 1 482 | (299) | 57 688 |
| Goods and services | 41 632 | | | 5 807 | | 2 008 | 49 447 |
| Interest and rent on land | | | | | | - | - |
| Transfers and subsidies to: | 720 | - | - | 31 | - | - | 751 |
| Provinces and municipalities | 100 | | | | | - | 100 |
| Departmental agencies and accounts | | | | | | - | - |
| Higher education institutions | | | | | | - | - |
| Foreign governments and international organisations | | | | | | - | - |
| Public corporations and private enterprises | | | | | | - | - |
| Non-profit institutions | 620 | | | (150) | | (150) | 470 |
| Households | | | | 181 | | 181 | 181 |
| Payments for capital assets | 240 | - | - | 250 | - | - | 490 |
| Buildings and other fixed structures | | | | | | - | - |
| Machinery and equipment | 240 | | | 250 | | 250 | 490 |
| Heritage assets | | | | | | - | - |
| Specialised military assets | | | | | | - | - |
| Biological assets | | | | | | - | - |
| Land and subsoil assets | | | | | | - | - |
| Software and other intangible assets | | | | | | - | - |
| Payments for financial assets | | | | | | - | - |
| Total | 100 579 | - | - | 4 307 | 1 482 | 2 008 | 108 376 |
| Amount to be voted | | | | | | | <u>7 797</u> |

Virement – Programme 1: Administration: R4.307 million

Programme 1 was increased by R4.307 million across both sub-programmes as follows:

- There was a net decrease of R1.781 million against *Compensation of employees* due to delays in the filling of budgeted vacant posts. These savings were moved as follows:
 - R1.500 million was moved to Programme 2 against *Transfers and subsidies to: Non-profit institutions* in respect of the Pietermaritzburg Jazz Festival which was not budgeted for.
 - R281 000 was moved within Programme 1 to *Transfers and subsidies to: Households* (R181 000) for staff exit costs and *Machinery and equipment* (R100 000) to pay for vehicles ordered in 2013/14 but delivered and paid for in the current year.
- R5.807 million was moved to *Goods and services* to provide for higher than anticipated audit fees, as well as increased security and cleaning costs for the department's district offices and art centres. These funds were moved from Programme 3 under *Buildings and other fixed structures* due to delays in finding a suitable site for the construction of the Umzumbe library, as well as delays by DOPW in appointing contractors for the renovations of the Dundee and Pinetown depots.
- R150 000 was moved from *Transfers and subsidies to: Non-profit institutions* to *Machinery and equipment* to cater for vehicles and equipment ordered in 2013/14 but delivered and paid for in the current year. These funds were initially budgeted for the hosting of the Ugu Jazz Festival. However, the department decided to move these funds to offset the purchase of vehicles as the function of hosting the Ugu Jazz Festival was moved to Programme 2, with the funds remaining in Programme 1.

All of these virements are permissible in terms of the PFMA and the Treasury Regulations. The decrease in *Transfers and subsidies to: Non-profit institutions* requires Legislature approval.

Shifts – Programme 1: Administration: R1.482 million

An amount of R1.482 million was shifted to Programme 1 under the sub-programme: Corporate Services against *Compensation of employees* to provide for centralisation of the internship budget under Programme 1. These funds were previously decentralised across programmes and were moved from Programme 2 (R936 000) and Programme 3 (R546 000) within *Compensation of employees*. The purpose of the funds remains unchanged.

Other adjustments – Programme 1: Administration: R2.008 million

An amount of R2.008 million was received from the Department of Sport and Recreation in respect of the balance of the ministry funds that remained with the department after the two ministries were amalgamated in 2009. This will ease the department's administrative burden of having this budget split across two departments. These funds were allocated to Programme 1 under the sub-programme: Office of the MEC against *Goods and services*.

4.2 Programme 2: Cultural Affairs

The purpose of Programme 2 is to provide for projects and interventions in the arts, culture, language and museum services. The aim is to provide an environment conducive to the celebration, nourishment and growth of these sectors. Tables 15.5 and 15.6 below reflect a summary of the 2014/15 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R48.461 million, are given in the paragraphs below the tables.

Table 15.5: Programme 2: Cultural Affairs

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---------------------------|--------------------|---------------------------|---------------------------|---------------|----------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Management | 3 166 | | | | | | - | 3 166 |
| Arts and Culture | 104 185 | | | 28 499 | (2 648) | 23 000 | 48 851 | 153 036 |
| Museum Services | 29 365 | | | | (273) | | (273) | 29 092 |
| Language Services | 12 904 | | | | (117) | | (117) | 12 787 |
| Total | 149 620 | - | - | 28 499 | (3 038) | 23 000 | 48 461 | 198 081 |
| Amount to be voted | | | | | | | 48 461 | |

Table 15.6: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|---------------|----------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 96 844 | - | - | 5 697 | 653 | - | 6 350 | 103 194 |
| Compensation of employees | 55 213 | | | (1 936) | (387) | | (2 323) | 52 890 |
| Goods and services | 41 631 | | | 7 633 | 1 040 | | 8 673 | 50 304 |
| Interest and rent on land | | | | | | | - | - |
| Transfers and subsidies to: | 45 379 | - | - | 10 931 | (3 771) | 23 000 | 30 160 | 75 539 |
| Provinces and municipalities | 12 363 | | | (411) | (2 042) | | (2 453) | 9 910 |
| Departmental agencies and accounts | 7 445 | | | | | | - | 7 445 |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | 25 571 | | | 10 856 | (1 729) | 23 000 | 32 127 | 57 698 |
| Households | | | | 486 | | | 486 | 486 |
| Payments for capital assets | 7 397 | - | - | 11 871 | 80 | - | 11 951 | 19 348 |
| Buildings and other fixed structures | 6 855 | | | | | | - | 6 855 |
| Machinery and equipment | 542 | | | 11 871 | | | 11 871 | 12 413 |
| Heritage assets | | | | | 80 | | 80 | 80 |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | | | | | | | - | - |
| Payments for financial assets | | | | | | | - | - |
| Total | 149 620 | - | - | 28 499 | (3 038) | 23 000 | 48 461 | 198 081 |
| Amount to be voted | | | | | | | 48 461 | |

Virement – Programme 2: Cultural Affairs: R28.499 million

The main appropriation of Programme 2 was increased by R28.499 million against the sub-programme: Arts and Culture as a result of the following:

- R1.500 million was moved from *Compensation of employees* in Programme 1 due to delays in the filling of budgeted vacant posts, to this programme under *Transfers and subsidies to: Non-profit institutions* for the Pietermaritzburg Jazz Festival, which was not budgeted for.
- In addition, R26.999 million was moved from Programme 3 under *Transfers and subsidies to: Provinces and municipalities* due to an agreement between the department and the Metro to withhold

transfers from the Metro in respect of provincialisation of libraries funding in order to reprioritise funds to this programme to offset spending pressures in the following categories:

- o *Goods and services* was increased by R6.933 million for hosting the Reed Dance Ceremony due to the magnitude of the event this year, as mentioned. In addition, the funds will cater for the payment of musical instruments ordered in 2013/14 but delivered and paid for in the current year, as mentioned. These instruments form part of the implementation of the war-room packages programme, and are below the R5 000 threshold, hence allocated against *Goods and services*.
- o R8.645 million was moved to *Transfers and subsidies to: Non-profit institutions* for the King and Us project which was a commitment from 2013/14. Due to delays in the signing of the MOA between the department and the service provider, these funds were not transferred. Furthermore, the funds catered for hosting the Ugu Jazz Festival which was under-budgeted for.
- o *Machinery and equipment* was increased by R11.421 million for the payment of musical instruments ordered for the war-room packages programme in 2013/14 but delivered and paid for in the current year. These are part of the implementation of the war-room packages programme which was allocated additional funds in the previous year, as previously mentioned.

The details of the various movements within Programme 2, per economic classification, are set out in Table 15.7 below:

Table 15.7: Details on virement per economic classification

| Prog by Economic Classification | Motivation | R thousand | Prog by Economic Classification | Motivation | R thousand |
|--|---|------------|--|---|-------------------------|
| FROM: Programme 2: Cultural Affairs | | (2 547) | TO: Programme 2: Cultural Affairs | | 2 547 |
| Current payments | | (1 936) | Current payments | | 700 |
| Compensation of employees | Delays in filling budgeted vacant posts due to lengthy recruitment processes and difficulty in finding suitable candidates. Savings were moved to <i>Goods and services</i> (R500 000), <i>Non-profit institutions</i> (R500 000), <i>Households</i> (R486 000) and <i>Machinery and equipment</i> (R450 000) | (1 936) | Compensation of employees | To cater for projects/events which were under-budgeted for e.g. Poetry Africa, International Translation Day and Literature Exhibition. These funds were from <i>Compensation of employees</i> (R500 000) and <i>Non-profit institutions</i> (R200 000) | 700 |
| Goods and services | | | Goods and services | | |
| Transfers and subsidies to: | | (611) | Transfers and subsidies to: | | 1 397 |
| Provinces and municipalities | Due to challenges with construction of KwaDukuza and Newcastle museums in 2013/14, funds were reprioritised from these projects to museum subsidies i.r.o. provincialisation within P2 and category which should have been a once-off increase in 2013/14. However, it was inadvertently carried through to 2014/15. These funds were moved to <i>Non-profit institutions</i> | (411) | Provinces and municipalities | R411 000 from <i>Provinces and municipalities</i> for completion of educational resource centre attached to DCO Mafikeng Museum (R250 000), staffing and operational costs of Vukani Museum (R161 000). In addition, R500 000 was moved from <i>Goods and services</i> for expansion of 1860 Heritage Centre: Documentation Centre museum | 911 |
| Non-profit institutions | | | (200) | | Non-profit institutions |
| Households | | | Households | Moved savings from <i>Compensation of employees</i> for staff exit costs | 486 |
| Payments for capital assets | | - | Payments for capital assets | | 450 |
| Machinery and equipment | | | Machinery and equipment | Savings from <i>Compensation of employees</i> moved for payment of vehicles ordered in 2013/14 but delivered and paid for in current year | 450 |
| Percentage of Programme budget | | (1.7) | Percentage of Programme budget | | 1.7 |

The increase against *Transfers and subsidies to: Non-profit institutions* was supported in principle by Treasury, as it is dependent on the decrease in *Transfers and subsidies to: Provinces and municipalities*. These funds are specifically and exclusively appropriated, hence Legislature approval is required.

Shifts – Programme 2: Cultural Affairs (R3.038 million)

The following shift was undertaken between programmes and economic classifications, which resulted in a net decrease of R3.038 million. The original purpose of the funds remains unchanged:

- The following shifts were undertaken across programmes:
 - R2.102 million was moved from the Arts and Culture sub-programme to Programme 3 in respect of the EPWP Integrated Grant for Provinces. These funds were originally budgeted for appointment of volunteers to undertake minor repairs and maintenance to art centres against *Goods and services*. However, the funds will be used for the appointment of volunteers to assist with the construction of the Vulamehlo library which is a project under Programme 3.
 - R936 000 was moved to Programme 1 for the centralisation of the internship budget under Programme 1. Of this amount, R546 000 was moved from the sub-programme: Arts and Culture, R273 000 was moved Museum Services and R117 000 was moved from Language Services.
- The following shifts were undertaken across economic categories:
 - The net decrease of R387 000 against *Compensation of employees* is due to a movement of R936 000 to Programme 1 under the same category for the centralisation of the internship budget under Programme 1. This decrease was offset by the movement of R549 000 from *Transfers and subsidies to: Non-profit institutions* for salaries of staff of the Stable Theatre art centre, which is no longer a section 21 company (non-profit institution) but has been absorbed into the department.
 - The net increase of R1.040 million under *Goods and services* is due to the following shifts:
 - R1.180 million was moved from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* due to the Stable Theatre being absorbed into the department. These funds will be used for the operational costs of the art centre such as municipal services, cleaning, security and operational requirements.
 - R2.042 million was moved from *Transfers and subsidies to: Provinces and municipalities* to *Goods and services* for direct delivery of services such as cleaning, security and operational requirements to museums. The increase against *Transfers and subsidies to: Provinces and municipalities* should have been a once-off increase in 2013/14. However, this category was inadvertently increased during the compilation of the 2014/15 EPRE. The purpose of the funds remains unchanged.
 - R80 000 was moved from *Goods and services* to *Payments for capital assets: Heritage assets* for the purchase of Nelson Mandela paintings which were initially budget for against *Goods and services*. The department moved these funds to *Payments for capital assets: Heritage assets* in order to align the spending to the correct SCOA classification. The purpose of the funds remains unchanged.
 - R2.102 million was moved from *Goods and services* to Programme 3 under *Buildings and other fixed structures*. These funds relate to the EPWP Integrated Grant for Provinces which were initially budgeted for the appointment of volunteers to undertake minor repairs and maintenance of art centres, libraries and museums. However, the department has identified the appointment of volunteers to assist with the construction of the Vulamehlo library under Programme 3 as the project to be funded using EPWP Integrated Grant for Provinces funds.

Other adjustments – Programme 2: Cultural Affairs: R23 million

An amount of R23 million was allocated to the Arts and Culture sub-programme under *Transfers and subsidies to: Non-profit institutions* as follows:

- R11 million was suspended from the Strategic Cabinet Initiatives Fund under Vote 6: Provincial Treasury as follows:
 - R1 million for Amambazo: The Musical, a stage production launched in Durban, which tells the story of Ladysmith Black Mambazo's contribution toward freedom from apartheid.

- o R5 million in respect of the National Choral Music Awards Ceremony, which was held in Durban on 1 November 2014 to showcase and celebrate the best of South African choral music.
- o R5 million for the Royal Soapie Awards which will be held at the ICC in Durban in March 2015.
- R12 million was suspended from DEDTEA for the movement of the KZN Music House to the department as a result of a directive from the Premier.

Service delivery measures – Programme 2: Cultural Affairs

Table 15.8 shows the service delivery targets for Programme 2: Cultural Affairs as per the APP of Arts and Culture, as well as the actual achievement for the first six months of the year. The targets remained unchanged from those included in the *EPRE*.

Table 15.8: Service delivery measures – Programme 2: Cultural Affairs

| Outputs | Performance indicators | Performance targets | | |
|---|--|-------------------------------|-------------------------------|------------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1. Arts and Culture standardised performance measures | | | | |
| 1.1 To establish structures and to provide institutional support | • No. of structures supported | 17 | 9 | |
| | • No. of significant days hosted in the cultural calendar | 9 | 6 | |
| 2. Arts and Culture non standardised performance measures | | | | |
| 2.1 To establish structures and to provide institutional support | • No. of artists trained | 4 105 | 1 814 | |
| | • No. of SLAs concluded | 33 | 18 | |
| 2.2 To facilitate access to facilities and programmes | • No. of sponsorships/bursaries awarded | 42 | - | |
| | • No. of participants attracted | 73 000 | 43 964 | |
| | • No. of sector integrated programmes delivered | 3 | 2 | |
| | • No. of awareness and promotional programmes rolled out to communities | 105 | 65 | |
| 2.3 To facilitate capacity building | • No. of documents/guidelines/procedure manuals developed, implemented and monitored | 8 | 7 | |
| 2.4 To facilitate and support excellence enhancing programmes | • No. of performance programmes to enhance sustainability of cultural practitioners | 3 | 2 | |
| | • No. of cultural exchange programmes facilitated and hosted | 2 | - | |
| 3. Language Services standardised performance measures | | | | |
| 3.1 To establish and support structures | • No. of language co-ordinating structures supported | 55 | 51 | |
| 4. Language Services non standardised performance measures | | | | |
| 4.1 To provide language services | • No. of literary exhibitions conducted | 1 | - | |
| | • No. of documents translated | 200 | 91 | |
| | • No. of interpreting services conducted | 30 | 21 | |
| | • No. of persons empowered to deliver translations | 6 | 3 | |
| | • No. of documents edited | 220 | 112 | |
| | • No. of language planning programmes | | | |
| | - Status Planning | 3 | 6 | |
| | - Corpus Planning | 3 | 1 | |
| • No. of literary development and promotion programmes | 3 | 2 | | |
| 5. Museum Services standardised performance measures | | | | |
| 5.1 To facilitate upgrading or construction of new museums and heritage facilities | • No. of people visiting facilities | 120 000 | 71 806 | |
| 5.2 To facilitate access to museum facilities and programmes | • No. of brochures and publications distributed | 4 | - | |
| 6. Museum Services non standardised performance measures | | | | |
| 6.1 To facilitate access to museum facilities and programmes | • No. of museums provided with provincial funding | 37 | 35 | |
| 6.2 To facilitate the coordination and co-operation with other spheres of governmental structures | • No. of geographical place names reviewed | 130 | 91 | |
| | • No. of outreach programmes implemented | 20 | 16 | |
| | • No. of exhibitions staged | 5 | 5 | |

Table 15.8: Service delivery measures – Programme 2: Cultural Affairs

| Outputs | Performance indicators | Performance targets | | |
|--|--|-------------------------------|-------------------------------|------------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 6.3 To facilitate access to museum facilities and programmes | • No. of school visits undertaken by Museum Services | 50 | 36 | |
| | • No. of museum professionals trained | 60 | 54 | |
| | • No. of training sessions offered to museums | 4 | 2 | |
| | • No. of museums provided with ICT infrastructure | 3 | 1 | |
| | • No. of collections digitised | 3 000 | - | |
| | • No. of new museums built | 2 | - | |
| | • No. of museums renovated | 2 | - | |

4.3 Programme 3: Library and Archive Services

The aim of this programme is to provide library and information services, as well as archive services. The Community Library Services conditional grant resides within this programme. Tables 15.9 and 15.10 below reflect a summary of the 2014/15 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R31.250 million, are given in the paragraphs below the tables.

Table 15.9: Programme 3: Library and Archive Services

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|----------------------------------|--------------------|---------------------------|-------------------------------|-----------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement | Shifts | Other adjustments | | |
| Management | 1 423 | | | | | | - | 1 423 |
| Library Services | 310 545 | | | (34 306) | 1 829 | | (32 477) | 278 068 |
| Archives | 20 191 | | | 1 500 | (273) | | 1 227 | 21 418 |
| Community Library Services grant | 122 754 | | | | | | - | 122 754 |
| Total | 454 913 | - | - | (32 806) | 1 556 | - | (31 250) | 423 663 |
| Amount to be voted | | | | | | | | (31 250) |

Table 15.10: Summary by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------------------------|-----------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement | Shifts | Other adjustments | | |
| Current payments | 117 375 | - | - | 20 800 | (546) | - | 20 254 | 137 629 |
| Compensation of employees | 58 014 | | | 522 | (546) | | (24) | 57 990 |
| Goods and services | 59 361 | | | 20 278 | | | 20 278 | 79 639 |
| Interest and rent on land | | | | | | | - | - |
| Transfers and subsidies to: | 261 931 | - | - | (45 199) | - | - | (45 199) | 216 732 |
| Provinces and municipalities | 259 243 | | | (46 180) | | | (46 180) | 213 063 |
| Departmental agencies and accounts | | | | | | | - | - |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | 2 688 | | | 503 | | | 503 | 3 191 |
| Households | | | | 478 | | | 478 | 478 |
| Payments for capital assets | 75 607 | - | - | (8 407) | 2 102 | - | (6 305) | 69 302 |
| Buildings and other fixed structures | 70 107 | | | (10 107) | 2 102 | | (8 005) | 62 102 |
| Machinery and equipment | 5 500 | | | 1 700 | | | 1 700 | 7 200 |
| Heritage assets | | | | | | | - | - |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | | | | | | | - | - |
| Payments for financial assets | | | | | | | - | - |
| Total | 454 913 | - | - | (32 806) | 1 556 | - | (31 250) | 423 663 |
| Amount to be voted | | | | | | | | (31 250) |

Virement – Programme 3: Library and Archive Services: (R32.806 million)

In total, an amount of R32.806 million was moved from Programme 3 to other programmes, with the bulk of the movement being to Programme 2 (R26.999 million). Also noted is that the movement is from the sub-programme: Library Services.

Table 15.11 : Details on virement per economic classification

| Programme by Economic Classification | Motivation | R thousand | Programme by Economic Classification | Motivation | R thousand |
|--|--|------------|--|--|------------|
| FROM: Programme 3: Library and Archive Services | | | TO: Programme 3: Library and Archive Services | | |
| | | | 24 462 | | |
| Current payments | | | 21 781 | | |
| Compensation of employees | Delays in filling budgeted vacant posts due to lengthy recruitment processes. Savings moved to <i>Households</i> | (478) | Compensation of employees | Savings from <i>Buildings and other fixed structures</i> moved to fund higher than anticipated wage agreements | 1 000 |
| Goods and services | Savings due to dept. not leasing office accommodation as existing offices could accommodate all library processors. Moved to <i>Non-profit institutions</i> for increase in transfers to Africa Ignite for expansion of story-telling project | (503) | Goods and services | Savings of R10.002m from withdrawal of transfers to eThekweni Metro due to appeal, to be used for purchase of library books which were under-budgeted for. R9.179m will be used for installation of RFID system for library books. Savings are from dept's decision to withdraw transfers to Metro i.r.o provincialisation of libraries. Also, R1.600m was moved from <i>Buildings and other fixed structures</i> for minor repairs to depot | 20 781 |
| Transfers and subsidies to: | | | Transfers and subsidies to: | | |
| | | | 981 | | |
| Provinces and municipalities | Due to appeal submitted by a tenderer, dept. decided to withdraw transfer to Metro i.r.o construction of mega-library. Resultant savings of R10.002m were moved to <i>Goods and services</i> for procurement of library books which were under-budgeted for. Also, dept. decided to stop part of transfer to Metro for provincialisation of libraries to offset pressures in P2 (R26.999m) and for installation of RFID system (R9.179m) | (46 180) | Provinces and municipalities | | |
| Non-profit institutions | | | Non-profit institutions | Savings from <i>Goods and services</i> were moved to increase the transfers to Africa Ignite due to an expansion of story-telling project | 503 |
| Households | | | Households | Savings from <i>Compensation of employees</i> used to offset payments i.r.o staff exit costs which were not budgeted for | 478 |
| Payments for capital assets | | | Payments for capital assets | | |
| | | | 1 700 | | |
| Buildings and other fixed structures | Savings due to delays by dept in identifying a site for Umzambe library, and delays by DOPW in appointing contractors to renovate the Dundee depot. Dept moved R5.807m to P1, R1m to <i>Compensation of employees</i> , R1.600m to <i>Goods and services</i> and R1.700m to <i>Machinery and equipment</i> | (10 107) | Buildings and other fixed structures | | |
| Machinery and equipment | | | Machinery and equipment | Savings from <i>Buildings and other fixed structures</i> for vehicles ordered in 2013/14 but delivered and paid for in 2014/15 | 1 700 |
| Percentage of Programme budget | | | Percentage of Programme budget | | |
| | | | 5.4 | | |
| | | | TO: Programme 1: Administration | | |
| | | | 5 807 | | |
| Current payments | | | 5 807 | | |
| Goods and services | | | Goods and services | Savings from <i>Buildings and other fixed structures</i> for higher than anticipated audit fees, and increased security and cleaning costs for district offices and art centres | 5 807 |
| Percentage of Programme budget | | | Percentage of Programme budget | | |
| | | | 3.9 | | |
| | | | TO: Programme 2: Cultural Affairs | | |
| | | | 26 999 | | |
| Current payments | | | 6 933 | | |
| Goods and services | | | Goods and services | Hosting of the Reed Dance exceeded budget due to magnitude of the event. Also, funds were moved for purchase of musical instruments i.r.o war-room package. Funds were moved from P3 under <i>Provinces and municipalities</i> | 6 933 |
| Transfers and subsidies to: | | | Transfers and subsidies to: | | |
| | | | 8 645 | | |
| Non-profit institutions | | | Non-profit institutions | Dept. transferred funds for King and Us project, a commitment from previous year because MOA between dept and service provider was not signed by year-end. Also, payments for hosting Ugu Jazz Festival were catered for. These funds were moved from P3 under <i>Provinces and municipalities</i> | 8 645 |
| Payments for capital assets | | | Payments for capital assets | | |
| | | | 11 421 | | |
| Machinery and equipment | | | Machinery and equipment | Funds moved from <i>Buildings and other fixed structures</i> for purchase of musical instruments i.r.o. war-room package | 11 421 |
| Percentage of Programme budget | | | Percentage of Programme budget | | |
| | | | 5.9 | | |

These virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in *Transfers and subsidies to: Provinces to municipalities* relates to funds which are specifically and exclusively appropriated for provincialisation of libraries and museum subsidies which requires Legislature approval, as does the decrease in *Buildings and other fixed structures*. The details of the various movements within the programme and to other programmes are set out in Table 15.11 below:

Shifts – Programme 3: Library and Archive Services: R1.556 million

The following shifts were undertaken, which resulted in a net increase of R1.556 million, where the original purpose of the funds remains unchanged:

- R546 000 was moved to Programme 1 under *Compensation of employees* to the same category in respect of centralisation of the internship budget. Of this amount, R273 000 was from the sub-programme: Library Services and the balance of R273 000 was from the sub-programme: Archives. The purpose of the funds remains unchanged.
- R2.102 million was moved from Programme 2 under *Goods and services* to *Buildings and other fixed structures*. These funds relate to the EPWP Integrated Grant for Provinces which were initially budgeted for the appointment of volunteers to undertake minor repairs and maintenance of art centres, libraries, and museums. However, the department has identified the appointment of volunteers to assist with the construction of the Vulamehlo library under Programme 3 as the project to be undertaken using EPWP Integrated Grant for Provinces funds.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.12 shows the service delivery information for Programme 3 as per the department's APP which is fully aligned to the information contained in the *EPRE*.

Table 15.12: Service delivery measures – Programme 3: Library and Archive Services

| Outputs | Performance indicators | Performance targets | | |
|--|--|--|-------------------------------|------------------------------|
| | | 2014/15 Original target | 2014/15 Mid-year actual | 2014/15 Revised target |
| 1. Library Services standardised performance measures | | | | |
| 1.1 | Provide infrastructure required for public libraries | • No. of library materials procured | 180 000 | 84 556 |
| 1.2 | Monitor and support public libraries | • No. of monitoring visits done | 100 | 55 |
| 2. Library Services non standardised performance measures | | | | |
| 2.1 | Provide infrastructure required for public libraries | • No. of new libraries built | 2 | - |
| | | • No. of existing library buildings upgraded | 4 | - |
| | | • No. of libraries provided with free public internet access | 10 | - |
| 2.2 | Promote awareness of libraries to enhance usage | • No. of promotional projects conducted | 4 | 2 |
| 2.3 | Develop a strategy for transfer of community libraries to the provincial sphere of govt. | • No. of community libraries provided with provincial funding | 217 | 184 |
| | | • No. of mobile library unit sites established | 4 | - |
| | | • No. of library books with RFID tags | 3 500 000 | 1 324 476 |
| 3. Archive Service standardised performance measures | | | | |
| 3.1 | To ensure sound records management services within governmental bodies | • No. of records classification systems approved | 14 | 7 |
| | | • No. governmental bodies inspected | 100 | 61 |
| | | • No. of records managers trained | 14 | - |
| | | • No. promotional projects rolled out to communities | 15 | 15 |
| 4. Archive Service non standardised performance measures | | | | |
| 4.1 | To ensure sound records management services within governmental bodies | • No. records management staff trained | 480 | 270 |
| 4.2 | To effectively manage archives at repositories | • No. of data coded entries submitted on National Automated Archive Information Retrieval System (NAAIRS) database | 4 800 | 4 554 |
| 4.3 | To promote awareness and use of archives | • No. of oral history interviews conducted | 192 | 96 |
| | | • No. of oral history interviews transcribed and documented | 52 | 26 |
| | | • No. of items digitised | 700 000 | 401 628 |

5. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships exceeding R100 000 in the current financial year.

6. Infrastructure

Table 15.13 shows the infrastructure payments per main category. Details of the main adjustments, which led to a net decrease of R23.755 million, are provided in the paragraphs following the tables.

Table 15.13: Summary of infrastructure payments by category

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|---------------------------|-----------------|--------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments | | |
| Existing infrastructure assets | 15 800 | - | - | - | - | - | - | 15 800 |
| Maintenance and repair: Current | | | | | | | - | - |
| Upgrades and additions: Capital | 15 800 | | | (4 626) | | | (4 626) | 11 174 |
| Refurbishment and rehabilitation: Capital | | | | 4 626 | | | 4 626 | 4 626 |
| New infrastructure assets: Capital | 61 162 | | | (10 107) | 2 102 | | (8 005) | 53 157 |
| Infrastructure transfers | 17 050 | - | - | (15 750) | - | - | (15 750) | 1 300 |
| Infrastructure transfers: Capital | 17 050 | | | (15 750) | | | (15 750) | 1 300 |
| Infrastructure transfers: Current | | | | | | | - | - |
| Infrastructure: Payments for fin assets | | | | | | | - | - |
| Infrastructure: Leases | | | | | | | - | - |
| Capital infrastructure | 94 012 | - | - | (25 857) | 2 102 | - | (23 755) | 70 257 |
| Current infrastructure | - | - | - | - | - | - | - | - |
| Total | 94 012 | - | - | (25 857) | 2 102 | - | (23 755) | 70 257 |
| Amount to be voted | | | | | | | | (23 755) |

- *Virement*: The following virements were undertaken against the infrastructure budget of the department resulting in a decrease of R25.857 million, as follows:
 - R4.626 million was moved from *Upgrades and additions: Capital* to *Refurbishment and rehabilitation: Capital* for renovations to the department's campsites such as Cathedral Peak Campsite and Skinner Camp. The department had anticipated completing renovations to these campsites in 2013/14, however, these were not completed due to delays in the appointment of a contractor to complete the final phase of renovations. The department had planned to upgrade the KwaMbonambi, Adams College, Bhekuzulu and Maqongqo libraries, however, these were postponed due to the costs of building new libraries being higher than anticipated.
 - R10.107 million was moved from *New infrastructure transfers: Capital* due to delays in finding a suitable site for the construction of the Umzumbe library, as well as delays by DOPW in appointing contractors for the renovations of the Dundee and Pinetown depots. These savings were moved as follow:
 - R1 million was moved to *Compensation of employees* for the higher than anticipated 2014 wage agreements.
 - R5.807 million was moved to Programme 1 from Programme 3 under *Goods and services* to cater for the higher than anticipated audit fees, as well as increased security and cleaning costs for the department's district offices and art centres.
 - R1.600 million was moved within Programme 3 to *Goods and services* for minor repairs to depots and the purchase of furniture for depots.
 - R1.700 million was moved to *Machinery and equipment* for payment of vehicles ordered in 2013/14 but delivered and paid for in the current year.
 - The following virements were undertaken against *Infrastructure transfers: Capital*, which resulted in a decrease of R15.750 million:
 - R10.002 million was budgeted for transfers to the eThekweni Metro in respect of the department's contribution to the construction of the mega-library. The agreement between the Metro and the appointed contractor was terminated due to an appeal submitted by one of the tenderers. The Metro will re-advertise the tender after the six-month cooling off period is over. These funds were moved to *Goods and services* within the Community Library Services conditional grant for the procurement of library books which were under-budgeted for. Approval for the movement of funds was received from the National Department of Arts and Culture as these funds are under the conditional grant.

- Included in the main appropriation of R17.050 million in respect of *Infrastructure transfers: Capital* was R5.748 million for transfers to the eThekweni Metro for the acquisition of library materials, as well as connectivity costs. The department inadvertently included these funds against this category for the construction of the mega-library against *Infrastructure transfers: Capital*. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* to correct the budget allocation.

The increase in *Transfers and subsidies to: Provinces and municipalities* received Treasury approval. The decrease against *Infrastructure transfers: Capital* requires Legislature approval.

- *Shift*: R2.102 million was moved from Programme 2 under *Goods and services* to Programme 3 under *Buildings and other fixed structures*. These funds relate to the EPWP Integrated Grant for Provinces which were initially budgeted for the appointment of volunteers to undertake minor repairs and maintenance of art centres, libraries, and museums. However, the department has identified the appointment of volunteers to assist with the construction of the Vulamehlo library under Programme 3 as the project to be undertaken using EPWP Integrated Grant for Provinces funds.

7. Conditional grants

Tables 15.14 and 15.15 reflect changes to conditional grant funding. No changes were made to the department's grant budget, but virements and shifts were undertaken between programmes and economic categories. The adjustments made within the grant are explained above and below the tables:

Table 15.14 Summary of changes to conditional grants

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------|----------|---------|-------------------|---------------------------------|------------------------|
| | | Unforeseeable/ | | Virement | Shifts | Other adjustments | | |
| | | Roll-overs | unavoidable | | | | | |
| 2. Cultural Affairs | 2 102 | - | - | - | (2 102) | - | (2 102) | - |
| EPWP Integrated Grants for Provinces | 2 102 | | | | (2 102) | | (2 102) | - |
| 3. Library and Archive Services | 122 754 | - | - | - | 2 102 | - | 2 102 | 124 856 |
| Community Library Services grant | 122 754 | | | | | | | 122 754 |
| EPWP Integrated Grants for Provinces | | | | | 2 102 | | 2 102 | 2 102 |
| Total | 124 856 | - | - | - | - | - | - | 124 856 |
| Amount to be voted | | | | | | | | - |

Table 15.15 : Summary of conditional grants by economic classification

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------|----------|---------|-------------------|---------------------------------|------------------------|
| | | Unforeseeable/ | | Virement | Shifts | Other adjustments | | |
| | | Roll-overs | unavoidable | | | | | |
| Current payments | 33 285 | - | - | 9 499 | (2 102) | - | 7 397 | 40 682 |
| Compensation of employees | 4 443 | | | | | | - | 4 443 |
| Goods and services | 28 842 | | | 9 499 | (2 102) | | 7 397 | 36 239 |
| Interest and rent on land | | | | | | | - | - |
| Transfers and subsidies to: | 27 571 | - | - | (9 499) | - | - | (9 499) | 18 072 |
| Provinces and municipalities | 24 883 | | | (10 002) | | | (10 002) | 14 881 |
| Departmental agencies and accounts | | | | | | | - | - |
| Higher education institutions | | | | | | | - | - |
| Foreign governments and international organisations | | | | | | | - | - |
| Public corporations and private enterprises | | | | | | | - | - |
| Non-profit institutions | 2 688 | | | 503 | | | 503 | 3 191 |
| Households | | | | | | | - | - |
| Payments for capital assets | 64 000 | - | - | - | 2 102 | - | 2 102 | 66 102 |
| Buildings and other fixed structures | 60 000 | | | | 2 102 | | 2 102 | 62 102 |
| Machinery and equipment | 4 000 | | | | | | - | 4 000 |
| Heritage assets | | | | | | | - | - |
| Specialised military assets | | | | | | | - | - |
| Biological assets | | | | | | | - | - |
| Land and subsoil assets | | | | | | | - | - |
| Software and other intangible assets | | | | | | | - | - |
| Payments for financial assets | | | | | | | - | - |
| Total | 124 856 | - | - | - | - | - | - | 124 856 |
| Amount to be voted | | | | | | | | - |

- *Virement*: The net increase of R9.499 million under *Goods and services* is due to the following:
 - An appeal was submitted by one of the tenderers in respect of the construction of the mega-library by the eThekweni Metro. This resulted in transfers of R10.002 million to the Metro in respect of the department's contribution to the construction of the mega-library being withheld. These funds were moved from *Transfers and subsidies to: Provinces and municipalities* to *Goods and services* for the procurement of library books within the Community Library Services conditional grant. Approval from NDAC was received for the movement of funds.
 - In addition, R503 000 was moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* due to an increase in transfers to Africa Ignite as a result of the expansion of the story-telling project. These savings were as a result of the department not leasing office accommodation for newly appointed library processors due to the existing offices being able to accommodate them.

It must be noted that the decrease in *Transfers and subsidies to: Provinces and municipalities* requires Legislature approval and the increase in *Transfers and subsidies to: Non-profit institutions* received Treasury approval in terms of the PFMA and Treasury Regulations.

- *Shifts*: R2.102 million was moved from *Goods and services* to Programme 3 under *Buildings and other fixed structures*. These funds relate to the EPWP Integrated Grant for Provinces which were initially budgeted for the appointment of volunteers to undertake minor repairs and maintenance of art centres, libraries, and museums. However, the department has identified the appointment of volunteers to assist with the construction of the Vulamehlo library as the project to be undertaken using EPWP Integrated Grant for Provinces funds.

8. Transfers and subsidies

Table 15.16 shows the summary of transfers and subsidies per programme.

Details of the main adjustments, which led to a net decrease of R15.008 million, are given in the paragraphs above and below the table:

- *Virement*: The department undertook the following virements affecting *Transfers and subsidies*, which resulted in a net decrease of R34.237 million. It must be noted that the increase against *Non-profit institution* of R411 000 has not been approved by Provincial Treasury yet as it depends on decrease in *Provinces and municipalities* which requires Legislature approval.
 - The following virements were undertaken under Programme 1:
 - R150 000 was moved from *Non-profit institutions* in respect of hosting the Ugu Jazz Festival to Programme 2, under *Machinery and equipment*.
 - *Households* under Programme 1 was increased by R181 000 to cater for higher than anticipated staff exit costs. These funds were moved from *Compensation of employees*.
 - Programme 2 provides for transfers to the KZN Philharmonic Orchestra, the Playhouse Company, arts councils, art centres and other arts organisations. In addition, the department also provides for transfers in respect of Museum Services, to the board of trustees managing museums, as well as for the provincialisation of museum services. The following virements were made:
 - R411 000 was moved from *Provinces and municipalities* to *Non-profit institutions* as follows:
 - R250 000 in respect of DCO Matiwane Memorial Project, to be used for the completion of construction of an educational resource centre attached to the DCO Matiwane Museum.
 - R161 000 for the full staffing and operational costs of the Vukani Museum. This museum was provincialised, but it was not fully functional as it was under-budgeted for.

Table 15.16: Summary of transfers and subsidies by programme and main category

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------------------------|-----------------|----------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement | Shifts | Other adjustments | | |
| 1. Administration | 720 | - | - | 31 | - | - | 31 | 751 |
| Provinces and municipalities | 100 | - | - | - | - | - | - | 100 |
| Motor vehicle licences | 100 | - | - | - | - | - | - | 100 |
| Non-profit institutions | 620 | - | - | (150) | - | - | (150) | 470 |
| Sakhisizwe organisation | 220 | - | - | - | - | - | - | 220 |
| Ugu Jazz Festival | 150 | - | - | (150) | - | - | (150) | - |
| Umgababa Youth Festival | 250 | - | - | - | - | - | - | 250 |
| Households | - | - | - | 181 | - | - | 181 | 181 |
| Social benefit - Leave gratuities | - | - | - | 181 | - | - | 181 | 181 |
| 2. Cultural Affairs | 45 379 | - | - | 10 931 | (3 771) | 23 000 | 30 160 | 75 539 |
| Provinces and municipalities | 12 363 | - | - | (411) | (2 042) | - | (2 453) | 9 910 |
| Museum subsidies | 10 634 | - | - | (411) | (2 042) | - | (2 453) | 8 181 |
| Art centre subsidies | 1 729 | - | - | - | - | - | - | 1 729 |
| Departmental agencies and accounts | 7 445 | - | - | - | - | - | - | 7 445 |
| The Playhouse Company | 7 445 | - | - | - | - | - | - | 7 445 |
| Non-profit institutions | 25 571 | - | - | 10 856 | (1 729) | 23 000 | 42 272 | 57 698 |
| KZN Philharmonic Orchestra | 10 230 | - | - | - | - | - | - | 10 230 |
| Museums | 4 816 | - | - | 911 | - | - | 911 | 5 727 |
| Baynesfield Museum | 299 | - | - | - | - | - | - | 299 |
| Comrades House Museum | 299 | - | - | - | - | - | - | 299 |
| DCO Matiwane | 599 | - | - | 250 | - | - | 250 | 849 |
| Deutsche Schule-Hermannsburg | 299 | - | - | - | - | - | - | 299 |
| East Griqualand Museum Trust | 299 | - | - | - | - | - | - | 299 |
| Himeville Museum | 299 | - | - | - | - | - | - | 299 |
| Macrorie House Museum | 299 | - | - | - | - | - | - | 299 |
| Mazisi Kunene Museum | 299 | - | - | - | - | - | - | 299 |
| Mpophomeni Comm Museum | 299 | - | - | - | - | - | - | 299 |
| Natal Arts Trust | 30 | - | - | - | - | - | - | 30 |
| Phansi Museum | 299 | - | - | - | - | - | - | 299 |
| Richmond, Bryne & District Museum | 299 | - | - | - | - | - | - | 299 |
| Utrecht Museum | 299 | - | - | - | - | - | - | 299 |
| Vukani Museum | 299 | - | - | 161 | - | - | 161 | 460 |
| 1860 Heritage Centre: Doc Centre | 299 | - | - | 500 | - | - | 500 | 799 |
| Amazwi Abesifazane | 150 | - | - | - | - | - | - | 150 |
| Project Gateway | 150 | - | - | - | - | - | - | 150 |
| Transfers to Art Centres | 4 643 | - | - | - | (1 729) | - | (1 729) | 2 914 |
| BAT Centre | 1 817 | - | - | - | - | - | - | 1 817 |
| Catalina Theatre | 166 | - | - | - | - | - | - | 166 |
| Ewushini Art Centre | 166 | - | - | - | - | - | - | 166 |
| Gobhela Art Centre | 213 | - | - | - | - | - | - | 213 |
| Jambo Art Centre | 166 | - | - | - | - | - | - | 166 |
| Khula Art Centre | 193 | - | - | - | - | - | - | 193 |
| Rorkes Drift Art Centre | 193 | - | - | - | - | - | - | 193 |
| Stable Theatre | 1 729 | - | - | - | (1 729) | - | (1 729) | - |
| Arts and Culture support to: | 4 084 | - | - | 9 945 | - | 23 000 | 32 945 | 37 029 |
| Amambazo: The Musical Production | 1 000 | - | - | - | - | 1 000 | 1 000 | 2 000 |
| Art in the Park | 50 | - | - | - | - | - | - | 50 |
| Centre for Creative Arts (UKZN) | 100 | - | - | - | - | - | - | 100 |
| Durban International Blues Festival | 100 | - | - | - | - | - | - | 100 |
| Federation of Community Art Centres | 200 | - | - | - | - | - | - | 200 |
| Fodo Cultural Village | 80 | - | - | - | - | - | - | 80 |
| Hilton Arts Festival | 100 | - | - | - | - | - | - | 100 |
| Inter-cultural food tasting | 100 | - | - | (100) | - | - | (100) | - |
| Khandampevu Productions | 120 | - | - | - | - | - | - | 120 |
| KwaCulture | 150 | - | - | - | - | - | - | 150 |
| KZN Youth Wind Band | 150 | - | - | - | - | - | - | 150 |
| KZN African Film Festival | 584 | - | - | - | - | - | - | 584 |
| Love to Live | 80 | - | - | - | - | - | - | 80 |
| Orchid Festival | 100 | - | - | - | - | - | - | 100 |
| PANSA Young Performers | 300 | - | - | - | - | - | - | 300 |
| Ushaka Marine | 600 | - | - | - | - | - | - | 600 |
| Wildsfees | 100 | - | - | - | - | - | - | 100 |
| Royal Soapie Awards | 100 | - | - | (100) | - | 5 000 | 4 900 | 5 000 |
| Dolosfees festival | 70 | - | - | - | - | - | - | 70 |
| National Choral Music Awards | - | - | - | - | - | 5 000 | 5 000 | 5 000 |
| KZN Music House | - | - | - | - | - | 12 000 | 12 000 | 12 000 |
| PMB Jazz | - | - | - | 1 500 | - | - | 1 500 | 1 500 |
| Ugu Jazz | - | - | - | 3 645 | - | - | 3 645 | 3 645 |
| King and Us | - | - | - | 5 000 | - | - | 5 000 | 5 000 |
| Transfers to Art Councils | 1 798 | - | - | - | - | - | - | 1 798 |
| Households | - | - | - | 486 | - | - | 486 | 486 |
| Social benefit - Leave gratuities | - | - | - | 486 | - | - | 486 | 486 |
| 3. Library and Archive Services | 261 931 | - | - | (45 199) | - | - | (45 199) | 216 732 |
| Provinces and municipalities | 259 243 | - | - | (46 180) | - | - | (46 180) | 213 063 |
| Community Library Services | 24 883 | - | - | (10 002) | - | - | (10 002) | 14 881 |
| Provincialisation of libraries | 234 360 | - | - | (36 178) | - | - | (36 178) | 198 182 |
| Non-profit institutions | 2 688 | - | - | 503 | - | - | 503 | 3 191 |
| Family literacy project | 266 | - | - | - | - | - | - | 266 |
| Africa Ignite | 1 477 | - | - | 503 | - | - | 503 | 1 980 |
| South African library for the blind | 945 | - | - | - | - | - | - | 945 |
| Households | - | - | - | 478 | - | - | 478 | 478 |
| Social benefit - Leave gratuities | - | - | - | 478 | - | - | 478 | 478 |
| Total | 308 030 | - | - | (34 237) | (3 771) | 23 000 | (15 008) | 293 022 |
| Amount to be voted | | | | | | | | (15 008) |

- *Virement: (Programme 2 continued):*
 - There was a net increase of R10.856 million under *Non-profit institutions*. These funds were moved from *Compensation of employees* (R1.500 million), *Goods and services* (R250 000), *Provinces and municipalities* within Programme 2 (R411 000) and from Programme 3 (R8.645 million). The increase was offset by the movement of R200 000 to *Goods and services* as follows:
 - R250 000 for completion of the educational resource centre attached to the DCO Matiwane Museum.
 - R161 000 for full staffing and operational costs of the Vukani Museum.
 - R500 000 for the expansion of the 1860 Heritage Centre: Documentation Centre Museum.
 - R100 000 budgeted for Inter-cultural food tasting was moved to *Goods and services*. Payment was made for this event to take place in the previous year, but was cancelled. As such, the event is being held this year, but using funds already paid in 2013/14.
 - R100 000 budgeted for the Royal Soapie Awards was moved to *Goods and services* due to the department being allocated R5 million by Provincial Treasury's Strategic Cabinet Initiatives Fund for this purpose.
 - R1.500 million in respect of the PMB Jazz Festival, which was not budgeted for.
 - R3.645 million for the Ugu Jazz Festival, which exceeded the budget. An amount of R150 000 was budgeted for this event under Programme 1. The department moved the budget for this event to this programme.
 - R5 million for the King and Us project which is a commitment from 2013/14. Due to the MOA not being signed between the department and the service provider before year-end, these funds were not transferred.
 - *Households* was increased by R486 000 for the payment of staff exit costs. These funds were moved from *Compensation of employees*.
- o Programme 3 caters for transfers to municipalities in respect of the Community Library Services conditional grant and the provincialisation of libraries. The following virements were made:
 - *Provinces and municipalities* was decreased by R46.180 million due to the following:
 - R10.002 million budgeted for transfers to the eThekweni Metro in respect of the department's contribution to the construction of the mega-library was withdrawn due to an appeal submitted by one of the tenderers. These funds were moved to *Goods and services* for the procurement of library books within the Community Library Services conditional grant. Approval from NDAC was received for the movement of funds.
 - The department withheld transfers of R36.178 million from the eThekweni Metro in respect of provincialisation of libraries due to the department's decision to reprioritise funds to spending pressures under Programme 2, such as the hosting of the Reed Dance (R4 million), Ugu Jazz Festival (R3.645 million), King and Us project (R5 million), and payment of musical instruments (R14.354 million). Furthermore, the funds also catered for the installation of the RFID system for library books (R9.179 million) in Programme 3.
 - R503 000 was moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* for the increase in transfers to Africa Ignite due to the expansion of the story-telling project.
 - *Households* was increased by R478 000 for staff exit costs. These funds were moved from *Compensation of employees*.
- *Shifts:* The department undertook the following shifts affecting *Transfers and subsidies*, which resulted in a net decrease of R3.771 million:

- o R2.042 million was moved from *Provinces and municipalities* to *Goods and services* for direct delivery of services such as cleaning, security and operational requirements of museums. The increase against *Provinces and municipalities* should have been a once-off increase in 2013/14. However, this category was inadvertently increased during the compilation of the 2014/15 EPRE.
- o The decrease of R1.729 million against *Non-profit institutions* is due to the department absorbing the Stable Theatre as it is no longer a non-profit institution. An amount of R549 000 was moved to *Compensation of employees* for salaries of staff of the art centre and R1.180 million was moved to *Goods and services* for operational costs.
- *Other adjustments:* The department's transfers were increased by R23 million as follows:
 - o R11 million was suspended from Provincial Treasury in terms of the Strategic Cabinet Initiatives Fund as follows:
 - R1 million for Amambazo: The Musical.
 - R5 million for the Royal Soapie Awards.
 - R5 million in respect of the National Choral Music Awards.
 - o R12 million was suspended from DEDTEA for the movement of the KZN Music House to the department.

9. Transfers to local government

Tables 15.17 to 15.21 show the details of transfers to local government. It is noted that an amount of R100 000 allocated against *Provinces and municipalities* in respect of motor vehicle licences is not reflected in the table below, as it will not be transferred to any municipality.

The department made adjustments to the transfers to local government which resulted in a net decrease of R48.633 million. It must be noted that reductions in transfers to local government require the approval of the Legislature, whereas the increases were approved by Provincial Treasury. These changes will be gazetted after the Adjustments Estimate.

- *Virement:* The virement column in Table 15.17 reflects a decrease of R46.591 million, against *Provinces and municipalities* as follows:
 - o Transfers of R46.178 million in total were withdrawn from the eThekweni Metro. Of this amount, R10 million relates to the department's contribution to the construction of the mega-library. The agreement between the Metro and the appointed contractor was terminated due to an appeal submitted by one of the tenderers and R2 000 relates to funds from Umfolozi municipality. These savings are due to the non-appointment of cyber-cadets. An amount of R36.178 million was withheld due to the department's decision to reprioritise funds for spending pressures resulting from commitments from the previous year such as the King and Us project, musical instruments and RFID system for library books, as well as events/projects which were under-budgeted for such as the Reed Dance and Ugu Jazz Festival. These funds were moved to *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*.
 - o R411 000 was moved to *Non-profit institutions* for the completion of the construction of an educational resource centre attached to the DCO Matiwane Museum (R250 000), as well as the full staffing and operational costs of the Vukani Museum (R161 000).
- *Shifts:* The shift column in Table 15.17 shows a decrease of R2.042 million against various *Provinces and municipalities* due to funds moved to *Goods and services* for direct delivery of services such as cleaning, security, and operational requirements of museums. The increase against *Provinces and municipalities* should have been a once-off increase in 2013/14, however, this category was inadvertently increased during the compilation of the 2014/15 EPRE. Furthermore, the department moved funds from various municipalities such as Ezingoleni and Hibiscus due to non-appointment of cyber-cadets, as reflected in Table 15.19. The department moved these funds for the appointment of cyber-cadets to various other municipalities such as Umhlabuyalingana and Jozini.

Table 15.17: Summary of transfers to local government

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation | |
|--|--------------------|---------------------------|-------------------------------|----------|---------|---------------------------------|------------------------|-------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement | Shifts | | | Other adjustments |
| A KZN2000 eThekweni | 165 383 | - | - | (46 178) | - | - | (46 178) | 119 205 |
| Total: Ugu Municipalities | 13 929 | - | - | - | (662) | - | (662) | 13 267 |
| B KZN212 Umdoni | 4 658 | - | - | - | - | - | - | 4 658 |
| B KZN214 uMuziwabantu | 661 | - | - | - | - | - | - | 661 |
| B KZN215 Eziqoleni | 661 | - | - | - | (126) | - | (126) | 535 |
| B KZN216 Hibiscus Coast | 7 949 | - | - | - | (536) | - | (536) | 7 413 |
| Total: uMgungundlovu Municipalities | 30 901 | - | - | (411) | (531) | - | (942) | 29 959 |
| B KZN221 uMshwathi | 811 | - | - | - | - | - | - | 811 |
| B KZN222 uMngeni | 3 551 | - | - | (411) | (237) | - | (648) | 2 903 |
| B KZN223 Mpofana | 1 160 | - | - | - | (148) | - | (148) | 1 012 |
| B KZN224 Impendle | 661 | - | - | - | - | - | - | 661 |
| B KZN225 Msunduzi | 23 226 | - | - | - | (146) | - | (146) | 23 080 |
| B KZN226 Mkhambathini | 681 | - | - | - | - | - | - | 681 |
| B KZN227 Richmond | 811 | - | - | - | - | - | - | 811 |
| Total: Uthukela Municipalities | 9 434 | - | - | - | (864) | - | (864) | 8 570 |
| B KZN232 Emnambithi/Ladysmith | 3 997 | - | - | - | (148) | - | (148) | 3 849 |
| B KZN233 Indaka | 681 | - | - | - | (146) | - | (146) | 535 |
| B KZN234 Umtshezi | 2 800 | - | - | - | (422) | - | (422) | 2 378 |
| B KZN235 Okhahlamba | 1 145 | - | - | - | (148) | - | (148) | 997 |
| B KZN236 Imbabazane | 811 | - | - | - | - | - | - | 811 |
| Total: Umzinyathi Municipalities | 6 745 | - | - | - | (26) | - | (26) | 6 719 |
| B KZN241 Endumeni | 3 460 | - | - | - | 104 | - | 104 | 3 564 |
| B KZN242 Nqutu | 1 344 | - | - | - | 18 | - | 18 | 1 362 |
| B KZN244 Msinga | 681 | - | - | - | - | - | - | 681 |
| B KZN245 Umvoti | 1 260 | - | - | - | (148) | - | (148) | 1 112 |
| Total: Amajuba Municipalities | 7 198 | - | - | - | (296) | - | (296) | 6 902 |
| B KZN252 Newcastle | 5 876 | - | - | - | (296) | - | (296) | 5 580 |
| B KZN253 eMadlangeni | 661 | - | - | - | - | - | - | 661 |
| B KZN254 Dannhauser | 661 | - | - | - | - | - | - | 661 |
| Total: Zululand Municipalities | 8 555 | - | - | - | (154) | - | (154) | 8 401 |
| B KZN261 eDumbe | 981 | - | - | - | - | - | - | 981 |
| B KZN262 uPhongolo | 1 052 | - | - | - | (6) | - | (6) | 1 046 |
| B KZN263 Abaqulusi | 3 251 | - | - | - | (148) | - | (148) | 3 103 |
| B KZN265 Nongoma | 661 | - | - | - | - | - | - | 661 |
| B KZN266 Ulundi | 881 | - | - | - | - | - | - | 881 |
| C DC26 Zululand District Municipality | 1 729 | - | - | - | - | - | - | 1 729 |
| Total: Umkhanyakude Municipalities | 5 905 | - | - | - | 630 | - | 630 | 6 535 |
| B KZN271 Umhlabuyalingana | 1 350 | - | - | - | 126 | - | 126 | 1 476 |
| B KZN272 Jozini | 800 | - | - | - | 126 | - | 126 | 926 |
| B KZN273 The Big 5 False Bay | 655 | - | - | - | - | - | - | 655 |
| B KZN274 Hlabisa | 800 | - | - | - | 126 | - | 126 | 926 |
| B KZN275 Mtubatuba | 2 300 | - | - | - | 252 | - | 252 | 2 552 |
| Total: uThungulu Municipalities | 13 220 | - | - | (2) | 9 | - | 7 | 13 227 |
| B KZN281 Umfolozi | 667 | - | - | (2) | (4) | - | (6) | 661 |
| B KZN282 uMhlatuze | 7 135 | - | - | - | (148) | - | (148) | 6 987 |
| B KZN283 Ntambanana | 661 | - | - | - | - | - | - | 661 |
| B KZN284 uMlalazi | 3 411 | - | - | - | 161 | - | 161 | 3 572 |
| B KZN285 Mthonjaneni | 661 | - | - | - | - | - | - | 661 |
| B KZN286 Nkandla | 685 | - | - | - | - | - | - | 685 |
| Total: Ilembe Municipalities | 5 830 | - | - | - | (148) | - | (148) | 5 682 |
| B KZN291 Mandeni | 1 798 | - | - | - | - | - | - | 1 798 |
| B KZN292 KwaDukuza | 3 351 | - | - | - | (148) | - | (148) | 3 203 |
| B KZN293 Ndwedwe | 681 | - | - | - | - | - | - | 681 |
| Total: Harry Gwala Municipalities | 4 506 | - | - | - | - | - | - | 4 506 |
| B KZN431 Ingwe | 981 | - | - | - | - | - | - | 981 |
| B KZN432 Kwa Sani | 661 | - | - | - | - | - | - | 661 |
| B KZN433 Greater Kokstad | 1 522 | - | - | - | - | - | - | 1 522 |
| B KZN434 Ubuhlebezwe | 661 | - | - | - | - | - | - | 661 |
| B KZN435 Umzimkulu | 681 | - | - | - | - | - | - | 681 |
| Unallocated | - | - | - | - | - | - | - | - |
| Total | 271 606 | - | - | (46 591) | (2 042) | - | (48 633) | 222 973 |
| Amount to be voted | | | | | | | | (48 633) |

Table 15.18: Transfers to local government - Art Centre subsidies

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation |
|---------------------------------------|--------------------|---------------------------|-------------------------------|----------|--------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement | Shifts | | |
| Total: Zululand Municipalities | 1 729 | - | - | - | - | - | 1 729 |
| C DC26 Zululand District Municipality | 1 729 | - | - | - | - | - | 1 729 |
| Unallocated | - | - | - | - | - | - | - |
| Total | 1 729 | - | - | - | - | - | 1 729 |
| Amount to be voted | | | | | | | - |

Table 15.19: Transfers to local government - Community Library Services grant

| R thousand | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|--|-----------------------------|---------------------------|-------------------------------|----------------------|----------|----------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/ unavoidable | Virement (10 000) | Shifts | Other adjustments | | |
| A | KZN2000 eThekweni | 15 750 | | | | | (10 000) | 5 750 |
| Total: Ugu Municipalities | | 1 381 | - | - | - | (366) | (366) | 1 015 |
| B | KZN212 Umdoni | 378 | | | | | - | 378 |
| B | KZN214 uMuziwabantu | 126 | | | | | - | 126 |
| B | KZN215 Ezinqoleni | 126 | | | | (126) | (126) | - |
| B | KZN216 Hibiscus Coast | 751 | | | | (240) | (240) | 511 |
| Total: uMgungundlovu Municipalities | | 1 320 | - | - | - | - | - | 1 320 |
| B | KZN221 uMshwathi | 126 | | | | | - | 126 |
| B | KZN222 uMngeni | 252 | | | | | - | 252 |
| B | KZN223 Mpofana | 126 | | | | | - | 126 |
| B | KZN224 Impendle | 126 | | | | | - | 126 |
| B | KZN225 Msunduzi | 418 | | | | | - | 418 |
| B | KZN226 Mkhambathini | 146 | | | | | - | 146 |
| B | KZN227 Richmond | 126 | | | | | - | 126 |
| Total: Uthukela Municipalities | | 1 068 | - | - | - | (272) | (272) | 796 |
| B | KZN232 Emnambithi/Ladysmith | 398 | | | | | - | 398 |
| B | KZN233 Indaka | 146 | | | | (146) | (146) | - |
| B | KZN234 Umtshezi | 252 | | | | (126) | (126) | 126 |
| B | KZN235 Okhahlamba | 146 | | | | | - | 146 |
| B | KZN236 Imbabazane | 126 | | | | | - | 126 |
| Total: Umzinyathi Municipalities | | 798 | - | - | - | 18 | 18 | 816 |
| B | KZN241 Endumeni | 252 | | | | | - | 252 |
| B | KZN242 Nqutu | 274 | | | | 18 | 18 | 292 |
| B | KZN244 Msinga | 146 | | | | | - | 146 |
| B | KZN245 Umvoti | 126 | | | | | - | 126 |
| Total: Amajuba Municipalities | | 630 | - | - | - | - | - | 630 |
| B | KZN252 Newcastle | 378 | | | | | - | 378 |
| B | KZN253 eMadilangeni | 126 | | | | | - | 126 |
| B | KZN254 Dannhauser | 126 | | | | | - | 126 |
| Total: Zululand Municipalities | | 802 | - | - | - | (6) | (6) | 796 |
| B | KZN261 eDumbe | 146 | | | | | - | 146 |
| B | KZN262 uPhongolo | 132 | | | | (6) | (6) | 126 |
| B | KZN263 Abaqulusi | 252 | | | | | - | 252 |
| B | KZN265 Nongoma | 126 | | | | | - | 126 |
| B | KZN266 Ulundi | 146 | | | | | - | 146 |
| Total: Umkhanyakude Municipalities | | - | - | - | - | 630 | 630 | 630 |
| B | KZN271 Mhlabuyalingana | | | | | 126 | 126 | 126 |
| B | KZN272 Jozini | | | | | 126 | 126 | 126 |
| B | KZN274 Hlabisa | | | | | 126 | 126 | 126 |
| B | KZN275 Mtubatuba | | | | | 252 | 252 | 252 |
| Total: uThungulu Municipalities | | 1 562 | - | - | (2) | (4) | (6) | 1 556 |
| B | KZN281 Umfolozi | 132 | | | (2) | (4) | (6) | 126 |
| B | KZN282 uMhlatuze | 756 | | | | | - | 756 |
| B | KZN283 Ntambanana | 126 | | | | | - | 126 |
| B | KZN284 uMlalazi | 272 | | | | | - | 272 |
| B | KZN285 Mthonjaneni | 126 | | | | | - | 126 |
| B | KZN286 Nkandla | 150 | | | | | - | 150 |
| Total: Ilembe Municipalities | | 776 | - | - | - | - | - | 776 |
| B | KZN291 Mandeni | 378 | | | | | - | 378 |
| B | KZN292 KwaDukuza | 252 | | | | | - | 252 |
| B | KZN293 Ndwedwe | 146 | | | | | - | 146 |
| Total: Harry Gwala Municipalities | | 796 | - | - | - | - | - | 796 |
| B | KZN431 Ingwe | 146 | | | | | - | 146 |
| B | KZN432 Kwa Sani | 126 | | | | | - | 126 |
| B | KZN433 Greater Kokstad | 252 | | | | | - | 252 |
| B | KZN434 Ubuhlebezwe | 126 | | | | | - | 126 |
| B | KZN435 Umzimkulu | 146 | | | | | - | 146 |
| Unallocated | | | | | | | - | - |
| Total | | 24 883 | - | - | (10 002) | - | (10 002) | 14 881 |
| Amount to be voted | | | | | | | | (10 002) |

Table 15.20: Transfers to local government - Provincialisation of libraries

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation |
|------------|--|---------------------------|---------------------------|----------|-----------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | | |
| A | KZN2000 eThekweni | 145 500 | | | (36 178) | | 109 322 |
| | Total: Ugu Municipalities | 11 950 | - | - | - | - | 11 950 |
| B | KZN212 Umdoni | 4 280 | | | | | 4 280 |
| B | KZN214 uMuziwabantu | 535 | | | | | 535 |
| B | KZN215 Eziqoleni | 535 | | | | | 535 |
| B | KZN216 Hibiscus Coast | 6 600 | | | | | 6 600 |
| | Total: uMgungundlovu Municipalities | 27 475 | - | - | - | - | 27 475 |
| B | KZN221 uMshwathi | 685 | | | | | 685 |
| B | KZN222 uMngeni | 2 500 | | | | | 2 500 |
| B | KZN223 Mpofana | 735 | | | | | 735 |
| B | KZN224 Impendle | 535 | | | | | 535 |
| B | KZN225 Msunduzi | 21 800 | | | | | 21 800 |
| B | KZN226 Mkhambathini | 535 | | | | | 535 |
| B | KZN227 Richmond | 685 | | | | | 685 |
| | Total: Uthukela Municipalities | 7 170 | - | - | - | - | 7 170 |
| B | KZN232 Emnambithi/Ladysmith | 3 300 | | | | | 3 300 |
| B | KZN233 Indaka | 535 | | | | | 535 |
| B | KZN234 Umtshezi | 1 950 | | | | | 1 950 |
| B | KZN235 Okhahlamba | 700 | | | | | 700 |
| B | KZN236 Imbabazane | 685 | | | | | 685 |
| | Total: Umzinyathi Municipalities | 5 140 | - | - | - | - | 5 140 |
| B | KZN241 Endumeni | 2 700 | | | | | 2 700 |
| B | KZN242 Nqutu | 1 070 | | | | | 1 070 |
| B | KZN244 Msinga | 535 | | | | | 535 |
| B | KZN245 Umvoti | 835 | | | | | 835 |
| | Total: Amajuba Municipalities | 5 970 | - | - | - | - | 5 970 |
| B | KZN252 Newcastle | 4 900 | | | | | 4 900 |
| B | KZN253 eMadlangeni | 535 | | | | | 535 |
| B | KZN254 Dannhauser | 535 | | | | | 535 |
| | Total: Zululand Municipalities | 5 725 | - | - | - | - | 5 725 |
| B | KZN261 eDumbe | 835 | | | | | 835 |
| B | KZN262 uPhongolo | 920 | | | | | 920 |
| B | KZN263 Abaqulusi | 2 700 | | | | | 2 700 |
| B | KZN265 Nongoma | 535 | | | | | 535 |
| B | KZN266 Ulundi | 735 | | | | | 735 |
| | Total: Umkhanyakude Municipalities | 5 905 | - | - | - | - | 5 905 |
| B | KZN271 Umhlabuyalingana | 1 350 | | | | | 1 350 |
| B | KZN272 Jozini | 800 | | | | | 800 |
| B | KZN273 The Big 5 False Bay | 655 | | | | | 655 |
| B | KZN274 Hlabisa | 800 | | | | | 800 |
| B | KZN275 Mtubatuba | 2 300 | | | | | 2 300 |
| | Total: uThungulu Municipalities | 11 060 | - | - | - | - | 11 060 |
| B | KZN281 Umfolozi | 535 | | | | | 535 |
| B | KZN282 uMhlatuze | 6 080 | | | | | 6 080 |
| B | KZN283 Ntambanana | 535 | | | | | 535 |
| B | KZN284 uMlalazi | 2 840 | | | | | 2 840 |
| B | KZN285 Mthonjaneni | 535 | | | | | 535 |
| B | KZN286 Nkandla | 535 | | | | | 535 |
| | Total: Ilembe Municipalities | 4 755 | - | - | - | - | 4 755 |
| B | KZN291 Mandeni | 1 420 | | | | | 1 420 |
| B | KZN292 KwaDukuza | 2 800 | | | | | 2 800 |
| B | KZN293 Ndwedwe | 535 | | | | | 535 |
| | Total: Harry Gwala Municipalities | 3 710 | - | - | - | - | 3 710 |
| B | KZN431 Ingwe | 835 | | | | | 835 |
| B | KZN432 Kwa Sani | 535 | | | | | 535 |
| B | KZN433 Greater Kokstad | 1 270 | | | | | 1 270 |
| B | KZN434 Ubuhlebezwe | 535 | | | | | 535 |
| B | KZN435 Umzimkulu | 535 | | | | | 535 |
| | Unallocated | | | | | | - |
| | Total | 234 360 | - | - | (36 178) | - | (36 178) |
| | Amount to be voted | | | | | | (36 178) |

Table 15.21: Transfers to local government - Museum subsidies

| R thousand | Main appropriation | Adjustments appropriation | | | | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|---------------------------|----------|---------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virement | Shifts | | |
| A KZN2000 eThekweni | 4 133 | | | | | - | 4 133 |
| Total: Ugu Municipalities | 598 | - | - | - | (296) | (296) | 302 |
| B KZN216 Hibiscus Coast | 598 | | | | (296) | (296) | 302 |
| Total: uMgungundlovu Municipalities | 2 106 | - | - | (411) | (531) | (942) | 1 164 |
| B KZN222 uMngeni | 799 | | | (411) | (237) | (648) | 151 |
| B KZN223 Mprofana | 299 | | | | (148) | (148) | 151 |
| B KZN225 Msunduzi | 1 008 | | | | (146) | (146) | 862 |
| Total: Uthukela Municipalities | 1 196 | - | - | - | (592) | (592) | 604 |
| B KZN232 Emnambithi/Ladysmith | 299 | | | | (148) | (148) | 151 |
| B KZN234 Umtshezi | 598 | | | | (296) | (296) | 302 |
| B KZN235 Okhahlamba | 299 | | | | (148) | (148) | 151 |
| Total: Umzinyathi Municipalities | 807 | - | - | - | (44) | (44) | 763 |
| B KZN241 Endumeni | 508 | | | | 104 | 104 | 612 |
| B KZN245 Umvoti | 299 | | | | (148) | (148) | 151 |
| Total: Amajuba Municipalities | 598 | - | - | - | (296) | (296) | 302 |
| B KZN252 Newcastle | 598 | | | | (296) | (296) | 302 |
| Total: Zululand Municipalities | 299 | - | - | - | (148) | (148) | 151 |
| B KZN263 Abaqulusi | 299 | | | | (148) | (148) | 151 |
| Total: uThungulu Municipalities | 598 | - | - | - | 13 | 13 | 611 |
| B KZN282 uMhlatuze | 299 | | | | (148) | (148) | 151 |
| B KZN284 uMlalazi | 299 | | | | 161 | 161 | 460 |
| Total: Ilembe Municipalities | 299 | - | - | - | (148) | (148) | 151 |
| B KZN292 KwaDukuza | 299 | | | | (148) | (148) | 151 |
| Unallocated | | | | | | - | - |
| Total | 10 634 | - | - | (411) | (2 042) | (2 453) | 8 181 |
| Amount to be voted | | | | | | | (2 453) |

10. Actual payments and revised spending projections for the rest of 2014/15

Tables 15.22 and 15.23 reflect actual payments as at the end of September 2014, projected payments for the rest of the financial year in rand value and as a percentage of the Adjusted appropriation and the total revised spending. The tables also show the 2013/14 Audited outcome.

Table 15.22: Actual payments and revised spending projections by programme

| R thousand | 2013/14 Audited outcome | Adjusted appropriation | Actual payments | | Projected payments | | Projected actual |
|---------------------------------|-------------------------|------------------------|----------------------------|-------------|--------------------------|-------------|------------------|
| | | | April '14 - September 2014 | % of budget | October '14 - March 2015 | % of budget | |
| 1. Administration | 105 176 | 108 376 | 50 480 | 46.6 | 57 896 | 53.4 | 108 376 |
| 2. Cultural Affairs | 181 180 | 198 081 | 93 777 | 47.3 | 104 304 | 52.7 | 198 081 |
| 3. Library and Archive Services | 412 330 | 423 663 | 155 648 | 36.7 | 268 015 | 63.3 | 423 663 |
| Total | 698 686 | 730 120 | 299 905 | 41.1 | 430 215 | 58.9 | 730 120 |

Table 15.23: Actual payments and revised spending projections by economic classification

| R thousand | 2013/14 Audited outcome | Adjusted appropriation | Actual payments | | Projected payments | | Projected actual |
|---|-------------------------|------------------------|----------------------------|-------------|--------------------------|-------------|------------------|
| | | | April '14 - September 2014 | % of budget | October '14 - March 2015 | % of budget | |
| Current payments | 328 272 | 347 958 | 153 366 | 44.1 | 194 592 | 55.9 | 347 958 |
| Compensation of employees | 148 138 | 168 568 | 80 839 | 48.0 | 87 729 | 52.0 | 168 568 |
| Goods and services | 180 134 | 179 390 | 72 527 | 40.4 | 106 863 | 59.6 | 179 390 |
| Interest and rent on land | | - | | - | | - | |
| Transfers and subsidies to: | 301 944 | 293 022 | 108 461 | 37.0 | 184 561 | 63.0 | 293 022 |
| Provinces and municipalities | 260 011 | 223 073 | 80 887 | 36.3 | 142 186 | 63.7 | 223 073 |
| Departmental agencies and accounts | 7 057 | 7 445 | 3 723 | 50.0 | 3 722 | 50.0 | 7 445 |
| Higher education institutions | | - | | - | | - | |
| Foreign governments and international organisations | | - | | - | | - | |
| Public corporations and private enterprises | | - | | - | | - | |
| Non-profit institutions | 33 450 | 61 359 | 23 256 | 37.9 | 38 103 | 62.1 | 61 359 |
| Households | 1 426 | 1 145 | 595 | 52.0 | 550 | 48.0 | 1 145 |
| Payments for capital assets | 68 353 | 89 140 | 38 078 | 42.7 | 51 062 | 57.3 | 89 140 |
| Buildings and other fixed structures | 42 825 | 68 957 | 21 394 | 31.0 | 47 563 | 69.0 | 68 957 |
| Machinery and equipment | 25 216 | 20 103 | 16 604 | 82.6 | 3 499 | 17.4 | 20 103 |
| Heritage assets | 312 | 80 | 80 | 100.0 | - | - | 80 |
| Specialised military assets | | - | | - | | - | |
| Biological assets | | - | | - | | - | |
| Land and subsoil assets | | - | | - | | - | |
| Software and other intangible assets | | - | | - | | - | |
| Payments for financial assets | 117 | - | - | - | - | - | - |
| Total | 698 686 | 730 120 | 299 905 | 41.1 | 430 215 | 58.9 | 730 120 |

As at the end of the second quarter, the vote as a whole is projecting to fully spend its budget by year-end. The department has spent 41.1 per cent of its annual budget in the first half of the year. This is below the straight-line benchmark of 50 per cent, which is surprising, taking into consideration that expenditure in the first half of the year includes commitments from the previous year such as the King and Us, musical instruments, as well as the RFID system. As such, no spending pressures are visible in the first half of the year. The variances per programme and economic classification are explained below:

The annual percentage spent against Programme 1 was, at 46.6 per cent, slightly lower than the straight-line benchmark of 50 per cent. This is due to non-filling of budgeted vacant posts because of lengthy recruitment processes and the difficulty in finding suitable candidates. The department anticipates filling all budgeted vacant posts for 2014/15, hence, reflecting a balanced budget against this programme.

Programme 2 reflects spending at 47.3 per cent of the annual budget. This is slightly below the straight-line benchmark of 50 per cent due to the reprioritisation of funds amounting to R26.999 million to this programme from Programme 3 relating to previous year commitments such as the King and Us project and musical instruments, as well as those which are under-budgeted for such as the Reed Dance and the Ugu Jazz Festival.

Spending against Programme 3 is, at 36.7 per cent of the annual budget, substantially lower than the straight-line benchmark of 50 per cent. This is largely due to delays in the transfer of funds to the eThekweni Metro in respect of the construction of the mega-library, as well as the department's decision to withhold transfers of R36.178 million to the Metro for provincialisation of libraries, as mentioned. The department has reprioritised these funds to Programme 2, as mentioned above. Furthermore, these funds were reprioritised within Programme 3 for the purchase of library books within the Community Library Services conditional grant and for payment for the installation of the RFID system for library books.

With regard to economic classification, it is noted that:

- *Goods and services* reflects spending at 40.4 per cent of the annual budget at the end of the first half of the year. This is slightly lower than the straight-line benchmark of 50 per cent. The projected over-expenditure of R13.841 million is due to hosting of the Reed Dance which exceeded the budget due to the magnitude of the event this year and payment of artists performing at the Ugu Jazz Festival which were not budgeted for, as previously mentioned. Furthermore, the payment for the installation of the RFID system for library books contributed to the over-expenditure. The department was allocated funds in respect of the installation of the RFID system in 2013/14, however, due to challenges experienced by the department, this was delayed. The department will move funds from *Transfers and subsidies to: Provinces and municipalities* to offset the anticipated over-expenditure against this category.
- *Transfers and subsidies to: Non-profit institutions* reflects expenditure at 37.9 per cent of the annual budget at mid-year. This is very low when compared to the straight-line benchmark of 50 per cent. This is due to the movement of funds to this category from *Transfers and subsidies to: Provinces and municipalities* for the King and Us project and the hosting of the Ugu Jazz Festival.
- *Buildings and other fixed structures* reflects 31 per cent of the annual budget spent by the end of the first half of the year. This is very low when compared to the straight-line benchmark of 50 per cent. This is mainly attributed to DOPW and IDT delaying the submission of invoices in respect of the construction of Vulamehlo and Ndumo libraries. The department is projecting to fully spend its budget against this category.
- *Machinery and equipment* reflects spending at 82.6 per cent of the annual budget by mid-year. This is substantially high when compared to the straight-line benchmark of 50 per cent. This is due to payments for musical instruments and vehicles ordered in 2013/14 but delivered and paid for in the current year.