

Vote 16

Sport and Recreation

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	456 379	455 571	(808)	
MEC remuneration	-	-		
Total amount to be appropriated	456 379	455 571	(808)	
<i>of which:</i>				
Current payments	321 623	338 593		16 970
Transfers and subsidies	90 527	76 411	(14 116)	
Payments for capital assets	44 229	40 567	(3 662)	
Payments for financial assets	-	-		
Responsible MEC	Mrs. N.N. Sibhidla-Saphetha, MEC for Arts, Culture, Sport and Recreation ¹			
Administering department	Sport and Recreation			
Accounting Officer	Head: Sport and Recreation			

1. Vision and mission

Vision

The vision of the Department of Sport and Recreation is: *An active and winning province through sport and recreation.*

Mission statement

The department's mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KwaZulu-Natal.*

Strategic goals

It must be noted that the strategic goals of the department have changed subsequent to the *EPRE*, in line with the department's revised strategic plan and annual performance plan. During the compilation of the *EPRE*, the department was still in the process of finalising its strategic plan and annual performance plan. The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN.
- Improved performance through talent optimisation and development.
- Good governance and accountability in sport and recreation.
- Economic growth and opportunities through sport and recreation.

2. Strategic objectives

Strategic policy direction: The department is responsible for the promotion and development of sport and recreation in KwaZulu-Natal. The department has set the following strategic objectives to achieve this:

- *Administration:* To provide administrative support to internal and external stakeholders.

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

- *Management*: To provide strategic managerial direction and good governance.
- *Stakeholder Management*: To deliver sport development and high performance programmes.
- *Facilities*: To deliver community and school sport and recreation facilities.
- *Club Development*: To promote mass participation, talent optimisation and governance of the sport sector.
- *Special Projects*: To alleviate poverty and contribute to economic growth and opportunities through sport and recreation.
- *Recreation*: To promote active lifestyles.
- *Community Mass Participation*: To promote mass participation.
- *School Sport*: To provide an integrated school sport and recreation programme.

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

The 2014/15 main appropriation of the department was R456.379 million in 2014/15. During the year, the department's allocation was decreased to R455.571 million. The main adjustments that led to this overall decrease in the budget are summarised below, and further details are given in Section 4:

- *Roll-over*: R1.013 million was rolled-over from 2013/14 to 2014/15 for the reimbursement of funds to Provincial Treasury for payments made to the service providers on behalf of uMgungundlovu Academy of Sport (UAS), an organisation which provides coaching in areas such as soccer and netball to children from disadvantaged backgrounds. Due to the lack of financial control by the organisation, the department withdrew from transferring funds to the academy. The department requested Provincial Treasury to authenticate invoices submitted by the academy before making payments to the service providers of the academy. Due to the lengthy process of authenticating these invoices, some were not paid at year-end. These funds were allocated to *Goods and services*.
- *Virement between programmes*: An amount of R5.300 million was moved from Programme 2: Sport and Recreation under *Compensation of employees* due to non-filling of budgeted vacant posts. The department's organisational structure was approved and the department is implementing it in a phased-in approach. However, due to lengthy recruitment processes, most of the posts will be filled later in the year. These savings were moved to Programme 1: Administration under *Goods and services* to cater for the setting up of the department's new district offices, which are in Ugu and Umzinyathi. These involve operational costs for the district offices, such as security, cleaning, and IT set-up costs. This virement is permissible in terms of the PFMA and Treasury Regulations.
- *Shifts*: The department undertook only one shift across economic category. An amount of R3.100 million was shifted from *Transfers and subsidies to: Non-profit institutions* to *Goods and services*. This is due to the department's decision to withhold transfers to UAS due to their lack of financial control, as mentioned above. The department will undertake the services provided by the organisation, which is to provide coaching in areas such as soccer and netball to children from disadvantaged backgrounds. Also, the non-compliance of sport federations and other sporting bodies who receive transfers for the promotion and development of sport and recreation resulted in the department undertaking the functions of these sporting federations/sporting bodies.
- *Other adjustments*: The following adjustments were undertaken by the department which resulted in a net decrease of R1.821 million.
 - The net decrease of R5.517 million under Programme 1 is due to:
 - An amount of R2.008 million was suspended to the Department of Arts and Culture for the balance of the ministry funds that remained with the department after it was amalgamated with the Department of Arts and Culture.
 - R3.509 million was deducted from the department's budget relating to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote.

- o An amount of R3.696 million was allocated to the department under Programme 2. An amount of R24.615 million was suspended from Provincial Treasury in terms of its Strategic Cabinet Initiatives Fund and a further amount of R9.081 million was suspended from the Department of Economic Development, Tourism, and Environmental Affairs (DEDTEA). This was offset by a decrease of R30 million. The various adjustments are explained below:
 - R3.420 million for the U19 International Football Tournament. The department, in partnership with the eThekweni Metro, Independent Electoral Commission (IEC) in Sport, as well as the South African Football Association (SAFA) hosted the U19 International Football Tournament in Durban from 28 July to 9 August 2014. These funds were allocated to *Goods and services* from the Strategic Cabinet Initiatives Fund.
 - R1 million for hosting the 20th Association of International Marathons (AIMS) congress by the Comrades Marathon Association (CMA) in Durban from 28 to 31 May 2014. These funds were allocated to *Transfers and subsidies to: Non-profit institutions* from the Strategic Cabinet Initiatives Fund.
 - R13.948 million in respect of Pietermaritzburg Bike City, which hosted the MTB World Championships on 29 June 2014 at the Cascades MTB Park in Pietermaritzburg. Of this, R4.867 million was suspended from the Strategic Cabinet Initiatives Fund, and R9.081 million was suspended from DEDTEA. These funds were allocated to *Transfers and subsidies to: Non-profit institutions*.
 - R3.810 million for the Duzi Canoe Marathon, which will be held in February 2015, allocated to *Transfers and subsidies to: Non-profit institutions* from the Strategic Cabinet Initiatives Fund.
 - R5.700 million, for the Soccerex Africa Forum, the largest and leading football business conference which brings together over 1 000 senior decision makers in the football fraternity to share their expertise. This event was held from 4 to 5 November 2014. These funds were allocated under *Goods and services* from the Strategic Cabinet Initiatives Fund.
 - R4.250 million for the MTN 8 Cup Final which was held on 28 September 2014 at the Moses Mabhida Stadium in Durban. These funds were allocated under *Goods and services* from the Strategic Cabinet Initiatives Fund.
 - R1.568 million to host the 4th Karate World Cup in association with the International Karate Organisation (IKO) Kyokushin Kaikan Matsushima Group at the Inkosi Albert Luthuli International Convention Centre (ICC) in Durban, which took place from 6 to 7 September 2014. These funds were allocated to *Goods and services* from the Strategic Cabinet Initiatives Fund.
 - This increase was offset by a decrease of R30 million under *Transfers and subsidies to: Provinces and municipalities*. These funds relate to funds allocated to the eThekweni Metro in respect of the construction of an international sport development centre, which was initially planned to be constructed at Hoy Park. The Metro experienced challenges with identifying a new site for the sport centre. These funds will be re-allocated to the department in 2015/16.

Tables 16.1 and 16.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

Table 16.1: Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	89 263	-	-	5 300	-	(5 517)	(217)	89 046
2. Sport and Recreation	367 116	1 013	-	(5 300)	-	3 696	(591)	366 525
Total	456 379	1 013	-	-	-	(1 821)	(808)	455 571
Amount to be voted								<u>(808)</u>

Table 16.2: 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	321 623	1 013	-	3 436	3 100	9 421	16 970	338 593
Compensation of employees	134 776	-	-	(18 035)	-	-	(18 035)	116 741
Goods and services	186 847	1 013	-	21 471	3 100	9 421	35 005	221 852
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	90 527	-	-	226	(3 100)	(11 242)	(14 116)	76 411
Provinces and municipalities	52 221	-	-	-	-	(30 000)	(30 000)	22 221
Departmental agencies and accounts	125	-	-	192	-	-	192	317
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	36 881	-	-	-	(3 100)	18 758	15 658	52 539
Households	1 300	-	-	34	-	-	34	1 334
Payments for capital assets	44 229	-	-	(3 662)	-	-	(3 662)	40 567
Buildings and other fixed structures	38 178	-	-	(2 000)	-	-	(2 000)	36 178
Machinery and equipment	5 529	-	-	(1 662)	-	-	(1 662)	3 867
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	522	-	-	-	-	-	-	522
Payments for financial assets	-	-	-	-	-	-	-	-
Total	456 379	1 013	-	-	-	(1 821)	(808)	455 571
Amount to be voted								(808)

4. Changes to programme purposes and service delivery measures

The department has made no changes to the purpose of its programmes, which conform to the programme and budget structure of the Sport and Recreation sector.

However, there were discrepancies between the department's 2014/15 APP and the tabled EPRE. When the EPRE was finalised, the department was still in the process of finalising their APP, therefore some are different from those included in the EPRE. This is now corrected.

4.1 Programme 1: Administration

The purpose of this programme is to provide overall management of the department.

The programme's aim includes management of the department through the office of the Head of Department and the provision of financial management, human resource services, administration services, and security and communication services through Corporate Services.

Tables 16.3 and 16.4 summarise the 2014/15 adjusted appropriation of Programme 1 according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall net decrease of R217 000, are provided in the paragraphs below the tables.

Table 16.3: Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Corporate Services	89 263	-	-	5 300	-	(5 517)	(217)	89 046
Total	89 263	-	-	5 300	-	(5 517)	(217)	89 046
Amount to be voted								(217)

Table 16.4: 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	75 066	-	-	6 754	-	(5 517)	1 237	76 303
Compensation of employees	35 777			(3 871)			(3 871)	31 906
Goods and services	39 289			10 625		(5 517)	5 108	44 397
Interest and rent on land							-	-
Transfers and subsidies to:	146	-	-	208	-	-	208	354
Provinces and municipalities	21						-	21
Departmental agencies and accounts	125			192			192	317
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				16			16	16
Payments for capital assets	14 051	-	-	(1 662)	-	-	(1 662)	12 389
Buildings and other fixed structures	8 000						-	8 000
Machinery and equipment	5 529			(1 662)			(1 662)	3 867
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	522						-	522
Payments for financial assets							-	-
Total	89 263	-	-	5 300	-	(5 517)	(217)	89 046
Amount to be voted								(217)

Virement – Programme 1: Administration: R5.300 million

The following virements affecting Programme 1 were undertaken by the department:

- R5.300 million was moved from Programme 2 under *Compensation of employees* due to non-filling of budgeted vacant posts because of lengthy recruitment processes. These savings were moved to *Goods and services* to cater for the setting up of several new district offices of the department, namely Ugu and Umzinyathi. These involve operational costs for the district offices, such as security, cleaning, and IT set-up costs.
- The following virements were undertaken between economic categories:
 - R3.871 million was moved from *Compensation of employees* due to non-filling of budgeted vacant posts as a result of lengthy recruitment processes. These funds were moved as follows:
 - R3.663 million was moved to *Goods and services*. These funds will cater for the setting up of the Ugu and Umzinyathi district offices, as mentioned above, as well as audit costs and maintenance of government vehicles, which were higher than anticipated.
 - R192 000 was moved to *Transfers and subsidies to: Departmental agencies and accounts* in respect of the Tourism and Hospitality, Education and Training Authority (THETA). There was a change in the calculation of departmental training budgets in 2013/14 as per a DPSA directive. However, during the compilation of the 2014/15 *EPRE*, the new calculation method was inadvertently omitted, hence this category was under-budgeted for.
 - R16 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
 - R1.662 million was moved from *Machinery and equipment* due to challenges experienced by the department with regard to occupation of the newly leased Dundee district office. The engineer appointed to inspect the office before occupation found 15 faults with the office, which led to the department not occupying the offices as anticipated. This resulted in the postponement of the purchase of the machinery and equipment such as printers, laptops, furniture etc. The owner of the leased offices is in the process of repairing the building. These funds were moved to *Goods and services* in respect of the setting up of Ugu and Umzinyathi district offices, audit costs and maintenance of government vehicles.

These virements are permissible in terms of the PFMA and Treasury Regulations, however, the increase under *Transfers and subsidies to: Departmental agencies and accounts* received Treasury approval. The decrease in *Machinery and equipment* requires Legislature approval.

Other adjustments – Programme 1: Administration: (R5.517 million)

The following adjustments were undertaken by the department which resulted in a net decrease of R5.517 million:

- R2.008 million was reduced from Programme 1 against *Goods and services* in respect of the balance of the ministry funds that remained with the department after its ministry was amalgamated with the Department of Arts and Culture in 2009.
- R3.509 million was deducted from the budget relating to previous years' irregular expenditure against *Goods and services*. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote.

4.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KwaZulu-Natal. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance of excellence.

Tables 16.5 and 16.6 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 decrease of R591 000, are given below the tables.

Table 16.5: Programme 2: Sport and Recreation

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Management	65 477			(5 300)		(5 300)	60 177
Sport	189 461	1 013		1 000		5 709	195 170
Recreation	76 281			(1 000)		(1 000)	75 281
School Sport	35 897					-	35 897
Total	367 116	1 013	-	(5 300)	-	(591)	366 525
Amount to be voted							(591)

Table 16.6: 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	246 557	1 013	-	(3 318)	3 100	14 938	15 733	262 290
Compensation of employees	98 999			(14 164)			(14 164)	84 835
Goods and services	147 558	1 013		10 846	3 100	14 938	29 897	177 455
Interest and rent on land							-	-
Transfers and subsidies to:	90 381	-	-	18	(3 100)	(11 242)	(14 324)	76 057
Provinces and municipalities	52 200					(30 000)	(30 000)	22 200
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	36 881				(3 100)	18 758	15 658	52 539
Households	1 300			18			18	1 318
Payments for capital assets	30 178	-	-	(2 000)	-	-	(2 000)	28 178
Buildings and other fixed structures	30 178			(2 000)			(2 000)	28 178
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	367 116	1 013	-	(5 300)	-	3 696	(591)	366 525
Amount to be voted							(591)	

Roll-over – Programme 2: Sport and Recreation: R1.013 million

An amount of R1.013 million was rolled-over from 2013/14 to 2014/15 for the reimbursement of funds to Provincial Treasury for payments made to the service providers of UAS. These funds were allocated to *Goods and services*.

Virement – Programme 2: Sport and Recreation: (R5.300 million)

The following virements were undertaken, which resulted in a net decrease of R5.300 million:

- R5.300 million was moved to Programme 1 under *Goods and services* from the sub-programme: Management under *Compensation of employees* due to the non-filling of budgeted vacant posts to cater for the setting up of the department's new district offices in Ugu and Umzinyathi. These involve operational costs for the district offices, such as security, cleaning, and IT set-up costs.
- R1 million was moved from the sub-programme: Recreation under *Compensation of employees* due to the non-filling of budgeted vacant posts. These savings were moved to the sub-programme: Sport under *Goods and services* for hosting the JZ Chess Open event at Nkandla in December 2014, an event which was not budgeted for.
- The following virements were undertaken across economic categories:
 - An amount of R14.164 million was moved from *Compensation of employees* due to non-filling of budgeted vacant posts as follows:
 - R5.300 million was moved to Programme 1 under *Goods and services* for the setting up of the Ugu and Umzinyathi district offices, as mentioned above.
 - R8.846 million was moved to *Goods and services* for the payment of contract employees appointed by the department, and hosting of major events such as the International Boxing Organisation (IBO) Flyweight Boxing title, Msinga Super Driftkhana, an annual motor sport event, as well as the 4th Karate World Cup, which were under-budgeted for. Although the department received additional funds from Provincial Treasury in terms of the Strategic Initiatives Fund in respect of the 4th Karate World Cup, these did not cover the associated travel and accommodation costs.
 - R18 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
 - R2 million was moved from *Buildings and other fixed structures* to *Goods and services* due to the department receiving lower quotes than budgeted for in respect of the construction of sport facilities by the department such as Nyazini, Denge, and Mabedlane sport fields.

These virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in *Buildings and other fixed structures* requires Legislature approval.

Shifts – Programme 2: Sport and Recreation

An amount of R3.100 million was shifted from *Transfers and subsidies to: Non-profit institutions* to *Goods and services*, as explained detail below:

- R1.600 million relates to funding received in the main budget by the department in respect of UAS. This is due to the department's decision to withhold transfers to UAS due to their lack of financial control, as mentioned previously. The department will undertake the services provided by the organisation which is to provide coaching in areas such as soccer and netball to children from disadvantaged backgrounds. In addition to the R1 million, which was specifically and exclusively appropriated to the department through Provincial Treasury, R600 000 was budgeted for transfers to UAS by the department, hence, an amount of R1.600 million is moved to *Goods and services* for the department to undertake the services of the organisation. Legislature approval for the movement of R1 million is required as these funds will no longer be specifically and exclusively appropriated for UAS. The purpose of the funds remains unchanged.
- The balance of R1.500 million was shifted from *Transfers and subsidies to: Non-profit institutions* due to the non-compliance of sport federations and other sporting bodies who receive transfers for the promotion and development of sport and recreation such as KZN Rural Horse Riding Association, KZN Indigenous Games Association and Dare to Dream Children's Trust. The necessary documentation such as the close-out reports, statements of receipts and expenditure, as well as audited financial statements, were not received from these sport federations and other

sporting bodies. The department will undertake the functions of these sporting federations/sporting bodies such as setting up and capacitation of sport academies, purchase of sport equipment and attire. The purpose of the funds remains unchanged.

Other adjustments – Programme 2: Sport and Recreation: R3.696 million

The following adjustments were undertaken under Programme 2, which resulted in a net increase of R3.696 million:

- Additional funds of R33.696 million were allocated under the sub-programme: Sport. An amount of R24.615 million was suspended from Provincial Treasury’s Strategic Cabinet Initiatives Fund, and the balance of R9.081 million was from DEDTEA. These funds comprise the following:
 - R3.420 million for the U19 International Football Tournament. These funds were moved to *Goods and services*.
 - R1 million for the hosting of the 20th AIMS congress by the Comrades Marathon Association (CMA) in Durban from 28 to 31 May 2014. These funds were allocated to *Transfers and subsidies to: Non-profit institutions*.
 - R13.948 million in respect of the Pietermaritzburg Bike City which were moved to *Transfers and subsidies to: Non-profit institutions*.
 - R3.810 million for the Duzi Canoe Marathon which will be held in February 2015, allocated to *Transfers and subsidies to: Non-profit institutions*.
 - R5.700 million, being for the Soccerex Africa Forum, the largest and leading football business conference. These funds were allocated under *Goods and services*.
 - R4.250 million for the MTN 8 Cup Final which was held on 28 September 2014 at the Moses Mabhida Stadium in Durban. These funds were allocated under *Goods and services*.
 - R1.568 million to host the 4th Karate World Cup at the ICC in Durban which took place from 6 to 7 September 2014, allocated under *Goods and services*.
- The above increase was offset by the reduction of R30 million against *Transfers and subsidies to: Provinces and municipalities* in respect of the construction of an international sport centre in Durban. The Metro experienced challenges with identifying a new site for the sport development centre. These funds will be allocated back to the department in 2015/16.

Service delivery measures – Programme 2: Sport and Recreation

Table 16.7 below shows the service delivery targets for Programme 2 as per the APP of Sport and Recreation sector, as well as the actual achievements for the first six months of the year. A few of the outputs have been adjusted, as reflected in the 2014/15 Revised target column, to align them to the targets included in the department’s tabled APP.

Table 16.7: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
1. Sport				
1.1 Stakeholder Management				
1.1.1 To transformation through talent optimisation and high performance progs with sport federations/entities through transfer payments	<ul style="list-style-type: none"> • No. forums/institutes/progs. Promoting sport for people with disability supported • No. athletes with disability supported • No. of athletes supported to major events • No. of community clubs/structures/progs./events supported • No. of district/provincial SALGA games supported • No. of representative district/provincial teams supported to national tournaments • No. of district/provincial youth runs hosted 	<p>1</p> <p>150</p> <p>1 200</p> <p>120</p> <p>12</p> <p>20</p> <p>12</p>	<p>1</p> <p>300</p> <p>1 555</p> <p>45</p> <p>3</p> <p>17</p> <p>10</p>	

Table 16.7: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
1.2 Facilities				
1.2.1 To build/renovate/upgrade community sport and recreation facilities	• No. of basic sport facilities constructed	9	2	
	• No. of sport and recreation facilities upgraded/rehabilitated	8	3	
	• No. of kick-about sport facilities constructed	11	11	
	• No. of combination courts constructed in schools/communities	26	1	37
1.3 Club Development				
1.3.1 To implement an integrated and sustainable club structure to promote grassroots participation	• No. of affiliated clubs supported	20	-	
	• No. of clubs provided with equipment/attire	839	265	
	• No. of tournaments and leagues staged to foster club development	59	27	
	• No. of provincial progs. implemented	2	-	
1.3.2 To create a long-term participant development through the academy system	• No. of sport academies supported	3	1	
	• No. of athletes supported through an athlete support prog.	200	77	
	• No. of elite athletes supported through an athlete support prog.	100	-	
	• No. of people trained to deliver the sport academy prog.	22	-	
1.4 Sport and Recreation Special Projects				
1.4.1 Capacity building, mass mobilization and community outreach prog.	• No. of people benefiting from enrichment/exchange progs.	10	-	
	• No. forums/institutes/progs. promoting women in sport supported	1	-	
	• No. of clubs/organisations benefiting from community outreach prog.	400	79	
	• No. of provincial tournaments supported	1	4	
1.4.2 To host major events	• No. of major events hosted and supported	12	5	
	• No. of sport events aligned to national/international focus campaigns supported	25	5	20
2. Recreation				
2.1 Recreation Services				
2.1.1 Sustainable recreational progs. implemented	• No. of entities/agencies supported through transfer of funds	12	-	
	• No. sustainable active recreation progs. organised and implemented	58	45	
	• No. of rural horse riding academies established and supported	1	-	
	• No. of ECD centres supported	147	78	
	• No. beach recreational progs. organised and implemented	5	-	
	• No. of correctional services sites supported with equipment /attire	21	29	
2.1.2 To promote moral regeneration of the youth through the war-room packages (<i>Sukuma Sakhe</i>)	• No. of clubs supported with equipment/attire	198	17	
	• No. of festivals/tournaments hosted	44	2	
	• No. of people trained	879	99	
	• No. of jobs created	731	731	700
2.2 Community Mass Participation (<i>Siyadlala</i>)				
2.2.1 To implement the community mass participation prog. Through activity hubs	• No. of youth attending youth camps	300	-	
	• No. of sustainable active recreation events organised and implemented	143	58	142
	• No. of functional provincial and local sport councils supported	12	1	
	• No. of sport and recreation projects implemented by the sport councils	2	2	
3. School Sport				
3.1.1 Implementation of an integrated school sport prog. in schools	• No. of schools registered in the prog.	4 500	2 089	3 500
	• No. of schools provided with equipment/attire	500	85	
	• No. of sport focus schools supported	11	-	6
	• No. of provincial school sport structures supported	14	1	16
3.1.2 Capacity building and job creation	• No. of educators trained to deliver the school sport prog.	1 440	-	1 400
	• No. of volunteers trained to deliver the school sport prog.	500	-	
	• No. of school sport co-ordinators remunerated	118	-	90

5. Gifts, donations and sponsorships

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

6. Infrastructure

Table 16.8 shows the summary of infrastructure payments per main category. Details of the main adjustment, which resulted in an overall decrease of R32 million, are provided below the table.

Table 16.8: 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	-	-	-	-	-	-	-	-
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
New infrastructure assets: Capital	38 178			(2 000)			(2 000)	36 178
Infrastructure transfers	52 200	-	-	-	-	(30 000)	(30 000)	22 200
Infrastructure transfers: Capital	48 900					(30 000)	(30 000)	18 900
Infrastructure transfers: Current	3 300						-	3 300
Infrastructure: Payments for fin assets							-	-
Infrastructure: Leases							-	-
Capital infrastructure	87 078	-	-	(2 000)	-	(30 000)	(32 000)	55 078
Current infrastructure	3 300	-	-	-	-	-	-	3 300
Total	90 378	-	-	(2 000)	-	(30 000)	(32 000)	58 378
Amount to be voted								(32 000)

- *Virement*: R2 million was moved from *New infrastructure assets: Capital* due to the department receiving lower quotes than budgeted for in respect of the construction of sport facilities by the department such as Nyazini, Denge, and Mabedlane sport fields, as previously mentioned. These savings were moved to *Goods and services* for the payment of contract employees appointed by the department, and hosting of major events such as the International Boxing Organisation (IBO) Flyweight Boxing title, Msinga Super Driftkhana, an annual motor sport event, as well as the 4th Karate World Cup which were under-budgeted for. Legislature approval is required for the decrease in *New infrastructure assets: Capital*.
- *Other adjustments*: An amount of R30 million was deducted from the department due to challenges with regard to site identification for the construction of an international sport centre in Durban. These funds will be re-allocated to the department for spending in 2015/16.

7. Conditional grants

Tables 16.9 provide a summary of conditional grant allocations. No changes were made to the department's main appropriation for conditional grants.

Table 16.9: Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
2. Sport and Recreation	95 595	-	-	-	-	-	-	95 595
Mass Participation and Sport Development grant	85 435						-	85 435
EPWP Integrated Grant for Provinces	2 102						-	2 102
Social Sector EPWP Incentive Grant for Provinces	8 058						-	8 058
Total	95 595	-	-	-	-	-	-	95 595
Amount to be voted								-

8. Transfers and subsidies

Table 16.10 shows the summary of transfers and subsidies per programme. Details of the main adjustments, which resulted in an overall decrease of R14.116 million in respect of the main appropriation for transfers and subsidies, are provided in the paragraphs above and below the table.

- *Virement*: The following virements were undertaken against *Transfers and subsidies*, which resulted to an increase of R226 000:
 - o R208 000 was moved to *Transfers and subsidies* from *Compensation of employees* within Programme 1 as follows:
 - R192 000 was moved to *Departmental agencies and accounts* due to the department under-budgeting for transfers to THETA as a result of inadvertently omitting the use of the new calculation method issued by DPSA during the compilation of the 2014/15 EPRE.

- R16 000 was moved to *Households* for staff exit costs.
- o *Transfers and subsidies* against Programme 2 increased by R18 000 against *Households* for staff exit costs.

Treasury approval was received for the increase in *Departmental agencies and accounts*.

Table 16.10: 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	146	-	-	208	-	-	208	354
Provinces and municipalities	21	-	-	-	-	-	-	21
Motor vehicles licences	21	-	-	-	-	-	-	21
Departmental agencies and accounts	125	-	-	192	-	-	192	317
Skills Development Levy-THETA	125	-	-	192	-	-	192	317
Households	-	-	-	16	-	-	16	16
Social benefit - Leave gratuity	-	-	-	16	-	-	16	16
2. Sport and Recreation	90 381	-	-	18	(3 100)	(11 242)	(14 324)	76 057
Provinces and municipalities	52 200	-	-	-	-	(30 000)	(30 000)	22 200
Municipalities	52 200	-	-	-	-	(30 000)	(30 000)	22 200
Non-profit institutions	36 881	-	-	-	(3 100)	18 758	15 658	52 539
Sport Federations	36 881	-	-	-	(3 100)	18 758	15 658	52 539
Households	1 300	-	-	18	-	-	18	1 318
Busaries	1 300	-	-	-	-	-	-	1 300
Social benefit - Leave gratuity	-	-	-	18	-	-	18	18
Total	90 527	-	-	226	(3 100)	(11 242)	(14 116)	76 411
Amount to be voted								(14 116)

- *Shifts*: R3.100 million was shifted from *Non-profit institutions* to *Goods and services* due to the department withholding transfers to UAS, as well as sport federations/sporting bodies, as previously mentioned. The department will undertake the services of the UAS and sport federation/sporting bodies. The purpose of the funds remains unchanged.
- *Other adjustments*: The following adjustments were undertaken by the department under Programme 2 which resulted in a net decrease of R11.242 million:
 - o An amount of R30 million was deducted from *Provinces and municipalities* due to challenges with regard to site identification for the construction of an international sport centre in Durban. These funds will be re-allocated to the department for spending in 2015/16.
 - o R18.758 million from Provincial Treasury's Strategic Cabinet Initiatives Fund was allocated under *Non-profit institutions* in respect of the following:
 - R1 million for the hosting of the 20th AIMS congress.
 - R13.948 million in respect of Pietermaritzburg Bike City.
 - R3.810 million for the Duzi Canoe Marathon.

9. Transfers to local government

Table 16.11 shows transfers to local government. Details of the adjustments, which resulted in an overall decrease of R30 million, are provided in the paragraph following the tables. It is noted that an amount of R21 000 allocated against *Provinces and municipalities* in respect of motor vehicle licences is not reflected in the table below, as this amount will not be transferred to any municipality.

- *Virement*: Due to delays in the receipt of the necessary requirements, such as council resolutions, site confirmation, evaluation reports and sustainability reports, the department adjusted its allocations of transfers to various municipalities to municipalities who complied in submitting the necessary documents. This was done after the preparation of the 2014/15 *EPRE*, therefore the adjustments were not incorporated in the budget or gazetted. This resulted in funds being moved from various municipalities, such as Richmond, Ntambanana, and Ndwedwe to other municipalities such as Hibiscus Coast, Newcastle and eMadlangeni.

- *Other adjustments:* An amount of R30 million was deducted from the eThekweni Metro in respect of the construction of an international sport centre due to challenges experienced by the Metro with respect to site identification. These funds will be re-allocated for spending in 2015/16.

Table 16.11: Transfers to local government - Infrastructure

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	30 000					(30 000)	(30 000)	-
Total: Ugu Municipalities	2 550	-	-	1 050	-	-	1 050	3 600
B KZN213 Umzumbe	2 250			(525)			(525)	1 725
B KZN214 uMuziwabantu	150						-	150
B KZN215 Ezingoleni	150						-	150
B KZN216 Hibiscus Coast				1 575			1 575	1 575
Total: uMgungundlovu Municipalities	2 400	-	-	(2 100)	-	-	(2 100)	300
B KZN225 Msunduzi	150						-	150
B KZN227 Richmond	2 250			(2 100)			(2 100)	150
Total: Uthukela Municipalities	300	-	-	375	-	-	375	675
B KZN233 Indaka	150			(150)			(150)	-
B KZN234 Umtshezi	150			525			525	675
Total: Umzinyathi Municipalities	150	-	-	525	-	-	525	675
B KZN242 Nqutu				525			525	525
B KZN244 Msinga	150						-	150
Total: Amajuba Municipalities	150	-	-	2 775	-	-	2 775	2 925
B KZN252 Newcastle	150			1 050			1 050	1 200
B KZN253 eMadlangeni				1 725			1 725	1 725
Total: Zululand Municipalities	2 850	-	-	-	-	-	-	2 850
B KZN261 eDumbe	150						-	150
B KZN262 uPhongolo	150			525			525	675
B KZN263 Abaqulusi	2 250			(525)			(525)	1 725
B KZN265 Nongoma	150						-	150
B KZN266 Ulundi	150						-	150
Total: Umkhanyakude Municipalities	4 500	-	-	(525)	-	-	(525)	3 975
B KZN271 Umhlabuyalingana	2 100			(525)			(525)	1 575
B KZN272 Jozini	150						-	150
B KZN274 Hlabisa	150			525			525	675
B KZN275 Mtubatuba	2 100			(525)			(525)	1 575
Total: uThungulu Municipalities	4 500	-	-	(1 050)	-	-	(1 050)	3 450
B KZN283 Ntambanana	2 250			(525)			(525)	1 725
B KZN284 uMlalazi	2 250			(525)			(525)	1 725
Total: Ilembe Municipalities	4 350	-	-	(1 575)	-	-	(1 575)	2 775
B KZN291 Mandeni	150						-	150
B KZN293 Ndwedwe	2 100			(2 100)			(2 100)	-
B KZN294 Maphumulo	2 100			525			525	2 625
Total: Sisonke Municipalities	450	-	-	525	-	-	525	975
B KZN431 Ingwe	150			525			525	675
B KZN432 Kwa Sani	150						-	150
B KZN433 Greater Kokstad	150						-	150
Unallocated							-	-
Total	52 200	-	-	-	-	(30 000)	(30 000)	22 200
Amount to be voted								(30 000)

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

Tables 16.12 and 16.13 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 per programme and economic classification, and the total revised spending. The tables also show the 2013/14 audited outcome.

Table 16.12: 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	80 712	89 046	39 917	44.8	49 129	55.2	89 046
2. Sport and Recreation	325 556	366 525	136 546	37.3	229 979	62.7	366 525
Total	406 268	455 571	176 463	38.7	279 108	61.3	455 571

Table 16.13: 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		October '14 - March 2015		
			% of budget		% of budget		
Current payments	321 551	338 593	136 329	40.3	202 264	59.7	338 593
Compensation of employees	104 816	116 741	53 718	46.0	63 023	54.0	116 741
Goods and services	216 735	221 852	82 611	37.2	139 241	62.8	221 852
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies to:	49 805	76 411	32 891	43.0	43 520	57.0	76 411
Provinces and municipalities	21 482	22 221	6 459	29.1	15 762	70.9	22 221
Departmental agencies and accounts	98	317	314	99.1	3	0.9	317
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	27 211	52 539	25 628	48.8	26 911	51.2	52 539
Households	1 014	1 334	490	36.7	844	63.3	1 334
Payments for capital assets	34 912	40 567	7 243	17.9	33 324	82.1	40 567
Buildings and other fixed structures	29 000	36 178	7 091	19.6	29 087	80.4	36 178
Machinery and equipment	5 562	3 867	152	3.9	3 715	96.1	3 867
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	350	522	-	-	522	100.0	522
Payments for financial assets		-	-	-	-	-	-
Total	406 268	455 571	176 463	38.7	279 108	61.3	455 571

At the end of the first half of the year, actual expenditure was only 38.7 per cent of the annual budget, which is very low compared to the straight-line benchmark of 50 per cent after six months. The department is, however, projecting to fully spend its budget at year-end.

Programme 1 reflects fairly low expenditure at 44.8 per cent of the annual budget. This is mainly attributed to the challenges experienced with the leasing of the Dundee district office, as mentioned above. The department is projecting to fully spend its allocation against this programme.

Spending against Programme 2: Sport and Recreation is 37.3 per cent of the annual budget. This is slightly low when compared to the 50 per cent benchmark. The low expenditure pattern is typical for this programme, where expenditure is slow at the beginning of the financial year and then picks up in the second half of the financial year, mainly as a result of the vast number of tournaments held in the second half of the year. The department is projecting to fully spend against this programme at year-end.

With regard to economic classification, *Compensation of employees* is slightly low at 46 per cent. The department is in the process of implementing its new organisational structure and most of the budgeted vacant posts will be filled in the fourth quarter, hence the department is projecting to fully spend against this category. Savings against this category were moved to various categories such as *Goods and services* and *Transfers and subsidies to: Departmental agencies and accounts*.

Spending against *Goods and services* reflects 37.2 per cent spent of the annual budget, which is lower than the straight-line benchmark. This is largely due to challenges experienced with the leasing of the Dundee district office, postponement of the Provincial and District Top Schools Tournament, as well as registering of schools into the provincial register of schools. Furthermore, most of the department's events are held in the latter part of the year, which explains the high projections going forward.

Transfers and subsidies to: Provinces and municipalities shows expenditure at only 29.1 per cent, which is substantially low, largely relating to postponement of transfers to municipalities for current infrastructure projects due to municipalities not finalising the appointment of service providers to construct, upgrade and maintain sport facilities. An amount of R30 million was deducted from this category in respect of the construction of an international sports development centre, as mentioned.

Spending on *Buildings and other fixed structures* is only 19.6 per cent of the annual budget. This is very low due to delays in the construction of outdoor gyms, as mentioned. Furthermore, payments for the construction of combination courts were not made due to the construction not reaching the payment stage, as anticipated. The department is projecting to fully spend its allocation against this category.