

Vote 15

Arts and Culture

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	784 650	809 522		24 872
MEC remuneration ¹	1 822	1 902		80
Total amount to be appropriated	786 472	811 424		24 952
<i>of which:</i>				
Current payments	410 497	413 797		3 300
Transfers and subsidies	283 998	289 111		5 113
Payments for capital assets	88 147	104 686		16 539
Payments for financial assets	3 830	3 830		
Responsible MEC	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 socio-economic development.
- Supporting interventions to develop arts and culture capacity in the province.
- Implementing social cohesion and moral regeneration programmes that contribute to the transformation of society and nation building.
- Developing and promoting previously marginalised languages and enhancing the linguistic diversity of the province.
- Collecting, preserving and providing archival, museum, library and other forms of information resources.

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 following represent the department's strategic goals:

- Sound corporate governance and achievement of service delivery outcomes.
- Support for emerging entrepreneurs in the arts and culture sectors in order to contribute toward the creation of sustainable livelihoods for the people of the province.

¹ At the time of going to print with the 2016/17 EPRE, the proclamation determining the 2015 salary adjustment relating to office bearers had not been signed, hence this amount remained unchanged from the 2015/16 EPRE. Similarly, at the time of going to print with this document, the proclamation determining the 2016 salary adjustment relating to office bearers has not been signed. As such, the above-mentioned adjustment now aligns the MEC's salary to the 2015 salary level.

- Social transformation and development through support to the arts and culture sectors in the province.
- Equitable access to quality library, information archive and museum services for the people of the province.

Among others, the following strategic objectives are aligned to the strategic goals of the department:

- An effective policy and internal control environment.
- Leveraging of stakeholder engagements and partnerships in support of the department's mandate.
- Effective management of the organisation and its resources.
- Implementation of interventions that grow the arts and culture industry in the province while contributing to job creation and poverty alleviation.

3. Summary of adjusted estimates for the 2016/17 financial year

The main appropriation of the Department of Arts and Culture was R786.472 million as per the 2016/17 EPRE. During the year, the department's main appropriation was increased by R24.952 million to R811.424 million. The main adjustments are detailed below:

- *Roll-overs:* The department received a roll-over totalling R22.952 million against the Community Library Services grant under Programme 3 against *Buildings and other fixed structures*. This grant was under-spent by R39.123 million in 2015/16 due to challenges experienced with the construction of the Port Shepstone and Manyiseni libraries. Slow tender processes delayed the commencement of the construction of the Port Shepstone library. The department had to re-advertise the tender due to an omission of advertising it on the Construction Industry Development Board (CIDB) website. The construction of the Manyiseni library was delayed as a result of internal disagreements within the joint venture appointed by the department, namely Thobelani and Ukhasi organisations. National Treasury approved R22.952 million as a roll-over for the construction of the Port Shepstone library, while the amount for the Manyiseni library was not approved since this would be the second year that a roll-over would be approved for the same project.
- *Virement between programmes:* The department undertook the following virements between programmes, which are summarised below and are explained in more detail under Section 4:
 - R10.393 million was moved to Programme 1 under *Goods and services* for increased audit costs, as well as for various MEC programmes focusing on youth development, the disabled and women. With regard to the increased audit costs, A-G extended its scope of audit with regard to museum services and heritage assets. These funds were moved from Programmes 2 and 3 as follows:
 - R953 000 was moved from Programme 2 under *Goods and services* due to enforced savings.
 - R9.440 million was moved from Programme 3 as follows:
 - R640 000 from *Goods and services* was due to enforced savings.
 - R8.800 million from *Transfers and subsidies to: Provinces and municipalities* as a result of the reduction of transfers to the eThekweni Metro in respect of the provincialisation of libraries. Due to spending pressures, the department and the Metro agreed to the reduction of transfers in 2016/17 for the provincialisation of libraries funding.
 - A net amount of R6.247 million was moved to Programme 2 as follows:
 - R7.200 million was moved from Programme 3 as follows:
 - R4.500 million from *Compensation of employees* due to non-filling of budgeted critical vacant posts as a result of lengthy recruitment processes.

- R1.200 million from *Transfers and subsidies to: Provinces and municipalities* as a result of the reduction of transfers to the eThekweni Metro in respect of provincialisation.
- R1.500 million from *Machinery and equipment* due to delays by SITA in acquiring replacement computer equipment for staff.

These funds were moved to Programme 2 as follows:

- R1.200 million to *Goods and services* for the Disability Summit held in Pietermaritzburg in November 2016 in collaboration with the Department of Sport and Recreation, which was not budgeted for.
 - R1 million to *Transfers and subsidies to: Public corporations and private enterprises* in respect of the launch of the Essence Festival held in Durban in November 2016, which relates to a variety of events each playing a crucial role, such as music and entertainment, beauty and style expo, arts, crafts and culture, which was not budgeted for.
 - R5 million to *Buildings and other fixed structures* for the construction of the Maritime museum in Port Shepstone, which is progressing faster than anticipated.
- R953 000 was moved from Programme 2 under *Goods and services* to the same category under Programme 1 due to enforced savings to provide for increased audit costs, as discussed.

In addition to the above virements, the department undertook virements across sub-programmes and economic classification within programmes. The above virements are permissible in terms of the PFMA and Treasury Regulations. Treasury approval was obtained for the increase in *Transfers and subsidies to: Public corporations and private enterprises* in respect of the launch of the Essence Festival. The decreases in *Transfers and subsidies to: Provinces and municipalities* relating to the eThekweni Metro and *Transfers and subsidies to: Departmental agencies and accounts* in respect of provincialisation of libraries funding and transfer to The Playhouse Company require Legislature approval due to these funds being specifically and exclusively appropriated, as well as the fact that there is a decrease in transfers. It must be noted that the reduction of the provincialisation of libraries funds relates to equitable share funding only, and not conditional grant funding.

- *Other adjustments:* Additional funding of R2 million was allocated to the department under Programme 3 against *Buildings and other fixed structures* toward the construction of an Archive Repository in Pietermaritzburg. This project was supported by the Executive Council. A further R20.881 million in 2017/18, R52.925 million in 2018/19 and R93.543 million in 2019/20 will be allocated during the 2017/18 MTEF budget process. These funds are specifically and exclusively appropriated to ensure they are not used for any other purpose.

Tables 15.1 and 15.2 reflect the summary of the 2016/17 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 15: Arts and Culture*.

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	134 546	-	-	10 393	-	-	10 393	144 939
2. Cultural Affairs	205 351	-	-	6 247	-	-	6 247	211 598
3. Library and Archive Services	446 575	22 952	-	(16 640)	-	2 000	8 312	454 887
Total	786 472	22 952	-	-	-	2 000	24 952	811 424
Amount to be voted								24 952
of which: Unauth. Exp. (1st charge) not avail. for spending								(3 830)
Baseline available for spending after first charge								807 594

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	410 497	-	-	2 800	500	-	3 300	413 797
Compensation of employees	214 041	-	-	(11 709)	-	-	(11 709)	202 332
Goods and services	196 456	-	-	14 488	500	-	14 988	211 444
Interest and rent on land	-	-	-	21	-	-	21	21
Transfers and subsidies to:	283 998	-	-	(9 812)	14 925	-	5 113	289 111
Provinces and municipalities	230 719	-	-	(11 556)	15 047	-	3 491	234 210
Departmental agencies and accounts	8 176	-	-	(389)	-	-	(389)	7 787
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	7 650	-	-	2 000	(500)	-	1 500	9 150
Non-profit institutions	36 653	-	-	(1 059)	378	-	(681)	35 972
Households	800	-	-	1 192	-	-	1 192	1 992
Payments for capital assets	88 147	22 952	-	7 012	(15 425)	2 000	16 539	104 686
Buildings and other fixed structures	82 000	22 952	-	5 797	(15 425)	2 000	15 324	97 324
Machinery and equipment	6 147	-	-	1 215	-	-	1 215	7 362
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	3 830	-	-	-	-	-	-	3 830
Total	786 472	22 952	-	-	-	2 000	24 952	811 424
Amount to be voted								24 952
of which: Unauth. Exp. (1st charge) not avail. for spending (3 830)								(3 830)
Baseline available for spending after first charge								807 594

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 2016/17.

However, in respect of the non financial information, there were discrepancies between the department's 2016/17 APP and the tabled *EPRE*. When the *EPRE* was finalised, the department was still in the process of finalising their APP, therefore some performance indicators have been discontinued and this is now corrected.

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 reflect a summary of the 2016/17 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 R10.393 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		
1. Office of the MEC	14 908			8 706			8 706	23 614
2. Corporate Services	119 638			1 687			1 687	121 325
Total	134 546	-	-	10 393	-	-	10 393	144 939
Amount to be voted								10 393
of which: Unauth. Exp. (1st charge) not avail. for spending (3 830)								(3 830)
Baseline available for spending after first charge								141 109

Table 15.4 : 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	128 636	-	-	8 879	-	-	8 879	137 515
Compensation of employees	69 665			(3 176)			(3 176)	66 489
Goods and services	58 971			12 044			12 044	71 015
Interest and rent on land				11			11	11
Transfers and subsidies to:	1 400	-	-	799	-	-	799	2 199
Provinces and municipalities	130			50			50	180
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	250						-	250
Non-profit institutions	220						-	220
Households	800			749			749	1 549
Payments for capital assets	680	-	-	715	-	-	715	1 395
Buildings and other fixed structures							-	-
Machinery and equipment	680			715			715	1 395
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	3 830						-	3 830
Total	134 546	-	-	10 393	-	-	10 393	144 939
Amount to be voted								10 393
of which: Unauth. Exp. (1st charge) not avail. for spending	(3 830)							(3 830)
Baseline available for spending after first charge	130 716							141 109

Virement – Programme 1: Administration: R10.393 million

The following virements were undertaken which affected the two sub-programmes, and resulted in a net increase of R10.393 million in respect of Programme 1:

- R10.393 million was moved to *Goods and services* under both sub-programmes in respect of increased audit costs, as well as programmes initiated by the MEC focusing on youth development, the disabled and women. These funds were moved from Programmes 2 and 3 as follows:
 - R953 000 was moved from Programme 2 under *Goods and services* due to enforced savings.
 - R9.440 million was moved from Programme 3 under *Goods and services* (R640 000) due to enforced savings and *Transfers and subsidies to: Provinces and municipalities* (R8.800 million) as a result of the reduction in the transfer to the eThekweni Metro in respect of the provincialisation of libraries funding. Due to spending pressures, the department and the Metro agreed to the reduction of transfers in respect of the provincialisation of libraries in 2016/17.

In addition to the above virements from Programmes 2 and 3, savings of R3.176 million were realised within Programme 1, against *Compensation of employees* as a result of delays in filling of critical vacant posts due to lengthy recruitment process, such as Director: SCM, Director: Security Management and Deputy Director: Security Management, as follows:

- R2.030 million was moved to *Goods and services* for SCM consultants contracted to the department through an inter-departmental agreement with Provincial Treasury as a result of capacity constraints, as well as regional strategic planning sessions held in the various regions with the department's stakeholders, such as entities who receive funds from the department. Offsetting the increase was an amount of R379 000 moved out of *Goods and services* due to enforced savings to various other categories within Programme 1, as follows:
 - R11 000 was moved to *Interest and rent on land* relating to interest charged on overdue accounts in respect of fleet management.
 - R50 000 was moved to *Transfers and subsidies to: Provinces and municipalities* for motor vehicle licences which were under-budgeted for.
 - R25 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.

- o R293 000 was moved to *Machinery and equipment* for the renewal and replacement of computer equipment for staff.
- R724 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
- R422 000 was moved to *Machinery and equipment* for renewal and replacement of computer equipment for staff.

All of these virements are permissible in terms of the PFMA and the Treasury Regulations.

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 reflect a summary of the 2016/17 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 R6.247 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		
1. Management	6 112			(10)			(10)	6 102
2. Arts and Culture	153 938			1 965			1 965	155 903
3. Museum Services	28 901			4 378			4 378	33 279
4. Language Services	16 400			(86)			(86)	16 314
Total	205 351	-	-	6 247	-	-	6 247	211 598
Amount to be voted								6 247

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	129 453	-	-	4 701	500	-	5 201	134 654
Compensation of employees	69 504			(93)			(93)	69 411
Goods and services	59 949			4 789	500		5 289	65 238
Interest and rent on land				5			5	5
Transfers and subsidies to:	61 389	-	-	(1 616)	(500)	-	(2 116)	59 273
Provinces and municipalities	12 709			(2 261)	(378)		(2 639)	10 070
Departmental agencies and accounts	8 176			(389)			(389)	7 787
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	7 400			2 000	(500)		1 500	8 900
Non-profit institutions	33 104			(1 059)	378		(681)	32 423
Households				93			93	93
Payments for capital assets	14 509	-	-	3 162	-	-	3 162	17 671
Buildings and other fixed structures	13 000			2 862			2 862	15 862
Machinery and equipment	1 509			300			300	1 809
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	205 351	-	-	6 247	-	-	6 247	211 598
Amount to be voted								6 247

Virement – Programme 2: Cultural Affairs: R6.247 million

The following virements were undertaken which affected all sub-programmes, as follows:

- A net amount of R6.247 million was moved to Programme 2 as follows:

- o R7.200 million was moved from Programme 3 against *Compensation of employees* (R4.500 million), *Transfers and subsidies to: Provinces and municipalities* (R1.200 million) and *Machinery and equipment* (R1.500 million) to Programme 2 under the Arts and Culture and Museum Services sub-programmes as follows:
 - R1.200 million was moved to *Goods and services* for the Disability Summit held in Pietermaritzburg in November 2016 in collaboration with the Department of Sport and Recreation, which was not budgeted for.
 - R1 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* in respect of the launch of the Essence Festival held in November 2016, related to a variety of events each playing a crucial role, such as music and entertainment, beauty and style expo, arts, crafts and culture, which was not budgeted for.
 - R5 million was moved to *Buildings and other fixed structures* for the construction of the Maritime museum in Port Shepstone, which is progressing faster than anticipated.
- o Offsetting the increase in Programme 2, R953 000 was moved from *Goods and services* due to enforced savings to Programme 1 under the same category for increased audit costs, as discussed.

In addition to the above virements, the following virements were undertaken within the programme:

- R93 000 was moved from *Compensation of employees* due to non-filling of budgeted critical vacant posts as a result of lengthy recruitment processes, as explained.
- R2.261 million was moved from *Transfers and subsidies to: Provinces and municipalities* due to cancellation of transfers to the Stable Theatre (eThekweni Metro) and the Vukani museum (Umlalazi Municipality). The Stable Theatre did not comply with the departmental transfer policy, such as the submission of the audited AFS, and there are unresolved legal issues with regard to the provincialisation of the Vukani museum.
- R389 000 was moved from *Transfers and subsidies to: Departmental agencies and accounts*. These funds were originally budgeted for transfer to The Playhouse Company but, due to spending pressures within the department, it was agreed by the department and the entity to reduce the transfer.
- R1.059 million was moved from *Transfers and subsidies to: Non-profit institutions* due to the cancellation of transfers to some organisations, such as Khandampevu Productions, Intercultural food tasting and Wildsfees as a result of non-compliance to the departmental transfer policy, such as submission of audited AFS. These funds will cater for new arts and culture projects, such as the Multicultural Festival to be held in the last quarter of 2016/17, KwaCulture for the annual re-enactment of the Battle of Isandlwana, among others.
- R3.500 million was moved from *Buildings and other fixed structures* due to challenges experienced by the department in the previous year with regard to undertaking the feasibility study in respect of the Arts and Culture Academy, and hence the construction was postponed in 2016/17.

The total savings of R7.302 million were moved as follows:

- R4.547 million was moved to *Goods and services* as follows:
 - o R3.500 million was moved to this category for the department to undertake a feasibility study with regard to the construction of the Arts and Culture Academy.
 - o R911 000 is in respect of the Social Cohesion Summit to be held in December 2016. This was not budgeted for.
 - o R136 000 is to cater for new arts and culture projects, such as the Multicultural Festival to be held in the last quarter of 2016/17 in Pietermaritzburg.

Offsetting the increase in *Goods and services*, was R5 000 which was moved to *Interest and rent on land* relating to interest charged on overdue accounts in respect of fleet management.

- R1 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* for the launch of the Essence Festival held in November 2016 in Durban.
- R93 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
- R1.362 million was moved to *Buildings and other fixed structures* for the construction of the Maritime museum which is progressing faster than anticipated.
- R300 000 was moved to *Machinery and equipment* for the purchase of equipment above the capitalisation threshold.

All of these virements are permissible in terms of the PFMA and the Treasury Regulations. However, the decreases in *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Departmental agencies and accounts* and *Transfers and subsidies to: Non-profit institutions* require Legislature approval. Treasury approval was obtained for the increase in *Transfers and subsidies to: Public corporations and private enterprises*.

Shifts – Programme 2: Cultural Affairs

The following shifts were undertaken within the programme, for which the original purpose of the funds remains unchanged:

- R500 000 was shifted from *Transfers and subsidies to: Public corporations and private enterprises* to *Goods and services* in respect of the annual Festival of Beads, which was held in October 2016. Due to the organisation not complying with the departmental transfer policy, such as the submission of audited AFS, the department shifted these funds to *Goods and services* for the same purpose. This festival is hosted in collaboration with the Department of Co-operative Governance and Traditional Affairs (COGTA).
- R378 000 was shifted from *Transfers and subsidies to: Provinces and municipalities* relating to the Vukani museum in the Umlalazi Municipality. The municipality had planned to provincialise the Vukani museum, however, due to the process of provincialisation being stalled as a result of unresolved legal issues, the municipality was unable to incorporate the museum. As such, the department shifted the funds to *Transfers and subsidies to: Non-profit institutions* to provide for the operational costs of the museum which would have been provided through provincialisation funds by the municipality. The purpose of the funds remains unchanged.

Service delivery measures – Programme 2: Cultural Affairs

Table 15.7 shows the service delivery targets for Programme 2 as per the department's APP which is aligned to the information contained in the *EPRE*, as well as the actual achievement for the first six months of the year.

Table 15.7 : Service delivery measures – Programme 2: Cultural Affairs

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
1. Arts and Culture				
1.1 To implement interventions that advance artistic disciplines into viable industries	<ul style="list-style-type: none"> • No. of community structures supported • No. of artists trained • No. of guidelines documents/procedure manuals developed • No. of exchange programmes facilitated 	29 2 040 16 2	7 2 045 11 3	
1.2 To implement interventions that enhance social cohesion and inclusion in the province	<ul style="list-style-type: none"> • No. of awareness of promotional projects rolled out to communities 	53	58	
1.3 To implement interventions that grow the arts and culture industry in the province and contribute to job creation and poverty alleviation	<ul style="list-style-type: none"> • No. of national and historic days celebrated • No. of SMMEs provided with support per annum 	13 66	6 17	

Table 15.7 : Service delivery measures – Programme 2: Cultural Affairs

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
1.4	To improve the quality of education in the arts, culture and heritage sector	52	83	
2. Language Services				
2.1	To implement interventions that promote multilingualism, redress past linguistic imbalances and develop previously marginalised languages in the province			
	• No. of language co-ordinating structures supported	61	69	
	• No. of literary exhibitions conducted	1	-	
	• No. of interpreting services conducted including sign language	20	11	
	• No. of govt. institutions assisted towards the development of institutional language policy	8	3	
	• No. of technical term lists developed	2	1	
	• No. of multilingualism promotion progs implemented	4	1	
	• No. of pages translated into the relevant languages of the province including sign language	2 300	2 169	
3. Museum Services				
3.1	To provide oversight of the provincial museum landscape to drive transformation			
	• No. affiliated museums provided with provincial funding	44	11	
	• No. of brochures and publications produced	1	-	
	• No. of outreach progs conducted	4	21	
	• No. of school visits undertaken by Museum Services	70	42	
	• No. of collection items digitised	3 000	1 532	
	• No. of training sessions offered to museums	4	1	
	• No. of museums renovated	2	-	
	• No. of exhibitions/displays staged	2	3	
	• No. of geographical names submitted to the KZN Provincial Geographic Naming Committee	100	50	

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 15.8 and 15.9 reflect a summary of the 2016/17 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R8.312 million, are given in the paragraphs below the tables.

Table 15.8 : 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	
1. Management	1 621			(3)		(3)	1 618
2. Library Services	251 813			(16 510)		(16 510)	235 303
3. Archives	29 979			(127)		2 000	31 852
4. Community Library Services grant	163 162	22 952				22 952	186 114
Total	446 575	22 952	-	(16 640)	-	2 000	454 887
Amount to be voted							8 312

Table 15.9 : 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	152 408	-	-	(10 780)	-	-	141 628
Compensation of employees	74 872			(8 440)		(8 440)	66 432
Goods and services	77 536			(2 345)		(2 345)	75 191
Interest and rent on land				5		5	5
Transfers and subsidies to:	221 209	-	-	(8 995)	15 425	-	227 639
Provinces and municipalities	217 880			(9 345)	15 425	6 080	223 960
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions	3 329					-	3 329
Households				350		350	350
Payments for capital assets	72 958	22 952	-	3 135	(15 425)	2 000	85 620
Buildings and other fixed structures	69 000	22 952		2 935	(15 425)	2 000	81 462
Machinery and equipment	3 958			200		200	4 158
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
Payments for financial assets						-	-
Total	446 575	22 952	-	(16 640)	-	2 000	454 887
Amount to be voted							8 312

Roll-overs – Programme 3: Library and Archive Services: R22.952 million

The National Department of Arts and Culture rolled over R22.952 million from 2015/16 to 2016/17 in respect of the Community Library Services grant sub-programme, against *Buildings and other fixed structures* for the construction of the Port Shepstone library. Slow tender processes delayed the commencement of the construction of the Port Shepstone library. The department had to re-advertise the tender due to an omission of advertising it on the CIDB website. As mentioned, the amount of R16.024 million relating to the Manyiseni library was not approved for roll-over.

Virement – Programme 3: Library and Archive Services: (R16.640 million)

The following virements were undertaken at programme level resulting in a net reduction of R16.640 million:

- R20.130 million was realised as savings from Programme 3 as follows:
 - R8.440 million was moved from *Compensation of employees* due to non-filling of budgeted critical vacant posts as a result of lengthy recruitment processes, such as Deputy Director: Library Services and Deputy Director: Provincialisation.
 - R2.345 million was moved from *Goods and services* due to enforced savings.
 - R9.345 million was moved from *Transfers and subsidies to: Provinces and municipalities* as a result of the reduction of transfers to the eThekweni Metro in respect of the provincialisation of libraries. Due to spending pressures, the department and the Metro agreed to reduce transfers in 2016/17 in respect of provincialisation of libraries funding.

The total savings of R20.130 million were moved as follows:

- R16.640 million was moved to other programmes as follows:
 - R9.440 million was moved to Programme 1 under *Goods and services* for increased audit costs, as well as programmes identified by the MEC focusing on youth development, the disabled and women.
 - R7.200 million was moved to Programme 2 for the Disability Summit and the launch of the Essence Festival in November 2016, which were not budgeted for, as well as the construction of the Maritime museum in Port Shepstone, which is progressing faster than anticipated.
- The balance of R3.490 million remained within the programme as follows:

- R5 000 was moved to *Interest and rent on land* relating to interest charged on overdue accounts in respect of fleet management.
- R350 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
- R2.935 million was moved to *Buildings and other fixed structures* for renovations to the leaking roof of the Library Services building in Pietermaritzburg which were not anticipated.
- R200 000 was moved to *Machinery and equipment* for the installation of security gates and information kiosks in libraries, which were under-budgeted for.

These virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in *Transfers and subsidies to: Provinces and municipalities* relating to the eThekweni Metro for the provincialisation of libraries requires Legislature approval due to these funds being specifically and exclusively appropriated for provincialisation of libraries, as well as the fact that it is a decrease in transfers. It must be noted that the reduction of the provincialisation of libraries funds relates to equitable share funding only, and not conditional grant funding.

Shifts – Programme 3: Library and Archive Services

An amount of R15.425 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities*. The department experienced challenges with regard to the construction of the Newcastle (R5.425 million) and Charlestown (R10 million) libraries as a result of capacity constraints. The department decided to use the Newcastle Municipality as the implementing agent for the construction of these libraries. The purpose of the funds remains unchanged.

Other adjustments – Programme 3: Library and Archive Services: R2 million

An additional amount of R2 million was allocated under Programme 3 against *Buildings and other fixed structures* toward the construction of an Archive Repository in Pietermaritzburg. This project was supported by the Executive Council. A further R20.881 million in 2017/18, R52.925 million in 2018/19 and R93.543 million in 2019/20 will be allocated during the 2017/18 MTEF budget process. These funds are specifically and exclusively appropriated to ensure they are not used for any other purpose.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.10 shows the service delivery information for Programme 3 as per the department's APP. Some performance measures are no longer valid and these are indicated by "n/a" in the Mid-year actual and Revised target columns.

Table 15.10 : Service delivery measures – Programme 3: Library and Archive Services

Outputs	Performance indicators	Performance targets		
		2016/17 Original target	2016/17 Mid-year actual	2016/17 Revised target
1. Library Services				
1.1 To provide library and information services that are free, equitable and accessible	<ul style="list-style-type: none"> No. of library materials procured No. of monitoring visits done No. of libraries under construction No. of existing library buildings upgraded No. of promotional projects conducted No. of modular libraries established No. of community libraries provided with funding 	170 000 100 2 2 4 2 222	38 407 50 - - n/a n/a 1	 n/a n/a
2. Archive Service				
2.1 To provide archival and records management services for records of national and provincial significance	<ul style="list-style-type: none"> No. of promotional interventions on national symbols No. of records classification systems evaluated and approved No. of govt. bodies inspected No. records management training courses presented No. of inventories compiled or updated No. of data coded entries submitted to National Automated Archival Information Retrieval System (NAAIRS) database No. of oral history projects undertaken No. of oral history interviews transcribed and documented 	21 8 120 24 3 5 500 210 52	43 n/a 120 18 - n/a 104 21	 n/a

5. Specifically and exclusively appropriated allocations

Table 15.11 below shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that transfers to public entities and conditional grants (which are also specifically and exclusively appropriated funds) are not included here, as they are discussed in Sections 8 and 10 below.

Details of the main adjustments, which resulted in an overall decrease of R13.196 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the table.

It should be noted that R3.500 million was moved from *Buildings and other fixed structures* to *Goods and services* to provide for the feasibility study which is required before the construction of the Arts and Culture Academy can commence. These funds were originally budgeted for the construction of the Arts and Culture Academy. Due to challenges experienced by the department in the previous year with regard to undertaking the feasibility study, construction of the Arts and Culture Academy has been delayed. This virement is not visible in the table below, as the virement does not affect the fact that the funds are specifically and exclusively appropriated.

Table 15.11 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Prog 2: Arts and Culture Academy	3 500						-	3 500
2. Prog 2: Operational costs for art centres	3 822			(1 911)			(1 911)	1 911
3. Prog 2: Museum subsidies	8 887			(350)			(350)	8 537
4. Prog 3: Archive repository						2 000	2 000	2 000
5. Prog 3: Provincialisation of libraries	180 805			(12 935)			(12 935)	167 870
Total	197 014	-	-	(15 196)	-	2 000	(13 196)	183 818
Amount to be voted								(13 196)

- *Virement*: The department undertook the following virements in respect of specifically and exclusively appropriated funding:
 - R1.911 million was moved from *Transfers and subsidies to: Provinces and municipalities* under Programme 2 relating to the operational costs for the Stable Theatre, which is managed by the eThekweni Metro. Transfers to the Stable Theatre were cancelled due to the theatre not complying with the departmental transfer policy, such as submission of audited AFS. These funds were moved as follows:
 - R911 000 was moved to *Goods and services* within Programme 2 for the Social Cohesion Summit, which was not budgeted for, as mentioned.
 - R1 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 2 for the launch of the Essence Festival to be held in November 2016 in Durban, as discussed.
 - R350 000 was moved from *Transfers and subsidies to: Provinces and municipalities* under Programme 2 due to the cancellation of transfers to the Vukani museum in the Umlalazi Municipality. There are unresolved legal issues with regard to the provincialisation of the Vukani museum. These funds were moved to *Transfers and subsidies to: Non-profit institutions* for increased transfers to KwaCulture for the annual re-enactment of the Battle of Isandlwana within Programme 2.
 - R12.935 million was moved from *Transfers and subsidies to: Provinces and municipalities* in respect of the provincialisation funds from various municipalities as follows:
 - R2.935 million relates to the department over-budgeting for the appointment of staff for mobile libraries in various municipalities, such as eNdameni, Mandeni, etc.
 - R10 million relates to the department reducing transfers to the Metro as a result of spending pressures. The department and the Metro agreed to the reduction of transfers in 2016/17, as explained.

The total amount of R12.935 million was moved as follows:

- R10 million was moved to Programme 1 (R8.800 million) for various programmes introduced by the MEC focusing specifically on youth development, the disabled and women and the balance of R1.200 million was moved to Programme 2 for the Disability Summit held in November 2016 in collaboration with the Department of Sport and Recreation in Pietermaritzburg, which was not budgeted for.
- R2.935 million was moved to *Buildings and other fixed structures* within Programme 3 for renovations to the roof of the Library Services building, which were not anticipated.

The above virements resulted in a decrease in transfers which requires Legislature approval. Legislature approval is also required as these funds were specifically and exclusively appropriated.

- *Other adjustments:* R2 million was allocated to Programme 3, against *Buildings and other fixed structures* toward the construction of an Archive Repository in Pietermaritzburg. This project was supported by the Executive Council. A further R20.881 million in 2017/18, R52.925 million in 2018/19 and R93.543 million in 2019/20 will be allocated during the 2017/18 MTEF budget process. These funds are specifically and exclusively appropriated to ensure they are not used for any other purpose.

6. Gifts, donations and sponsorships

The department is not envisaging giving any gifts, donations and sponsorships in excess of R100 000.

7. Infrastructure

Table 15.12 shows the infrastructure payments per main category. Details of the main adjustments, which led to a net increase of R15.749 million, are provided in the paragraphs following the table.

Table 15.12 : 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	9 500	-	-	2 935	-	-	2 935	12 435
Maintenance and repair: Current	2 000						-	2 000
Upgrades and additions: Capital	7 500						-	7 500
Refurbishment and rehabilitation: Capital				2 935			2 935	2 935
New infrastructure assets: Capital	74 500	22 952		2 862	(15 425)	2 000	12 389	86 889
Infrastructure transfers	15 000	-	-	(15 000)	15 425	-	425	15 425
Infrastructure transfers: Capital	15 000			(15 000)	15 425		425	15 425
Infrastructure transfers: Current							-	-
Infrastructure: Payments for fin assets							-	-
Infrastructure: Leases							-	-
Capital infrastructure	97 000	22 952	-	(9 203)	-	2 000	15 749	112 749
Current infrastructure	2 000	-	-	-	-	-	-	2 000
Total	99 000	22 952	-	(9 203)	-	2 000	15 749	114 749
Amount to be voted								15 749

- *Roll-overs:* An amount of R22.952 million was rolled over from 2015/16 to 2016/17 in respect of the Community Library Services grant under Programme 3 against *New infrastructure assets: Capital* for the construction of the Port Shepstone library. Slow tender processes delayed the commencement of the construction of the Port Shepstone library. The department had to re-advertise the tender due to an omission of advertising it on the CIDB website. As mentioned, the amount of R16.024 million relating to the Manyiseni library was not approved for roll-over.
- *Virement:* The following virements were undertaken against the infrastructure budget of the department resulting in a net decrease of R9.203 million, as follows:
 - o R2.935 million was moved from *Transfers and subsidies to: Provinces and municipalities* in respect of the appointment of staff for mobile libraries in various municipalities, which was over-budgeted for. These funds were moved to *Refurbishment and rehabilitation: Capital* for unanticipated renovations to the roof of the Library Services building in Pietermaritzburg.

- o The net increase of R2.862 million in respect of the construction of the Maritime museum in Port Shepstone against *New infrastructures assets: Capital* is explained as follows:
 - R3.500 million was moved from this category to *Goods and services* within Programme 2 relating to the feasibility study for the construction of the Arts and Culture Academy, as previously explained.

Offsetting this reduction, R6.362 million was moved to this category relating to the construction of the Maritime museum in Port Shepstone, as follows:

- R5 million was moved from Programme 3 under *Compensation of employees* due to non-filling of budgeted critical vacant posts and *Machinery and equipment* as a result of delays by SITA in acquiring replacement computer equipment for staff, as previously explained.
- R389 000 was moved from *Transfers and subsidies to: Departmental agencies and accounts* within Programme 2 in respect of a transfer to The Playhouse Company, as explained.
- R973 000 was moved from *Transfers and subsidies to: Non-profit institutions* within Programme 2 as a result of the reduction of transfers to the KZN Philharmonic Orchestra (R545 000) and museum subsidies (R428 000), as explained.
- o R15 million against *New infrastructure assets: Capital* budgeted for transfer to the eThekweni Metro in respect of the construction of the mega-library was cancelled due to various challenges experienced by the Metro with the construction of the mega-library. These funds remained within *Transfers and subsidies to: Provinces and municipalities* but now for transfer to the Metro for the appointment of new library staff for various libraries.

These virements are permissible in terms of the PFMA and Treasury Regulations. However, the decrease against *Infrastructure transfers: Capital* and overall decrease in *Capital infrastructure* for the Vote as a whole requires Legislature approval in terms of the PFMA and Treasury Regulations.

- *Shifts*: An amount of R15.425 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities* under Programme 3 against the Community Library Services grant. The department experienced challenges with regard to the construction of the Newcastle and Charlestown libraries as a result of capacity constraints. The department has decided to shift these funds for transfer to the Newcastle Municipality for the construction of these libraries. The purpose of the funds remains unchanged.
- *Other adjustments*: Additional funding of R2 million was allocated to the department under Programme 3 against *New infrastructures assets: Capital* toward the construction of an Archive Repository in Pietermaritzburg. A further R20.881 million in 2017/18, R52.925 million in 2018/19 and R93.543 million in 2019/20 will be allocated during the 2017/18 MTEF budget process. These funds are specifically and exclusively appropriated to ensure they are not used for any other purpose.

8. Conditional grants

Tables 15.13 and 15.14 reflect changes to the conditional grant funding. Details of the main adjustments, which led to a net increase of R22.952 million, are provided in the paragraphs following the tables. The department undertook virements at economic classification and these are explained in detail below.

Table 15.13 : 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. Cultural Affairs	2 000	-	-	-	-	-	-	2 000
EPWP Integrated Grant for Provinces	2 000						-	2 000
3. Library and Archive Services	163 162	22 952	-	-	-	-	22 952	186 114
Community Library Services grant	163 162	22 952					22 952	186 114
Total	165 162	22 952	-	-	-	-	22 952	188 114
Amount to be voted								22 952

Table 15.14 : Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	53 893	-	-	(5 290)	-	-	(5 290)	48 603
Compensation of employees	10 480			(3 590)			(3 590)	6 890
Goods and services	43 413			(1 700)			(1 700)	41 713
Interest and rent on land							-	-
Transfers and subsidies to:	40 404	-	-	3 590	15 425	-	19 015	59 419
Provinces and municipalities	37 075			3 590	15 425		19 015	56 090
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	3 329						-	3 329
Households							-	-
Payments for capital assets	70 865	22 952	-	1 700	(15 425)	-	9 227	80 092
Buildings and other fixed structures	69 000	22 952			(15 425)		7 527	76 527
Machinery and equipment	1 865			1 700			1 700	3 565
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	165 162	22 952	-	-	-	-	22 952	188 114
Amount to be voted								22 952

- *Roll-overs*: The department received a roll-over amounting to R22.952 million against the Community Library Services grant under *Buildings and other fixed structures* in respect of the construction and upgrade of Port Shepstone library. As mentioned, the roll-over of R16.024 million relating to the Manyiseni library was not approved.
- *Virement*: The following virements were undertaken between economic classifications:
 - An amount of R3.590 million was moved from *Compensation of employees* due to the expiry of ten library book processor posts which were not renewed. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* for the appointment of staff for libraries in municipalities.
 - R1.700 million was moved from *Goods and services* due to enforced savings. These funds were moved to *Machinery and equipment* for the installation of security gates and information kiosks in various libraries which were under-budgeted for.

These virements are permissible in terms of the PFMA and Treasury Regulations. Treasury approval was provided for the increase in *Transfers and subsidies to: Provinces and municipalities*.

- *Shifts*: R15.425 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities* in respect of transfers to the Newcastle Municipality for the construction of the Newcastle (R5.425 million) and Charlestown (R10 million) libraries. The department has been experiencing challenges with regard to the construction of these libraries as a result of capacity constraints. The department decided to use the Newcastle Municipality as the implementing agent for the construction of these libraries. The purpose of the funds remains unchanged.

9. Transfers and subsidies

Table 15.15 shows the summary of transfers and subsidies per programme.

Details of the main adjustments, which led to a net increase of R5.113 million, are given in the paragraphs following the table:

Table 15.15 : 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	1 400	-	-	799	-	-	799	2 199
Provinces and municipalities	130	-	-	50	-	-	50	180
Motor vehicle licences	130			50			50	180
Public corporations and private enterprises	250	-	-	-	-	-	-	250
Umgababa Youth Festival	250						-	250
Non-profit institutions	220	-	-	-	-	-	-	220
Sakhisizwe Organisation	220						-	220
Households	800	-	-	749	-	-	749	1 549
Staff exit costs				749			749	749
Bursaries to non-employees	800						-	800
2. Cultural Affairs	61 389	-	-	(1 616)	(500)	-	(2 116)	59 273
Provinces and municipalities	12 709	-	-	(2 261)	(378)	-	(2 639)	10 070
Museum subsidies	8 887			(350)	(378)		(728)	8 159
Operational costs for art centres	3 822			(1 911)			(1 911)	1 911
Departmental agencies and accounts	8 176	-	-	(389)	-	-	(389)	7 787
The Playhouse Company	8 176			(389)			(389)	7 787
Public corporations and private enterprises	7 400	-	-	2 000	(500)	-	1 500	8 900
Ugu Jazz Festival	1 600						-	1 600
PMB Jazz Festival	1 000						-	1 000
Durban Blues Festival	100						-	100
Amantshontsho kaMaskandi	1 600						-	1 600
Uthungulu Last Dance	600						-	600
Impucuzeko Maskandi Festival	500						-	500
Festival of Beads	500				(500)		(500)	-
Midmar Festival	200						-	200
Indondo Awards	100						-	100
Indoni	500						-	500
Armco Dam	200						-	200
Gumba Festival	400						-	400
Kwadabeka Cultural Festival	100						-	100
Essence Festival				2 000			2 000	2 000
Non-profit institutions	33 104	-	-	(1 059)	378	-	(681)	32 423
KZN Philharmonic Orchestra	11 245			(545)			(545)	10 700
Museum subsidies	3 820			(428)	378		(50)	3 770
Transfers to Art Centres	4 635						-	4 635
Arts and Culture support to:	11 416	-	-	(86)	-	-	(86)	11 330
Art in the Park	50						-	50
Centre for Creative Arts (UKZN)	100						-	100
Dolosfees Festival	70						-	70
Durban School of Music	650						-	650
Fodo Cultural Village	80						-	80
Hilton Arts Festival	100			50			50	150
Inte-rcultural food tasting	100			(100)			(100)	-
Khandampevu Productions	120			(120)			(120)	-
KwaCulture	150			350			350	500
Love to Live	80						-	80
PANSA Young Performers	316			(316)			(316)	-
Ushaka Marine	300						-	300
Wildsfees	100			(100)			(100)	-
KZN Music House	8 600						-	8 600
East Griqualand Festival	350						-	350
Die Ventersfees	250						-	250
Usiba Writers Guild				150			150	150
Transfers to Art Councils	1 988	-	-	-	-	-	-	1 988
Households	-	-	-	93	-	-	93	93
Staff exit costs				93			93	93
3. Library and Archive Services	221 209	-	-	(8 995)	15 425	-	6 430	227 639
Provinces and municipalities	217 880	-	-	(9 345)	15 425	-	6 080	223 960
Community Library Services grant	37 075			3 590	15 425		19 015	56 090
Provincialisation of Libraries	180 805			(12 935)			(12 935)	167 870
Non-profit institutions	3 329	-	-	-	-	-	-	3 329
Africa Ignite	1 787						-	1 787
Family Literacy project	500						-	500
SA for the Blind	1 042						-	1 042
Households	-	-	-	350	-	-	350	350
Staff exit costs				350			350	350
Total	283 998	-	-	(9 812)	14 925	-	5 113	289 111
Amount to be voted							-	5 113

- **Virement:** The department undertook the following virements affecting *Transfers and subsidies*, which resulted in a net decrease of R9.812 million. Treasury approval was provided for the increase against *Transfers and subsidies* in terms of the PFMA and Treasury Regulations, while the decrease in transfers requires Legislature approval.

- o The following virements were undertaken in Programme 1 resulting in an increase of R799 000:
 - R50 000 was moved from *Goods and services* due to enforced savings to *Provinces and municipalities* in respect of motor vehicle licences which were under-budgeted for.
 - R749 000 was moved from *Compensation of employees* (R724 000) due to non-filling of critical vacant posts and *Goods and services* (R25 000) as a result of enforced savings. These funds were moved to *Households* for staff exit costs.
- o 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 undertaken, resulting in a net decrease of R1.616 million:
 - R2.261 million was moved within Programme 2 from *Provinces and municipalities* as follows:
 - R1.911 million relates to the cancellation of a transfer to the Stable Theatre which is managed by the eThekweni Metro due to the theatre not complying with the departmental transfer policy, such as submission of audited AFS.
 - R350 000 relates to the cancellation of a transfer to the Vukani museum in the Umlalazi Municipality due to unresolved legal issues with regard to provincialisation of the museum.

The total savings of R2.261 million were moved within Programme 2 as follows:

 - R911 000 was moved to *Goods and services* for the Social Cohesion Summit, which was not budgeted for, as mentioned above.
 - R1 million was moved to *Public corporations and private enterprises* for the launch of the Essence Festival held in November 2016 in Durban, as mentioned above.
 - R350 000 was moved to *Non-profit institutions* for increased transfers to KwaCulture for the annual re-enactment of the Battle of Isandlwana.
 - R389 000 was moved from *Departmental agencies and accounts*. Due to spending pressures within the department, the department and the public entity agreed to reduce the transfer. These funds were moved to *Buildings and other fixed structures* for the construction of the Maritime museum, which is progressing faster than anticipated
 - R2 million was moved to *Public corporations and private enterprises* for the launch of the Essence Festival held in November 2016, as follows:
 - R1 million was moved from Programme 3 under *Machinery and equipment* due to delays by SITA in acquiring replacement computer equipment for staff.
 - The balance of R1 million was moved within Programme 2 from *Provinces and municipalities* due to the cancellation of a transfer to the Stable Theatre which is managed by the eThekweni Metro due to the theatre not complying with the departmental transfer policy, such as submission of audited AFS. Provincial Treasury approval was received for the increase in transfers.
 - A net decrease of R1.059 million under *Non-profit institutions* was due to the following:
 - R973 000 was moved from this category against transfers to the KZN Philharmonic Orchestra (R545 000) due to spending pressures and museum subsidies (R428 000) not complying with the departmental transfer policy, such as submission of the audited AFS. These funds were moved to *Buildings and other fixed structures* for the construction of the Maritime museum in Port Shepstone. The decrease in transfer needs Legislature approval.
 - A net decrease of R86 000 was moved from Arts and Culture support within the category, as a result of R550 000 that was moved to this category due to various virements undertaken. Offsetting this increase, is a decrease of R636 000 moved from this category. These have been explained in the various programmes above.

- R93 000 was moved to *Households* for 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 grant and the provincialisation of libraries. The following virements were undertaken resulting in a net decrease of R8.995 million:
 - R3.590 million was moved to *Provinces and municipalities* under the Community Library Services grant for the appointment of staff for modular libraries in municipalities, as mentioned above. These funds were moved from *Compensation of employees* due to 10 library book processor contract posts expiring and not being renewed.
 - Offsetting the increase, R12.935 million was moved from *Provinces and municipalities* in respect of provincialisation funds from various municipalities as follows:
 - A net R2.935 million relates to the department over-budgeting for the appointment of staff for mobile libraries in various municipalities, such as eNdameni, Mandeni, etc.
 - R10 million relates to the department reducing transfers to the Metro as a result of spending pressures. The department and the Metro agreed to the reduction of transfers in 2016/17, as mentioned above.
 - R350 000 was moved to *Households* from *Compensation of employees* for staff exit costs.
- *Shifts*: The department undertook the following shifts which resulted in a net increase of R14.925 million, for which the purpose of the funds remains unchanged:
 - o R500 000 was shifted from *Public corporations and private enterprises* to *Goods and services* in respect of the annual Festival of Beads which was held in October 2016. Due to the organisation not complying with the departmental transfer policy, such as the submission of audited AFS, the department shifted these funds to *Goods and services* for the same purpose.
 - o R378 000 was shifted from *Provinces and municipalities* relating to the Vukani museum in the Umlalazi Municipality. The municipality had planned to provincialise the Vukani museum, however, due to the process of provincialisation being stalled as a result of unresolved legal issues, the municipality was unable to incorporate the museum. As such, the department shifted the funds to *Non-profit institutions* to provide for the operational costs of the museum, which would have been provided through provincialisation funds by the municipality.
 - o R15.425 million was shifted from *Buildings and other fixed structures* to *Provinces and municipalities* under Programme 3 against the Community Library Services grant. The department experienced challenges with regard to the construction of the Newcastle and Charlestown libraries as a result of capacity constraints. The department has decided to shift these funds to the Newcastle Municipality for the construction of these libraries.

10. Transfers to public entities

Table 15.16 reflects transfers made by the department to public entities. Details of the main adjustments, which led to a net decrease of R389 000, are provided in the paragraphs following the tables.

Table 15.16 : Summary of transfers to public entities

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
The Playhouse Company	8 176			(389)			(389)	7 787
Total	8 176	-	-	(389)	-	-	(389)	7 787
Amount to be voted								(389)

- *Virement*: R389 000 was moved from *Transfers and subsidies to: Departmental agencies and accounts*. These funds were originally budgeted for transfer to The Playhouse Company. Due to spending pressures within the department, the department and the public entity agreed to reduce the transfer to the entity to fund the construction of the Maritime museum in Port Shepstone under *Buildings and other fixed structures* as this project is progressing faster than anticipated.

11. Transfers to local government

Tables 15.17 to 15.21 show the details of transfers to local government. It is noted that the increase from R130 000 to R180 000 against *Transfers and subsidies to: Provinces and municipalities* in respect of motor vehicle licences is not reflected in the table below, as it not be transferred to any municipality. This amount of R50 000 was moved from *Goods and services* under Programme 1, and is excluded from the table below.

The department made adjustments to transfers to local government which resulted in an increase of R3.441 million. Treasury approval was provided for the increase in transfers. These changes will be gazetted after the tabling of the Adjustments Estimate. Details are provided in the paragraphs following the tables.

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	114 327	-	-	(11 911)	-	-	(11 911)	102 416
Total: Ugu Municipalities	14 734	-	-	-	-	-	-	14 734
B KZN212 uMdoni	5 019	-	-	-	-	-	-	5 019
B KZN213 uMzombe	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	738	-	-	-	-	-	-	738
B KZN216 Ray Nkonyeni	8 977	-	-	-	-	-	-	8 977
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	28 409	-	-	1	-	-	1	28 410
B KZN221 uMshwathi	894	-	-	-	-	-	-	894
B KZN222 uMngeni	3 201	-	-	-	-	-	-	3 201
B KZN223 Mpofana	1 122	-	-	-	-	-	-	1 122
B KZN224 iMpindle	738	-	-	-	-	-	-	738
B KZN225 Msunduzi	20 296	-	-	-	-	-	-	20 296
B KZN226 Mkambathini	1 264	-	-	1	-	-	1	1 265
B KZN227 Richmond	894	-	-	-	-	-	-	894
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	9 704	-	-	(22)	-	-	(22)	9 682
B KZN235 Okhahlamba	1 103	-	-	-	-	-	-	1 103
B KZN237 iNkosi Langalibalele	3 297	-	-	-	-	-	-	3 297
B KZN238 Alfred Duma	4 795	-	-	(22)	-	-	(22)	4 773
C DC23 uThukela District Municipality	509	-	-	-	-	-	-	509
Total: uMzinyathi Municipalities	7 590	-	-	505	-	-	505	8 095
B KZN241 eNdameni	4 083	-	-	-	-	-	-	4 083
B KZN242 Nquthu	1 521	-	-	505	-	-	505	2 026
B KZN244 uMsinga	760	-	-	-	-	-	-	760
B KZN245 uMvoti	1 226	-	-	-	-	-	-	1 226
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	8 042	-	-	-	15 425	-	15 425	23 467
B KZN252 Newcastle	6 566	-	-	-	15 425	-	15 425	21 991
B KZN253 eMahlangueni	738	-	-	-	-	-	-	738
B KZN254 Dannhauser	738	-	-	-	-	-	-	738
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	10 705	-	-	(831)	-	-	(831)	9 874
B KZN261 eDumbe	1 073	-	-	-	-	-	-	1 073
B KZN262 uPhongolo	1 323	-	-	-	-	-	-	1 323
B KZN263 Abaqulusi	3 681	-	-	179	-	-	179	3 860
B KZN265 Nongoma	738	-	-	-	-	-	-	738
B KZN266 Ulundi	1 979	-	-	(1 010)	-	-	(1 010)	969
C DC26 Zululand District Municipality	1 911	-	-	-	-	-	-	1 911
Total: uMkhanyakude Municipalities	7 251	-	-	-	-	-	-	7 251
B KZN271 uMhlabyalingana	1 592	-	-	-	-	-	-	1 592
B KZN272 Jozini	1 016	-	-	-	-	-	-	1 016
B KZN275 Mtubatuba	2 763	-	-	-	-	-	-	2 763
B KZN276 Big Five Hlabisa	1 880	-	-	-	-	-	-	1 880
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	16 402	-	-	674	(378)	-	296	16 698
B KZN281 Mfolozi	1 417	-	-	505	-	-	505	1 922
B KZN282 uMhlathuze	9 113	-	-	-	-	-	-	9 113
B KZN284 uMlalazi	4 396	-	-	(336)	(378)	-	(714)	3 682
B KZN285 Mthonjaneni	738	-	-	-	-	-	-	738
B KZN286 Nkandla	738	-	-	505	-	-	505	1 243
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	7 419	-	-	-	-	-	-	7 419
B KZN291 Mandeni	2 513	-	-	-	-	-	-	2 513
B KZN292 KwaDukuza	3 641	-	-	-	-	-	-	3 641
B KZN293 Ndwedwe	1 265	-	-	-	-	-	-	1 265
B KZN294 Maphumulo	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	6 006	-	-	(22)	-	-	(22)	5 984
B KZN433 Greater Kokstad	1 687	-	-	-	-	-	-	1 687
B KZN434 uBuhlebezwe	738	-	-	-	-	-	-	738
B KZN435 uMzimkhulu	1 265	-	-	-	-	-	-	1 265
B KZN436 Dr Nkosazana Dlamini Zuma	2 316	-	-	(22)	-	-	(22)	2 294
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-
Total	230 589	-	-	(11 606)	15 047	-	3 441	234 030
Amount to be voted								3 441

Vote 15: Arts and Culture

Table 15.18 : Transfers to local government - Operational costs of art centres

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	1 911			(1 911)			(1 911)	-
Total: Zululand Municipalities	1 911	-	-	-	-	-	-	1 911
C DC26 Zululand District Municipality	1 911						-	1 911
Total	3 822	-	-	(1 911)	-	-	(1 911)	1 911
Amount to be voted								(1 911)

Table 15.19 : Transfers to local government - Provincialisation of libraries

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	86 738			(10 000)			(10 000)	76 738
Total: Ugu Municipalities	12 477	-	-	-	-	-	-	12 477
B KZN212 uMdoni	4 482						-	4 482
B KZN214 uMuziwabantu	559						-	559
B KZN216 Ray Nkonyeni	7 436						-	7 436
Total: uMgungundlovu Municipalities	25 625	-	-	(326)	-	-	(326)	25 299
B KZN221 uMshwathi	715						-	715
B KZN222 uMngeni	2 668						-	2 668
B KZN223 Mpofana	768						-	768
B KZN224 iMpindle	559						-	559
B KZN225 Msunduzi	19 315						-	19 315
B KZN226 Mkhambathini	885			(326)			(326)	559
B KZN227 Richmond	715						-	715
Total: uThukela Municipalities	7 522	-	-	-	-	-	-	7 522
B KZN235 Okhahlamba	727						-	727
B KZN237 iNkosi Langalibalele	2 760						-	2 760
B KZN238 Alfred Duma	4 035						-	4 035
Total: uMzinyathi Municipalities	5 696	-	-	(326)	-	-	(326)	5 370
B KZN241 eNdameni	3 146			(326)			(326)	2 820
B KZN242 Nquthu	1 119						-	1 119
B KZN244 uMsinga	559						-	559
B KZN245 uMvoti	872						-	872
Total: Amajuba Municipalities	6 813	-	-	-	-	-	-	6 813
B KZN252 Newcastle	5 695						-	5 695
B KZN253 eMadlangeni	559						-	559
B KZN254 Dannhauser	559						-	559
Total: Zululand Municipalities	6 965	-	-	(979)	-	-	(979)	5 986
B KZN261 eDumbe	872						-	872
B KZN262 uPhongolo	965						-	965
B KZN263 AbaQulusi	3 148			(326)			(326)	2 822
B KZN265 Nongoma	559						-	559
B KZN266 Ulundi	1 421			(653)			(653)	768
Total: uMkhanyakade Municipalities	6 177	-	-	-	-	-	-	6 177
B KZN271 uMhlabyalingana	1 413						-	1 413
B KZN272 Jozini	837						-	837
B KZN275 Mtubatuba	2 405						-	2 405
B KZN276 Big Five Hlabisa	1 522						-	1 522
Total: King Cetshwayo Municipalities	12 651	-	-	-	-	-	-	12 651
B KZN281 Mfolozi	1 059						-	1 059
B KZN282 uMhlatuze	7 506						-	7 506
B KZN284 uMlalazi	2 968						-	2 968
B KZN285 Mthonjaneni	559						-	559
B KZN286 Nkandla	559						-	559
Total: iLembe Municipalities	5 611	-	-	(652)	-	-	(652)	4 959
B KZN291 Mandeni	1 797			(326)			(326)	1 471
B KZN292 KwaDukuza	2 929						-	2 929
B KZN293 Ndwedwe	885			(326)			(326)	559
Total: Harry Gwala Municipalities	4 530	-	-	(652)	-	-	(652)	3 878
B KZN433 Greater Kokstad	1 329						-	1 329
B KZN434 uBuhlebezwe	559						-	559
B KZN435 uMzimkhulu	885			(326)			(326)	559
B KZN436 Dr Nkosazana Dlamini Zuma	1 757			(326)			(326)	1 431
Total	180 805	-	-	(12 935)	-	-	(12 935)	167 870
Amount to be voted								(12 935)

Table 15.20 : Transfers to local government - Museum Subsidies

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	4 623						-	4 623
Total: Ugu Municipalities	334	-	-	-	-	-	-	334
B KZN216 Ray Nkonyeni	334						-	334
Total: uMgungundlovu Municipalities	750	-	-	-	-	-	-	750
B KZN222 uMngeni	175						-	175
B KZN223 Mpofana	175						-	175
B KZN225 Msunduzi	400						-	400
Total: uThukela Municipalities	684	-	-	-	-	-	-	684
B KZN235 Okhahlamba	175						-	175
C DC23 uThukela District Municipality	509						-	509
Total: uMzinyathi Municipalities	575	-	-	-	-	-	-	575
B KZN241 eNdameni	400						-	400
B KZN245 uMvoti	175						-	175
Total: Amajuba Municipalities	334	-	-	-	-	-	-	334
B KZN252 Newcastle	334						-	334
Total: Zululand Municipalities	175	-	-	-	-	-	-	175
B KZN263 Abaqulusi	175						-	175
Total: King Cetshwayo Municipalities	1 237	-	-	(350)	(378)	-	(728)	509
B KZN282 uMhlatuze	175						-	175
B KZN284 uMlalazi	1 062			(350)	(378)		(728)	334
Total: iLembe Municipalities	175	-	-	-	-	-	-	175
B KZN292 KwaDukuza	175						-	175
Total	8 887	-	-	(350)	(378)	-	(728)	8 159
Amount to be voted								(728)

Table 15.21 : Transfers to local government - Community Library Services grant

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	21 055			-			-	21 055
Total: Ugu Municipalities	1 923	-	-	-	-	-	-	1 923
B KZN212 uMdoni	537						-	537
B KZN214 uMuziwabantu	179						-	179
B KZN216 Ray Nkonyeni	1 207						-	1 207
Total: uMgungundlovu Municipalities	2 034	-	-	327	-	-	327	2 361
B KZN221 uMshwathi	179						-	179
B KZN222 uMngeni	358						-	358
B KZN223 Mpofana	179						-	179
B KZN224 iMpindle	179						-	179
B KZN225 Msunduzi	581						-	581
B KZN226 Mkhambathini	379			327			327	706
B KZN227 Richmond	179						-	179
Total: uThukela Municipalities	1 498	-	-	(22)	-	-	(22)	1 476
B KZN235 Okhahlamba	201						-	201
B KZN237 iNkosi Langalibalele	537						-	537
B KZN238 Alfred Duma	760			(22)			(22)	738
Total: uMzinyathi Municipalities	1 319	-	-	831	-	-	831	2 150
B KZN241 eNdameni	537			326			326	863
B KZN242 Nquthu	402			505			505	907
B KZN244 uMsinga	201						-	201
B KZN245 uMvoti	179						-	179
Total: Amajuba Municipalities	895	-	-	-	15 425	-	15 425	16 320
B KZN252 Newcastle	537				15 425		15 425	15 962
B KZN253 eMahlangueni	179						-	179
B KZN254 Dannhauser	179						-	179
Total: Zululand Municipalities	1 654	-	-	148	-	-	148	1 802
B KZN261 eDumbe	201						-	201
B KZN262 uPhongolo	358						-	358
B KZN263 Abaqulusi	358			505			505	863
B KZN265 Nongoma	179						-	179
B KZN266 Ulundi	558			(357)			(357)	201
Total: uMkhanyakude Municipalities	1 074	-	-	-	-	-	-	1 074
B KZN271 uMhlabyalingana	179						-	179
B KZN272 Jozini	179						-	179
B KZN275 Mtubatuba	358						-	358
B KZN276 Big Five Hlabisa	358						-	358
Total: King Cetshwayo Municipalities	2 514	-	-	1 024	-	-	1 024	3 538
B KZN281 iMfolozi	358			505			505	863
B KZN282 uMhlatuze	1 432						-	1 432
B KZN284 uMlalazi	366			14			14	380
B KZN285 iMthonjaneni	179						-	179
B KZN286 Nkandla	179			505			505	684
Total: iLembe Municipalities	1 633	-	-	652	-	-	652	2 285
B KZN291 Mandeni	716			326			326	1 042
B KZN292 KwaDukuza	537						-	537
B KZN293 Ndwedwe	380			326			326	706
Total: Harry Gwala Municipalities	1 476	-	-	630	-	-	630	2 106
B KZN433 Greater Kokstad	358						-	358
B KZN434 uBuhlebezwe	179						-	179
B KZN435 uMzimkhulu	380			326			326	706
B KZN436 Dr Nkosazana Dlamini Zuma	559			304			304	863
Total	37 075	-	-	3 590	15 425	-	19 015	56 090
Amount to be voted								19 015

- *Virement*: The virement column in Table 15.17 reflects a net decrease of R11.606 million in respect of *Transfers and subsidies to: Provinces and municipalities*, as follows:

- o R12.935 million was moved from the provincialisation of libraries as shown in Table 15.19, as follows:
 - R10 million was reduced from eThekweni Metro and relates to the reduction of the equitable share portion only, as explained.
 - R2.935 million was reduced from various municipalities, as the appointment of staff for mobile libraries in municipalities was over-budgeted for. This affected municipalities such as eNdameni, Mandeni, etc.

The total funds of R12.935 million were moved as follows:

- R10 million was moved to *Goods and services* under Programme 1 (R8.800 million) for programmes identified by the MEC focusing on youth development, the disabled and women, and the balance of R1.200 million was moved to Programme 2 for the Disability Summit held in November 2016 in collaboration with the Department of Sport and Recreation in Pietermaritzburg, which was not budgeted for.
- R2.935 million was moved to *Buildings and other fixed structures* in Programme 3 for renovations to the roof of the Library Services building, which were not anticipated.
- o R3.590 million was moved from *Compensation of employees* in Programme 3 due to the expiry of ten library book processor posts which were not renewed. This was moved to the Community Library Services grant for the appointment of staff in respect of the modular libraries in various municipalities. This is shown in Table 15.21.
- o R350 000 was moved from Museum Subsidies due to the cancellation of transfers to the Vukani museum as a result of unresolved legal issues, as mentioned above, to *Transfers and subsidies to: Non-profit institutions* for increased transfers to KwaCulture for the annual re-enactment of the Battle of Isandlwana. This is shown in Table 15.20.
- o R1.911 million was moved from the operational costs of art centres in respect of the Stable Theatre, which is managed by the eThekweni Metro. Transfers to the Stable Theatre were cancelled due to the theatre not complying with the departmental transfer policy, such as submission of audited AFS. This is reflected in Table 15.18. These funds were moved as follows:
 - R911 000 was moved to *Goods and services* within Programme 2 for the Social Cohesion Summit, which was not budgeted for, as mentioned above.
 - R1 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 2 for the launch of the Essence Festival held in November 2016 in Durban, as mentioned above.
- *Shift*: The following shifts resulting in a net increase of R15.047 million were undertaken under *Transfers and subsidies to: Provinces and municipalities*, where the original purpose of the funds remains unchanged:
 - o R15.425 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities* in respect of the Community Library Services grant. The department experienced challenges with regard to the construction of the Newcastle (R5.425 million) and Charlestown (R10 million) libraries as a result of capacity constraints. The department decided to use the Newcastle Municipality as the implementing agent for the construction of these libraries.

R378 000 was shifted from *Transfers and subsidies to: Provinces and municipalities* to *Transfers and subsidies to: Non-profit institutions* in respect of the Museum Subsidies relating to the Vukani museum in the Umlalazi Municipality. The municipality had planned to provincialise the Vukani museum, however, due to the process of provincialisation being stalled as a result of unresolved legal issues, the municipality was unable to incorporate the museum. This is to provide for the operational costs of the museum which would have been provided through provincialisation funds by the municipality.

12. Actual payments and revised spending projections for the rest of 2016/17

Tables 15.22 and 15.23 reflect actual payments as at the end of September 2016, 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 2015/16 Audited outcome. As at mid-year, the vote as a whole is projecting to fully spend its budget by year-end.

Table 15.22 : Actual payments and revised spending projections by programme

R thousand	2015/16 Audited outcome	Adjusted appropriation	Actual payments April '16 - September 2016		Projected payments October '16 - March 2017		Projected actual
			% of budget		% of budget		
1. Administration	124 731	144 939	74 543	51.4	70 396	48.6	144 939
2. Cultural Affairs	196 089	211 598	100 771	47.6	110 827	52.4	211 598
3. Library and Archive Services	442 722	454 887	89 631	19.7	365 256	80.3	454 887
Total	763 542	811 424	264 945	32.7	546 479	67.3	811 424

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

R thousand	2015/16 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '16 - September 2016	% of budget	October '16 - March 2017	% of budget	
Current payments	361 084	413 797	187 105	45.2	226 692	54.8	413 797
Compensation of employees	181 581	202 332	98 312	48.6	104 020	51.4	202 332
Goods and services	179 468	211 444	88 774	42.0	122 670	58.0	211 444
Interest and rent on land	35	21	19	90.5	2	9.5	21
Transfers and subsidies to:	331 783	289 111	36 507	12.6	252 604	87.4	289 111
Provinces and municipalities	273 527	234 210	5 575	2.4	228 635	97.6	234 210
Departmental agencies and accounts	7 787	7 787	3 894	50.0	3 893	50.0	7 787
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	11 350	9 150	2 200	24.0	6 950	76.0	9 150
Non-profit institutions	37 696	35 972	23 569	65.5	12 403	34.5	35 972
Households	1 423	1 992	1 269	63.7	723	36.3	1 992
Payments for capital assets	66 845	104 686	37 503	35.8	67 183	64.2	104 686
Buildings and other fixed structures	57 971	97 324	34 438	35.4	62 886	64.6	97 324
Machinery and equipment	8 874	7 362	3 065	41.6	4 297	58.4	7 362
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	3 830	3 830	3 830	100.0	-	-	3 830
Total	763 542	811 424	264 945	32.7	546 479	67.3	811 424

The department spent 32.7 per cent of its annual budget by mid-year. This is significantly lower than the straight-line benchmark of 50 per cent. The variances per programme and economic classification are explained below:

- The percentage spent against Programme 1: Administration is, at 51.4 per cent, higher than the straight-line benchmark of 50 per cent. This is mainly attributed to payments to SITA in respect of computer licences and audit fees being higher than anticipated. In addition, the purchase of new furniture and equipment for the MEC contributed to the high rate of expenditure. The department is projecting full expenditure against this programme.
- Programme 2: Cultural Affairs reflects spending at 47.6 per cent of the annual budget. This is marginally lower than the straight-line benchmark of 50 per cent mainly as a result of the municipal elections which resulted in a change of council members and municipal managers. The names on the draft MOAs in respect of the provincialisation of museums had to be changed and the MOAs had to be presented to the council before being signed. The department is projecting to fully spend against this programme.
- Spending against Programme 3: Library and Archive Services is, at 19.7 per cent of the annual budget, significantly lower than the straight-line benchmark of 50 per cent. This is largely attributed to delays in transfer of funds to the municipalities in respect of provincialisation of libraries as a result of delays in the signing of MOAs between the department and the municipalities due to the

municipal elections. In addition, the low rate of expenditure was due to challenges experienced by the department with regard to the construction of libraries. The department is projecting to fully spend its budget against this programme.

With regard to economic classification, it is noted that:

- The department spent 48.6 per cent of the annual budget against *Compensation of employees* at the end of the first half of the year. This is slightly lower than the 50 per cent benchmark due to non-filling of budgeted critical posts as a result of lengthy recruitment processes. Although the department indicated that it will not be able to fund the above-budget 2016 wage increase, the projections from the second quarter onward are far higher than the first quarter, suggesting that the department will be able to absorb this pressure.
- *Goods and services* reflects spending at 42 per cent of the annual budget at the end of the first half of the year. This is lower than the straight-line benchmark of 50 per cent, attributed to delays in the purchase of library books because of delays in the registration of suppliers on the department's database.
- With regard to *Transfers and subsidies*:
 - *Provinces and municipalities* reflects transfers to municipalities for library building projects, museum subsidies, motor vehicle licences, and for the provincialisation of libraries and museums. The department only spent 2.4 per cent of the annual budget at mid-year. This low rate of spending was mainly due to delays in the signing of MOAs in respect of the provincialisation of museums and libraries between the department and the municipalities due to the municipal elections. The department is projecting to fully spend against this category.
 - Spending on *Departmental agencies and accounts* was on target at 50 per cent of the mid-year projections and the department is projecting a balanced budget at year-end.
 - *Public corporations and private enterprises* relates to transfers to entities such as the Ugu Jazz Festival and Amantshontsho kaMaskandi. The department spent 24 per cent of the annual budget by mid-year. This is far lower than the straight-line benchmark of 50 per cent due to non-compliance of entities with respect to the submission of the required documentation for effecting transfers, as mentioned above. The department is projecting to transfer the full allocation at year-end.
 - *Non-profit institutions* reflects spending at 65.5 per cent of the annual budget, which is higher than the straight-line benchmark of 50 per cent. This is largely due to the department transferring more funds in the first half of the year. The department is projecting to transfer all funds against this category by year-end.
 - *Households* relates to bursaries and staff exit costs. The department has moved funds from *Compensation of employees* to offset unanticipated expenditure for staff exit costs and is projecting to fully spend at year-end.
- *Buildings and other fixed structures* reflects fairly low spending at 35.4 per cent of the annual budget, which is due to various challenges experienced with regard to the construction of libraries, such as Charlestown and Newcastle libraries because of lengthy SCM processes. The department is projecting to fully spend its budget against this category. Taking into consideration the department's decision to shift funds to *Transfers and subsidies to: Provinces and municipalities* for the construction of libraries, full expenditure is possible. It must be noted that the department has received a roll-over of R22.952 million relating to the Community Library Services grant in respect of the construction of the Port Shepstone library. It is questionable whether the department will be able to spend these funds.
- *Machinery and equipment* reflects spending at 41.6 per cent of the annual budget by mid-year. This is slightly lower than the straight-line benchmark of 50 per cent. The department is projecting full expenditure against this category.
- *Payments for financial assets* relates to the first charge which the department is liable for as a result of previous year's over-expenditure. Payment was made in the second quarter.

Table 15.A : Summary by economic classification : Arts and Culture

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	410 497	-	-	2 800	500	-	3 300	413 797
Compensation of employees	214 041	-	-	(11 709)	-	-	(11 709)	202 332
Salaries and wages	185 972	-	-	(11 709)	-	-	(11 709)	174 263
Social contributions	28 069	-	-	-	-	-	-	28 069
Goods and services	196 456	-	-	14 488	500	-	14 988	211 444
Administrative fees	634	-	-	-	-	-	-	634
Advertising	6 252	-	-	500	-	-	500	6 752
Assets less than capitalisation threshold	40 893	-	-	(1 705)	-	-	(1 705)	39 188
Audit cost: External	4 048	-	-	2 466	-	-	2 466	6 514
Bursaries: Employees	1 004	-	-	-	-	-	-	1 004
Catering: Departmental activities	1 457	-	-	-	-	-	-	1 457
Communication (G&S)	5 547	-	-	-	-	-	-	5 547
Computer services	16 885	-	-	-	-	-	-	16 885
Cons & prof serv: Business and advisory services	2 504	-	-	1 700	-	-	1 700	4 204
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	200	-	-	215	-	-	215	415
Contractors	15 036	-	-	2 200	-	-	2 200	17 236
Agency and support / outsourced services	10 715	-	-	3 936	500	-	4 436	15 151
Entertainment	257	-	-	-	-	-	-	257
Fleet services (incl. govt motor transport)	2 979	-	-	-	-	-	-	2 979
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	8 800	-	-	-	-	-	-	8 800
Consumable: Stationery, printing and office supplies	6 494	-	-	115	-	-	115	6 609
Operating leases	13 659	-	-	-	-	-	-	13 659
Property payments	12 201	-	-	-	-	-	-	12 201
Transport provided: Departmental activity	11 491	-	-	2 200	-	-	2 200	13 691
Travel and subsistence	19 211	-	-	(2 800)	-	-	(2 800)	16 411
Training and development	2 760	-	-	-	-	-	-	2 760
Operating payments	1 956	-	-	-	-	-	-	1 956
Venues and facilities	3 545	-	-	4 411	-	-	4 411	7 956
Rental and hiring	7 928	-	-	1 250	-	-	1 250	9 178
Interest and rent on land	-	-	-	21	-	-	21	21
Interest	-	-	-	21	-	-	21	21
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	283 998	-	-	(9 812)	14 925	-	5 113	289 111
Provinces and municipalities	230 719	-	-	(11 556)	15 047	-	3 491	234 210
Provinces	130	-	-	50	-	-	50	180
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	130	-	-	50	-	-	50	180
Municipalities	230 589	-	-	(11 606)	15 047	-	3 441	234 030
Municipalities	230 589	-	-	(11 606)	15 047	-	3 441	234 030
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	8 176	-	-	(389)	-	-	(389)	7 787
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	8 176	-	-	(389)	-	-	(389)	7 787
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	7 650	-	-	2 000	(500)	-	1 500	9 150
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	7 650	-	-	2 000	(500)	-	1 500	9 150
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	7 650	-	-	2 000	(500)	-	1 500	9 150
Non-profit institutions	36 653	-	-	(1 059)	378	-	(681)	35 972
Households	800	-	-	1 192	-	-	1 192	1 992
Social benefits	-	-	-	1 099	-	-	1 099	1 099
Other transfers to households	800	-	-	93	-	-	93	893
Payments for capital assets	88 147	22 952	-	7 012	(15 425)	2 000	16 539	104 686
Buildings and other fixed structures	82 000	22 952	-	5 797	(15 425)	2 000	15 324	97 324
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	82 000	22 952	-	5 797	(15 425)	2 000	15 324	97 324
Machinery and equipment	6 147	-	-	1 215	-	-	1 215	7 362
Transport equipment	1 050	-	-	-	-	-	-	1 050
Other machinery and equipment	5 097	-	-	1 215	-	-	1 215	6 312
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	3 830	-	-	-	-	-	-	3 830
Total	786 472	22 952	-	-	-	2 000	24 952	811 424
Amount to be voted								24 952
of which: Unauth. Exp. (1st charge) not available for spending	(3 830)							(3 830)
Baseline available for spending after first charge	782 642							807 594