

# Key insights: Mzansi National Philharmonic Orchestra at DSAC

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## Mzansi National Philharmonic Orchestra (MNPO)

During 2021, the Department of Sport, arts, and culture established the MNPO. The process of establishing this entity which is registered as a non-profit organisation started in 2019 when an advisory board was appointed to conduct a feasibility study that will pave way for the establishment of the national orchestra. During November 2021, the department concluded a memorandum of understanding with the National Arts Council (NAC). The main purpose of the MOU was to facilitate the transfer of ring-fenced funds from the NAC to the newly established Mzansi orchestra.

### Impact

- Non-compliance with Treasury Regulations
- Limitation regarding sufficient evidence to adequately substantiate that funds were spent as intended.

### Cause

- Lack of oversight by the NAC and the department on monies transferred.
- Non-adherence to the provisions as agreed in the MoU

### Recommendations to accounting officer

- Monitor implementation of the spending by the MNPO and obtain outstanding reports to confirm if monies were spent in line with the objectives.

## What we found

### Oversight not implemented by the department

- The department did not provide adequate oversight over the use of funds transferred to the MNPO, resulting in non-compliance with treasury regulation 8.4.1. This was because the department did not obtain comprehensive quarterly reports to support the spending by the MNPO as provided for in the MoU with the NAC. The department also allowed the NAC to disburse a higher tranche payment that was not aligned with the MoU.

### Potential conflict of interest

- The chief executive and artistic director of the MNPO (which allocates funding to orchestras, including Johannesburg and KZN Orchestras), hold similar positions in these orchestras. The only safeguard in place is the declaration of interest and recusal from decision making.

### Expenditure report on spending by the advisory board not supported

- The expenditure report provided did not include a breakdown of the nature of expenditure nor were invoices provided. As a result, we were unable to confirm what the amount was used for.