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LIMPOPO PROVINCIAL AUDITED REVENUE AND EXPENDITURE REPORT: 2014/15 FINANCIAL YEAR.

1. Purpose

To provide National Treasury with a provincial audited Revenue and Expenditure report as at 31 March 2015.

2. Background

We, the Limpopo Provincial Treasury hereby submit the March 2015 audited provincial revenue and expenditure report for the Limpopo provincial government. Kindly note that this report is submitted in accordance with chapter 5, section 40 (4) (b) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act 29 of 1999, which requires the designated Accounting officer of a department to submit information to the provincial treasury in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of section 40 (4) (a) and all other necessary information submitted to Provincial Treasury by departments in terms of section 40 (4) (c).

3. Discussion

The Limpopo provincial government revenue and expenditure for the period under review is based on the audited In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analysed in terms of the actual expenditure as recorded in the IYM and Infrastructure Reporting Model (IRM) submissions. The explanations provided for the variances were provided by departments as per their IYM and IRM variance report and where necessary further clarity was sought from the departments in line with the requirements of the Provincial Treasury Instruction Notes 03 of 2012, 09 of 2012 and 04 of 2013.

4. Cash Management

Cash allocation letters for 2014/15 financial year were issued to departments indicating cash available for each payment run as well as the processes to be followed by departments to enable Provincial Treasury to release payment tapes. Schedule of payments runs were also sent to departments to enable them to inform service providers of the dates of payments as they serve them with invoices for services rendered:-

- Peral runs are scheduled 4 times a month, i.e. the 15th for normal salaries, 22nd for Educators' salaries, last Wednesday of the month for Supplementary payments (claims) and month-end for probation and contract employees and Third Party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the 15th and for month-end.

These systems and processes were put in place to ensure that service delivery continues without disruptions relating to cash flow problems as well as to alleviate cash flow challenges experienced in the previous financial year.

4.1. Cash Allocations Vs Actual Expenditure Vs Actual Funds Transferred

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. Table 3 below provides cash flow projections, actual expenditure and transfers to departments from April 2014 to March 2015.

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 March 2015

Departments	Opening Bank Balances at 01-Apr-14	Cash Allocation 31-Mar-15	Actual Expenditure 31-Mar-15	Transfers To Departments 31-Mar-15	Variance			
					Actual Expenditure Vs Cash Allocation %	Amount %		
Education	615 023	25 338 434	25 161 503	176 931	0.7%	-149 175	-0.6%	
Health	196 242	14 616 088	14 557 187	58 901	0.4%	-58 901	-0.4%	
Social Development	48 090	1 476 438	1 471 595	4 843	0.3%	-4 843	-0.3%	
Public Works	82 408	3 075 287	2 787 865	287 422	9.3%	-287 422	-10.3%	
Agriculture	53 306	1 605 128	1 555 401	49 727	3.1%	-49 727	-3.2%	
Roads & Transport	323 345	1 792 858	1 704 471	88 387	4.9%	-88 387	-5.2%	
COGSTAR	176 843	1 775 516	1 525 474	1 774 873	14.1%	-249 399	-16.3%	
Sport, Arts & Culture	32 062	324 022	284 373	39 649	12.2%	-39 649	-13.9%	
Safety & Security and Liaison	5 344	80 496	72 660	80 496	9.7%	-7 836	-10.8%	
Office of the Premier	2 195	348 471	340 862	348 471	7 609	2.2%	-7 609	-2.2%
Provincial Legislature	420	277 311	273 512	3 799	1.4%	-3 799	-1.4%	
Provincial Treasury	43 731	364 215	346 305	364 215	17 910	4.9%	-17 910	-5.2%
Economic Development, Environmental & Tourism	34 025	1 149 777	1 112 393	1 149 777	37 384	3.3%	-37 384	-3.4%
Total	1 613 034	52 224 041	51 193 601	52 195 642	1 030 440	2.0%	-1 002 041	-2.0%

Summary Per Fund	
Equitable Share	44 946 903
Conditional Grant	7 277 138
Total	52 224 041

Summary Per Fund	
Equitable Share	44 946 903
Conditional Grant	7 248 739
Total	52 195 642

Summary Per Fund	
Equitable Share	44 946 903
Conditional Grant	7 248 739
Total	52 195 642

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R1,030 billion or 2.0 per cent. It should be clear that the under-spending has nothing to do with availability of cash or Treasury interruptions as Treasury has given cash allocations and processes well upfront.

On the other hand transfers to departments were R1,002 billion or 2.0 per cent more than actual expenditure.

4.2. Interest Performance

INTEREST EARNED : 2014/15 FINANCIAL YEAR

Institution	2014/15													
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total	
Commercial Bank (FNB)	-	5 264	2 061	2 772	2 359	1 571	2 419	1 885	2 067	3 859	2 886	2 054	3 185	32 382
Commercial Bank (SBSA)	12 273	22 140	18 899	25 180	26 864	26 262	26 505	22 733	21 715	22 124	19 331	21 539	265 565	
CPD (SA Reserve Bank)	17 537	24 201	21 671	27 539	28 435	28 681	28 390	24 800	25 574	25 010	21 385	24 724	297 947	
Total	17 537	24 201	21 671	27 539	28 435	28 681	28 390	24 800	25 574	25 010	21 385	24 724	297 947	

R'000

INTEREST EARNED : 2013/14 FINANCIAL YEAR

Institution	2013/14												
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Commercial Bank (FNB)	2 277	1 617	510	933	1 750	1 498	1 872	1 230	1 461	1 523	1 053	1 339	3 971
Commercial Bank (SBSA)	-	-	-	11 796	13 863	16 374	15 927	18 237	18 082	15 988	19 022	18 038	18 160
CPD (SA Reserve Bank)	7 937	13 898	11 796	13 863	16 374	15 927	18 237	18 082	15 988	19 022	18 038	18 160	187 322
Total	10 214	15 515	13 239	15 613	17 976	17 799	19 467	19 543	17 511	20 075	19 377	22 131	208 460

R'000

It is important to note that in public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions. When compared to the same period in the previous year as indicated in the table above interest revenue grows from R208,460 million in 2013/14 to R297,947 million for 2014/15. Interest earned in the CPD account alone grew from R187,322 million to R265,565 million.

5. Provincial overall expenditure as at 31 March 2015 (Audited)

The overall provincial spending as at 31 March 2015 amounts to R51.1 billion or 97.9 percent of the total adjusted budget of R52.2 billion. Compared to the previous year spending at the same period, the provincial expenditure was at R46.8 billion or 96.6 percent of the adjusted budget of R48.4 billion, representing 1.3 percent improvement. Nonetheless, the Province has underspent in all the departments by R 1.0 billion or 2.1 percent.

- Education- R176.9 million or 0.7 percent
- Health- R89.9 million or 0.6 percent
- Social Development – R20.8 million or 1.4 percent
- Public Works, Roads and Infrastructure – R287.4 million or 9.3 percent
- Agriculture- R49.7 million or 3.1 percent
- Transport – R88.4 million or 4.9 percent
- CoGHSTA – R250.0 million or 14.1 percent
- Sport, Arts and Culture – R39.6 million or 12.2 percent
- Safety, Security and Liaison – R7.8 million or 9.7 percent
- Office of the Premier – R7.6 million or 2.2 percent
- Legislature- R3.8 million or 1.4 percent
- Provincial Treasury- R17.9 million or 4.9 percent
- Economic Development –R37.4 million or 3.3 percent

Table 5.1: Provincial overall expenditure as at 31 March 2015

Economic classification	Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net
	Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	
Education	24 965 895	372 539	25 338 434	25 338 434	25 161 504	25 161 504	99.3%
Health	14 371 045	2 451 433	14 616 088	14 526 110	14 526 110	14 526 110	99.4%
Social Development	1 468 887	7 551	1 476 438	1 476 438	1 455 600	1 455 600	98.6%
Public Works, Roads and Infrastructure	928 600	2 146 687	3 075 287	3 075 287	2 787 867	2 787 867	90.7%
Agriculture	1 602 228	2 900	1 605 128	1 605 128	1 555 402	1 555 402	96.9%
Transport	3 524 895	-1 732 037	1 792 858	1 792 858	1 704 488	1 704 488	95.1%
Co-Operative Governance Human Settlement	2 158 033	1 769 983	2 335 016	1 775 516	1 525 470	1 525 470	85.9%
Sport, Art And Culture	302 358	21 664	324 022	324 022	284 373	284 373	87.8%
Safety, Security And Liaison	84 402	-3 906	80 496	80 496	72 660	72 660	90.3%
Office Of The Premier	335 616	12 855	348 471	348 471	340 862	340 862	97.8%
Legislature	248 515	28 966	277 311	277 311	273 323	273 323	98.6%
Provincial Treasury	357 797	6 418	364 215	364 215	346 304	346 304	95.1%
Economic Development Environment And To	1 111 217	38 500	1 149 717	1 149 717	1 112 393	1 112 393	96.7%
Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	61 146 356	97.9%
Current payments	43 748 737	44 328 168	43 901 917	42 876 129	42 876 129	42 876 129	97.7%
Compensation of employees	36 116 633	295 175	36 411 807	36 326 897	35 647 312	35 647 312	98.1%
Goods and services	7 631 699	284 240	7 915 868	7 574 579	7 228 373	7 228 373	95.4%
Interest and rent on land	405	78	483	441	444	444	100.7%
Transfers and subsidies	6 482 765	705 796	6 186 956	6 869 430	6 026 126	6 026 126	102.7%
Payments for capital assets	2 228 057	38 168	2 266 260	2 440 824	2 184 317	2 184 317	89.5%
Payments for financial assets	-	636	637	11 870	69 786	69 786	503.7%
of which: NPNC	13 114 659	988 625	14 103 484	13 456 320	13 314 727	13 314 727	94.4%
Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	61 146 356	97.9%

Economic classification	Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net
	Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	
Education	24 965 895	372 539	25 338 434	25 338 434	25 161 504	25 161 504	99.3%
Health	14 371 045	2 451 433	14 616 088	14 526 110	14 526 110	14 526 110	99.4%
Social Development	1 468 887	7 551	1 476 438	1 476 438	1 455 600	1 455 600	98.6%
Public Works, Roads and Infrastructure	928 600	2 146 687	3 075 287	3 075 287	2 787 867	2 787 867	90.7%
Agriculture	1 602 228	2 900	1 605 128	1 605 128	1 555 402	1 555 402	96.9%
Transport	3 524 895	-1 732 037	1 792 858	1 792 858	1 704 488	1 704 488	95.1%
Co-Operative Governance Human Settlement	2 158 033	1 769 983	2 335 016	1 775 516	1 525 470	1 525 470	85.9%
Sport, Art And Culture	302 358	21 664	324 022	324 022	284 373	284 373	87.8%
Safety, Security And Liaison	84 402	-3 906	80 496	80 496	72 660	72 660	90.3%
Office Of The Premier	335 616	12 855	348 471	348 471	340 862	340 862	97.8%
Legislature	248 515	28 966	277 311	277 311	273 323	273 323	98.6%
Provincial Treasury	357 797	6 418	364 215	364 215	346 304	346 304	95.1%
Economic Development Environment And To	1 111 217	38 500	1 149 717	1 149 717	1 112 393	1 112 393	96.7%
Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	61 146 356	97.9%
Current payments	43 748 737	44 328 168	43 901 917	42 876 129	42 876 129	42 876 129	97.7%
Compensation of employees	36 116 633	295 175	36 411 807	36 326 897	35 647 312	35 647 312	98.1%
Goods and services	7 631 699	284 240	7 915 868	7 574 579	7 228 373	7 228 373	95.4%
Interest and rent on land	405	78	483	441	444	444	100.7%
Transfers and subsidies	6 482 765	705 796	6 186 956	6 869 430	6 026 126	6 026 126	102.7%
Payments for capital assets	2 228 057	38 168	2 266 260	2 440 824	2 184 317	2 184 317	89.5%
Payments for financial assets	-	636	637	11 870	69 786	69 786	503.7%
of which: NPNC	13 114 659	988 625	14 103 484	13 456 320	13 314 727	13 314 727	94.4%
Total	61 459 648	1 323 993	62 783 641	62 224 041	61 146 356	61 146 356	97.9%

The highest expenditure in terms of departments is recorded in Education, Health and Social Development at 99.3 percent and 99.4 percent and 98.6 percent respectively. The lowest spending department is CoGhSTA at 85.9 percent and Sport, Arts and Culture at 87.8 percent. Most of the expenditure was incurred under Compensation of Employees (CoE) which is at 98.1 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 5.1.a. Compensation of Employees

Economic classification	Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net
	Total	36 116 633	294 422	36 411 056	36 326 897	36 647 312	
Education	20 405 986	147 020	20 553 006	20 553 006	20 013 982	20 013 982	97.4%
Health	10 234 791	162 702	10 397 493	10 348 599	10 336 806	10 336 806	99.9%
Social Development	752 604	6 150	758 754	758 754	762 643	762 643	100.5%
Public Works, Roads and Infrastructure	615 799	306 652	922 451	922 451	888 547	888 547	96.3%
Agriculture	1 015 758	1	1 015 759	1 011 652	985 601	985 601	97.4%
Transport	1 078 064	-335 652	742 412	721 454	693 742	693 742	96.2%
Co-Operative Governance Human Settlement	763 429	8 995	772 424	772 426	771 677	771 677	99.9%
Sport, Art And Culture	135 129	-630	134 499	130 608	125 649	125 649	96.2%
Safety, Security And Liaison	60 032	-11 676	48 356	48 411	47 088	47 088	97.3%
Office of the Premier	226 299	14 711	241 010	235 737	234 577	234 577	99.5%
Legislature	147 674	-1 099	146 575	146 575	143 624	143 624	98.0%
Treasury	229 247	-2 000	227 247	227 247	218 548	218 548	96.2%
Economic Development	451 821	-752	451 069	449 977	424 828	424 828	94.4%
Total	36 116 633	294 422	36 411 056	36 326 897	36 647 312	36 647 312	98.1%
Current payments	36 116 633	295 175	36 411 807	36 326 897	35 647 312	35 647 312	98.1%
Compensation of employees	36 116 633	295 175	36 411 807	36 326 897	35 647 312	35 647 312	98.1%
Goods and services	7 631 699	284 240	7 915 868	7 574 579	7 228 373	7 228 373	95.4%
Interest and rent on land	405	78	483	441	444	444	100.7%
Transfers and subsidies	6 482 765	705 796	6 186 956	6 869 430	6 026 126	6 026 126	102.7%
Payments for capital assets	2 228 057	38 168	2 266 260	2 440 824	2 184 317	2 184 317	89.5%
Payments for financial assets	-	636	637	11 870	69 786	69 786	503.7%
of which: NPNC	13 114 659	988 625	14 103 484	13 456 320	13 314 727	13 314 727	94.4%
Total	36 116 633	294 422	36 411 056	36 326 897	36 647 312	36 647 312	98.1%

The overall CoE spending is at R35.6 billion or 98.1 percent. The province underspent by R679.6 million or 1.9 percent. The under-spending in departments is mainly due to delays in filling critical posts by year-end. The

The province spent R6.0 billion or 102.7 percent of the total adjusted budget of R5.8 billion on Transfers and subsidies. The province overspends by R156.7 million or 2.7 percent.

5.1.3. Transfers and subsidies

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)									
R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2015	Actual spending as % of Total Available	(Over)	Under
Education	2 177 001	13 980	2 190 981	2 164 784	2 053 759	2 053 759	94.9%	-	111 025
Health	3 134 796	212 970	3 347 766	3 132 914	3 122 861	3 122 861	99.7%	-	10 053
Social Development	204 613	19 934	224 547	229 020	225 661	225 661	98.5%	-	3 399
Public Works, Roads and Infrastructure	206 410	542 554	748 964	651 911	513 470	513 470	78.8%	-	138 441
Agriculture	354 008	-23 571	330 437	326 552	320 353	320 353	98.1%	-	6 199
Transport	779 135	-485 304	293 831	301 839	267 022	267 022	88.5%	-	34 817
Co-Operative Governance Human Settlements And Sport, Art And Culture	151 335	-1 145	150 190	153 576	150 622	150 622	98.1%	-	2 954
Safety, Security And Liaison	136 089	1 812	137 901	140 109	127 337	127 337	90.9%	-	12 772
Office of the Premier	23 116	6 181	29 297	29 242	22 807	22 807	78.0%	-	6 436
Legislature	98 605	-5 330	93 275	93 641	88 249	88 249	94.2%	-	5 392
Treasury	122 525	4 316	126 841	124 799	116 493	116 493	93.3%	-	8 306
Economic Development	197 911	-9 264	188 647	183 337	173 739	173 739	94.8%	-	9 598
Total	7 631 699	283 833	7 915 532	7 574 579	7 228 373	7 228 373	95.4%	-3 145	349 351
									346 206
									4.6%

Table: 5.1.b. Goods and Services

The overall spending on Goods and Services is at R7.2 billion or 95.4 percent of the total adjusted budget of R7.6 billion. The province underspent by R346.2 million or 4.6 percent. The province underspends its budget by R3.1 million or 7.3 percent due to payment of travelling and subsistence by management during the development conference held in December.

5.1.2. Goods and Services

All the departments underspent their budgets except Social Development which has overspend by R3.9 million or 0.5 percent due to payment of stipends to interns. Compensation of employees underspend by R679.6 million or 1.9 percent. The highest percentage spending departments are Social Development, CoGHSTA and Health at 100.5 percent, 99.9 percent and 99.9 percent respectively.

The highest percentage spending department is Education, Health and Safety at R1.3 billion or 99.3 percent, Health at R493.7 million or 88.2 percent and Safety and Security at R2.3 million or 96.9 percent. The following department is very low, Sport, Arts and Culture at 49.1 percent and Public Works Roads and Infrastructure at 60.7 percent and Transport at 65.2 percent.

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)										
R thousand	Main	Adjustments	Adjusted Appropriation	Available Funds	Projected outcome	Actual spending as at 31 Mar 2015	Actual spending as % of Total Available	(Over)	Under	% (Over)/Under of Total Available
Education	1 113 897	197 340	1 311 237	1 337 434	1 328 084	1 328 084	99.3%	-	9 350	0.7%
Health	523 755	-191 849	331 906	559 625	493 679	493 679	88.2%	-	65 947	11.8%
Social Development	64 946	-17 481	47 465	42 992	34 897	34 897	81.2%	-	8 095	18.8%
Public Works , Roads and Infrastructure	59 341	282 008	341 349	276 940	168 154	168 154	60.7%	-	108 786	39.3%
Agriculture	72 568	24 637	97 205	74 167	60 047	60 047	61.0%	-	14 120	19.0%
Transport	343 114	-282 491	60 623	61 973	40 433	40 433	65.2%	-	21 540	34.8%
Co-Operative Governance Human Settlements And	2 457	1 429	3 886	3 967	2 773	2 773	69.9%	-	1 194	30.1%
Sport,Art And Culture	25 145	14 896	40 041	41 467	20 362	20 362	49.1%	-	21 105	50.9%
Safety,Security And Liaison	1 254	1 069	2 323	2 323	2 252	2 252	96.9%	-	71	3.1%
Office of the Premier	3 743	-1 404	2 339	4 680	3 989	3 989	85.2%	-	691	14.8%
Legislature	4 130	4 750	8 880	8 880	6 391	6 391	72.0%	-	2 489	28.0%
Treasury	3 025	2 345	5 370	6 970	6 097	6 097	87.5%	-	873	12.5%
Economic Development	10 672	3 875	14 547	19 405	17 159	17 159	88.4%	-	2 246	11.6%
Total	2 228 057	39 124	2 267 181	2 440 824	2 184 317	2 184 317	89.5%	-	256 507	10.5%

Table: 5.1.d. Payment for Capital Assets

The overall provincial expenditure on Payment for Capital Assets is at R2.1 billion or 89.5 percent of the total adjusted budget of R2.4 billion.

5.1.4. Payments for Capital Assets

The highest percentage spending departments are Education, Health and Economic Development at 133.8, 99.6 and 99.9 percent respectively. Educations overspend its budget by at R434.2 million or 33.8 percent incurred in through the payment of EPWP.

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)										
R thousand	Main	Adjustments	Adjusted Appropriation	Available Funds	Projected outcome	Actual spending as at 31 Mar 2015	Actual spending as % of Total Available	(Over)	Under	% (Over)/Under of Total Available
Education	1 269 011	14 199	1 283 210	1 283 210	1 717 477	1 717 477	133.8%	-434 267	-	-33.8%
Health	477 704	61 218	538 922	571 435	569 317	569 317	99.6%	-	2 117	0.4%
Social Development	446 724	-1 052	445 672	445 672	432 399	432 399	97.0%	-	13 273	3.0%
Public Works , Roads and Infrastructure	47 050	1 015 473	1 062 523	1 223 985	1 217 616	1 217 616	99.5%	-	6 369	0.5%
Agriculture	159 894	1 833	161 727	192 425	189 069	189 069	98.3%	-	3 356	1.7%
Transport	1 324 582	-628 890	695 692	707 292	703 291	703 291	99.4%	-	4 001	0.6%
Co-Operative Governance Human Settlements	1 230 802	167 704	1 398 506	839 006	593 857	593 857	70.8%	-	245 149	29.2%
Sport,Art And Culture	5 995	5 586	11 581	11 838	11 025	11 025	93.1%	-	813	6.9%
Safety,Security And Liaison	-	284	284	284	282	282	99.3%	-	2	0.7%
Office of the Premier	6 969	4 878	11 847	13 918	13 556	13 556	97.4%	-	362	2.6%
Legislature	60 556	18 445	79 001	79 001	77 308	77 308	97.9%	-	1 693	2.1%
Treasury	3 000	1 757	4 757	5 199	5 152	5 152	99.1%	-	47	0.9%
Economic Development	450 468	44 605	495 073	496 165	495 776	495 776	99.9%	-	389	0.1%
Total	5 482 755	706 040	6 188 795	5 869 430	6 026 125	6 026 125	102.7%	-434 267	277 571	-2.7%

Table: 5.1.c. Transfers and subsidies

5.2. Equitable share spending

Table 5.2: Equitable share spending

Equitable share spending - Audited					
	Adjusted budget	Actual spending as at 31 March 2015	Actual spending as % of budget	Estimated total expenditure	Variance
Education	22 746 588	22 622 335	99.5%	22 622 335	124 253
Health	12 689 625	12 672 798	99.9%	12 672 798	16 827
Social Development	1 473 666	1 452 851	98.6%	1 452 851	20 815
Sport, Arts & Culture	167 450	165 882	99.1%	165 882	1 568
Safety & Security	80 496	72 660	90.3%	72 660	7 836
Prerenter	348 471	340 862	97.8%	340 862	7 609
CoGHSTA	947 769	942 449	99.4%	942 449	5 320
Legislature	277 311	273 323	98.6%	273 323	3 988
Public Works, Roads and Infrastructure	1 894 656	1 607 236	84.8%	1 607 236	287 420
Provincial Treasury	364 215	346 304	95.1%	346 304	17 911
Agriculture	1 307 975	1 261 305	96.4%	1 261 305	46 670
Transport	1 501 006	1 412 641	94.1%	1 412 641	88 365
Econ Dev	1 147 675	1 110 318	96.7%	1 110 318	37 357
Total	44 946 903	44 280 964	98.5%	44 280 964	665 939

Provincial equitable share spending is R44.3 billion or 98.5 percent of the total adjusted budget of R44.9 billion. The highest percentage spending departments on equitable share are Health at 99.9 percent, Education at 99.5 percent and CoGHSTA at 99.4 percent. The lowest spending departments are Public Works, Roads and Infrastructure at R1.6 billion or 84.8 percent of the total budget of R1.9 billion. Regrettably all the departments underspent on equitable share allocation.

5.3. Conditional Grants spending

Table: 5.3 a. Conditional Grants (CG) Spending Performance

Conditional grant spending - Audited					
	Adjusted budget	Actual spending as at 31 March 2015	Actual spending as % of budget	Estimated total expenditure	Variance
Education	2 591 846	2 539 169	98.0%	2 539 169	52 677
Health	1 926 463	1 853 312	96.2%	1 853 312	73 151
Social Development	2 772	2 749	99.2%	2 749	23
Sport, Arts & Culture	156 572	118 491	75.7%	118 491	38 081
CoGHSTA	827 747	583 021	70.4%	583 021	244 726
Public Works, Roads and Infrastructure	1 180 631	1 180 631	100.0%	1 180 631	-
Agriculture	297 153	294 097	99.0%	294 097	3 056
Transport	291 852	291 847	100.0%	291 847	5
Econ Dev	2 102	2 075	98.7%	2 075	27
Total	7 277 138	6 865 392	94.3%	6 865 392	411 746

The table above portrays an update on Provincial CG spending. The CGs' overall expenditure is at R6.8 billion or 94.3 percent of the total adjusted budget of R7.3 billion. The highest spending departments on CGs are Public Works, Roads and Infrastructure at 100.0 percent of the adjusted budget of R1.2 billion, Social Development at 99.2 percent of the total adjusted R2.7 million, Agriculture at 99.0 percent of the total budget of R297.1 million, Transport at 100 percent.

On the other hand, CoGHSTA is the lowest spending department on CGs at R583.10 million or 70.4 percent, followed by Sport at R118.5 million or 75.7 percent.

Table: 5.3 b. Limpopo Conditional Grant spending as at 28 February 2015.

Conditional grant spending 2014/15 financial year - Audited March 2015

Actual Payments as a % of main budget	Over/under spending	Provincial Actual Payments	Adjusted appropriation	
99.0%	3 056	294 097	297 153	Agriculture
98.8%	2 723	223 150	225 873	Comprehensive Agricultural Support Programme Grant
100.0%	1	46 061	46 062	Ilimaletsema Projects Grant
99.1%	142	14 898	15 040	EPWP incentive allocation
98.1%	190	9 988	10 178	Land Care Programme Grant
75.7%	38 081	118 491	156 572	Sport, Arts and Culture
99.0%	598	58 848	59 446	Mass Sport and Recreation Programme
97.9%	44	2 058	2 102	EPWP incentive allocation
60.6%	37 439	57 585	95 024	Community Library Services Grant
98.0%	52 677	2 539 169	2 591 846	Education
30.9%	21 475	9 610	31 085	HIV and Aids (Life Skills Education) Grant
101.1%	-4 597	409 101	404 504	Further Education and Training Colleges Grant
99.3%	6 711	984 442	991 153	National School Nutrition Programme Grant
98.9%	12 303	1 096 322	1 108 625	Infrastructure Grant
23.6%	8 662	2 678	11 340	Dinated! School grant
142.7%	-5 675	18 955	13 280	Social sector EPWP grant
0.0%	2 000	-	2 000	EPWP incentive allocation
60.5%	11 798	18 061	29 859	Technical Secondary Schools Recapitalisation Grant
96.2%	73 151	1 853 312	1 926 463	Health
96.4%	35 657	962 845	998 502	Comprehensive HIV and Aids Grant
0.0%	-	-	-	Infrastructure Grant
100.0%	-	116 206	116 206	Health Professions Training and Development Grant
99.9%	3	2 086	2 089	EPWP incentive grant
99.9%	3	2 577	2 580	EPWP (social sector)
93.2%	522	7 178	7 700	Health insurance grant
92.1%	36 820	431 852	468 672	Hospital Revitalisation Grant
100.0%	146	330 568	330 714	National Tertiary Services Grant
70.4%	244 726	583 021	827 747	Co-operate Governance , Human Settlements and Traditional Affairs
0.0%	-	-	-	Housing Disaster Management
0.0%	-	-	-	Disaster : Flood Damage
0.0%	-	-	-	Integrated Housing & Human Settlements Development Grant
70.6%	242 582	582 461	825 043	Human Settlement Development (flood repair)
100.0%	-	560	560	Earmarked additions for the FF mining towns
0.0%	-	-	-	Thabazimbi
0.0%	-	-	-	Greater Tubatse
0.0%	-	-	-	Elias Motsaledi
0.0%	-	-	-	Lephatale
0.0%	-	-	-	Fetakgomo
0.0%	-	-	-	Housing Disaster Management
0.0%	2 144	-	2 144	EPWP incentive allocation
100.0%	-	1 180 631	1 180 631	Public Works , Roads and Infrastructure
0.0%	-	-	-	Devotion of Property Rate Funds Grant
0.0%	-	1 173 861	1 173 861	Prov. Roads Maintenance grant
100.0%	-	6 770	6 770	EPWP incentive grant
98.7%	27	2 075	2 102	Economic Development
98.7%	27	2 075	2 102	EPWP incentive grant
99.2%	23	2 749	2 772	Social Development
99.2%	23	2 749	2 772	EPWP incentive grant
100.0%	5	291 847	291 852	Transport
0.0%	-	-	-	Transport Disaster Management
0.0%	-	-	-	Infrastructure Grant
0.0%	-	-	-	EPWP incentive grant
100.0%	5	291 847	291 852	Public Transport Operations Grant
94.3%	411 746	6 865 392	7 277 138	Total

5.3.1. Agriculture

The department has spent R294.1 million or 99.0 percent of the total budget of R297.1 million. Under expenditure was due to slow deliveries and failure by IDT to get contractors to finalize the projects.

- **Letsema** – spent R46.1 million or 100.0 percent.
- **Land care** – spent R9.9 million or 98.1 percent.
- **CASP** – spent R223.1 million or 98.8 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CGs' expenditure of R118.5 million or 75.7 percent. Under expenditure was mainly due to non filling of vacant posts in both Library and Mass Sport Participation grants, delays in the procurement of office, desktop printing equipment and office furniture for community libraries budgeted at R5.3 million and late appointment of additional security guards for the newly built libraries budgeted for R6 million.

- **Community Library Services** - - spent R57.6 million or 60.6 percent. Slow moving building infrastructure for the two (2) rolled over 2013/14 new libraries, i.e. Nzhelele and Phokoane budgeted at R12.8 million. There were disputes between the contractors and the implementing agents over site drawings which contributed to the slow progress on both sites.

- **Mass Sport** - spent R58.8 million or 99.0 percent.
- **EPWP** spent R2.1 million or 97.9 percent. Delays in the procurement of suitable service provider for the thatching of roofs and painting Schoemansdal and Dzata museums through the EPWP grant.

5.3.3. Education

Overall spending by the department is at R2.5 billion or 98.0 percent of the total budget of R2.6 billion.

- **HIV and Aids** – spent R9.6 million or 30.9 percent due to procurement process for some goods and services were not concluded.
- **Further Education and Training** – spent R409.1 million or 101.1 percent. Overspent by R4.6 million or 1.0 percent. The deficit is recoverable from the colleges concerned.
- **National School Nutrition Programme** – spent R984.4 million or 99.3 percent.
- **Infrastructure grant** – spent R1.1 billion or 98.9 percent. The underspending was due to vacant posts under infrastructure which led to underspending under CoE.
- **Infrastructure grants** (flood damaged) – spending in incorporated under the Infrastructure grant.
- **Dinaledi School** – spent R2.7 million or 23.6 percent of the total budget of R11.3 million. Under spending was due to procurement process for some goods and services which did not materialize.
- **EPWP** (Social sector) – spent R18.9 million or 142.7 percent.
- **EPWP** (incentive allocation) – No spending.
- **Technical Secondary School** – spend R18.1 million or 60.4 percent. Procurement of some goods and services did not materialize.

5.3.4. Health

The overall spending on CG is R1.8 billion or 96.2 percent of the total budget of R1.9 billion. The highest percentage spending grant is HPTD grant at R116.2 million or 100 percent, and National Tertiary Services at R330.6 million or 100.0 percent.

- **HIV and Aids** – spent R962.8 million or 96.4 percent. The underspending in HIV and AIDS conditional grant is due to Condoms that could not be delivered timeously by suppliers due to limited production output by manufacturers.
- **HPTD** – spend R116.2 million or 100 percent. The high expenditure is due to once off payment of bursaries.
- **EPWP (incentive grant)** spent R2.1 million or 99.9 percent.
- **Hospital Revitalization grant** – spent R431.8 million or 92.1 percent. The Health Facility Revitalisation Grant underspending is the amount that was transferred to Public entities to assist in delivering infrastructure projects and equipment but could not be finalized as at the end of the 2014/15 financial year.
- **National Tertiary Services** – spent R330.5 million or 100 percent.

5.3.5. Transport

Overall spending is at R291.8 million or 100 percent of the total adjusted budget of R291.8 million under the Public Transport Operation grant.

5.3.6. Public Works, Roads and Infrastructure

The department CGs recorded spending of R1.1 billion or 100 percent of the adjusted budget of R1.1 billion.

5.3.7. Social Development

Spending by the department is at R2.7 million or 99.2 percent.

5.3.8. COGHSTA

The department spent R583.0 million or 70.4 percent of the total budget of R827.7 million. The department underspent its CG by an amount of R244.7 million. The underspending is due to late appointment of contractors.

6. Provincial Own Receipts per vote

6.1 The table below reflects Own Provincial Revenue Receipts as at 31 March 2015

Departments (Votes)	Main appropriation	Adjusted Estimates	Projections to March 2015	Projections as % of budget	Actual to March 2015	Actual collection as % of the budget	Over / Under Collection	Budget 2013/14	Actual to previous yr	Actual to March 2015	Actual collection as % of the budget
Office of the Premier	658	720	720	100.0%	1,069	148.5%	349	654	1,369	209.3%	
Provincial Legislature	249	144	144	100.0%	189	131.0%	45	257	176	68.5%	
Education	50,704	52,164	52,164	100.0%	38,192	73.2%	-13,972	44,612	40,179	90.1%	
Agriculture	8,497	8,497	8,497	100.0%	7,419	87.3%	-1,078	9,316	5,050	54.2%	
Provincial Treasury	143,731	214,576	214,576	100.0%	299,231	139.5%	84,655	137,090	190,996	139.3%	
Economic Development	84,825	139,377	139,377	100.0%	146,421	105.1%	7,044	77,506	97,576	125.9%	
Health	135,572	140,850	140,850	100.0%	137,643	97.7%	-3,207	120,708	121,559	100.7%	
Transport	402,208	402,208	402,208	100.0%	397,771	98.9%	-4,437	356,456	349,982	98.2%	
Public Works	35,698	420,356	420,356	100.0%	382,482	91.0%	-37,874	28,797	27,625	95.9%	
Safety & Security	77	170	170	100.0%	254	149.4%	84	82	363	442.7%	
Co-operative governance	2,925	2,925	2,925	100.0%	3,135	107.2%	210	2,500	4,560	182.4%	
Social Development	2,637	5,182	5,182	100.0%	6,889	132.9%	1,707	2,511	3,831	152.6%	
Sport, Arts & Culture	921	1,948	1,948	100.0%	1,682	86.4%	-266	910	1,108	121.8%	
Total provincial receipts	868,702	1,389,117	1,389,117	100.0%	1,422,377	102.4%	33,260	781,399	844,374	108.1%	

The original provincial own revenue target for 2014/15 financial year is R868.7 million and it has been adjusted upward to R1 389.1 billion. To date, an amount of R1,422 billion or 102.4 percent has been collected against the adjusted target of R1 389.1 billion. In overall, there is an over collection of R33.3 million or 2.4 percent which is influenced mainly by Provincial Treasury on interest earned from bank balances and Department of Economic Development on more revenue generated from Public Entities. The collection is above that of the previous corresponding period of R844.3 million.

Seven (7) votes collected more than their revised annual budget:

6.1.1 Office of the premier (Target R0,720 million)

The Office has collected R1,069 million or 148.5 percent against the revised target of R0,720 million. The over collection is mainly on interest received and recovery of debts due improved implementation of debt recovery plan. Collection is 60.8 percent less than that of the previous corresponding period of 209.3 percent.

6.1.2 Provincial Legislature (Target R0,144 million)

The Provincial Legislature has collected R0,189 million or 131.0 percent compared to the revised budget of R0,144 million. Over collection is influenced by sale of tender documents that collected 182.0 percent more than the annual target. Collection is more than that of the previous corresponding period of R1,369 million.

6.1.3 Provincial Treasury (Target R214.6 million)

Collection is currently at R299.2 million or 139.5 percent against the revised target of R214.6 million. The over collection of 84.7 percent is due to interest earned on favourable bank balances. Collection is 0.2 percent more than that of the previous corresponding period of R190.9 million or 139.3 percent.

6.1.4 Economic Development (Target R139.4 million)

As at 31 March 2015 the department collected R146.4 million or 105.1 percent compared to the adjusted budget amount of R139.4 million. The over collection of R7.0 million or 4.5 percent is mainly attributed to management fees being own revenue from public entities, horse racing taxes due to improved sporting activities in the gambling industry as well as proceeds on auction sale of wild animals which exceeded its target by R3.8 million. Collection is more than that of the previous corresponding period of R97.6 million.

6.1.5 Safety, Security and Liaison (Target R0,170 million)

The vote has collected an amount of R0,254 million or 149.4 percent against the adjusted budget of R0,170 million. The over collection is influenced by commission on insurance and recovery of outstanding debts. Collection is far less than that of the previous corresponding period of R0,363 million.

6.1.6 Co-operative Governance (Target R2.9 million)

As at 31 March 2015, the department collected R3.1 million or 107.2 percent against the adjusted budget of R2.9 million. An over collection of 7.2 percent is mainly on financial transactions – surrender of R0.324 million by Elias

Motsoaledi Municipality that was not spent in 2005/06 financial year for Peoples Housing Project. Collection is less than that of the previous corresponding period of R4.5 million.

6.1.7 Social Development (Target R5.2 million)

Collection as at 31 March 2015 is R6.9 million or 132.9 percent against the adjusted budget of R5.2 million. More collection is due to more proceeds on auction sales and the recovery of outstanding debts. Collection is more than that of the previous corresponding period of R3.8 million.

Six (6) votes collected less than their revised target.

6.1.8 Education (Target R52.2 Million)

The department collected R38.2 million or 73.2 percent against the adjusted budget of R52.2 million. The under collection is mainly on rental dwelling and financial transactions which is attributed to delays in transfer of college account fees into the PMG account (closure of college accounts) as well as poor recovery of debts.

6.1.9 Agriculture (Target R8.5 million)

Collection as at 31 March 2015 is R7.4 million or 87.3 percent against the revised budget of R8.5 million. Less collection is mainly on tuition and boarding fees as well as sale of capital assets to the value of R1.1 million collected but not yet accounted for by the department. Collection is above that of the previous corresponding period R 5.1 million or 54.2 percent.

6.1.10 Health (Target R140.9 million)

As at 31 March 2015, the department collected R137.6 million or 97.7 percent compared to the revised target of R140.9 million. The under collection of R3.2 million is mainly attributed to patient fee that under-collected by R11.9 million because of the late appointment of Road Accident Fund debt collectors. Collection is 3.6 percent less than that of the previous corresponding period of 100.7 percent.

6.1.11 Transport (Target R402.2 Million)

Department of Transport has collected R397.8 million or 98.9 percent against the revised budget of R402.2 million. The slight under collection of 1.1 percent is mainly on motor vehicle licences, traffic fines and sale of capital assets because of non-transfer of apportionment fee by some municipalities, delay in the appointment of staff to man the back-up office for administration of traffic fines and transfer of some heavy duty assets earmarked for auction to Public Works during configuration processes respectively.

6.1.12 Public Works, Roads & Infrastructure (Target R420.4 million)

As at 31 March 2015 the department collected R382.5 million or 91.0 percent against the adjusted target of R420.4 million. Collection is below by R37.9 million mainly due to delays in transfer of own revenue collected from RAL by Department of Transport, poor collection of rental dwelling by defaulting tenants and partial

implementation of the R900,00 rental fee. Collection is above that of the previous corresponding period of R27,6 million.

6.1.13 Sport, Arts and Culture (Target R1,9 million)

As at 31 March 2015 the department collected R1,7 million or 86,4 percent against the revised budget of R1,9 million. Under collection is mainly on entrance fees due to poor revenue management of Mapungubwe Arts Festival. Collection is 35,4 percent less than that of the previous corresponding period of 121,8 percent.

Provincial Own revenue per economic classification

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Projections to March 2015	Projections as % of budget	Actual to March 2015	Actual collection as % of the budget	Over / Under Collection	Budget 2013/14	Actual to previous yr	Actual to March 2015
Tax receipts	373,159	371,960	371,960	100,0%	358,874	96,5%	-13,086	325,264	318,909	98,0%
Sales of goods and services other than capital assets	258,144	266,100	266,100	100,0%	240,429	90,4%	-25,671	226,211	215,722	95,4%
Transfers received from:	-	-	-	-	-	0	0	2,000	2,000	95,4%
Fines, penalties and forfeits	50,089	52,901	52,901	100,0%	50,109	94,7%	-2,792	47,748	43,104	90,3%
Interest, dividend and rent on land	142,741	218,090	218,090	100,0%	298,359	136,8%	80,269	135,429	196,543	145,1%
Sales of capital assets	13,046	19,397	19,397	100,0%	18,810	97,0%	-587	15,502	28,034	180,8%
Revenue financial assets	31,523	460,669	460,669	100,0%	455,795	98,9%	-4,874	31,245	40,062	128,2%
Total departmental receipt	868,702	1,389,117	1,389,117	100,0%	1,422,377	102,4%	33,260	781,399	844,374	108,1%

6.1.14 Tax receipts (Target R372,0 million)

An amount equal to R358,9 million or 96,5 percent has been collected to date from Tax receipts, as compared to the adjusted budget of R372,0. The under collection of R13,1 million or 3,5 percent is attributed to the department of Transport because of outstanding R57,8 million on motor vehicle licence fees owed by municipalities.

6.1.15 Sale of goods & services non capital assets (Target R266,1 million)

As at 31 March 2015 collection is R240,4 million or 90,4 percent against the adjusted budget of R266,1 million. The under collection of R25,7 million is mainly influenced by poor collection of rental dwelling and partial implementation of R900 rental fee by the department of Public Works, as well as patient fees by the department of Health because of slow recovery of debts, late appointment of debt collectors and delays in the introduction of Electronic Data Interchange for medical aid debt collection.

6.1.16 Fines, penalties and forfeits (Target R52,9 million)

Fines, penalties and forfeits collected R50,1 million or 94,7 percent against adjusted budget of R52,9 million. The under collection is as a result of delay by the department to appoint staff for the administration of the back office as per the revenue enhancement project.

6.1.17 Interest, dividend and rent on land (Target R218,1 million)

Collection as at 31 March 2015 is R298,4 million or 136,8 percent against the revised budget of R218,1 million. Over collection of R80,2 million is influenced by more interest earned on favourable provincial bank balances recorded by Provincial Treasury.

Gavin Pratt CA (SA)
 HOD: Provincial Treasury

8/9/2015
 Date

The provincial departments spent 94.3 percent or R6.8 billion on conditional grants. The spending has improved by 8.1 percent compared to previous spending of 86.2 percent. The own revenue collected by the Limpopo Province as at end of March 2015 is at R1.4 billion, which is 102.4 percent revised from the original budget of R868.7 million.

- Education – R539.0 million or 2.6 percent from Compensation of Employees
- Public Works, Roads and Infrastructure – R138.4 million or 21.2 percent on goods and services and R108.8 million or 39.3 percent payments for capital assets.
- Co-operative Governance, Human Settlements and Traditional Affairs – R2450.1 million mainly on the human settlement grant.

The Province under spends by R1.1 billion or 2.1 percent against the revised budget of R52.224 billion. The main contributors to the under spending amongst others are:

7. Conclusion

Collection as at 31 March 2015 amounts to R455.8 million or 98.9 percent against the adjusted budget of R460.7 million. The under collection is due to non-accounting of surrender of revenue from RAL by Public Works and poor recovery of previous year debts by Education.

6.1.19 Financial transactions in assets and liabilities (Target R460.7 million)

The item collected R18.8 million or 97.0 percent against a revised budget of R19.4 million. The under collection of 3.0 percent is influenced by Transport that only collected 36.8 percent of the targeted R7.9 million due to configuration of the departments resulting in some earmarked assets for auction being transferred to Public Works.

6.1.18 Sale of capital assets (Target R19.4 million)