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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 JULY 2015

1. Purpose

To provide National Treasury with a report on Provincial Revenue and Expenditure as at 31 July 2015.

2. Background

The Limpopo Provincial Treasury hereby submit the July 2015 Provincial revenue and expenditure report for the provincial government. Kindly note that this is 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 trend for the period under review is based on the July 2015 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analysed in terms of the projected expenditure, projected cash requests and 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 2015/16 financial year will be 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:-

- Persal 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.

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 during July 2015.

Departments	Opening Bank Balances at 01-Apr-15 R' 000	Cash Allocation 31-Jul-15 R' 000	Actual Expenditure 31-Jul-15 R' 000	Tranfers To Departments 31-Jul-15 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	508 149	8 162 384	7 980 863	7 991 439	181 521	2.2%	-10 576	-0.1%
Health	58 649	5 187 919	5 156 306	5 364 030	31 613	0.6%	-207 724	-4.0%
Social Development	30 358	456 566	347 952	342 316	108 614	23.8%	5 636	1.6%
Public Works	377 346	963 322	623 914	732 608	339 408	35.2%	-108 694	-17.4%
Agriculture	53 379	513 364	453 247	455 755	60 117	11.7%	-2 508	-0.6%
Roads & Transport	176 941	559 997	504 513	415 783	55 484	9.9%	88 730	17.6%
CoGSTHA	117 569	544 027	627 916	758 607	-83 889	-15.4%	-130 691	-20.8%
Sport, Arts & Culture	30 487	105 717	93 540	102 907	12 177	11.5%	-9 367	-10.0%
Safety & Security and Liaison	7 795	28 468	26 177	27 221	2 291	8.0%	-1 044	-4.0%
Office of the Premier	9 171	106 751	106 125	105 454	626	0.6%	671	0.6%
Provincial Legislature	4 321	103 917	120 335	124 546	-16 418	-15.8%	-4 211	-3.5%
Provincial Treasury	45 419	115 922	96 330	76 002	19 592	16.9%	20 328	21.1%
Economic Development, Environmental & Tourism	60 275	385 908	379 719	383 609	6 189	1.6%	-3 890	-1.0%
Total	1 479 859	17 234 262	16 516 937	16 880 277	717 325	4.2%	-363 340	-2.2%
Summary Per Fund								
Equitable Share		15 064 749	14 672 048	15 150 518	392 701	2.6%	-478 470	-3.3%
Conditional Grant		2 169 513	1 844 889	1 729 759	324 624	15.0%	115 130	6.2%
Total		17 234 262	16 516 937	16 880 277	717 325	4.2%	-363 340	-2.2%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R717.325 million or 4.2 percent. 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 R363.340 million or 2.2 percent more than actual expenditure. The reason for transferring more funds than was required is due to insufficient funds in some department to surrender 2014/15 unspent funds.

Interest Performance

INTEREST EARNED : 2015/16 FINANCIAL YEAR

R'000

Institution	2015/16												Total
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	
Commercial Bank (SBSA)	5 541	2 258	2 334	1 357									11 490
CPD (SA Reserve Bank)	14 442	22 676	21 254	20 934									79 306
Total	19 983	24 934	23 588	22 291	-	-	-	-	-	-	-	-	90 796

INTEREST EARNED : 2014/15 FINANCIAL YEAR

R'000

Institution	2014/15												Total
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
Commercial Bank (SBSA)	5 264	2 061	2 772	2 359									12 456
CPD (SA Reserve Bank)	12 273	22 140	18 899	25 180									78 492
Total	17 537	24 201	21 671	27 539	-	-	-	-	-	-	-	-	90 948

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 decrease from R90.948 million in 2014/15 to R90.796 million for 2015/16. Interest earned in the CPD account alone grew from R78.492 million to R79.306 million.

5. Provincial overall expenditure as at 31 July 2015

The overall provincial spending as at 31 July 2015 amounts to R16.5 billion or 31.3 percent of the total budget of R52.7 billion. Previous year spending was at R15.5 billion or 30.1 percent of the budget of R51.5 billion which present a 1.2 percent increase. The highest spending departments are Health, Legislature and Economic Development at 34.9 percent, 45.8 percent and 32.7 percent respectively.

Table 5.1: Provincial overall expenditure as at 31 July 2015

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jul 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand									
Education	25 284 705	25 284 705	25 284 705	25 284 705	7 980 863	31.6%	-	-	0.0%
Health	14 754 136	14 754 136	14 754 136	15 486 331	5 156 306	34.9%	-732 195	-	-5.0%
Social Development	1 537 757	1 537 757	1 537 757	1 537 757	347 952	22.6%	-	-	0.0%
Public Works, Roads And Infrastructure	2 749 756	2 749 756	2 749 756	2 749 756	623 914	22.7%	-	-	0.0%
Agriculture	1 697 131	1 697 131	1 697 131	1 697 131	453 247	26.7%	-	-	0.0%
Transport	1 838 898	1 838 898	1 838 898	1 838 900	504 513	27.4%	-2	-	0.0%
Co-Operative Governance Human Settlements	2 269 327	2 269 327	2 269 327	2 269 327	627 916	27.7%	-	-	0.0%
Sport, Arts And Culture	345 324	345 324	345 324	360 362	93 540	27.1%	-15 038	-	-4.4%
Safety, Security And Liaison	90 354	90 354	90 354	88 028	26 177	29.0%	-	2 326	2.6%
Office Of The Premier	352 150	352 150	352 150	352 150	106 125	30.1%	-	-	0.0%
Provincial Legislature	262 688	262 688	262 688	264 324	120 335	45.8%	-1 636	-	-0.6%
Provincial Treasury	385 180	385 180	385 180	384 679	96 330	25.0%	-	501	0.1%
Economic Development, Environment And Tourism	1 160 813	1 160 813	1 160 813	1 160 813	379 719	32.7%	-	-	0.0%
Total	52 728 219	52 728 219	52 728 219	53 474 263	16 516 937	31.3%	-748 871	2 827	-1.4%
Economic classification						Net	-746 044		
Current payments	45 384 186	45 384 186	45 384 186	45 889 185	14 291 999	31.5%	-504 999	-	-1.1%
Compensation of employees	38 426 999	38 426 999	38 426 999	38 532 414	12 201 593	31.8%	-105 415	-	-0.3%
Goods and services	6 956 771	6 956 771	6 956 771	7 356 355	2 090 004	30.0%	-399 584	-	-5.7%
Interest and rent on land	416	416	416	416	402	96.6%	-	-	0.0%
Transfers and subsidies	5 626 940	5 626 940	5 626 940	5 645 176	1 625 964	28.9%	-18 236	-	-0.3%
Payments for capital assets	1 717 093	1 717 093	1 717 093	1 939 810	598 882	34.9%	-222 717	-	-13.0%
Payments for financial assets	-	-	-	92	92	-	-92	-	-
<i>of which: NPNC</i>	<i>12 584 127</i>	<i>12 584 127</i>	<i>12 584 127</i>	<i>13 002 039</i>	<i>3 716 462</i>	<i>29.5%</i>	<i>-417 912</i>	<i>-</i>	<i>-3.3%</i>
Total	52 728 219	52 728 219	52 728 219	53 474 263	16 516 937	31.3%	-746 044	-	-1.4%
						Net	-746 044		

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The lowest spending department is Public Works, Roads and Infrastructure, Social Development and Treasury at 22.7 percent, 22.6 percent and 25.0 percent respectively. Most of the expenditure is incurred under Compensation of Employees (CoE) which is at 31.8

percent against the straight line projection of 33.2 percent. The CoE spending is low due to implementation of SMS improvement in condition implemented in the month of August.

The Province is projecting to overspend by R746.0 million or 1.4 percent as follows:

- CoE – R105.4 million or 0.3 percent
- Goods and Services - R399.6 million or 5.7 percent
- Transfers and subsidies – R18.2 million or 0.3 percent
- Payment for Capital Assets – R222.7 million or 13 percent

The projected overspending is mainly under the department of Health on ICS implementation, payment of accruals, repair of emergency equipment, transfers to NGO's and payments for capital assets due to improvement in contract management.

5.1. Spending per Economic Classification

5.1.1 Compensation of Employees

Table: 5.1.1. Compensation of Employees

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jul 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	21 515 773	-	21 515 773	21 515 773	21 515 773	6 706 824	31.2%	-	-	0.0%
Health	11 166 905	-	11 166 905	11 166 905	11 275 231	3 642 877	32.6%	-108 326	-	-1.0%
Social Development	764 629	-	764 629	764 629	764 629	267 983	35.0%	-	-	0.0%
Public Works , Roads and Infrastructure	969 610	-	969 610	969 610	969 610	300 659	31.0%	-	-	0.0%
Agriculture	1 076 175	-	1 076 175	1 076 175	1 076 175	338 873	31.5%	-	-	0.0%
Transport	748 761	-	748 761	748 761	748 761	249 607	33.3%	-	-	0.0%
Co-Operative Governance Human Settlement	809 026	-	809 026	809 026	809 026	277 074	34.2%	-	-	0.0%
Sport,Art And Culture	149 422	-	149 422	149 422	149 324	45 634	30.5%	-	98	0.1%
Safety,Security And Liason	63 146	-	63 146	63 146	60 820	19 088	30.2%	-	2 326	3.7%
Office of the Premier	256 909	-	256 909	256 909	256 909	79 405	30.9%	-	-	0.0%
Legislature	150 651	-	150 651	150 651	150 519	48 359	32.1%	-	132	0.1%
Treasury	278 126	-	278 126	278 126	277 772	74 298	26.7%	-	354	0.1%
Economic Development	477 865	-	477 865	477 865	477 865	150 912	31.6%	-	-	0.0%
Total	38 426 998	-	38 426 998	38 426 998	38 532 414	12 201 593	31.8%	-108 326	2 910	-0.3%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-105 416		

The overall CoE spending is at R12.2 billion or 31.8 percent. The provincial spending is below the straight line projection of 33.2 percent. The highest percentage spending departments are Social Development, CoGHSTA and Health at 35.0 percent, 34.2 percent and 32.2 percent respectively. The Department of Health project to overspend by R108.3 million or 1.0 percent while Safety and Security project to underspend its budget by R2.3 million or 3.7 percent, Legislature and Treasury are projecting to underspend by R0.132 million or 0.1 percent and R0.354 million or 0.1 percent.

The spending on CoE will improve after the payment of arrears to SMS members on condition of services which was paid in August.

The underspending is largely due to:-

- Safety, Security and Liaison – R2.3 million or 3.7 percent due to non-filling of sixteen vacant budgeted posts which will be advertised in August 2015,
- Sport, Arts and Culture – R0.098 million or 0.1 percent of the allocated budget due to non-filling of vacant funded positions,
- Legislature – R0.132 million or 0.1 percent due to the budgeted annual salary increase which is not yet implemented because the negotiation process is still on,
- Treasury - R0.354 million or 0.1 percent due to delay in filling of funded vacant posts.

5.1.2. Goods and Services

Table: 5.1.2. Goods and Services

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jul 2015	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 897 022	-	1 897 022	1 897 022	1 897 022	410 213	21.6%	-	-	0.0%
Health	2 844 906	-	2 844 906	2 844 906	3 230 385	1 108 300	39.0%	-385 479	-	-13.5%
Social Development	202 888	-	202 888	202 888	202 888	68 113	33.6%	-	-	0.0%
Public Works, Roads and Infrastructure	668 450	-	668 450	668 450	667 718	127 967	19.1%	-	732	0.1%
Agriculture	378 834	-	378 834	378 834	378 834	88 597	23.4%	-	-	0.0%
Transport	218 001	-	218 001	218 001	218 003	68 622	31.5%	-2	-	0.0%
Co-Operative Governance Human Settlements And	163 537	-	163 537	163 537	163 146	53 664	32.8%	-	391	0.2%
Sport, Art And Culture	144 940	-	144 940	144 940	159 236	33 542	23.1%	-14 296	-	-9.9%
Safety, Security And Liaison	26 284	-	26 284	26 284	26 284	6 928	26.4%	-	-	0.0%
Office of the Premier	82 787	-	82 787	82 787	82 787	24 525	29.6%	-	-	0.0%
Legislature	41 527	-	41 527	41 527	43 253	15 534	37.4%	-1 726	-	-4.2%
Treasury	94 076	-	94 076	94 076	93 768	18 639	19.8%	-	308	0.3%
Economic Development	193 520	-	193 520	193 520	193 031	65 360	33.8%	-	489	0.3%
Total	6 956 772	-	6 956 772	6 956 772	7 356 355	2 090 004	30.0%	-401 503	1 920	-5.7%
							Net	-399 583		

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The overall spending on Goods and Services is at R2.1 billion or 30.0 percent of the total allocated budget of R6.9 billion. The province projects to overspend by R399.6 million mainly in Health, Sport, Arts and Culture and Legislature at R385.5 million or 13.5 percent, R14.3 million or 9.9 percent and R 1.7 million or 4.2 percent respectively due to:

- Health – R385.5 million or 13.5 percent due Payments of emergency repairs and replacement of mechanical equipment completed and certified by the DBSA to the value of R177 million from equitable share, payment of accruals to the value of R218 million, shortfall on the budget for key accounts, non-negotiables and maintenance of UV lights at a cost of R52 million which has commenced in July 2015.
- Sport, Arts and Culture – R14.3 million or 9.9 percent due to budget pressures on rental of office building, security, water and electricity.
- Legislature – R1.7 million or 4.2 percent due to payment of audit fees.

5.1.3. Transfers and subsidies

The province spent R1.6 billion or 28.9 percent of the total budget of R5.6 billion on Transfers and subsidies. The province is projecting to overspend by R18.2 million under the department of Health, Public Works, Roads and Infrastructure, CoGHSTA, Sport, Arts and Culture, Legislature and Provincial Treasury. The amounts are committed on bursaries for the department of Health and payment of committed leave gratuity for 2014/15 in Sport, Arts and Culture.

Table: 5.1.3 Transfers and subsidies

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jul 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	1 085 121	-	1 085 121	1 085 121	1 085 121	495 141	45.6%	-	-	0.0%
Health	509 798	-	509 798	509 798	525 947	260 635	51.1%	-16 149	-	-3.2%
Social Development	496 709	-	496 709	496 709	496 709	7 481	1.5%	-	-	0.0%
Public works, Roads and Infrastructure	753 510	-	753 510	753 510	754 150	138 846	18.4%	-640	-	-0.1%
Agriculture	168 468	-	168 468	168 468	168 468	19 168	11.4%	-	-	0.0%
Transport	752 395	-	752 395	752 395	752 395	181 105	24.1%	-	-	0.0%
Co-Operative Governance Human Settlements	1 295 909	-	1 295 909	1 295 909	1 296 114	296 147	22.9%	-205	-	0.0%
Sport, Art And Culture	8 562	-	8 562	8 562	9 402	3 626	42.3%	-840	-	-9.8%
Safety, Security And Liaison	574	-	574	574	574	37	6.4%	-	-	0.0%
Office of the Premier	10 229	-	10 229	10 229	10 229	1 977	19.3%	-	-	0.0%
Legislature	58 522	-	58 522	58 522	58 564	56 301	96.2%	-42	-	-0.1%
Treasury	6 479	-	6 479	6 479	6 833	3 378	52.1%	-354	-	-5.5%
Economic Development	480 664	-	480 664	480 664	480 670	162 122	33.7%	-6	-	0.0%
Total	5 626 940	-	5 626 940	5 626 940	5 645 176	1 625 964	28.9%	-18 236	-	-0.3%
								Net	-18 236	

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The highest percentage spending departments are Provincial Treasury, Health and Education at 52.1 percent, 51.1 and 45.6 percent respectively.

The projected overspending in departments is due to:-

- Health – R16.1 million or 3.2 percent due to household's payments of bursaries that always takes place at the beginning of the financial year. The leave gratuity is dependent on resignations and attritions.
- Public Works, Roads and Infrastructure – R0.640 million or 0.1 percent due to payment of leave gratuity.
- CoGHSTA – R0.205 million due to payment of leave gratuity and expenditure on inauguration of traditional leaders.
- Sport, Arts and Culture - R0.840 million or 9.8 percent due to payment of leave gratuity.
- Legislature spent – R0.042 million 0.1 percent mainly for political party transfers.
- Treasury – R0.354 million or 5.5 percent due to payment of leave gratuity to retiring officials.

5.1.4. Payment for Capital Assets

The overall provincial expenditure on Payment for Capital Assets is at R598.9 million or 34.9 percent of the total budget of R1.7 billion. The highest percentage spending departments are CoGHSTA at 120.6 percent due to payment for the installation of fireworks in the department and procurement of computer equipment for newly appointed officials. Health at R144.5 million or 62.1 percent due to the payments of accruals of R17.7 million in Health Facility Revitalization grant, payment of certified work by the DBSA to the value of R177 million from equitable share. The Province projects to overspend by R222.9 million or 13.0 percent in Health.

The overall performance will improve in the second and third quarter as most departments are finalizing procurement process and delivery will be effected later.

Table: 5.1.4. Payment for Capital Assets

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jul 2015	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
R thousand										
Education	786 789	-	786 789	786 789	786 789	368 685	46.9%	-	-	0.0%
Health	232 527	-	232 527	232 527	454 768	144 494	62.1%	-222 241	-	-95.6%
Social Development	73 531	-	73 531	73 531	73 531	4 375	5.9%	-	-	0.0%
Public Works, Roads and Infrastructure	358 186	-	358 186	358 186	358 186	56 350	15.7%	-	-	0.0%
Agriculture	73 654	-	73 654	73 654	73 654	6 609	9.0%	-	-	0.0%
Transport	119 741	-	119 741	119 741	119 741	5 179	4.3%	-	-	0.0%
Co-Operative Governance Human Settlements And	855	-	855	855	1 041	1 031	120.6%	-186	-	-21.8%
Sport,Art And Culture	42 400	-	42 400	42 400	42 400	10 738	25.3%	-	-	0.0%
Safety,Security And Liason	350	-	350	350	350	124	35.4%	-	-	0.0%
Office of the Premier	2 225	-	2 225	2 225	2 225	218	9.8%	-	-	0.0%
Legislature	11 988	-	11 988	11 988	11 988	141	1.2%	-	-	0.0%
Treasury	6 500	-	6 500	6 500	6 306	15	0.2%	-	194	3.0%
Economic Development	8 348	-	8 348	8 348	8 831	923	11.1%	-483	-	-5.8%
Total	1 717 094	-	1 717 094	1 717 094	1 939 810	598 882	34.9%	-222 910	194	-13.0%
							Net	-222 716		

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

5.2. Equitable share spending

Provincial equitable share spending is at R14.7 billion or 31.9 percent of the total budget of R45.9 billion. The highest percentage spending departments on equitable share are Sport, Arts and Culture at 36.5 percent, Health at 35.5 percent and Legislature at 45.8 percent.

The lowest spending departments are Social Development at R347.9 million or 22.7 percent of the total budget of R1.5 billion and Public Works, Roads and Infrastructure and R431.6 million or 24.7 percent of budget of R1.7 billion.

Table 5.2.1. Equitable share spending

	Budget	Actual as at July 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	23 371 679	7 304 559	31.3%	16 067 120	23 371 679	-
Health	13 023 735	4 617 496	35.5%	9 138 433	13 548 853	(525 118)
Social Development	1 534 567	347 952	22.7%	1 186 615	1 534 567	-
Public Works , Roads and Infrastructure	1 747 874	431 610	24.7%	1 316 264	1 747 874	-
Agriculture	1 369 664	413 519	30.2%	956 145	1 369 664	-
Transport	1 540 600	433 598	28.1%	1 107 002	1 540 600	-
CoGHSTA	983 450	334 392	34.0%	649 060	983 452	(2)
Sport, Arts & Culture	167 709	61 197	36.5%	121 550	182 747	(15 038)
Safety & Security	90 354	26 177	29.0%	61 851	88 028	2 326
Office of the Premier	350 072	106 125	30.3%	243 947	350 072	-
Legislature	262 688	120 335	45.8%	143 989	264 324	(1 636)
Treasury	385 180	96 330	25.0%	288 850	385 180	-
Economic Development	1 158 331	378 758	32.7%	779 573	1 158 331	-
Total	45 985 903	14 672 048	31.9%	32 060 399	46 525 371	(539 468)

5.3. Conditional grants

The table below portrays an update on provincial CG spending. The CGs' overall expenditure is very low at R1.8 billion or 27.4 percent of the total budget of R6.7 billion. The highest spending departments on CGs are Health, Education and Economic Development at R538.8 million or 31.1 percent of the total budget of R1.7 billion, R676.3 million or 35.4 percent of the budget of R1.9 billion respectively and R0.961 million or 38.7 percent.

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

	Budget	Actual as at July 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	1 913 026	676 304	35.4%	1 236 722	1 913 026	-
Health	1 730 401	538 810	31.1%	1 191 592	1 937 478	(207 077)
Social Development	3 190	-	0.0%	3 190	3 190	-
Public Works , Roads and Infrastructure	1 001 882	192 304	19.2%	809 578	1 001 882	-
Agriculture	327 467	39 728	12.1%	287 739	327 467	-
Transport	298 298	70 915	23.8%	227 383	298 298	-
CoGHSTA	1 285 877	293 524	22.8%	992 353	1 285 877	-
Sport, Arts & Culture	177 615	32 343	18.2%	145 272	177 615	-
Safety & Security	2 078	-	0.0%	2 078	2 078	-
Economic Development	2 482	961	38.7%	1 521	2 482	-
Total	6 742 316	1 844 889	27.4%	4 897 428	6 949 393	(207 077)

Table: 5.3 b. Limpopo Conditional Grant spending as at 31 July 2015

R thousand	Main Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
Agriculture	327 467	39 728	12.1%
Comprehensive Agricultural Support Programme Grant	261 844	30 782	11.8%
Ilima/Letsema Projects Grant	50 337	7 458	14.8%
EPWP Incentive allocation	5 285	803	15.2%
Land Care Programme Grant	10 001	685	6.8%
Sport, Arts and Culture	177 615	32 343	18.2%
Mass Sport and Recreation Programme	63 459	9 190	14.5%
EPWP Incentive allocation	2 000	305	15.3%
Community Library Services Grant	112 156	22 848	20.4%
Education	1 913 026	676 304	35.4%
HIV and Aids (Life Skills Education) Grant	30 875	1 733	5.6%
National School Nutrition Programme Grant	1 030 799	297 620	28.9%
Infrastructure Grant	805 128	373 698	46.4%
Maths, Science and Technology	40 979	571	1.4%
Social sector EPWP grant	3 095	2 682	86.7%
EPWP Incentive allocation	2 150	-	0.0%
Health	1 730 402	538 810	31.1%
Comprehensive HIV and Aids Grant	1 056 976	273 876	25.9%
Nursing colleges	-	-	0.0%
Infrastructure Grant	-	-	0.0%
Health Professions Training and Development Grant	118 855	45 433	38.2%
EPWP Social Sector	20 650	5 155	25.0%
EPWP Incentive grant	2 000	24	1.2%
Health insurance grant	7 204	819	11.4%
Hospital Revitalisation Grant	194 255	112 934	58.1%
National Tertiary Services Grant	330 462	100 569	30.4%
Co-operate Governance , Human Settlements and Traditional Affairs	1 285 877	293 524	22.8%
Housing Disaster Management	-	-	0.0%
Disaster : Flood Damage	34 332	182	0.5%
Integrated Housing & Human Settlements Development Grant	1 249 545	293 342	23.5%
EPWP Incentive allocation	2 000	-	0.0%
Public Works	1 001 882	192 304	19.2%
Infrastructure Grant	994 762	190 815	19.2%
EPWP incentive grant	7 120	1 489	20.9%
Economic Development	2482	961	38.7%
EPWP Incentive grant	2482	961	38.7%
Social Develoment	3 190	-	0.0%
EPWP Incentive grant	3 190	-	0.0%
Safety and Security	2 078	-	-
EPWP Incentive grant	2 078	-	0.0%
Transport	298 298	70 915	23.8%
Public Transport Operations Grant	298 298	70 915	23.8%
Total	6 742 317	1 844 889	27.4%

5.3.1. Agriculture

The department has spent R39.7 million or 12.1 percent of the total budget of R327.5 million mainly under CASP.

- **CASP** - spent R30.8 million or 11.8 percent of the total budget of R261.8 million. Slow spending is due to poor planning for major projects under the grant.
- **Letsema** – spent R7.4 million or 14.8 percent of the total budget of R50.3 million. The underspending is due to delay in finalization of procurement plans. Procurement inputs only started in July due to seasonal nature of the programme. The department is currently awaiting delivery of R10 million production inputs.
- **Land care** – spent R0.685 million or 6.8 percent of the total budget of R10.0 million. This is due to delays in hiring the EPWP workers.

5.3.2. Sport, Arts and Culture.

The department recorded and overall CGs' expenditure of R32.3 million or 18.2 percent.

- **Community Library Services** - spent R22.8 million or 20.4 percent of the total budget of R112.1 million. Slow spending is due to late filling of 26 vacant funded library conditional grant contract workers which assumed duty as from June 2015.
- **Mass Sport** - spent R9.1 million or 14.5 percent of the budget of R63.4 million. Slow spending is due to the resignation of sport coordinators and non filling of Managers position for Competitive sport and Limpopo Sport Academy. The posts will be advertised during August 2015.
- **EPWP** - spent R0.305 million or 14.3 percent. Slow spending is due to late finalisation of contract for the workers and other administrative requirements.

5.3.3. Education

Overall spending by the department is at R676.3 million or 35.4 percent of the total budget of R1.9 billion.

- **HIV and Aids** – spent R1.7 million or 5.6 percent. The following contributed in under spending: - Delay in filling vacant and funded posts; Delivery of bedside screens which is ongoing; and Printing of LTSM to the value of R1.2 million which is not yet concluded.
- **National School Nutrition Programme** – spent R297.6 million or 28.9 percent. The grant provide feeding to learners. New tender has been advertised.
- **Infrastructure grant** – spent R373.7 million or 46.4 percent based on claims received from implementing agents.
- **Infrastructure grant** (flood damaged) – Spending reported under infrastructure grant.
- **Math, Science and Technology** – R0.571 or 1.3 percent. Camps for 966 learners were held in Capricorn, Vhembe, Mopani and Waterberg; Teachers are being trained on CAPS. Teachers are being trained in mathematics using the 1+4 model. Training of subject advisors on technical Maths and Technical Science has been done and plans underway to train teachers on CAPS for Technical subjects. Procurement of Laptops and Mathematics kits to the value of R20 million and R1 million respectively is in process.

- **EPWP (Social sector)** – spent R2.7 million or 86.7 percent. Most activities are scheduled for the second quarter.
- **EPWP (Incentive allocation)** – No spending. Expenditure on the grant is expected in September 2015. The department is busy identifying beneficiaries through Department of Public Works.

5.3.4. Health

The overall spending on CG is R369.5 million or 21.4 percent of the total budget of R1.7 billion.

- **HIV and Aids** – spent R273.9 million or 25.9 percent. Slow spending is due to delayed appointment of data capturers, implementation of scheduled trainings, and delivery of ARV invoices.
- **HPTD** – spent R45.4 million or 38.2 percent of the total budget of R118.8 million. The overspending is due to once off payment of bursaries.
- **EPWP (Social sector)** spend R5.1 million or 25.0 percent. The first tranche R2 million transfers to NPOs for a new project in process of being transferred in August 2015 after implementation was deemed feasible from August 2015 and no longer July 2015. Second tranche R1.8 million transfers for old projects postponed to August due to late implementation of projects in full.
- **EPWP (Incentive grant)** spent R0.024 million or 1.2 percent of the total budget of R2.0 million. The grant was withheld due to late submission of the Annual plan and will start spending in the second quarter.
- **Hospital Revitalization grant** – spent R112.9 million or 58.1 percent of the budget of R194.2 million. The high spending is due to the fact that department started 2015/16 financial year with a drastically reduced budget of R194 million against the following situation, accruals amounted to R25 million. Projects committed (multi-year projects and retentions), amounted to R437 million. A tranche of R35 million was paid to IDT for the implementation of Infrastructure projects.
- **National Tertiary Services** – spent R100.5 million or 30.4 percent of the total budget of R330.5 million. The underspending is due to an amount of R377.3 million for the procurement of first aid kit for community works not yet delivered.

5.3.5. CoGHSTA

The department spent R293.5 million or 22.8 percent of the total budget of R1.3 billion. This is far below the straight line projection of 33.2 percent. Low spending was mainly due to lack of materials, as well as relocation and replacement of beneficiaries.

5.3.6. Public Works, Roads and Infrastructure

- **Infrastructure grant** – spent R190.8 million or 19.2 percent of the budget of R994.8 million. The department did not transfer to RAL as the entity did not submit a request.
- **EPWP incentive grant** – spent R1.5 million or 20.9 percent of the total budget of R7.1 million. The department is in a process of appointing learnerships through the NYS programme.

Low spending was mainly due to the transfer to RAL which has not yet been done. An amount of R97.3 million was suppose to have been transferred but RAL has not submitted a fund request during the reporting period.

5.3.7 LEDET

The departments spent R0.961 million or 38.7 percent of the budget of R2.5 million.

5.3.8 Transport

Spent R70.9 million or 23.8 percent of the budget of R298.3 million. The spending is in line with the terms of the contract. Spending will have a month less.

6. Provincial Own Receipts

Table 6.1.: Provincial own revenue collection per vote as at 31 July 2015

REVENUE COLLECTION AS AT 31 JULY 2015											
Departments (Votes)	Main appropriation	Projections to July 2015	Projections as % of budget	Actual to July 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to July 2014	Actual collection as % of the budget
Office of the Premier	662	229	34,6%	757	114,3%	433	1 190	528	658	222	33,7%
Provincial Legislature	156	75	48,1%	141	90,5%	83	224	66	249	29	11,6%
Education	50 291	16 164	32,1%	15 607	31,0%	34 127	49 734	-557	50 704	11 971	23,6%
Agriculture	7 108	1 847	26,0%	4 009	56,4%	4 495	8 504	2 162	8 497	1 869	22,0%
Provincial Treasury	151 781	29 487	19,4%	93 736	61,8%	122 294	216 030	64 249	143 731	49 481	34,4%
Economic Development	131 737	31 695	24,1%	36 680	27,8%	108 364	145 044	4 985	84 825	54 441	64,2%
Health	150 131	37 879	25,2%	35 350	23,5%	114 781	150 131	-2 529	135 572	41 211	30,4%
Transport	423 666	122 192	28,8%	129 077	30,5%	294 589	423 666	6 885	402 208	115 486	28,7%
Public Works	54 599	18 017	33,0%	11 516	21,1%	36 663	48 179	-6 501	35 698	8 819	24,7%
Safety & Security	84	27	32,1%	29	34,9%	57	86	2	77	31	40,3%
Co-operative governance	2 663	479	18,0%	1 268	47,6%	1 616	2 884	789	2 925	1 197	40,9%
Social Development	2 867	813	28,4%	1 044	36,4%	2 054	3 098	231	2 637	592	22,4%
Sport, Arts & Culture	962	171	17,8%	121	12,6%	797	918	-50	921	355	38,5%
Total provincial receipts	976 707	259 075	26,5%	329 334	33,7%	720 353	1 049 687	70 259	868 702	285 704	32,9%

Original Provincial own revenue target for 2015/16 is R976.7 million. As at 31 July 2015 provincial own revenue collection is R329.3 million or 33.7 percent more than a projection of R259.0 million or 26.5 percent.

The Overall over collection is R70.3 million which is mainly contributed by Treasury and Transport due to more interests earned on bank balances and improved collection on motor vehicle licenses. The collection is higher than that of the previous corresponding period of R285.7 million or 32.9 percent.

6.1. Nine (9) Departments collected above their set monthly projections:

6.1.1. Office of the Premier (Target R0.662 Million)

The office collected R0.757 million or 114.3 percent compared to projections of R0.229 million or 34.6 percent. The over collection is due to sale of scraps, which was not projected and a once off recovery of interdepartmental debts amounting to R0.516 million from the previous year.

6.1.2. Provincial Legislature (Target R0.156 Million)

The Department collected R0.141 million or 90.5 percent compared to projections of R0.073 million or 46.8 percent. The over collection is due to recovery of debts from the previous years and sale of tender documents.

6.1.3. Agriculture (Target R7.1 Million)

As at 31st July 2015 the Department collected R4.0 million or 56.4 percent compared to projections of R1.8 million or 26.0 percent. Over collection is due to the transfer of boarding and tuition fees from the two agricultural colleges and proceeds from auction sale of capital assets from the previous year.

6.1.4. Provincial Treasury (Target R151.7 Million)

The Department collected R93.7 million or 61.8 percent compared to projections of R29.5 million or 19.4 percent. The over collection is due to more interest received on bank balances and proceeds from sale of capital assets from the previous financial year.

6.1.5. Economic Development (Target R131.7 Million)

The Department has collected R36.7 million or 27.8 percent against projections of R31.7 million or 24.1 percent. Over collection of R4.9 million is due to the surrender of unspent funds by LTA. Own revenue from public entities and gaming levies (LTA and LGB) which amounts to R8.1 million were not accounted for in July due to late transfers.

6.1.6. Transport (Target R423.6 Million)

The Department collected R129.0 million or 30.5 percent against set projections of R122.2 million or 28.8 percent. The over collection of R6.9 million is mainly due to improved collection on motor vehicle licenses and penalties. However, receipts amounting to R9.8million remain un-captured due to the non-availability and slow performance of BAS system. In addressing the backlog the department is capturing the receipts in Centurion where performance of BAS is reported to be efficient.

6.1.7. Safety, Security & Liaison (Target R0.084 Million)

The Department collected R0.029 million or 34.9 percent compared to projections of R0.027 million or 32.1 percent. The over collection is due to improvement on parking fees as a results of officials from the department of Transport.

6.1.8. Co-operative Governance (Target R2.7 Million)

Collection as at 31July 2015 is R1.3 million or 47.6 percent against set projections of R0.479 million or 18.0 percent. The over collection is mainly due the recovery of debts from the previous years. These debts emanates from Developers who failed to complete projects in the 2013/14 financial year, which was not projected for.

6.1.9. Social Development (Target R2.9 Million)

The Department collected R1.0 million or 36.4 percent against projections of R0.813 million or 28.4 percent due once off payment of shared service from SASSA, recovery of subsidized kilometers and the recovery of debts from non-governmental organizations.

Four (4) Departments collected below their projections

6.1.10. Education (Target R50.3 Million)

The Department collected R15.6 million or 31.0 percent compared to projections of R16.1 million or 32.1 percent. The under collection is due to backlog in capturing of receipts for tender documents for the school nutrition tender. The item was projected to collect R1.5 million and only R0.632 was recorded in the financial books. Un-captured receipts amount to R1.1million as at end July 2015.

6.1.11. Health (Target R150.1 Million)

The Department has collected R35.4 million or 23.5 percent compared to the projected amount of R37.9 million or 25.2 percent. The under collection is due to late billing of patients as a result of delays in capturing their records in the system as well as poor recovery of debts in particular RAF. Collection is expected to improve since the department is working on the clearing of unallocated receipts and that RAF debt collector is on site to ensure speedy lodgment and processing of claims.

6.1.12. Public Works, Roads and Infrastructure (Target R54.6 Million)

The Department collected R11.5 million or 21.1 percent compared to projections of R18.0 million or 33.0 percent. The under collection of R6.5 million is mainly due to less collection on rental dwelling and non-transfer of own revenue by RAL for four (4) months which amounts to R4.5 million. The entity is still to transfer unspent funds amounting to R118m from the previous financial year.

6.1.13. Sports, Arts & Culture (R0.962 Million)

The Department collected R0.121 million or 12.6 percent against set projections of R0.171 million or 17.8 percent. The under-collection is mainly due to less recovery of previous year debts.

6.2. Own revenue per economic classification

Table 6.2: Own Revenue per economic classification as at 30 June 2015

Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Projections to July 2015	Projections as % of budget	Actual to July 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to July 2014	Actual collection as % of the budget
Tax receipts	400 885	117 465	29,3%	122 094	30,5%	279 230	401 324	4 629	373 159	112 900	30,3%
Sales of goods and services other than capital assets	298 163	83 892	28,1%	70 972	23,8%	220 061	291 033	-12 920	258 144	70 292	27,2%
Transfers received from:	-	-	-	-	-	-	-	0	-	-	-
Fines, penalties and forfeits	52 605	16 017	30,4%	16 110	30,6%	36 775	52 885	93	50 089	12 505	25,0%
Interest, dividend and rent on land	153 803	33 602	21,8%	93 892	61,0%	123 945	217 837	60 290	142 741	49 549	34,7%
Sales of capital assets	16 683	1 890	11,3%	516	3,1%	16 438	16 954	-1 374	13 046	1 077	8,3%
Revenue financial assets	54 568	6 209	11,4%	25 750	47,2%	43 904	69 654	19 541	31 523	39 381	124,9%
Total departmental receipts	976 707	259 075	26,5%	329 334	33,7%	720 353	1 049 687	70 259	868 702	285 704	32,9%

6.2.1. Tax receipts (Target R400.9 million)

An amount of R122.1 million or 30.5 percent has been collected against projections of R117.5 million or 29.3 percent. The over collection of R4.6 million is mainly on motor vehicle license by Department of Transport where more vehicles licenses were renewed than anticipated.

6.2.2. Sale of goods & services non capital assets (Target R298.1 million)

As at 31 July 2015 collection is R70.9 million or 23.8 percent against projections of R83.9 million or 28.1 percent. Under collection of R12.9 million is mainly because of non-accounting of own revenue from public entities by LEDET and Public Works, partial implementation of R900 rental fee by Public Works as well as poor collection of debts under patients fees by Health.

6.2.3. Fines, penalties and forfeits (Target R52.6 million)

Fines, penalties and forfeits collected R16.1 million or 30.6 percent against projections of R16.0 million or 30.4 percent. The item collected in line with the projections.

6.2.4. Interest, dividend and rent on land (Target R153.8 million)

Collection as at 31 July 2015 is R93.9 million or 61.0 percent against set projections of R33.6 million or 21.8 percent. Over collection of R60.3 million is due to more interest earned on bank balances by Provincial Treasury.

6.2.5. Sale of capital assets (Target R16.7 million)

As at 31 July 2015 there is collection of R0.516 million or 3.1 percent against projections of R1.9 million or 11.3 percent. Collection is for sale of house by the Department of Public Works, sale of biological assets by the Department of Economic Development, Environment and Tourism and proceeds from previous year auction sale of capital assets by the Department of Agriculture.

6.2.6. Financial transactions in assets and liabilities (Target R54.6 million)

The item collected R25.8 million or 47.2 percent against projections of R6.2 million or 11.4 percent. Over collection is mainly due to the surrender of unspent funds by Economic Development.

7. Infrastructure Management

Table 7.1: Infrastructure Expenditure as at 30 June 2015

Infrastructure Expenditure Comparison as at 31 July year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
Education	997 599	1 098 625	805 128	172 121	112 685	328 265	17%	10%	41%
Agriculture	171 951	226 244	185 940	31 275	18 989	16 511	18%	8%	9%
LEDET	63 102	63 273	62 749	-	7 436	13 104	0%	12%	21%
Health	600 727	593 747	324 626	58 641	99 454	315 639	10%	17%	97%
Public Works, Roads & Infrastructure	51 502	59 439	2 171 423	5 333	5 333	288 906	10%	9%	13%
Transport*	1 903 808	1 769 577	89 304	240 885	261 069	845	13%	15%	1%
CoGHSTA	1 324 742	1 219 115	1 285 877	105 718	71 515	293 524	8%	6%	23%
Social Development	95 639	59 912	63 866	6 362	1 991	3 751	7%	3%	6%
Sport, Arts & Culture	22 500	26 000	43 000	2 369	2 214	3 725	11%	9%	9%
TOTAL	5 231 570	5 115 932	5 031 913	622 704	580 686	1 264 270	12%	11%	25%
Percentage									
Education	19%	21%	16%	28%	19%	26%			
Agriculture	3%	4%	4%	5%	3%	1%			
LEDET	1%	1%	1%	0%	1%	1%			
Health	11%	12%	6%	9%	17%	25%			
Public Works, Roads & Infrastructure	1%	1%	43%	1%	1%	23%			
Transport	36%	35%	2%	39%	45%	0%			
CoGHSTA	25%	24%	26%	17%	12%	23%			
Social Development	2%	1%	1%	1%	0%	0%			
Sport, Arts & Culture	0%	1%	1%	0%	0%	0%			
TOTAL	100%	100%	100%	100%	100%	100%			

*The Roads component used to be part of Transport

Infrastructure Expenditure comparison as at 31 July year-on-year

As at 31 July 2015, the Provincial Infrastructure expenditure stood at R1.2 billion. The total expenditure represents 25 percent of the Provincial infrastructure budget as at 31 July 2015.

The expenditure represented a move of 12 percent from the previous month.

The expenditure was supposed to be in the region of about R1.6 billion, which represents 33 percent of the total budget in terms of the norm. The province is 8 percent or R403 million below the straight line norm.

When compared to the previous month, all departments recorded movements, ranging from 2 percent by Social Development to 20 percent by Education. The only departments which did not record any movement were Transport and Sport, Arts and Culture.

All the departments had submitted their expenditure reports at the time of the compilation of the report.

All the departments, except for Transport and Sport, Arts and Culture recorded significant expenditure growth month-on-month:

- The Department of Cooperative Governance, Human Settlements and Traditional Affairs recorded the highest expenditure growth month-on-month. The expenditure for the month of July 2015 was R219 million, representing an increase of 296 percent against a cumulative expenditure of R74 million at the close of the first quarter of the financial year.
- The Department of Public Works, Roads and Infrastructure recorded the second highest expenditure growth month-on-month. The expenditure for the month of July 2015 was R164 million, representing an increase of 132 percent against a cumulative expenditure of R124.7 million at the close of the first quarter of the financial year.
- The Department of Agriculture grew its expenditure by R8.1 million or 97 percent against a cumulative expenditure of R8.3 million at the close of the first quarter of the financial year.
- The Department of Education grew its expenditure by R158 million or 93 percent against a cumulative expenditure of R170 million at the close of the first quarter of the financial year.
- The Department of Social Development grew its expenditure by R1.2 million or 47 percent against a cumulative expenditure of R2.6 million at the close of the first quarter of the financial year.
- The Department of Health grew its expenditure by R50.4 million or 19 percent against a cumulative expenditure of R265 million at the close of the first quarter of the financial year.
- LEDET grew its expenditure by R1.7 million or 16 percent against a cumulative expenditure of R11.3 million at the close of the first quarter of the financial year.
- There was no expenditure recorded for the Departments of Transport and Sport, Arts and Culture for the month of July 2015.

- The province grew its expenditure by R602 million or 91 percent against a cumulative expenditure of R661 million at the close of the first quarter of the financial year. The amount spent for the month of July 2015, which is R602 million is the biggest expenditure reported in the current financial year and it represents about 12 percent of the budget. If the trend was to be maintained, a projected over-expenditure of almost R1 billion or 21 percent would be a possibility. The expenditure for the month of July 2015 is above the monthly norm of 8 percent by 4 percent.

The departments with the assistance of both National and Provincial Treasury have uploaded the projects into the new web-based Infrastructure Reporting Model (IRM), the process was finalised by 15 June 2015. The National Treasury conducted a two days executive and champions training for Provincial Treasuries on the web based IRMs on 28 and 29 July 2015. Provincial Treasury officials have started supporting the departments and responding to issues raised by sectors. The Provincial Treasury had also nominated one official to be part of the National Task Team to deal with the gaps identified in the new web based IRM. The major challenge identified with regards the web-based IRM had to do with the internet connectivity across the departments in the province. As a result of these challenges the reporting for the current month under review was done manually.

The Provincial Infrastructure budget for the current financial year is as follows:

- Main appropriation: R5 billion (against the R5.1 billion appropriated for Financial Year 2014/15). This represents a decline of R84 million or 2 percent from the 2014/15 Financial Year.

The following are observed:

- The Provincial Infrastructure Budget is primarily funded by Conditional Grants, representing 80 percent of the entire budget. The failure to spend has a huge impact on the Provincial Infrastructure Budget and service delivery.
- The Provincial Infrastructure Expenditure for the current financial year (2015/16) compared to the two previous years (2013/14) and 2014/15) had improved significantly, though still below the straight line norm as at 31 July.
- The Provincial Infrastructure Expenditure as at 31 July is recorded as follows:
 - 12 percent - 2013/14
 - 11 percent - 2014/15
 - 25 percent - 2015/16
- All departments had poorly spent or have recorded low expenditure as at 31 July 2015, except for Health at 97 percent which is way above the norm and Education at 41 percent, which is also above the norm. The projects being implemented for the current financial year are at different stages and there is no way that they can be completed without funds being provided given the current spending, particularly for the Department of Health which had virtually exhausted its budget a mere 4 months into the financial year.

- The two departments, that is Education and Health project to overspend their infrastructure budgets by R271 million or 83 percent and R167 million or 21 percent, respectively.
- Over and under expenditure are not encouraged – the monthly projected expenditure for both the departments of Health and Education provided at the beginning of the financial year are not aligned to the current situation and more work needs to be done to address the situation.
- All the other departments' project to break-even as at July 2015. Provincial Treasury projects under-expenditure and ways are being sought to ease the likely pressure being observed at the departments of Health and Education and to address the probable under-expenditure by the other departments.

8. Conclusion

The overall provincial spending as at 31 July 2015 amounts to R16.5 billion or 31.3 percent of the total budget of R52.7 billion. Of the R16.5 billion total expenditure, R14.7 billion is on equitable share and R1.8 billion on Conditional grant. There is a noticeable increase on overall spending by 1.2 percent as compared to the same period during the previous year of which the overall expenditure was at R15.5 billion or 30.1 percent.

Infrastructure expenditure improved from 11 percent to 25 percent compared to the same period last year or from R580.7 million to R1.3 billion. Provincial own revenue collected also improved from projected collection of 26.5 percent or R259.0 million to 33.7 percent or R329.3 million.



Gavin Pratt CA (SA)
HOD: Provincial Treasury



Date