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## **LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 MARCH 2016 (PRELIMINARY)**

### **1. Purpose**

To submit to the National Treasury a preliminary report on Limpopo Provincial Revenue and Expenditure as at 31 March 2016.

### **2. Background**

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 March 2016 in line with chapter 5, section 40 (4) (c) (i) – (iii) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act 29 of 1999. The Act requires the designated accounting officers of departments to submit to the provincial treasury, information on actual revenue and expenditure for the preceding month and again provided the anticipated revenue and expenditure for the remaining period of the financial year and explanation on material variance.

### **3. Discussion**

The Limpopo provincial government revenue and expenditure trend for the period under review finds its basis on the March 2016 preliminary 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 reports and Infrastructure Reporting Model (IRM) submissions. The explanations for the variances were provided by departments as per their IYM and IRM variance reports 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

Schedule of payments runs were 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 15<sup>th</sup> for normal salaries, 22<sup>nd</sup> 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 15<sup>th</sup> 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. The table below provides cash flow projections, actual expenditure and transfers to departments during March 2016.

**Table 1: Cash Flow Management Performance as at 31 March 2016**

Departments	Opening Bank Balances at 01-Apr-15 R' 000	Cash Allocation 31-Mar-16 R' 000	Actual Expenditure 31-Mar-16 R' 000	Tranfers To Departments 31-Mar-16 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
					Education	508 149	25 264 705	25 126 539
Health	58 649	15 501 794	15 433 302	15 501 794	68 492	0.4%	-68 492	-0.4%
Social Development	30 358	1 608 884	1 582 275	1 608 884	26 609	1.7%	-26 609	-1.7%
Public Works	377 346	2 756 936	2 685 344	2 756 936	71 592	2.6%	-71 592	-2.7%
Agriculture	53 379	1 650 601	1 622 626	1 650 601	27 975	1.7%	-27 975	-1.7%
Roads & Transport	176 941	1 738 525	1 725 977	1 738 525	12 548	0.7%	-12 548	-0.7%
CoGSTHA	117 569	2 689 614	2 178 580	2 689 614	511 034	19.0%	-511 034	-23.5%
Sport, Arts & Culture	30 487	396 662	377 305	396 662	19 357	4.9%	-19 357	-5.1%
Safety & Security and Liaison	7 795	88 737	82 780	88 737	5 957	6.7%	-5 957	-7.2%
Office of the Premier	9 171	350 606	339 378	350 606	11 228	3.2%	-11 228	-3.3%
Provincial Legislature	4 321	307 835	297 320	307 835	10 515	3.4%	-10 515	-3.5%
Provincial Treasury	45 419	374 328	362 805	374 328	11 523	3.1%	-11 523	-3.2%
Economic Development, Environmental & Tourism	60 275	1 160 184	1 153 375	1 160 184	6 809	0.6%	-6 809	-0.6%
<b>Total</b>	<b>1 479 859</b>	<b>53 889 410</b>	<b>52 967 606</b>	<b>53 876 666</b>	<b>921 804</b>	<b>1.7%</b>	<b>-909 060</b>	<b>-1.7%</b>

#### Summary Per Fund

Equitable Share		46 541 785	46 340 338	46 541 786	201 447	0.4%	-201 448	-0.4%
Conditional Grant		7 347 625	6 627 268	7 334 880	720 357	9.8%	-707 612	-10.7%
<b>Total</b>		<b>53 889 410</b>	<b>52 967 606</b>	<b>53 876 666</b>	<b>921 804</b>	<b>1.7%</b>	<b>-909 060</b>	<b>-1.7%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R921.804 million or 1.76 percent. On the other hand departments overspent what was transferred to their PMG account by R909.0 million or 1.7 percent.



## 5. Provincial Expenditure

**Table 2: Provincial overall expenditure as at 31 March 2016**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Actual spending as at 31 Mar 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	25 284 705	–	25 284 705	25 264 705	25 126 539	99.5%	–	138 166	0.5%
Health	14 754 136	647 658	15 401 794	15 501 794	15 433 302	99.6%	–	68 492	0.4%
Social Development	1 537 757	71 127	1 608 884	1 608 884	1 582 275	98.3%	–	26 609	1.7%
Public Works, Roads And Infrastructure	2 749 756	7 180	2 756 936	2 756 936	2 685 344	97.4%	–	71 592	2.6%
Agriculture	1 697 131	-46 530	1 650 601	1 650 601	1 622 626	98.3%	–	27 975	1.7%
Transport	1 838 898	-100 373	1 738 525	1 738 525	1 725 977	99.3%	–	12 548	0.7%
Co-Operative Governance Human Settlements	2 269 327	420 287	2 689 614	2 689 614	2 178 580	81.0%	–	511 034	19.0%
Sport, Arts And Culture	345 324	51 338	396 662	396 662	377 305	95.1%	–	19 357	4.9%
Safety, Security And Liaison	90 354	-1 617	88 737	88 737	82 780	93.3%	–	5 957	6.7%
Office Of The Premier	352 150	-1 544	350 606	350 606	339 378	96.8%	–	11 228	3.2%
Provincial Legislature	262 688	45 147	307 835	307 835	297 320	96.6%	–	10 515	3.4%
Provincial Treasury	385 179	-10 851	374 328	374 328	362 805	96.9%	–	11 523	3.1%
Economic Development, Environment And Tour	1 160 813	-629	1 160 184	1 160 184	1 153 375	99.4%	–	6 809	0.6%
<b>Total</b>	<b>52 728 218</b>	<b>1 081 193</b>	<b>53 809 411</b>	<b>53 889 411</b>	<b>52 967 606</b>	<b>98.3%</b>	<b>–</b>	<b>921 805</b>	<b>1.7%</b>
<b>Economic classification</b>							<b>Net</b>	<b>921 805</b>	
<b>Current payments</b>	<b>45 384 184</b>	<b>-37 863</b>	<b>45 346 321</b>	<b>45 102 397</b>	<b>44 889 691</b>	<b>99.5%</b>	<b>–</b>	<b>212 706</b>	<b>0.5%</b>
Compensation of employees	38 426 999	-246 459	38 180 540	37 848 541	37 763 004	99.8%	–	85 537	0.2%
Goods and services	6 956 769	208 510	7 165 279	7 253 354	7 126 187	98.2%	–	127 167	1.8%
Interest and rent on land	416	86	502	502	500	99.6%	–	2	0.4%
<b>Transfers and subsidies</b>	<b>5 626 940</b>	<b>855 369</b>	<b>6 482 309</b>	<b>6 614 987</b>	<b>6 034 346</b>	<b>91.2%</b>	<b>–</b>	<b>580 641</b>	<b>8.8%</b>
<b>Payments for capital assets</b>	<b>1 717 094</b>	<b>261 292</b>	<b>1 978 386</b>	<b>2 169 632</b>	<b>2 016 221</b>	<b>92.9%</b>	<b>–</b>	<b>153 411</b>	<b>7.1%</b>
<b>Payments for financial assets</b>	<b>–</b>	<b>2 395</b>	<b>2 395</b>	<b>2 395</b>	<b>27 348</b>	<b>1141.9%</b>	<b>-24 953</b>	<b>–</b>	<b>-1041.9%</b>
<i>of which: NPNC</i>	<i>12 584 125</i>	<i>1 066 360</i>	<i>13 650 485</i>	<i>13 871 238</i>	<i>13 188 381</i>	<i>96.6%</i>	<i>–</i>	<i>682 857</i>	<i>4.9%</i>
<b>Total</b>	<b>52 728 218</b>	<b>1 081 193</b>	<b>53 809 411</b>	<b>53 889 411</b>	<b>52 967 606</b>	<b>98.3%</b>	<b>-24 953</b>	<b>946 758</b>	<b>1.7%</b>
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>							<b>Net</b>	<b>921 805</b>	

The synopsis of provincial expenditure as at 31 March 2016 is presented hereunder:

- Compensation of Employees (CoE) spent R37.8 billion or 99.8 percent representing R85.5 million or 0.2 percent under-spending mainly due to delays in appointments of funded vacant posts and resignations.
- Goods and Services spent R7.1 billion or 98.2 percent with underspending of R127.1 million or 1.8 percent of the adjusted budget.
- Transfers and subsidies recorded an expenditure of R6.0 billion or 91.2 percent with the underspending of R580.6 million or 8.8 percent mainly due to delay in implementation of housing projects.
- Payment for Capital Assets spent R2.0 billion or 92.9 percent representing an underspending of R153.4 million or 7.1 percent.

In overall, the Province is underspending by R921.8 million or 1.7 percent. All the departments are underspending.

## 5.1. Spending per Economic Classification

### 5.1.1. Compensation of Employees

The overall provincial CoE spending is at R37.8 billion or 99.8 percent. The highest spending departments are Transport at R786.8 million or 102.3 percent, Education at R20.7 billion 100.1 percent and Social Development at R835.7 million or 100.1 percent.

**Table 3: Compensation of Employees as at 31 March 2016**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	21 515 773	-461 260	21 054 513	20 706 513	20 727 671	20 727 671	100.1%	-21 158	-	-0.1%
Health	11 166 905	187 314	11 354 219	11 370 219	11 353 715	11 353 715	100.0%	-	16 504	0.1%
Social Development	764 629	70 050	834 679	834 679	835 678	835 678	100.1%	-999	-	-0.1%
Public Works , Roads and Infrastructure	969 610	-5 264	964 346	964 346	928 104	928 104	96.2%	-	36 242	3.8%
Agriculture	1 076 175	-49 253	1 026 922	1 026 922	1 010 983	1 010 983	98.4%	-	15 939	1.6%
Transport	748 761	20 581	769 342	769 342	786 770	786 770	102.3%	-17 428	-	-2.3%
Co-Operative Governance Human Settlements	809 026	37 075	846 101	846 101	835 033	835 033	98.7%	-	11 068	1.3%
Sport,Art And Culture	149 422	2 212	151 634	151 634	144 751	144 751	95.5%	-	6 883	4.5%
Safety,Security And Liason	63 146	-1 615	61 531	61 531	57 892	57 892	94.1%	-	3 639	5.9%
Office of the Premier	256 909	-11 644	245 265	245 265	241 790	241 790	98.6%	-	3 475	1.4%
Legislature	150 651	6 159	156 810	156 810	152 818	152 818	97.5%	-	3 992	2.5%
Treasury	278 127	-24 900	253 227	253 227	235 593	235 593	93.0%	-	17 634	7.0%
Economic Development	477 865	-15 914	461 951	461 951	452 206	452 206	97.9%	-	9 745	2.1%
<b>Total</b>	<b>38 426 999</b>	<b>-246 459</b>	<b>38 180 540</b>	<b>37 848 540</b>	<b>37 763 004</b>	<b>37 763 004</b>	<b>98.8%</b>	<b>-39 585</b>	<b>125 121</b>	<b>0.2%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)								<b>Net</b>	<b>85 536</b>	

The following departments are overspending their CoE allocations:

- Transport by R17.4 million or 2.3 percent due to the appointments of traffic officers on a lower notch which was then adjusted in the current financial year without a dedicated budget.
- Education by R21.1 million or 0.1 percent due to filling of administrative clerk posts at public schools, support staff at public special schools and temporary educators who have moved back into the system.
- Social Development by R0.99 million or 0.1 percent due payments of staff appointed under donor funding. The overspending will be corrected during finalization of annual financial statements.

In contrast, the following departments are underspending their budget:-

- Provincial Treasury – R17.6 million or 7.0 percent due to delay in filling of funded vacant posts,

- Public Works, Roads and Infrastructure – R36.2 million or 3.8 percent due to high vacancy rate, prolonged process of filling the vacant posts and employees exiting the system through death, transfers and retirements,
- Safety, Security and Liaison – R3.6 million or 5.9 percent under-spending due to late filling of vacant funded posts,
- Health – R16.5 million or 0.1 percent due delay in the implementation of housing allowance.
- Legislature – R3.9 million or 2.5 percent due to the delays in filling of vacant funded positions,
- Economic Development – R9.7 million or 2.1 percent under-spending due to late appointments,
- Agriculture – R15.9 million or 1.6 percent due to late approval of advertised posts (105 posts) and late conclusion of security check clearance.
- CoGHSTA – R11.1 million or 1.3 percent due to the delay in filling budget vacant posts
- Sport, Arts and Culture – R6.9 million or 4.5 percent due to the delay in filling budget vacant posts.
- Office of the Premier – R3.5 million or 1.4 percent due to late appointments.

### 5.1.2. Goods and Services

**Table 4: Goods and Services as at 31 March 2016**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	1 897 022	11 203	1 908 225	2 006 166	1 922 821	1 922 821	95.8%	-	83 345	4.2%
Health	2 844 906	260 341	3 101 252	3 091 386	3 054 775	3 054 775	98.5%	-	36 611	1.2%
Social Development	202 888	30 597	233 485	233 485	233 192	233 192	99.9%	-	293	0.1%
Public Works, Roads and Infrastructure	668 450	-140 213	528 237	528 237	530 675	530 675	100.5%	-2 438	-	-0.5%
Agriculture	378 834	395	379 223	379 223	394 840	394 840	104.1%	-15 617	-	-4.1%
Transport	218 001	-12 180	205 821	205 821	198 446	198 446	96.4%	-	7 375	3.6%
Co-Operative Governance Human Settlements And Tradition	163 537	-1 567	161 970	161 970	156 231	156 231	96.5%	-	5 739	3.5%
Sport,ArtAnd Culture	144 940	27 362	172 302	172 302	170 356	170 356	98.9%	-	1 946	1.1%
Safety,Security And Liason	26 284	-157	26 127	26 127	23 810	23 810	91.1%	-	2 317	8.9%
Office of the Premier	82 787	12 858	95 645	95 645	88 039	88 039	92.0%	-	7 606	8.0%
Legislature	41 527	13 988	55 515	55 515	48 554	48 554	87.5%	-	6 961	12.5%
Treasury	94 073	8 278	106 352	106 352	110 707	110 707	104.1%	-4 355	-	-4.1%
Economic Development	193 520	-2 395	191 125	191 125	193 741	193 741	101.4%	-2 616	-	-1.4%
<b>Total</b>	<b>6 956 769</b>	<b>208 510</b>	<b>7 165 279</b>	<b>7 253 354</b>	<b>7 126 187</b>	<b>7 126 187</b>	<b>98.5%</b>	<b>-25 026</b>	<b>152 193</b>	<b>1.8%</b>
								<b>Net</b>	<b>127 167</b>	

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

The overall spending on Goods and Services is at R7.1 billion or 98.3 percent of the total adjusted budget of R7.2 billion. The province is underspending by R127.1 million or 1.7 percent. However, the following departments are overspending as a result of the following factors;



- Public Works, Roads and Infrastructure – R2.4 million or 0.5 percent overspending due payment of contractual obligations.
- Agriculture - R15.6 million or 4.1 percent due to procurement of fodder and drilling of boreholes for drought relief.
- Provincial Treasury – R4.3 million or 4.1 percent due to under budgeting on goods and services (legal fees). The department has requested shifting of funds to cater for the under budgeting.
- Economic Development – R2.6 million or 1.4 percent due to escalating prices of contractual obligations which could not be funded during the adjustment budget.

Despite the overspending on Goods and Services by the above departments, the following departments underspend their budgets; Education by R83.3 million or 4.2 percent, Health by R36.6 million or 1.2 percent, Social Development by R0.293 million or 0.1 percent, Transport by R7.4 million or 3.6 percent, Sport, Arts and Culture by R1.9 million or 1.1 percent, CoGHSTA by R3.8 million or 2.4 percent, Safety, Security and Liaison by R2.2 million or 8.4 percent, Office of the Premier by R7.6 million or 12.5 percent and Legislature by R6.9 million or 12.5 percent.

### 5.1.3. Transfers and subsidies

The province spent R6.0 billion or 91.2 percent of the total adjusted budget of R6.6 billion on Transfers and subsidies. The highest percentage spending departments are; Public Works, Roads and Infrastructure at R914.6 million or 102.2 percent, Treasury at R8.6 million or 133.9 percent and Legislature at R85.5 million or 102.4 percent.

**Table 5: Transfers and subsidies as at 31 March 2016**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	1 085 121	321 418	1 406 539	1 489 598	1 399 576	1 399 576	94.0%	-	90 022	6.0%
Health	509 798	7 639	517 437	567 056	566 710	566 710	99.9%	-	346	0.1%
Social Development	496 709	-250	496 459	496 459	488 829	488 829	98.5%	-	7 630	1.5%
Public works, Roads and Infrastructure	753 510	141 605	895 115	895 115	914 582	914 582	102.2%	-19 467	-	-2.2%
Agriculture	168 468	1 021	169 489	169 489	167 247	167 247	98.7%	-	2 242	1.3%
Transport	752 395	-30 910	721 485	721 485	708 183	708 183	98.2%	-	13 302	1.8%
Co-Operative Governance Human Settlements	1 295 909	380 862	1 676 771	1 676 771	1 183 710	1 183 710	70.6%	-	493 061	29.4%
Sport, Art And Culture	8 562	2 629	11 191	11 191	10 137	10 137	90.6%	-	1 054	9.4%
Safety, Security And Liaison	574	-215	359	359	351	351	97.8%	-	8	2.2%
Office of the Premier	10 229	-3 258	6 971	6 971	7 057	7 057	101.2%	-86	-	-1.2%
Legislature	58 522	25 000	83 522	83 522	85 545	85 545	102.4%	-2 023	-	-2.4%
Treasury	6 479	-	6 479	6 479	8 678	8 678	133.9%	-2 199	-	-33.9%
Economic Development	480 664	9 828	490 492	490 492	493 741	493 741	100.7%	-3 249	-	-0.7%
<b>Total</b>	<b>5 626 940</b>	<b>855 369</b>	<b>6 482 309</b>	<b>6 614 987</b>	<b>6 034 346</b>	<b>6 034 346</b>	<b>91.2%</b>	<b>-27 024</b>	<b>607 665</b>	<b>8.8%</b>
								<b>Net</b>	<b>580 641</b>	

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

In overall, the province underspends by R580. 6 million or 8.8 percent due to reasons outlined below.

## Underspending departments:-

- Education – R90.0 million or 6.0 percent due to provision for anticipated resignations.
- Health – R0.346 million or 0.1 percent largely due to leave gratuity which depends on resignations and attrition.
- Social Development – R7.6 million or 1.5 percent.
- Agriculture - R2.2 million or 1.3 percent due to community disruptions delays in the implementation.
- Transport – R13.3 million or 1.8 percent due to transfers to bus subsidies.
- CoGHSTA – R493.1 million or 29.4 percent due to slow progress in housing projects and the purchase of traditional leaders motor vehicles.
- Sport, Arts and Culture – R1.1 million or 9.4 percent due to the postponement by retiring officials.

Despite the underspending on Transfers and subsidies, the following departments overspend their budgets; Public Works , Roads and Infrastructure by R19.5 million or 2.2 percent, Office of the Premier by R0.086 million or 1.2 percent, Legislature by R2.0 million or 2.4 percent, Provincial Treasury by R2.2 million or 33.9 percent and Economic Development by R3.2 million or 0.7 percent.

### 5.1.4. Payment for Capital Assets

The overall provincial expenditure on Payment for Capital Assets is at R2.0 billion or 92.8 percent of the total budget of R2.2 billion.

**Table 6: Payment for Capital Assets as at 31 March 2016**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	786 789	128 639	915 428	1 062 428	1 062 428	1 051 910	99.0%	-	10 518	1.0%
Health	232 527	196 364	428 891	473 138	473 138	458 102	96.8%	-	15 036	3.2%
Social Development	73 531	-29 270	44 261	44 261	44 261	24 576	55.5%	-	19 685	44.5%
Public Works, Roads and Infrastructure	358 186	11 052	369 238	369 238	369 238	311 677	84.4%	-	57 561	15.6%
Agriculture	73 654	-693	72 961	72 961	72 961	47 924	65.7%	-	25 037	34.3%
Transport	119 741	-77 864	41 877	41 877	41 877	32 578	77.8%	-	9 299	22.2%
Co-Operative Governance Human Settlements And Traditi	855	3 817	4 672	4 672	4 672	3 508	75.1%	-	1 164	24.9%
Sport,ArtAnd Culture	42 400	19 135	61 535	61 535	61 535	52 061	84.6%	-	9 474	15.4%
Safety,Security And Liason	350	330	680	680	680	690	101.5%	-10	-10	-2.9%
Office of the Premier	2 225	500	2 725	2 725	2 725	2 492	91.4%	-	233	8.6%
Legislature	11 988	-	11 988	11 988	11 988	10 088	84.2%	-	1 900	15.8%
Treasury	6 500	1 770	8 270	8 270	8 270	7 685	92.9%	-	585	7.1%
Economic Development	8 348	7 511	15 859	15 859	15 859	12 930	81.5%	-	2 929	18.5%
<b>Total</b>	<b>1 717 094</b>	<b>261 291</b>	<b>1 978 385</b>	<b>2 169 632</b>	<b>2 169 632</b>	<b>2 016 221</b>	<b>92.9%</b>	<b>-10</b>	<b>153 411</b>	<b>7.1%</b>
								<b>Net</b>	<b>153 401</b>	

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

The highest percentage spending departments are; Health by R458.1 million or 96.8 percent on payments of accruals in Health Facility Revitalization grant and payment of certified work by the DBSA and Education at R1.0 billion or 99.0 percent mostly on CG infrastructure.

All departments are underspending due to various reasons;

- Provincial Treasury by R2.7 million or 32.6 percent due to delays in the implementation of LOGIS and late appointment of service providers to install security-scanning machines,
- Legislature at R2.2 million or 18.5 percent due to procurement of ERP has been deferred to the 2016/17 financial year,
- Economic Development by R2.8 million or 17.8 percent due to delays in implementation of market stalls,
- Sport, Arts and Culture at R4.6 million or 7.5 percent due to delays in delivery of modular libraries as a result of community protest in the area where they should delivered.
- Transport at R3.1 million or 7.3 percent due to delay in the remedial construction of Thohoyandou Taxi rank facilities,
- Public Works, Roads and Infrastructure by R4.3 million or 1.2 percent due to delays in implementation of roads projects,
- Education at R1.0 billion or 99.0 percent due to the fact that the appointed service provider indicated that they will not be able to deliver.

## 5.2. Equitable share spending

**Table 7: Equitable share spending as at 31 March 2016**

	Budget	Actual as at March 2016	Actual spending as % of budget	March 2016 Preliminary expenditure	Variance
Education	23 276 679	23 177 395	99.6%	23 177 395	99 284
Health	13 573 559	13 560 206	99.9%	13 560 206	13 353
Social Development	1 605 694	1 579 166	98.3%	1 579 166	26 528
Public Works , Roads and Infrastructure	1 755 054	1 858 511	105.9%	1 858 511	(103 457)
Agriculture	1 320 411	1 292 838	97.9%	1 292 838	27 573
Transport	1 440 227	1 427 313	99.1%	1 427 313	12 914
CoGHSTA	1 095 725	1 019 588	93.1%	1 019 588	76 137
Sport, Arts & Culture	197 306	193 695	98.2%	193 695	3 611
Safety & Security	88 737	82 780	93.3%	82 780	5 957
Office of the Premier	348 528	337 807	96.9%	337 807	10 721
Legislature	307 835	297 320	96.6%	297 320	10 515
Treasury	374 328	362 805	96.9%	362 805	11 523
Economic Development	1 157 702	1 150 894	99.4%	1 150 894	6 808
<b>Total</b>	<b>46 541 785</b>	<b>46 340 318</b>	<b>99.6%</b>	<b>46 340 318</b>	<b>201 467</b>



Provincial equitable share spending is at R46.3 billion or 99.6 percent of the total adjusted budget of R46.5 billion.

The highest percentage spending departments are Public Works, Roads and Infrastructure at 1.8 billion or 105.9 percent, Health at R13.6 billion or 99.9 percent, followed by Economic Development at R1.1 billion or 99.4 percent. However, the lowest spending departments are; Safety, Security, Security and Liaison at R82.7 million or 93.3 percent, CoGHSTA at R1.0 billion or 93.1 percent.

### 5.3. Conditional Grants

**Table 8: Conditional Grants spending per department as at 31 March 2016**

Departments	Adjusted Appropriation	Actual as at March 2016	Actual spending as % of budget	March 2016 Preliminary expenditure	Variance
Education	1 988 026	1 949 144	98.0%	1 949 144	38 882
Health	1 928 235	1 873 096	97.1%	1 873 096	55 139
Social Development	3 190	3 109	97.5%	3 109	81
Public Works , Roads and Infrastructure	1 001 882	826 833	82.5%	826 833	175 049
Agriculture	330 190	329 788	99.9%	329 788	402
Transport	298 298	298 664	100.1%	298 664	(366)
CoGHSTA	1 593 889	1 158 992	72.7%	1 158 992	434 897
Sport, Arts & Culture	199 356	183 610	92.1%	183 610	15 746
Safety & Security	2 078	1 571	75.6%	1 571	507
Economic Development	2 482	2 481	100.0%	2 481	1
<b>Total</b>	<b>7 347 626</b>	<b>6 627 288</b>	<b>90.2%</b>	<b>6 627 288</b>	<b>720 338</b>

The table above portrays an update on provincial Conditional Grant (CG) spending as at end of March 2016. The CGs' overall expenditure is at R6.6 billion or 90.2 percent of the total budget of R7.3 billion. The highest spending departments are Economic Development and Social Development for EPWP grant at R2.481 million or 100.0 percent and R3.109 million or 97.5 percent, Education at R1.9 billion or 99.8 percent and Transport at R298.7 million or 100.1 percent. All other departments are performing well except CoGHSTA at R1.1 billion or 72.7 percent.

**Table 9: Limpopo Conditional Grant spending per grant as at 31 March 2016**

R thousand	Adjusted Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
<b>Agriculture</b>	<b>330 190</b>	<b>329 788</b>	<b>99.9%</b>
Comprehensive Agricultural Support Programme Grant	264 567	264 263	99.9%
Ilima/Letsema Projects Grant	50 337	50 337	100.0%
EPWP Incentive allocation	5 285	5 285	100.0%
Land Care Programme Grant	10 001	9 903	99.0%
<b>Sport, Arts and Culture</b>	<b>199 356</b>	<b>183 610</b>	<b>92.1%</b>
Mass Sport and Recreation Programme	63 459	63 274	99.7%
EPWP Incentive allocation	2 000	1 941	97.1%
Community Library Services Grant	133 897	118 395	88.4%
<b>Education</b>	<b>1 988 026</b>	<b>1 949 144</b>	<b>98.0%</b>
HIV and Aids (Life Skills Education) Grant	25 875	24 075	93.0%
National School Nutrition Programme Grant	1 030 799	993 363	96.4%
Infrastructure Grant	815 762	814 843	99.9%
Flood damaged projects	69 366	68 910	99.3%
Maths, Science and Technology	40 979	35 673	87.1%
Social sector EPWP grant	3 095	9 382	303.1%
EPWP Incentive allocation	2 150	2 898	134.8%
<b>Health</b>	<b>1 928 234</b>	<b>1 873 076</b>	<b>97.1%</b>
Comprehensive HIV and Aids Grant	1 084 339	1 063 496	98.1%
Health Professions Training and Development Grant	118 855	115 103	96.8%
EPWP Social Sector	20 650	17 826	86.3%
EPWP Incentive grant	2 000	1 079	54.0%
Health insurance grant	7 673	7 291	95.0%
Provincial Disaster Grant	6 921	-	0.0%
Hospital Revitalisation Grant	357 334	362 193	101.4%
National Tertiary Services Grant	330 462	306 088	92.6%
<b>Co-operate Governance, Human Settlements and Traditional Affairs</b>	<b>1 593 889</b>	<b>1 158 992</b>	<b>72.7%</b>
Disaster : Flood Damage	34 332	34 182	99.6%
Integrated Housing & Human Settlements Development Grant	1 557 557	1 124 131	72.2%
EPWP Incentive allocation	2 000	679	34.0%
<b>Public Works</b>	<b>1 001 882</b>	<b>826 833</b>	<b>82.5%</b>
Infrastructure Grant	994 762	820 152	82.4%
EPWP incentive grant	7 120	6 681	93.8%
<b>Economic Development</b>	<b>2 482</b>	<b>2 481</b>	<b>100.0%</b>
EPWP Incentive grant	2 482	2 481	100.0%
<b>Social Development</b>	<b>3 190</b>	<b>3 109</b>	<b>97.5%</b>
EPWP Incentive grant	3 190	3 109	97.5%
<b>Safety, Security and Liaison</b>	<b>2 078</b>	<b>1 571</b>	<b>75.6%</b>
EPWP Incentive grant	2 078	1 571	75.6%
<b>Transport</b>	<b>298 298</b>	<b>298 664</b>	<b>100.1%</b>
Public Transport Operations Grant	298 298	298 664	100.1%
<b>Total</b>	<b>7 347 625</b>	<b>6 627 268</b>	<b>90.2%</b>

### 5.3.1. Agriculture

The department has spent R329.8 million or 99.9 percent of the total budget of R330.2 million. The breakdown expenditure is as follows:

- **CASP** spent R264.3 million or 99.9 percent of the total budget of R264.3 million.
- **Letsema** spent R50.3 million or 100.0 percent of the total budget of R50.3 million.
- **Land Care** spent R9.9 million or 99.0 percent of the total budget of R10.0 million.
- **EPWP** spent R5.8 million or 100.0 percent of the total allocated budget of R5.3 million.

### 5.3.2. Sport, Arts and Culture.

The department recorded an overall CGs' expenditure of R183.6million or 92.1 percent.

- **Community Library Services** spent R118.4 million or 88.4 percent of the total budget of R133.9 million. Slow spending is due to late filling of 26 vacant funded library grant positions, delay in delivery of modular libraries, desktops and connection of LAN at Phokwane Library.
- **Mass Sport** spent R63.3 million or 99.7 percent of the budget of R63.4 million
- **EPWP** spent R1.9 million or 97.1 percent of R2.0 million. Spending is alinged to plans.

### 5.3.3. Education

Overall spending by the department is at R1.949 billion or 102.2 percent of the total budget of R1.908 billion.

- **HIV and AIDS** spent R24.1 million or 93.0 percent of the total budget of R25.9 million. The service provider indicated that the quoted amount was incorrect therefore did not deliver requested goods.
- **National School Nutrition Programme** spent R993.4 million or 96.4 percent of the budget of R1.0 billion. The grant provides feeding to learners. Underspensing is due to delays in filling vacant posts and also that payment is made after service has been rendered which is again delayed by late submission and verification of invoices.
- **Infrastructure grant** spent R814.8 million or 110.7 percent in line with approved business plans. Overspensing is due to outstanding commitments emanating from the previous financial year.
- **Flood damaged Infrastructure allocation** spent R68.9 million or 99.3 percent of the total budget of R69.3 million due to backlogs from the previous years.
- **Math, Science and Technology** is very low at R35.7 million or 87.1 percent of the total budget of R40.9 million. Printing of Mind the Gap Guidelines has been concluded. A purchase order to the value of R8.0 million has been issued to procure laptops. R8m has been transferred to schools for the procurement of workshop tools and equipment. The tender to procure Maths and Science kits has been finalized and service providers



have been informed. Purchase orders have been captured on FINEST and not yet on BAS due to its slowness

- **EPWP (Social sector)** spent R9.4 million or 303 percent. The grant is overspending due to incorrect postings.
- **EPWP (Incentive allocation)** spending is at R2.9 million or 134.8 percent. The program has identified 102 beneficiaries who are paid monthly stipends.

#### 5.3.4. Health

The overall spending on CG is R1.8 billion or 97.1 percent of the total budget of R1.9 billion.

- **HIV and Aids** spent R1.1 billion or 98.1 percent of the total budget of R1.0 billion. Purchase orders for male condoms (R14 million) and Medical Equipment (R0.105 million) are awaiting delivery.
- **HPTD** spent R115.1 million or 96.8 percent of the total budget of R118.8 million. This is as a result of workload that constraints the outreach activities. Awaiting delivery of surgical consumables to the value of R0.536 million. The under-spending is due to delay in delivery of anesthetic machine to the amount of R0.460 million and other medical equipment to the value of R2.5 million.
- **EPWP (Social sector)** spent R17.8 million or 86.3 percent. Spending is in line with the approved business plan.
- **EPWP (Incentive grant)** spent R1.1 million or 64.0 percent of the total budget of R2.0 million. The late submission of the annual plan impacted on the timeous appointment of contract workers.
- **Hospital Revitalization grant** spent R362.2 million or 101.4 percent of the allocated budget of R357.3 million.
- **National Tertiary Services** spent R306.1 million or 92.6 percent of the total budget of R330.5 million. The under-spending is due to delay in finalization of the tender for the full body scanner to the value of R15 million and delay in delivery of other medical equipment to the value of R2.5 million.

#### 5.3.5. CoGHSTA

In overall, the department spent R1.2 billion or 72.7 percent of the total budget of R1.6 billion. Low spending is mainly due to slow progress by contractors, delay in enrollment of development areas and capturing of beneficiaries.

#### 5.3.6. Public Works, Roads and Infrastructure

The department's overall expenditure is at R826.8 million or 82.5 percent of the total allocated budget of R1.0 billion.

- **Infrastructure grant** spent R820.1 million or 82.4 percent of the budget of R994.8 million. Road Agency Limpopo (RAL) projects are still in the early construction stages and newly transferred are at the procurement stages. The refurbishment of Capricorn

offices project has been delayed due to shortage of in-house personnel on a budget estimation of R1.4 million and slow performance by contractors.

- **EPWP incentive grant** performed well at R6.7 million or 93.8 percent of the total budget of R7.1 million.

### 5.3.7. LEDET

The department spent 100.0 percent of the total allocated budget of R 2.5 million of its EPWP Incentive allocation.

### 5.3.8. Transport

The department spent R298.7 million or 100.1 percent of the budget of R298.3 million on PTOG.

### 5.3.9. Safety, Security and Liaison

The department spent R1.6 million or 75.6 percent of the EPWP Incentive allocation of R2.1 million. The delay in spending was due to late submission of claims by beneficiaries.

### 5.3.10. Social Development.

The department has spent R3.1 million or 97.5 percent of the EPWP Social sector budget of R3.2 million.

## 6. Provincial Own Revenue

**Table 10: Provincial own revenue collection per vote as at 31 March 2016**

REVENUE COLLECTION AS AT 31 MARCH 2016												
Departments (Votes)	Main appropriation	Adjusted Estimates	Projections to March 2016	Projections as % of budget	Actual to March 2016	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 March 2015	Actual collection as % of the budget
Office of the Premier	662	1 272	1 272	100.0%	1 217	95.7%	-	1 217	-55	720	1 069	148.5%
Provincial Legislature	156	291	291	100.0%	316	108.7%	-	316	25	144	189	131.3%
Education	50 291	50 291	50 291	100.0%	65 009	129.3%	-	65 009	14 718	52 164	38 192	73.2%
Agriculture	7 108	7 835	7 835	100.0%	12 936	165.1%	-	12 936	5 101	8 497	7 419	87.3%
Provincial Treasury	151 781	236 815	236 815	100.0%	301 958	127.5%	-	301 958	65 143	214 576	299 231	139.5%
Economic Development	131 737	146 376	146 376	100.0%	127 804	87.3%	-	127 804	-18 572	139 377	146 421	105.1%
Health	150 131	160 131	160 131	100.0%	133 956	83.7%	-	133 956	-26 175	140 850	137 643	97.7%
Transport	423 666	423 666	423 666	100.0%	417 642	98.6%	-	417 642	-6 024	402 208	397 771	98.9%
Public Works	54 599	164 833	164 833	100.0%	156 109	94.7%	-	156 109	-8 724	420 356	382 482	91.0%
Safety & Security	84	270	270	100.0%	254	94.0%	-	254	-16	170	254	149.4%
Co-operative Governance	2 663	5 602	5 602	100.0%	35 986	642.4%	-	35 986	30 384	2 925	3 135	107.2%
Social Development	2 867	3 105	3 105	100.0%	3 218	103.6%	-	3 218	113	5 182	6 889	132.9%
Sport, Arts & Culture	962	1 134	1 134	100.0%	1 687	148.8%	-	1 687	553	1 948	1 682	86.3%
<b>Total provincial receipts</b>	<b>976 707</b>	<b>1 201 621</b>	<b>1 201 621</b>	<b>100.0%</b>	<b>1 258 094</b>	<b>104.7%</b>	<b>-</b>	<b>1 258 094</b>	<b>56 473</b>	<b>1 389 117</b>	<b>1 422 377</b>	<b>102.4%</b>

The 2015/16 Provincial own revenue main appropriation was R976.7 million and was adjusted to R1.201 billion. As at 30 March 2016 provincial own revenue collection is R1.258 billion or 104.7 percent more than a projection of R1.201 billion or 100 percent. The overall over collection of R48.9 million is primarily contributed by Education, CoGHSTA and Provincial Treasury through the recovery of debts from the previous year and interest from favourable bank account.

#### **6.1. Seven (7) Departments collected above their set monthly projections.**

##### **61.1. Legislature (Original Target of R0.156 million adjusted to R0.291 million)**

Actual collection as at 30 March 2016 is R0.316 million or 108.7 percent as compared to projections of R0.291 million or 100 percent. The over collection is due to recovery of the previous years' debts.

##### **6.1.2. Education (Original Target of R50.3 million)**

The Department collected R65.0 million or 129.3 percent as compared to projections of R50.2 million or 100 percent. Over collection of R 14.7 million is mainly due the reversal of the debt written off from the previous financial year, which was performed incorrectly in the BAS. Revenue from former college's accounts is still outstanding due to the slow progress of finalising the process.

##### **6.1.3. Agriculture (Original Target of R7.1 million adjusted to R7.8 million)**

The Department collected R12.9 million or 165.1 percent as compared to projections of R7.8 million or 100 percent. Over collection of R5.1 million is due to recovery of debts from previous years and increased collection from sale of cattle grazing as a result of the persisting drought in the Province

##### **6.1.4. Provincial Treasury (Original Target of R151.7 million adjusted to R236.8 million)**

The Department collected R301.9 million or 127.5 percent as compared to projections of R236.8 million or 100 percent. Over-collection of R65.1 million is due to interests from favourable bank balances.

##### **6.1.5. Co-operative Governance (Original Target of R2.7 million adjusted to R5.6 million)**

Collection as at 30 March 2016 is R35.9 million or 642.4 percent as compared to set projection of R5.6 million or 100 percent. The over collection is mainly due to the surrender of funds amounting to R29.4 million from Polokwane Housing Association (PHA) for non-completion of housing units.

##### **6.1.6. Social Development (Original Target of R2.9 million adjusted to R3.1 million)**

The Department collected R3.2 million or 103.6 percent against projections of R3.1 million or 100 percent. The department has performed in line with the projections.



**6.1.7. Sports, Arts & Culture (Original Target of R0.962 million adjusted to R1.1 million)**

The Department collected R1.6 million or 148.8 percent against set projections of R1.1 million or 100 percent. The over-collection is mainly due to entrance fees gained from the hosting of Mapungubwe Arts Festival.

**Six (6) Departments have collected below their set projections**

**6.1.8. Office of the Premier (Original Target of R0.662 million adjusted to R1.2 million)**

The office collected R1.2 million or 95.7 percent as compared to projections of R1.2 million or 100 percent. The under collection of R0.055 million is due poor recovery of debts.

**6.1.9. Economic Development, Environment & Tourism (Original Target of R131.7 million adjusted to R146.3 million)**

The Department has collected R127.8 million or 87.3 percent against projections of R146.3 million or 100 percent. Under collection of R18.5 million is mainly due to poor collection on own revenue from Public Entities and recovery of debts.

**6.1.10. Health (Original Target of R150.1 million adjusted to R160.1 million)**

The Department has collected R133.9 million or 83.7 percent as compared to the projected amount of R160.1 million or 100 percent. Under collection of R26.1 million is mainly due to poor collection of patients' fees.

**6.1.11. Transport (Target R423.6 million)**

The Department collected R417.6 million or 98.6 percent against set projections of R423.6 million or 100 percent. Under collection of R 6.0 is due to poor collection from motor vehicle licences.

**6.1.12. Public Works, Roads and Infrastructure (Original Target of R54.6 million adjusted to R164.8 million)**

The Department collected R156.1 million or 94.7 percent as compared to projections of R164.8 million or 100 percent. The under collection of R8.7 million is due to poor collection of property rental and non-transfer of own revenue for January and March 2016 from Road Agency Limpopo.

**6.1.13. Safety, Security & Liaison (Original Target of R0.084 million adjusted to R0.270 million)**

The Department collected R0.254 million or 94.0 percent compared to projections of R0.270 million or 100 percent. Under collection is due to poor recovery of debts.

## 6.2. Own revenue per economic classification

**Table 11: Own revenue per economic classification as at 31 March 2016**

### Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Projections to March 2016	Projections as % of budget	Actual to March 2016	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 March 2015	Actual collection as % of the budget
Tax receipts	400 885	400 885	400 885	100.0%	410 587	102.4%	-	410 587	9 702	371 960	358 874	96.5%
Sales of goods and services other than capital assets	298 163	300 082	300 082	100.0%	238 931	79.6%	-	238 931	-61 151	266 100	240 430	90.4%
Transfers received from:	-	-	-	-	15 734	-	-	15 734	-	-	-	-
Fines, penalties and forfeits	52 605	53 567	53 567	100.0%	59 894	111.8%	-	59 894	6 327	52 901	50 109	94.7%
Interest, dividend and rent on land	153 803	241 075	241 075	100.0%	319 415	132.5%	-	319 415	78 340	218 090	298 359	136.8%
Sales of capital assets	16 683	19 024	19 024	100.0%	15 123	79.5%	-	15 123	-3 901	19 397	18 810	97.0%
Revenue financial assets	54 568	186 988	186 988	100.0%	198 409	106.1%	-	198 409	11 421	460 669	455 795	98.9%
<b>Total departmental receipts</b>	<b>976 707</b>	<b>1 201 621</b>	<b>1 201 621</b>	<b>100.0%</b>	<b>1 258 094</b>	<b>104.7%</b>	<b>-</b>	<b>1 258 094</b>	<b>56 473</b>	<b>1 389 117</b>	<b>1 422 377</b>	<b>102.4%</b>

### 6.2.1. Tax receipts (Original Target of R400.9 million)

An amount of R410.5 million or 102.4 percent has been collected against projections of R400.8 million or 100 percent. Over collection of R9.7 million is due to improved collection on gaming levies by Economic Development.

### 6.2.2. Sale of goods & services non capital assets (Original Target of R298.1 million adjusted to R300.0 million)

As at 30 March 2016 collection is R238.9 million or 79.6 percent against projections of R300.0 million or 100 percent. Under collection of R61.1 million is mainly because of poor collection of rentals by Public Works, decline in own revenue from Public Entities by LEDET and Public Works as well as poor collection of patients fees by Health.

### 6.2.3. Fines, penalties and forfeits (Original Target of R52.6 million adjusted to R53.5 million)

Fines, penalties and forfeits collected R59.8 million or 111.8 percent against projections of R53.5 million or 100 percent. Over collection of R6.3 million is due to improved collection by the department of Transport on impounding fees and LEDET on environmental fines through the implementation of the National Environment Management Act (NEMA)

### 6.2.4. Interest, dividend and rent on land (Original Target of R153.8 million adjusted to R241.0 million)

Collection as at 31 March 2016 is R319.4 million or 132.5 percent against set projections of R241.0 million or 100 percent. Over collection of R78.3 million is mainly due to interests earned from favourable bank balances by Provincial Treasury.

### 6.2.5. Sale of capital assets (Original Target of R16.7 million adjusted to R19.0 million)

As at 31 March 2016 there is collection of R15.1 million or 79.5 percent against projections of R19.0 million or 100 percent. The under collection of R3.9 million is primarily due to less collection by Transport on sale of assets than anticipated.

### 6.2.6. Financial transactions in assets and liabilities (Original Target of R54.6 million adjusted to R186.9 million)

The item collected R198.4 million or 106.1 percent against projections of R186.9 million or 100 percent. The over collection of R11.2 million is mainly due to an improved recovery of debts from previous years by the Education.

## 7. Provincial Infrastructure Performance

**Table 12: Infrastructure expenditure comparison**

Infrastructure Expenditure Comparison as at end Mar 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	1 150 062	1 298 625	1 102 128	1 133 198	1 281 428	1 097 323	98.5%	98.7%	99.6%
Agriculture	187 558	162 019	167 943	115 280	127 268	128 204	61.5%	78.6%	76.3%
LEDET	53 102	92 473	68 165	20 297	70 558	64 784	38.2%	76.3%	95.0%
Health	641 095	575 626	625 926	356 373	595 518	601 988	55.6%	103.5%	96.2%
Public Works, Roads & Infrastructure	39 101	48 939	1 815 582	29 464	36 861	1 691 065	75.4%	75.3%	93.1%
Transport*	1 793 467	2 073 312	9 882	1 330 381	1 511 110	5 166	74.2%	72.9%	52.3%
CoGHSTA	697 028	827 859	1 593 889	306 629	517 032	1 124 502	44.0%	62.5%	70.6%
Social Development	80 639	30 000	34 866	41 616	14 162	16 767	51.6%	47.2%	48.1%
Sport, Arts & Culture	26 075	42 356	56 651	13 189	16 064	29 999	50.6%	37.9%	53.0%
<b>TOTAL</b>	<b>4 668 127</b>	<b>5 151 209</b>	<b>5 475 032</b>	<b>3 346 427</b>	<b>4 170 001</b>	<b>4 759 797</b>	<b>71.7%</b>	<b>81.0%</b>	<b>86.9%</b>
<b>Percentage</b>									
Education	25%	25%	20%	34%	31%	23%			
Agriculture	4%	3%	3%	3%	3%	3%			
LEDET	1%	2%	1%	1%	2%	1%			
Health	14%	11%	11%	11%	14%	13%			
Public Works, Roads & Infrastructure	1%	1%	33%	1%	1%	36%			
Transport	38%	40%	0%	40%	36%	0%			
CoGHSTA	15%	16%	29%	9%	12%	24%			
Social Development	2%	1%	1%	1%	0%	0%			
Sport, Arts & Culture	1%	1%	1%	0%	0%	1%			
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>			

\*The Roads component used to be part in Transport



As at 31 March 2016, the Provincial Infrastructure expenditure stood at R 4.8 billion. The total expenditure represents 8.9 percent of the Adjusted Provincial infrastructure budget.

The total expenditure for the month of March 2016 was R 519 million, representing 9 percent of the total adjusted provincial infrastructure budget and a move of 8 percent from the previous month (February 2016).

The province had underspent its infrastructure budget by 13.1 percent or R715.2 million.

The following are observed:

- The Provincial Infrastructure Budget was 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 the province did not spend the entire budget as at end March.
- The Provincial Infrastructure Expenditure as at 31 March was recorded as follows:
  - 71.7 percent - 2013/14
  - 81.0 percent - 2014/15
  - 86.9 percent - 2015/16
- All departments recorded low expenditure as at 31 March 2016, except Education, which stood at hundred percent, Health at ninety six percent, LEDET at ninety five percent and Public Works, Roads and Infrastructure at ninety three percent. All the other departments had underspent their infrastructure budgets by between twenty four and fifty two percent.
- Provincial Treasury did project an under-expenditure by the other departments except for Health and Education, however most projected to break-even throughout the financial year.

## 8. Conclusion

The Provincial Treasury hereby submits the Limpopo provincial revenue and expenditure report and the following should be noted:-

- The overall provincial spending as at 31<sup>st</sup> March 2016 amounts to R52.9 billion or 98.3 percent of the total adjusted budget of R53.909 billion. Of the R52.9 billion total expenditure, R46.3 billion is on equitable share and R6.6 billion on Conditional grant.
- As at 31<sup>st</sup> March 2016 provincial own revenue collection is R1.3 billion or 104.7 percent more than a projection of R1.2 billion or 100 percent. Departments were encouraged to fast-track processing of uncaptured receipts which is the main contributing factor to under-collection.
- The Provincial Infrastructure expenditure stood at R4.8 billion. The total expenditure represents 76.1 percent of the adjusted Provincial Infrastructure budget.

Regards,

  
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**Gavin Pratt CA (SA)**  
**HOD: Provincial Treasury**

*22/4/2016*  
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**Date**