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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 30 JUNE 2014

1. Purpose

To provide National Treasury with a report on provincial Revenue and Expenditure as at 30 June 2014

2. Background

In terms of chapter 5, section 40 (4) (a) of the PMFA, 1999 the accounting officer of a department must at the beginning of a financial year provide the relevant treasury in the prescribed format with a breakdown of the anticipated revenue and expenditure of that department for that financial year.

In addition, Section 40 (4) (b) stipulates that the designated accounting officer of a department must 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). Section 40 (4) (c) stipulates that accounting officer of a department must ensure to submit within 15 (fifteen) days of the end of each month to the Provincial Treasury and Executive Authority the information for that month, projected expenditure and revenue collection for the remainder of the current financial year and when necessary explanations or any material variances and a summary of the steps to be taken to ensure that the projected expenditure and revenue remain within budget.

The expenditure and revenue trends for the period under review is based on departmental June 2014 IYM submission by departments in terms of section 40(4) (b) of the PFMA. Departmental submissions are analysed in terms of the projected expenditure, projected cash requests and actual expenditure as recorded in the IYM submissions. The explanations provided for the variances were provided by departments as per the IYM variance report and where necessary further clarity was sought from departments.

3. Discussion

Provincial Treasury Instruction Note 3 of 2012 issued on 28 April 2012 outlines the legislative requirements and process for IYM submissions. Given the challenges faced by departments in providing substantial reasons for variances in projection and expenditure Provincial Treasury Instruction Note 09 of 2012 and 4 of 2013 were issued giving further directives on the information requirements.

3.1. Cash Management

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

- 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.

3.2. Cash Allocations Vs Actual Expenditure Vs Actual Funds Transferred

Table 1: Cash Allocations Vs Actual Expenditure Vs Actual Funds Transferred as at 30 June 2014

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 30 June 2014

Departments	Opening Bank Balances at 01-Apr-14	Cash Allocation 30-Jun-14	Actual Expenditure 30-Jun-14	Tranfers To Departments 30-Jun-14	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount	%	Amount	%
Education	615 023	6 425 517	5 999 724	5 420 043	425 793	6.6%	579 681	9.7%
Health	196 242	3 741 327	3 364 372	3 568 998	376 955	10.1%	-204 626	-6.1%
Social Development	48 090	350 439	224 372	234 358	126 067	36.0%	-9 986	-4.5%
Public Works	82 408	204 346	189 157	191 064	15 189	7.4%	-1 907	-1.0%
Agriculture	53 306	370 316	304 760	305 250	65 556	17.7%	-490	-0.2%
Roads & Transport	323 345	807 404	536 442	605 109	270 962	33.6%	-68 667	-12.8%
CoGSTHA	176 843	450 760	294 306	337 684	156 454	34.7%	-43 378	-14.7%
Sport, Arts & Culture	32 062	82 354	51 181	60 287	31 173	37.9%	-9 106	-17.8%
Safety & Security and Liaison	5 344	23 008	18 687	15 661	4 321	18.8%	3 026	16.2%
Office of the Premier	2 195	88 471	75 097	74 470	13 374	15.1%	627	0.8%
Provincial Legislature	420	84 041	63 773	72 784	20 268	24.1%	-9 011	-14.1%
Provincial Treasury	43 731	106 151	71 397	127 793	34 754	32.7%	-56 396	-79.0%
Economic Development, Environmental & Tourism	34 025	271 151	236 788	242 685	34 363	12.7%	-5 897	-2.5%
Total	1 613 034	13 005 285	11 430 056	11 256 186	1 575 229	12.1%	173 870	1.5%

Summary Per Fund

Equitable Share	11 040 428	11 430 056	10 984 731	-389 628	-3.5%	445 325	3.9%
Conditional Grant	1 964 857		271 455	1 964 857	100.0%	-271 455	#DIV/0!
Total	13 005 285	11 430 056	11 256 186	1 575 229	12.1%	173 870	1.5%

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. Table 1 above provides cash flow projections, actual expenditure and transfers to departments from April 2014 to June 2014.

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R1.575 billion or 12.1 per cent. It should be clear that the under-spending has nothing to do with availability of cash or Treasury interruptions as Treasury has given cash allocations and processes well upfront. An analysis of volumes of unprocessed invoices at each month-end, capacity, efficiency and effectiveness of departments in monitoring performance of service providers and processing of invoices should be conducted.

On the other hand transfers to departments were R173.870 million or 1.5 per cent, less than actual expenditure. The reason for transferring less funds than was required is due to some departments having huge balances in their PMG Account.

3.3. Month-end Bank Balances

Table 2: Month-end Bank Balances – June 2014

Departments	R'000											
	30-Apr	31-May	30-Jun	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar
Premier	2 139 813.36	161 361.17	205 730.04									
Legislature	2 895 216.02	(1 893 116.74)	8 075 973.38									
Education	57 648 358.24	59 440 384.18	4 848 537.09									
Agriculture	18 711 667.10	5 511 983.13	21 734 357.13									
Treasury	20 293 489.92	34 679 183.68	12 806 688.57									
LEDET	33 459 979.63	6 257 096.95	16 907 150.94									
Health	324 113 162.90	324 090 164.86	9 601 403.23									
Roads & Transport	37 184 095.48	333 315 379.33	102 998 064.91									
Public Works	4 500 538.95	12 155 187.53	9 325 541.02									
Safety, Security & Liaison	1 384 261.95	350 381.22	403 300.97									
CoGHSTA	169 197 808.82	424 853.62	1 300 419.57									
Social Development	10 736 996.19	6 436 405.79	10 425 221.23									
Sports	2 769 502.83	237 106.21	984 423.96									
Sub-Total PMGs	685 034 891.39	781 166 370.93	199 616 812.04	-	-	-	-	-	-	-	-	-
Exchequer Account	132 762 486.49	190 901 988.46	288 350 109.81									
Group Balance	817 797 377.88	972 068 359.39	487 966 921.85	-	-	-	-	-	-	-	-	-
CPD Investment Account (Reserve Bank)	3 621 456 079.13	3 665 505 868.32	3 705 892 012.97									
Total Available Cash Balance	4 439 253 457.01	4 637 574 227.71	4 193 858 934.82	-	-	-	-	-	-	-	-	-
Revenue Fund dosing balance(CPD plus Exchequer Accounts)												
Equitable Share	3 101 135 565.62	3 307 754 856.78	2 303 437 122.78	-	-	-	-	-	-	-	-	-
Conditional Grant	653 083 000.00	548 653 000.00	1 690 805 000.00									
Total	3 754 218 565.62	3 856 407 856.78	3 994 242 122.78	-	-	-	-	-	-	-	-	-

The payments processes put in place are to ensure that all payments to suppliers/payees released as per schedule are effected on the action date of the relevant tapes released. The objective is to enhance cash management and that suppliers receive payments as per the payments stubs. This also assists the province in maintaining smaller cash balances in commercial bank accounts where lower interest is earned and to optimize interest returns in the CPD (Provincial account in South African Reserve Bank) account.

At the end of June 2014 the province had a total favorable bank balance of R4.194 billion comprising R3.706 billion in the CPD account and R487.967 million in the commercial bank accounts (viz. departmental PMG accounts and the Exchequer account).

3.4. Interest Performance

Table 3: Interest Performance – 30 June 2014

R'000													
Institution	2014/15												
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Commercial Bank (FNB)	-												-
Commercial Bank (SBSA)	5 264	2 061	2 772										10 097
CPD (SA Reserve Bank)	12 273	22 140	18 899										53 312
Total	17 537	24 201	21 671	-	-	-	-	-	-	-	-	-	63 409

INTEREST EARNED : 2013/14 FINANCIAL YEAR

R'000													
Institution	2013/14												
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Commercial Bank (FNB)	2 277	1 617	510										4 404
Commercial Bank (SBSA)	-	-	933										933
CPD (SA Reserve Bank)	7 937	13 898	11 796										33 631
Total	10 214	15 515	13 239	-	-	-	-	-	-	-	-	-	38 968

It is important to note that in public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions. When compared to the same period in the previous year as indicated in the table above interest revenue grows from R38.968 million in 2013/14 to R63.409 million for 2014/15. Interest earned in the CPD account alone grew from R33.631 million to R53.312 million.

4. Provincial overall expenditure as at 30 June 2014

Table 4: Limpopo Budget and expenditure

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Jun 2014	Actual spending as % of Main budget	(Over)	Under	% (Over/ under of Main budget)
Education	24 965 895	-	24 965 895	24 965 895	25 330 487	5 999 724	24.0%	-364 592	-	-1.5%
Health	14 371 045	-	14 371 045	14 371 045	14 685 709	3 364 373	23.4%	-314 664	-	-2.2%
Social Development	1 468 887	-	1 468 887	1 468 887	1 468 887	224 372	15.3%	-	-	0.0%
Public Works	928 600	-	928 600	928 600	928 600	189 157	20.4%	-	-	0.0%
Agriculture	1 602 228	-	1 602 228	1 602 228	1 602 228	304 760	19.0%	-	-	0.0%
Roads And Transport	3 524 895	-	3 524 895	3 524 895	3 524 895	536 442	15.2%	-	-	0.0%
Co-Operative Governance Human Settlements	2 158 033	-	2 158 033	2 158 033	2 158 033	294 306	13.6%	-	-	0.0%
Sport, Art And Culture	302 358	-	302 358	302 358	302 358	51 181	16.9%	-	-	0.0%
Safety, Security And Liaison	84 402	-	84 402	84 402	84 402	18 687	22.1%	-	-	0.0%
Office Of The Premier	335 616	-	335 616	335 616	335 616	75 097	22.4%	-	-	0.0%
Legislature	248 515	-	248 515	248 515	254 760	63 773	25.7%	-6 245	-	-2.5%
Provincial Treasury	357 797	-	357 797	357 797	357 898	71 397	20.0%	-101	-	0.0%
Economic Development Environment And Tourism	1 111 277	-	1 111 277	1 111 277	1 111 277	236 788	21.3%	-	-	0.0%
Total	51 459 548	-	51 459 548	51 459 548	52 145 150	11 430 057	22.2%	-685 602	-	-1.3%
Economic classification							Net	-685 602		
Current payments	43 748 679	-	43 748 679	43 748 679	44 426 700	10 253 409	23.4%	-678 020	-	-1.5%
Compensation of employees	36 116 633	-	36 116 633	36 116 633	36 795 988	9 015 239	25.0%	-679 355	-	-1.9%
Goods and services	7 631 641	-	7 631 641	7 631 641	7 630 307	1 238 124	16.2%	-	1 335	0.0%
Interest and rent on land	405	-	405	405	405	46	11.4%	-	-	0.0%
Transfers and subsidies	5 480 784	-	5 480 784	5 480 784	5 490 337	970 729	17.7%	-9 553	-	-0.2%
Payments for capital assets	2 230 085	-	2 230 085	2 230 085	2 228 114	205 918	9.2%	-	1 971	0.1%
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
of which: NPNC	13 112 830	-	13 112 830	13 112 830	13 121 048	2 208 899	16.8%	-8 218	-	-0.1%
Total	51 459 548	-	51 459 548	51 459 548	52 145 150	11 430 056	22.2%	-687 574	1 971	-1.3%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-685 602		

The overall provincial spending for the 1st quarter (Apr to June) amounts to R11.4 billion or 22.2 percent of the total available budget of R51.5 billion while departments projected to spend R16.8 billion or 32.7 percent. Previous year spending was at R10.8 billion or 22.4 percent of the budget of R48.4 billion. The Province has projected an over spending of R685.6 million under the department of Education and Health, other departments have projected to break-even at the end of the financial year. The projected over-expenditure is caused by the payment of 2012/13 liabilities (pay-progression and performance bonus) that could not be addressed in the 2013/14 financial year due financial constraints. Provincial Treasury will address the matter with the department.

The highest expenditure in terms of departments is recorded in Legislature at 25.7 percent, Education at 24.0 percent and Health at 23.4 percent. The lowest spending department is CoGHSTA at 13.6 percent and Roads and Transport at 15.2 percent. Most of the expenditure is incurred under Compensation of Employees at 25.0 percent.

4.1. Spending per economic classification

4.1.1. Compensation of Employees budget and expenditure

Table 5 : Compensation of Employees (CoE)

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Jun 2014	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	20 405 986	-	20 405 986	20 405 986	20 770 578	5 132 189	25.2%	-364 592	-	-1.8%
Health	10 234 791	-	10 234 791	10 234 791	10 549 455	2 583 523	25.2%	-314 664	-	-3.1%
Social Development	752 604	-	752 604	752 604	752 604	170 844	22.7%	-	-	0.0%
Public Works	615 799	-	615 799	615 799	615 799	147 647	24.0%	-	-	0.0%
Agriculture	1 015 758	-	1 015 758	1 015 758	1 015 758	234 999	23.1%	-	-	0.0%
Roads And Transport	1 078 064	-	1 078 064	1 078 064	1 078 064	243 182	22.6%	-	-	0.0%
Co-Operative Governance Human Settlements	763 429	-	763 429	763 429	763 429	208 311	27.3%	-	-	0.0%
Sport,Art And Culture	135 129	-	135 129	135 129	135 231	30 787	22.8%	-102	-	-0.1%
Safety,Security And Liason	60 032	-	60 032	60 032	60 032	13 238	22.1%	-	-	0.0%
Office of the Premier	226 299	-	226 299	226 299	226 299	56 978	25.2%	-	-	0.0%
Legislature	147 674	-	147 674	147 674	147 674	35 085	23.8%	-	-	0.0%
Treasury	229 247	-	229 247	229 247	229 244	54 454	23.8%	-	3	0.0%
Economic Development	451 821	-	451 821	451 821	451 821	104 002	23.0%	-	-	0.0%
Total	36 116 633	-	36 116 633	36 116 633	36 795 988	9 015 239	25.0%	-679 358	3	-1.9%
							Net	-679 355		

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

The overall Compensation of Employees spending is at R9.0 billion or 25.0 percent against the projection of R9.1 billion or 25.3 percent of total budget of R36.1 billion. The provincial spending pattern is slightly below the projection due to the non-filling of critical funded positions.

The highest percentage spending department is CoGHSTA at R208.3 million or 27.3 percent followed by the department of Education and Office of the Premier at R5.1 billion or 25.2 percent and R56.9 million or 25.2 percent respectively. The over spending in CoGHSTA is due to the payment of arrears to traditional leaders which will be addressed during the adjustment budget.

The Department of Education projects to overspend its budget by R362 6 million or 1.8 percent due to the cost of living adjustment. The Department of Health projects to over spend its budget by R314.7 million or 3.1 percent. The projected over spending is due to the payment of the 2013/14 pay progression and performance bonuses that could not be addressed in 2013/14.

4.1.2. Goods and Services

Table 6: Goods and Services budget and expenditure for the period under review

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Jun 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	2 177 001	-	2 177 001	2 177 001	2 177 001	275 626	12.7%	-	-	0.0%
Health	3 134 795	-	3 134 795	3 134 795	3 134 796	553 921	17.7%	-0	-	0.0%
Social Development	204 613	-	204 613	204 613	204 613	39 591	19.3%	-	-	0.0%
Public Works	206 410	-	206 410	206 410	206 410	30 416	14.7%	-	-	0.0%
Agriculture	354 008	-	354 008	354 008	354 008	49 351	13.9%	-	-	0.0%
Roads And Transport	779 135	-	779 135	779 135	779 135	159 564	20.5%	-	-	0.0%
Co-Operative Governance Human Settlements And	161 335	-	161 335	161 335	161 335	34 798	21.6%	-	-	0.0%
Sport,Art And Culture	136 034	-	136 034	136 034	135 687	18 005	13.2%	-	347	0.3%
Safety,Security And Liason	23 114	-	23 114	23 114	23 114	5 449	23.6%	-	-	0.0%
Office of the Premier	98 605	-	98 605	98 605	98 605	16 707	16.9%	-	-	0.0%
Legislature	36 155	-	36 155	36 155	35 876	7 082	19.6%	-	279	0.8%
Treasury	122 525	-	122 525	122 525	122 251	15 860	12.9%	-	274	0.2%
Economic Development	197 911	-	197 911	197 911	197 476	31 754	16.0%	-	435	0.2%
Total	7 631 641	-	7 631 641	7 631 641	7 630 307	1 238 124	16.2%	-0	1 335	0.0%
							Net	1 335		

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

The overall spending on Goods and Services is at R1.2 billion or 16.2 percent against the projection of R1.6 billion or 21.4 percent of the total budget of R7.6 billion. The province projects to underspend by R1.3 million. The highest percentage spending department is Safety, Security and Liaison at R5.4 million or 23.6 percent of the total budget of R23.1 million. The lowest percentage spending is recorded by Education at 12.7 percent due to the delay in submission of invoices by service providers. During the month of May 2014 Legislature projected to over spend its annual budget by R 3.1 million but during the month of June 2014, the anticipated over expenditure has since been revised and the institution is projecting to under spend by R0.280 million.

4.1.3. Transfers and subsidies

Table 7: Transfers and Subsidies and Services per department

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Jun 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 269 011	–	1 269 011	1 269 011	1 269 011	488 920	38.5%	–	–	0.0%
Health	475 733	–	475 733	475 733	477 704	152 335	32.0%	-1 971	–	-0.4%
Social Development	446 724	–	446 724	446 724	446 724	11 872	2.7%	–	–	0.0%
Public Works	47 050	–	47 050	47 050	47 050	3 697	7.9%	–	–	0.0%
Agriculture	159 894	–	159 894	159 894	159 894	16 046	10.0%	–	–	0.0%
Roads And Transport	1 324 582	–	1 324 582	1 324 582	1 324 582	121 945	9.2%	–	–	0.0%
Co-Operative Governance Human Settlements	1 230 802	–	1 230 802	1 230 802	1 230 802	50 086	4.1%	–	–	0.0%
Sport,Art And Culture	5 995	–	5 995	5 995	6 240	2 186	36.5%	-245	–	-4.1%
Safety,Security And Liason	–	–	–	–	–	–	–	–	–	–
Office of the Premier	6 969	–	6 969	6 969	6 969	1 331	19.1%	–	–	0.0%
Legislature	60 556	–	60 556	60 556	67 080	20 767	34.3%	-6 524	–	-10.8%
Treasury	3 000	–	3 000	3 000	3 378	1 056	35.2%	-378	–	-12.6%
Economic Development	450 468	–	450 468	450 468	450 903	100 488	22.3%	-435	–	-0.1%
Total	5 480 784	–	5 480 784	5 480 784	5 490 337	970 729	17.7%	-9 553	–	-0.2%
								Net	-9 553	

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

The province spent R970.7 million or 17.7 percent of the total budget of R5.5 billion on Transfers and subsidies against a projection of R1.2 billion or 22.7 percent. The highest percentage spending departments are Education, Sport, Provincial Treasury, and Legislature at 38.5 percent, 36.5 percent, 35.2 percent and 34.3 percent respectively. The lowest percentage spending department is Social Development at R1.4 million or 2.7 percent of its total budget of R446.7. The province is projecting to overspend its budget by R9.5 million or 0.2 percent in the following departments , Health – R1.9 million or 0.4 percent, Sport R0.245 million or 4.1 percent , Legislature – R6.5 million or 10.8 percent , Treasury – R0.378 million or 12.6 percent and Economic Development at R0.435 million or 0.1 percent.

4.1.4. Payment for Capital Assets

Table 8: Payment for Capital Assets per department as at 30 June 2014

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Jun 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 113 897	–	1 113 897	1 113 897	1 113 897	102 989	9.2%	–	–	0.0%
Health	525 726	–	525 726	525 726	523 755	74 593	14.2%	–	1 971	0.4%
Social Development	64 946	–	64 946	64 946	64 946	2 065	3.2%	–	–	0.0%
Public Works	59 341	–	59 341	59 341	59 341	7 397	12.5%	–	–	0.0%
Agriculture	72 568	–	72 568	72 568	72 568	4 364	6.0%	–	–	0.0%
Roads And Transport	343 114	–	343 114	343 114	343 114	11 751	3.4%	–	–	0.0%
Co-Operative Governance Human Settlements And	2 467	–	2 467	2 467	2 467	1 111	45.0%	–	–	0.0%
Sport,Art And Culture	25 200	–	25 200	25 200	25 200	203	0.8%	–	–	0.0%
Safety,Security And Liason	1 256	–	1 256	1 256	1 256	–	0.0%	–	–	0.0%
Office of the Premier	3 743	–	3 743	3 743	3 743	81	2.2%	–	–	0.0%
Legislature	4 130	–	4 130	4 130	4 130	839	20.3%	–	–	0.0%
Treasury	3 025	–	3 025	3 025	3 025	27	0.9%	–	–	0.0%
Economic Development	10 672	–	10 672	10 672	10 672	498	4.7%	–	–	0.0%
Total	2 230 085	–	2 230 085	2 230 085	2 228 114	205 918	9.2%	–	1 971	0.1%
								Net	1 971	

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

The overall expenditure on Payment for Capital Assets is at R205.9 million or 9.2 percent of the total budget of R2.2 billion against the projection of R492.6 million or 22.1 percent. The highest percentage spending department is CoGHSTA at R1.1 million or 45.0 percent of the budget of R2.5 million, Public Works at R7.4 million or 12.5 percent of the total budget of R59.3 million. The percentage spending on the following departments are very low; Safety, Sport and Treasury at 0.0 percent, 0.8 percent and 0.9 percent respectively.

4.2. Equitable share spending

Table 9: Equitable share spending – 30 June 2014

EQUITABLE SHARE 31 MARCH 2014

	Main Budget	Actual to June 2014	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	22 374 049	5 635 955	25.2%	17 102 686	22 738 641	(364 592)
Health	12 474 437	3 083 125	24.7%	9 705 976	12 789 101	(314 664)
Social Development	1 466 115	224 372	15.3%	1 241 743	1 466 115	-
Sport, Arts & Culture	159 800	37 525	23.5%	122 275	159 800	-
Safety & Security	84 402	18 687	22.1%	65 715	84 402	-
Premier	335 616	75 097	22.4%	260 519	335 616	-
Local Govt & Housing	936 774	246 702	26.3%	690 072	936 774	-
Legislature	248 515	63 773	25.7%	190 987	254 760	(6 245)
Public Works	926 348	188 977	20.4%	737 371	926 348	-
Provincial Treasury	357 797	71 397	20.0%	286 501	357 898	(101)
Agriculture	1 305 075	278 738	21.4%	1 026 337	1 305 075	-
Transport	2 101 215	390 846	18.6%	1 710 369	2 101 215	-
Econ Dev	1 109 175	236 454	21.3%	872 721	1 109 175	-
Total	43 879 318	10 551 648	24.0%	34 013 272	44 564 920	(685 602)

Provincial equitable share spending is at R10.6 billion or 24.0 percent of the total budget of R43.9 billion. The highest percentage spending department is CoGHSTA at R246.7 million or 26.3 percent of the total Equitable share budget of R936.7 billion. Education, Health Legislature and Treasury are projecting over expenditure of R364.6 million or 1.5 percent, R314.7 million or 2.2 percent, R6.2 million or 2.5 percent caused by the payment of 2012/13 liabilities (pay-progression and performance bonus) that could not be addressed in the 2013/14 financial year due financial constraints, payment to political parties and payment for leave gratuity. The lowest spending department is Social Development at R224.4 million or 15.3 percent of the total budget of R1.5 billion.

4.3. Conditional Grants Spending Performance

Table 10: Conditional Grant spending – 30 June 2014

Summary Conditional Grant						
	Budget	Actual to June 2014	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	2 591 846	363 769	14.0%	2 228 077	2 591 846	-
Health	1 896 607	281 248	14.8%	1 615 359	1 896 607	-
Social Development	2 772	-	0.0%	2 772	2 772	-
Sport, Arts & Culture	142 558	13 656	9.6%	128 902	142 558	-
Safety & Security	-	-	0.0%	-	-	-
Premier	-	-	0.0%	-	-	-
CoGHSTA	1 221 259	47 604	3.9%	1 173 655	1 221 259	-
Public Works	2 252	180	8.0%	2 072	2 252	-
Provincial Treasury	-	-	0.0%	-	-	-
Agriculture	297 153	26 022	8.8%	271 131	297 153	-
Transport	1 423 680	145 596	10.2%	1 278 084	1 423 680	-
Econ Dev	2 102	334	15.9%	1 768	2 102	-
Total	7 580 229	878 409	11.6%	6 701 820	7 580 229	-

R thousand	Main Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
Agriculture	297 153	26 022	8.8%
Comprehensive Agricultural Support Programme Grant	225 873	24 038	10.6%
Ilima/Letsema Projects Grant	46 062	667	1.4%
EPWP Incentive allocation	15 040	1 015	6.7%
Land Care Programme Grant	10 178	302	3.0%
Sport, Arts and Culture	142 558	13 656	9.6%
Mass Sport and Recreation Programme	59 446	8 589	14.4%
EPWP Incentive allocation	2 102	80	3.8%
Community Library Services Grant	81 010	4 987	6.2%
Education	2 591 846	363 769	14.0%
HIV and Aids (Life Skills Education) Grant	31 085	369	1.2%
Further Education and Training Colleges Grant	404 504	102 742	25.4%
National School Nutrition Programme Grant	991 153	155 777	15.7%
Infrastructure Grant	1 103 048	103 551	9.4%
Infrastructure Grant (Flood damage)	20 277	-	0.0%
Dinaledi School grant	11 340	-	0.0%
Social sector EPWP grant	13 280	1 330	10.0%
EPWP Incentive allocation	2 000	-	0.0%
Technical Secondary Schools Recapitalisation Grant	15 159	-	0.0%
Health	1 896 608	281 248	14.8%
Comprehensive HIV and Aids Grant	978 132	126 387	12.9%
Nursing colleges	-	-	0.0%
Infrastructure Grant	-	-	0.0%
Health Professions Training and Development Grant	116 207	14 907	12.8%
EPWP Social Sector	2 089	-	0.0%
EPWP Incentive grant	2 580	293	11.4%
Health insurance grant	7 000	449	6.4%
Hospital Revitalisation Grant	467 442	69 202	14.8%
National Tertiary Services Grant	323 158	70 010	21.7%
Co-operate Governance , Human Settlements and Traditional Affairs	1 221 259	47 604	3.9%
Housing Disaster Management	-	-	0.0%
Disaster : Flood Damage	-	-	-
Integrated Housing & Human Settlements Development Grant	1 195 874	47 604	4.0%
Human Settlement Development (flood repair)	5 701	-	-
Earmarked additions for the FF mining towns	17 540	-	-
T habazimbi	7 171	-	-
Greater T ubatse	1 684	-	-
Elias Motsoaledi	3 255	-	-
Lephalale	4 720	-	-
Fetakgomo	710	-	-
EPWP Incentive allocation	2 144	-	0.0%
Public Works	2 252	180	8.0%
Devolution of Property Rate Funds Grant	-	-	0.0%
EPWP incentive grant	2 252	180	8.0%
Economic Development	2 102	334	15.9%
EPWP Incentive grant	2 102	334	15.9%
Social Development	2 772	-	0.0%
EPWP Incentive grant	2 772	-	0.0%
Roads and Transport	1 423 680	145 596	10.2%
Transport Disaster Management	-	-	0.0%
Infrastructure Grant	1 127 310	94 851	8.4%
EPWP Incentive grant	291 852	50 222	17.2%
Public Transport Operations Grant	4 518	523	11.6%
Total	7 580 230	878 409	11.6%

The overall expenditure is very low at R878.4 million or 11.6 percent of the total budget of R7.6 billion. The department of Social Development has not yet recorded any expenditure on conditional grant. The highest spending departments on conditional grant are Health at R281.2 million or 14.8 percent and Education at R363.7 million or 14 percent.

4.3.1. Agriculture

The department has spent R26.0 million or 8.8 percent of the total budget of R297.1 million. The expenditure is very low due to failure by IDT to get contractors to finalize the projects. Capital projects have not yet started, delay in submitting the procurement plans by districts and non-operational SCM offices.

- Letsema- spent R0.667 million or 1.4 percent. Projected to spend R8.8 million during the 1st quarter. The under spending of R8 million is because it is a seasonal grant and the delay in submissions of procurement plans.
- Land care – spent R0.302 million or 3 percent. Projected to spend R0.235 million during the 1st quarter. Some projects are still undergoing procurement processes.
- CASP – Spent R 24 million or 10.6 percent. Projected to spend R40 million during the 1st quarter. The under spending of R16 million is due to re-commitment of all 2013/14 projects on the system to receiving and processing invoices.

4.3.2. Sport, Arts and Culture

Overall expenditure is at R13.6 million or 9.6 percent. Non filling of vacant posts in both Library and Mass Sport Participation grants which were done in 2013/14 but dispute. An investigation into the filling of the posts is still ongoing. There is also a delay in the appointment of contractors.

- Community Library Services- spent R4.9 million or 6.2 percent. Projected to spend to spend R21.4 million during the first quarter. The underspending of R16.1 million is due to delay in the appointment of contractors.
- Mass Sport- spent R8.5 million or 14.4 percent. Projected to spend R10.7 million. The unedrspending of R2.1 million is due to non filling of vacant positions.
- EPWP spent R0.080 million or 3.8 percent. Projected to spend R1.1 million during the 1st quarter.

4.3.3. Education

Overall spending by the department is at R363.8 million or 14.0 percent of the total budget of R2.6 billion. The expenditure is still low due to the delay in developing tender specification and transferring of feeding scheme funds by the department to schools. Payment for feeding for May and June not yet implemented and some accruals for last year are yet to be paid.

- HIV and Aids – spent R0.369 million. Projected to spend R3.1 million during the first quarter. The under spending is due to the delay in the procurement processes.
- Further Education and Training – spent R102 .7 million or 25.4 percent, spending is mostly on accruals. The expenditure does not include payment for May and June.
- National School Nutrition Programme- spent R155.8 million or 15.7 percent. Projected to spend R269.8 million during the first quarter. The under spending is due to the fact that payments for May and June is not effected.
- Infrastructure grant- spent R103 5 million or 9.4 percent. Projected to spend R 280.4 million. The dispute between IDT and the department is delaying the processing of invoices.

- Infrastructure grant (flood damaged) – No spending
- Dinaledi School – no spending. The department projected to spend R6.7 million during the first quarter. The delay in spending is due to the fact that the department's procurement plan is not yet approved.
- EPWP (Social sector) spent R1.3 million or 10 percent. Projected to spend R 5.3 million. The under spending of R4 million is due to late payment of stipends and delay in training of identified practitioners.
- EPWP (incentive allocation) – no spending
- Technical Secondary School- no spending. Projected to spend R1.5 million. The under spending is due to the delay in the procurement processes.

4.3.4. Health

The overall spending on Conditional Grant is R281.2 million or 14.8 percent of the total budget of R1.8 billion. The highest percentage spending grant is National Tertiary Services at R70.0 million or 21.7 percent. The overall conditional grant spending in this department is low due the delay in finalization of business plans as a result of a directive from the Minister to review the business plans in the department (i.e. Hospital Facilities Revitalization grant) to include laundry equipment. The delay in the verification of medicine deliveries affected the spending on ARV budget.

- HIV and Aids – spent R126.4 million or 12.9 percent The data capturers (200) who were previously paid stipend of R2000 per month are in the process of being appointed on level 4 during the second quarter of the financial year. Payment for contracted General Practitioners for traditional male circumcision to be processed in July after closure of initiation schools. Service providers could only be appointed in June for commencement of training in second quarter.
- HPTD – spend R 14.9 percent or 12.8 percent. The underspending is due to the delay in the procurement processes.
- EPWP (social sector) The first tranche was a top up on the available balance from 2013/14 financial year. The second tranche is only due in August 2014.
-
- EPWP (incentive grant)
- Health Insurance grant – spent R0.449 million or 6.4 percent .Delay in the procurement of the referral system and the delay was caused by a technicality in the submission of the winning bid, which then resulted in the delay in signing of the contract.
-
- Hospital Revitalization grant – spent R69.2 million or 14.8 percent. For HRG and HIG Infrastructure Projects delays in terms of projects under construction and delays in finalization of retention projects. Program review to include critical hospital refurbishment activities
-
- National Tertiary Services – spent R70 million or 21.7 percent. Delay in the procurement process and deliveries of various items impacted on the spending.

4.3.5. Roads and Transport

Overall spending is at R145.6 million or 10.2 percent. The spending is low due to delay in procurement processes. There are projects that are still on the tendering stage. Bid to supply cement and cold asphalt, painting materials will be done during this month (July 2014) and delivery will be over the financial year.

- Infrastructure grant – spend – R94.8 million or 8.4 percent
- Public Transport Operations – spend R50.2 million or 17.2 percent
- EPWP – spend R0.523 million

4.3.6. Public Works

The department recorded spending of R0.180 million or 8.0 percent due to amongst others the delay in signing of Service Level Agreements with the implementing agents.

4.3.7. Social Development

There is no spending to date, on the conditional grant.

5. Provincial own revenue performance

Table 11: Provincial own revenue per Vote – 30 June 2014

Departments	Main appropriation	Projections to JUNE 2014	Projections as % of budget	Actual to June 2014	Actual collection as % of the budget	Projected remainder of year	Estimated total revenue	Over / Under Collection	previous yr original Budget 2013/14	Previous yr Actual to June 2013	Actual collection as % of the budget
Office of the Premier	658	163	24.8%	185	28.1%	495	680	22	654	318	48.6%
Provincial Legislature	249	57	22.9%	23	9.0%	193	216	-34	257	24	9.3%
Education	50 704	9 866	19.5%	9 144	18.0%	40 838	49 982	-722	44 612	9 061	20.3%
Agriculture	8 497	722	8.5%	947	11.1%	7 472	8 419	225	9 316	1 553	16.7%
Provincial Treasury	143 731	38 045	26.5%	30 547	21.3%	124 582	155 129	-7 498	1 366	7 807	571.5%
Economic Development	84 825	19 423	22.9%	26 737	31.5%	64 724	91 461	7 314	60 577	12 896	21.3%
Health	135 572	22 179	16.4%	27 349	20.2%	111 550	138 899	5 170	120 708	18 185	15.1%
Roads and Transport	402 208	80 443	20.0%	83 129	20.7%	319 079	402 208	2 686	356 456	59 059	16.6%
Public Works	35 698	8 565	24.0%	6 781	19.0%	27 132	33 913	-1 784	28 797	6 961	24.2%
Safety & Security	77	20	26.0%	18	22.9%	58	75	-2	873	26	3.0%
Co-operative governance	2 925	269	9.2%	471	16.1%	2 472	2 944	202	2 500	411	16.4%
Social Development	2 637	548	20.8%	451	17.1%	2 089	2 540	-97	2 511	1 006	40.1%
Sport, Arts & Culture	921	102	11.1%	333	36.1%	818	1 151	231	910	76	8.4%
Total provincial receipts	868 702	180 402	20.8%	186 113	21.4%	701 503	887 616	5 711	629 537	117 383	18.6%

Provincial own revenue target for the year is R868.7 million. As at 30 June 2014 the Province has collected R186.1 million or 21.4 per cent against set projections of R180.4 million or 20.8 per cent. Overall, there is an over collection of R5.7 million or 0.6 per cent influenced mainly by the Departments of Health, Roads & Transport and Economic Development emanating from once off recovery of previous year's debts, improved rental collection,

improved motor vehicle license collection due to appointment of 50 additional Post Offices and an increase in collection of revenue from public entities through the Department of Economic Development & Tourism. The overall projected outcome of the Province however, indicates an over collection of R18.9 million or 2.2 per cent by 31st March 2015.

5.1. Provincial Own revenue per economic classification – 30 June 2014

Table 12: Provincial Own revenue per economic classification

Departments	Main appropriation	Projections to JUNE 2014	Projections as % of budget	Actual to June 2014	Actual collection as % of the budget	Projected remainder of year	Estimated total revenue	Over / Under Collection	previous yr original Budget 2013/14	Previous yr Actual to June 2013	Actual collection as % of the budget
Tax receipts	373 159	76 718	20.6%	84 825	22.7%	288 827	373 652	8 107	320 336	56 814	17.7%
Sales of goods and services - non capital assets	258 144	50 346	19.5%	49 578	19.2%	205 990	255 568	-768	218 550	40 125	18.4%
Transfers received from:	-	-	-	-	-	-	-	0	-	-	-
Fines, penalties and forfeits	50 089	9 971	19.9%	8 710	17.4%	42 711	51 421	-1 261	47 686	6 628	13.9%
Interest, dividend and rent on land	142 741	37 830	26.5%	30 630	21.5%	124 817	155 447	-7 200	416	6 932	1666.3%
Sales of capital assets	13 046	-	0.0%	96	0.7%	13 517	13 614	96	14 077	-	0.0%
Revenue financial assets	31 523	5 537	17.6%	12 274	38.9%	25 640	37 914	6 737	28 472	6 884	24.2%
Total departmental receipts	868 702	180 402	20.8%	186 113	21.4%	701 503	887 616	5 711	629 537	117 383	18.6%

5.1.1. Tax receipts (Target R373.2 million)

The item collected R84.8 million or 22.7 percent in the first quarter against set projections of R76.7 million or 20.6 percent. The over collection of R8.1 million in the 1st quarter is mainly due to collection of motor vehicle licenses by Roads and Transport attributed to the appointment of fifty additional Post Offices.

5.1.2. Sale of goods & services non capital assets (Target R258.1 million)

As at 30 June 2014 collection is R49.6 million or 19.2 percent against set projections of R50.3 million or 19.5 percent. The under collection is mainly as a result of reduced fees in Roads and Transport for public transport registrations and operations that was drastically reduced from January 2014 in compliance with National Transport regulations.

5.1.3. Fines, penalties and forfeits (Target R50.1 million)

Fines, penalties and forfeits collected R8.7 million or 17.4 percent against projections of R10.0 million or 19.9 percent. Less collection on this item is mainly due to commission of R1.714 million deducted from the item as a payment to the service provider 'Total Client Service Co Ltd' for administration of outstanding traffic fines.

5.1.4. Interest, dividend and rent on land (Target R142.741 million)

Collection as at 30 June 2014 was R30.6 million or 21.5 percent against set projections of R37.8 million or 26.5 percent. Under collection of R7.2 million is due to late transfer of interest earned on bank balances during June 2014 from Provincial Revenue Fund (PRF) to the departmental Pay Master General Account (PMG).

5.1.5.Sale of capital assets (Target R13.046 million)

The amounts of R0.040 million and R0.56 have been collected by Public Works and Office of the Premier respectively on the disposal of obsolete assets, without projecting for them in the first quarter of the financial year.

5.1.6.Financial transactions in assets and liabilities (Target R31.523 million)

Collection as at 30 June 2014 amounts to R12.3 million or 38.9 percent against set projections of R5.5 million or 17.6 percent. Over collection is mainly due to more recovery of outstanding previous year's debts by the departments of Health and Roads & Transport.

5.1.7.Sale of capital assets (Target R13.046 million)

The amounts of R0.040 million and R0.56 have been collected by Public Works and Office of the Premier respectively without projecting for them in the first quarter of the financial year.

5.1.8.Financial transactions in assets and liabilities (Target R31.523 million)

Collection as at 30 June 2014 amounts to R12.3 million or 38.9 percent against set projections of R5.5 million or 17.6 percent. Over collection is mainly due to more recovery of outstanding previous year's debts by the departments of Health and Roads & Transport.

6. Infrastructure Management

Table 13: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years

Table 1: Infrastructure Expenditure Comparison as at 30 June year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Education	959 830	997 599	1 123 325	157 518	102 458	102 989	16%	10%	9%
Current	94 180		224 665	14 323		189	15%		0%
Capital	865 650		898 660	143 195		102 800	17%		11%
Agriculture	178 742	171 951	142 289	9 459	16 629	5 944	5%	10%	4%
Current	8 500	4 856	5 375	-	-	-	0%	0%	0%
Capital	170 242	167 095	136 914	9 459	16 629	5 944	6%	10%	4%
Health	727 000	600 727	594 747	205 008	42 341	80 721	28%	7%	14%
Current	74 135		127 305	11 243		11 520	15%		9%
Capital	652 865		467 442	193 765		69 201	30%		15%
Roads and Transport	2 241 146	2 118 571	2 551 116	175 541	181 578	261 069	8%	9%	10%
Current	1 171 016	1 347 257	1 661 760	63 331	132 414	198 939	5%	10%	12%
Capital	1 070 130	771 314	889 356	112 210	49 164	62 130	10%	6%	7%
Social Development	65 400	95 639	52 912	48 556	6 362	1 609	74%	7%	3%
Current	-	-	-	-	-	-	-	-	-
Capital	65 400	95 639	52 912	48 556	6 362	1 609	74%	7%	3%
Sports, Arts and Culture	42 250	22 500	26 000	4 826	-	203	11%	0%	1%
Current	8 550	2 500	3 000	-	-	-	0%	0%	0%
Capital	33 700	20 000	23 000	4 826	-	203	14%	0%	1%
CoGHSTA	1 471 617	1 327 742	1 221 259	235 044	96 909	47 633	16%	7%	4%
Current									
Capital	1 471 617	1 327 742	1 221 259	235 044	96 909	47 633	16%	7%	4%
LEDET		63 102	65 375			4 366		0%	7%
Current		16 600	29 480			3 211		0%	11%
Capital		46 502	35 895			1 155		0%	3%
Public Works	53 395	59 765	59 439	267	3 237	6 832	1%	5%	11%
Current	3 000	9 613	7 847	-	79	513	0%	1%	7%
Capital	50 395	50 152	51 592	267	3 158	6 319	1%	6%	12%
TOTAL	5 739 380	5 457 596	5 836 462	836 219	449 514	511 366	15%	8%	9%
Subtotal (Current)	1 359 381	1 380 826	2 059 432	88 897	132 493	214 372	7%	10%	10%
Subtotal (Capital)	4 379 999	2 478 444	3 777 030	747 322	172 222	296 994	17%	7%	8%

The Provincial Infrastructure budget for the current financial year is R5.115 billion (against the R5.836 billion contained in the June 2014 IRM).

The overall Provincial Infrastructure budgets are reducing year on year and expenditure deteriorates each year. As at 30 June 2014, the Provincial Infrastructure expenditure amounts to R511.366 million which represents an increase of R329.32 million or 181% from the previous month expenditure of R182.05 million (3%). The total expenditure represents 9% of the Provincial infrastructure budget as at 30 June 2014.

The expenditure was projected to be R1.459 billion, which represents 25% in terms of the norm. The province is 16% below the straight line norm, which is below by R 947.75 million.

Table 14: Provincial Infrastructure Over/Under Expenditure over three financial years

Table 2: Infrastructure Expenditure (Actual vs Projected) Comparison as at 30 June year-on-year												
Department	Budget (R'000)			Actual Expenditure (R'000)			Projected Expenditure for remainder of FY (R'000)			(Over)/Under Expenditure		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Education	959 830	997 599	1 123 325	157 518	102 458	102 989	157 518	895 141	1 020 336	644 794	-	-
Current	94 180	-	224 665	14 323	-	189	14 323	-	68 445	65 534	-	156 031
Capital	865 650	-	898 660	143 195	-	102 800	143 195	-	951 891	579 260	-	-156 031
Agriculture	178 742	171 951	142 289	9 459	16 629	5 944	169 283	166 088	136 345	-	-10 766	-
Current	8 500	4 856	5 375	-	-	-	8 500	4 856	5 375	-	-	-
Capital	170 242	167 095	136 914	9 459	16 629	5 944	160 783	161 232	130 970	-	-10 766	-
Health	727 000	600 727	594 747	205 008	42 341	80 721	523 285	558 386	571 929	-1 293	-	-57 903
Current	74 135	-	127 305	11 243	-	11 520	62 892	-	115 785	-	-	-
Capital	652 865	-	467 442	193 765	-	69 201	460 393	-	456 144	-1 293	-	-57 903
Roads and Transport	2 241 146	2 118 571	2 551 116	175 541	181 578	261 069	2 065 605	1 936 993	2 290 047	-	-	-
Current	1 171 016	1 347 257	1 661 760	63 331	132 414	198 939	1 058 806	1 214 843	1 462 821	48 879	-	-
Capital	1 070 130	771 314	889 356	112 210	49 164	62 130	1 006 799	722 150	827 226	-48 879	-	-
Social Development	65 400	95 639	52 912	48 556	6 362	1 609	33 090	89 277	51 303	-16 246	-	-
Current	-	-	-	-	-	-	-	-	-	-	-	-
Capital	65 400	95 639	52 912	48 556	6 362	1 609	33 090	89 277	51 303	-16 246	-	-
Sport, Arts and Culture	42 250	22 500	26 000	4 826	-	203	37 424	22 500	19 119	-	-	6 678
Current	8 550	2 500	3 000	-	-	-	8 550	2 500	2 244	-	-	756
Capital	33 700	20 000	23 000	4 826	-	203	28 874	20 000	16 875	-	-	5 922
CoGHSTA	1 471 617	1 327 742	1 221 259	235 044	96 909	47 633	1 236 573	1 230 833	1 173 626	-	-	-
Current	-	-	-	-	-	-	-	-	-	-	-	-
Capital	1 471 617	1 327 742	1 221 259	235 044	96 909	47 633	1 236 573	1 230 833	1 173 626	-	-	-
LEDET	-	63 102	65 375	-	-	4 366	-	63 102	61 009	-	-	-
Current	-	16 600	29 480	-	-	3 211	-	16 600	26 269	-	-	-
Capital	-	46 502	35 895	-	-	1 155	-	46 502	34 740	-	-	-
Public Works	53 395	59 765	59 439	267	3 237	6 832	53 128	58 486	52 607	-	-1 958	-
Current	3 000	9 613	7 847	-	79	513	3 000	9 534	7 334	-	-	-
Capital	50 395	50 152	51 592	267	3 158	6 319	50 128	48 952	45 273	-	-1 958	-
GRAND TOTAL	5 739 380	5 457 596	5 836 462	836 219	449 514	511 366	4 275 906	5 020 806	5 376 321	627 255	-12 724	-51 225
Subtotal (Current)	1 359 381	1 380 826	2 059 432	88 897	132 493	214 372	1 156 071	1 248 333	1 688 273	114 413	-	156 787
Subtotal (Capital)	4 379 999	2 478 444	3 777 030	747 322	172 222	296 994	3 119 835	2 318 946	3 688 048	512 842	-12 724	-208 012

The province projects to overspend its infrastructure budget by an amount of R51.23 million with the departments of Health projecting to overspend by R57.90 million and Sport, Arts and Culture projecting to underspend by R6.68 million as at 30 June 2014. All the other departments project to break even.

8. Conclusion

The overall provincial spending for the month of June amounts to R11.4 billion or 22.2 percent of the total available budget of R51.5 billion of which R10.5 billion is equitable share spending and only R878.4 million is conditional grant spending. The Province notes with concern the under performance in Goods & Services and Capital expenditure in the 1st quarter.

The Provincial Treasury has noted the projected over-spending by the Department of Education and Health on Compensation of Employees and further discussions will be held with the departments to clearly understand the extent of these projections.

The Provincial Treasury is concerned with the continuous under spending on conditional grants and infrastructure and has introduced an additional reporting requirement for IYM reporting in order to monitor under performance by departments and isolate conditional grant including provincial earmarked priorities spending in line with business plans.



Gavin Pratt CA (SA)
Head of Department
Limpopo Provincial Treasury



Date