



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ref : 12/4/5/1
Enq : Semenya PA
Tel : (015) 298-7000

**The Director General
National Treasury
Private Bag x115
PRETORIA**

LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 MARCH 2019(PRELIMINARY REPORT)

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 March 2019.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial preliminary revenue and expenditure report as at 31 March 2019 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's revenue and expenditure trend for the period under review finds its basis on the Preliminary March 2019 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analyzed in terms of the projected revenue and 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

2018/19 Cash Allocation bilateral was held with all Provincial departments from the 21st to 23rd of May 2018. The Cash Allocation Letters for 2018/19 financial year were issued to all departments after the finalization of the cash allocation bilateral, 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 5 times a month, i.e. the 15th for normal salaries, 22nd for Educators' salaries, two Supplementary payments (claims) and month-end for probation, contract employees and third party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the action dates 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 past financial years.

4.1. Cash Allocations Vs. Actual Expenditure Vs. Actual Funds Transferred

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. Table 3 below provides cash flow projections, actual expenditure and transfers to departments during March 2019.

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 March 2019

Departments	Opening Bank Balances at 01-Apr-18 R' 000	Cash Allocation 31-Mar-19 R' 000	Actual Expenditure 31-Mar-19 R' 000	Tranfers To Departments 31-Mar-19 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	241 878	30 834 506	30 680 221	30 834 506	154 285	0,5%	-154 285	-0,5%
Health	226 832	19 801 774	19 785 735	19 801 774	16 039	0,1%	-16 039	-0,1%
Social Development	17 324	2 064 968	2 049 323	2 064 968	15 645	0,8%	-15 645	-0,8%
Public Works, Roads and Infrastructure	158 295	3 495 294	3 410 420	3 495 294	84 874	2,4%	-84 874	-2,5%
Agriculture	165 303	1 937 270	1 936 342	1 937 270	928	0,0%	-928	0,0%
Transport	86 753	2 066 228	2 028 871	2 066 228	37 357	1,8%	-37 357	-1,8%
CoGHSTA	43 018	2 689 006	2 575 993	2 689 006	113 013	4,2%	-113 013	-4,4%
Sport, Arts & Culture	32 765	487 714	451 365	487 714	36 349	7,5%	-36 349	-8,1%
Community Safety	-149	111 714	110 554	111 714	1 160	1,0%	-1 160	-1,0%
Office of the Premier	8 393	420 680	418 415	420 680	2 265	0,5%	-2 265	-0,5%
Provincial Legislature	57 150	417 309	389 694	417 309	27 616	6,6%	-27 616	-7,1%
Provincial Treasury	10 233	462 850	448 467	462 850	14 383	3,1%	-14 383	-3,2%
Economic Development, Environmental & Tourism	25 536	1 705 374	1 691 074	1 705 374	14 300	0,8%	-14 300	-0,8%
Total	1 073 331	66 494 687	65 976 474	66 494 687	518 214	0,8%	-518 214	-0,8%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R518.214 million or 0.8 percent. It should be clear that the overall under-spending by departments has nothing to do with availability of cash as Treasury has given cash allocations and processes well upfront.

On the other hand, the total budget of R66.495 billion for 208/19 financial year has been transferred to department for spending.

4.2. Interest Performance

R'000

Institution	2018/19												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Commercial Bank (SBSA)	4 588	3 408	3 859	1 699	529	121	116						14 320
CPD (SA Reserve Bank)	15 189	24 014	20 667	18 595	19 656	18 048	23 928	26 841	19 006	21 128	22 855	20 734	250 661
Commercial Bank (absa)				449	1 296	5 222	2 407	2 407	1 497	2 527	1 664	1 087	18 556
Total	19 777	27 422	24 526	20 743	21 481	23 391	26 451	29 248	20 503	23 655	24 519	21 821	283 537

Institution	2017/18												
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
Commercial Bank (SBSA)	1 819	1 663	1 443	1 619	1 551	1 795	1 739	1 783	1 238	2 718	1 407	2 113	20 888
CPD (SA Reserve Bank)	35 848	30 777	27 144	23 333	29 496	27 843	26 777	31 323	23 295	21 447	24 197	27 452	328 932
Interest on investment with SBSA									1 361				1 361
Total	37 667	32 440	28 587	24 952	31 047	29 638	28 516	33 106	25 894	24 165	25 604	29 565	351 181

-23,80%

-19,26%

It is important to note that interest reported is earned on the group favorable bank balance comprising Exchequer Account, PMG Accounts and the Call Account held with the provincial banker, as well as investment account referred to as CPD held with the South African Reserve

Bank. In both financial years, a Call Account is solely used keep funds ring fenced to meet calendar year-end third party payments which become due when all officials are holidays. It is also important to further note that, in public sector though reflecting healthy position, huge favorable bank account and investment balances translates into inefficiencies and ineffectiveness in planning and service delivery. Comparing same period last financial year as indicated in the tables above, interest revenue was at R283.5 million by end of March 2019 that represent 19.26 percent decrease from last financial year. Interest earned from the CPD account alone was at R250.8 million recording a 21.80 percent decrease from R328.9 million last financial year.

5. Provincial Expenditure

Table 3: Provincial overall expenditure as at 31 March 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary Outcome	Actual spending as at 31 March 2019	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
R thousand									
Education	30 807 772	30 834 506	30 834 506	30 680 064	30 680 064	99,5%	—	154 442	0,5%
Health	19 511 420	19 701 774	19 801 774	19 733 197	19 733 197	99,7%	—	68 577	0,3%
Social Development	1 986 729	2 039 969	2 064 969	2 045 195	2 045 195	99,0%	—	19 774	1,0%
Public Works, Roads And Infrastructure	3 118 176	3 555 294	3 495 294	3 410 380	3 410 380	97,6%	—	84 914	2,4%
Agriculture	1 917 354	1 987 270	1 937 270	1 936 329	1 936 329	100,0%	—	941	0,0%
Transport	2 106 228	2 106 228	2 066 228	2 027 930	2 027 930	98,1%	—	38 298	1,9%
Co-Operative Governance Human Settlement	2 624 006	2 714 006	2 689 006	2 575 992	2 575 992	95,8%	—	113 014	4,2%
Sport, Arts And Culture	472 264	487 714	487 714	451 468	451 468	92,6%	—	36 246	7,4%
Community Safety	109 714	111 714	111 714	110 554	110 554	99,0%	—	1 160	1,0%
Office Of The Premier	420 680	420 680	420 680	418 399	418 399	99,5%	—	2 281	0,5%
Provincial Legislature	360 927	417 309	417 309	390 570	390 570	93,6%	—	26 739	6,4%
Provincial Treasury	472 850	472 850	462 850	448 995	448 995	97,0%	—	13 855	3,0%
Economic Development, Environment And Tc	1 665 374	1 705 374	1 705 374	1 692 545	1 692 545	99,2%	—	12 829	0,8%
Total	65 373 494	66 534 688	66 494 688	65 921 618	65 921 618	99,1%	—	573 070	0,9%
Economic classification						Net	573 070		
Current payments	55 480 765	55 885 321	56 101 841	55 624 071	55 624 071	99,1%	-34	477 804	0,0%
Compensation of employees	45 956 169	45 869 226	46 013 930	45 803 767	45 803 767	99,5%	—	210 163	0,5%
Goods and services	9 503 676	10 015 175	10 086 991	9 819 350	9 819 350	97,3%	—	267 641	2,7%
Interest and rent on land	920	920	920	954	954	103,7%	-34	—	0,0%
Transfers and subsidies	7 827 311	8 456 956	8 429 046	8 422 143	8 422 143	99,9%	—	6 903	0,1%
Payments for capital assets	2 085 418	2 061 398	1 892 888	1 806 374	1 806 374	95,4%	—	86 514	4,6%
Payments for financial assets	—	90 913	70 913	69 030	69 030	97,3%	—	1 883	2,7%
Total	65 373 494	66 494 588	66 494 688	65 921 618	65 921 618	99,1%	-34	573 104	0,9%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	573 070		

Overall the provincial expenditure is R65.9 billion representing 99.1 percent spending of the R66.5 billion allocated adjusted budget. The province underspent by R573.1 million or 0.9 percent. All the departments underspent by the end of March 2019.

- **Compensation of Employees (CoE)** spent R45.8 billion or 99.5 percent of the total adjusted budget of R46.0 million. The province underspent by R210.2 million or 0.5 percent.
- **Goods and Services** spent R9.8 billion or 97.3 percent of the total adjusted budget of R10.1 billion. The province underspent by R267.6 million or 2.7 percent.
- **Transfers and subsidies** recorded an expenditure of R8.4 billion or 99.9 percent of the total adjusted budget of R8.4 billion. The province underspent by R6.9 million or 0.1 percent.
- **Payment for Capital Assets** spent R1.8 billion or 95.4 percent of the total adjusted budget of R1.9 billion. The province underspent by R86.5 million or 4.6 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 4: Compensation of Employees as at 31 March 2019

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary Outcome	Actual as at 31 March 2019	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	24 637 533	24 641 874	24 799 681	24 726 235	24 726 235	99,7%	–	73 446	0,3%
Health	14 257 472	14 260 619	14 284 320	14 207 027	14 207 027	99,5%	–	77 293	0,5%
Social Development	1 084 112	1 130 006	1 130 006	1 128 078	1 128 078	99,8%	–	1 928	0,2%
Public Works , Roads and Infrastructure	1 100 857	1 056 184	1 046 184	1 047 867	1 047 867	100,2%	-1 683	–	-0,2%
Agriculture	1 208 280	1 137 871	1 126 171	1 110 015	1 110 015	98,6%	–	16 156	1,4%
Transport	975 322	945 323	940 321	935 279	935 279	99,5%	–	5 042	0,5%
Co-Operative Governance Human Settlement	1 041 309	1 039 108	1 030 201	1 013 286	1 013 286	98,4%	–	16 915	1,6%
Sport,Art And Culture	199 781	199 338	198 484	190 376	190 376	95,9%	–	8 108	4,1%
Community Safety	76 967	78 603	78 260	77 376	77 376	98,9%	–	884	1,1%
Office of the Premier	300 576	300 576	300 576	301 262	301 262	100,2%	-686	–	-0,2%
Legislature	198 319	206 387	206 387	201 127	201 127	97,5%	–	5 260	2,6%
Treasury	310 658	292 357	292 357	290 342	290 342	99,3%	–	2 015	0,7%
Economic Development	564 983	580 982	580 982	575 497	575 497	99,1%	–	5 485	0,9%
Total	45 956 169	45 869 228	46 013 930	45 803 767	45 803 767	99,5%	-2 369	212 532	0,5%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	210 163	

The overall provincial CoE spending is at R45.8 billion or 99.5 percent of the total adjusted budget of R46.0 billion. The highest percentage spending departments are Office of the Premier at R301.3 million or 100.2 percent, Education at R24.7 billion or 99.7 percent, Health at R14.2 billion or 99.5 percent and Social Development at R1.1 billion or 99.8 percent. The province underspent by R210.2 million or 0.5 percent. The following departments overspent their allocated classification budget: -

- Public Works, Roads and Infrastructure – R1.7 million or 0.2 percent.
- Office of the Premier – R0.686 million or 0.2 percent.

5.1.2. Goods and Services

Table 5: Goods and Services as at 31 March 2019

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary Outcome	Actual as at 31 March 2019	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	2 668 540	2 669 329	2 566 275	2 483 543	2 483 543	96,8%	-	82 732	3,2%
Health	4 056 727	4 382 865	4 533 308	4 500 599	4 500 599	99,3%	-	32 709	0,7%
Social Development	269 344	291 674	311 074	304 694	304 694	97,9%	-	6 380	2,1%
Public Works, Roads and Infrastructure	790 149	862 936	886 236	769 966	769 966	86,9%	-	96 270	11,1%
Agriculture	401 600	439 191	438 855	451 639	451 639	102,9%	-12 784	-	-2,9%
Transport	291 800	304 701	306 558	300 687	300 687	98,1%	-	5 871	1,9%
Co-Operative Governance Human Settlements And	184 548	178 834	180 104	179 276	179 276	99,5%	-	828	0,5%
Sport, Art And Culture	219 377	226 945	229 013	210 860	210 860	92,1%	-	18 153	7,9%
Community Safety	32 252	32 363	32 613	32 315	32 315	99,1%	-	298	0,9%
Office of the Premier	112 781	113 069	112 569	109 717	109 717	97,5%	-	2 852	2,5%
Legislature	67 984	75 196	76 814	67 650	67 650	88,1%	-	9 164	11,9%
Treasury	143 955	160 488	152 908	142 035	142 035	92,9%	-	10 873	7,1%
Economic Development	259 619	277 684	280 664	266 369	266 369	94,9%	-	14 295	5,1%
Total	9 498 676	10 015 275	10 066 991	9 819 350	9 819 350	97,3%	-12 784	280 425	2,7%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	267 641	

The overall spending on Goods and Services is at R9.8 billion or 97.3 percent of the total adjusted budget of R10.1 billion. The province underspent by R267.6 million or 2.7 percent. The department of Agriculture overspent the classification budget by R12.8 million or 2.9 percent.

5.1.3. Transfers and subsidies

Table 6: Transfers and subsidies as at 31 March 2019

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary Outcome	Actual as at 31 March 2019	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	2 326 435	2 488 222	2 481 969	2 525 791	2 525 791	101,8%	-43 822	-	0,0%
Health	649 203	628 270	611 100	594 200	594 200	97,2%	-	16 900	2,8%
Social Development	584 911	570 127	570 127	559 388	559 388	98,1%	-	10 739	1,9%
Public works, Roads and Infrastructure	1 062 835	1 473 839	1 473 839	1 475 417	1 475 417	100,1%	-1 578	-	-0,1%
Agriculture	209 032	272 152	262 629	297 786	297 786	113,4%	-35 157	-	-13,4%
Transport	802 010	818 510	781 653	782 650	782 650	100,1%	-997	-	-0,1%
Co-Operative Governance Human Settlements	1 336 728	1 340 011	1 342 470	1 266 596	1 266 596	94,3%	-	75 874	5,7%
Sport, Art And Culture	12 495	17 496	16 702	15 353	15 353	91,9%	-	1 349	8,1%
Community Safety	11	149	196	195	195	99,5%	-	1	0,5%
Office of the Premier	1 832	719	719	1 450	1 450	201,7%	-731	-	-101,7%
Legislature	73 027	110 777	110 498	107 347	107 347	97,1%	-	3 151	2,9%
Treasury	7 301	9 056	10 015	9 835	9 835	98,2%	-	180	1,8%
Economic Development	781 491	727 628	767 129	786 135	786 135	102,5%	-19 006	-	-2,5%
Total	7 827 311	8 456 956	8 429 046	8 422 143	8 422 143	99,9%	-101 291	108 194	0,1%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	6 903	

The province spent R8.4 billion or 99.9 percent of the total adjusted budget of R8.429 billion on Transfers and subsidies. The province underspent by R6.9 million or 0.1 percent.

The highest percentage spending departments are Office of the Premier at R1.4 million or 201.7 percent, Community Safety at R0.195 million or 99.5 percent, Agriculture at R297.8 billion or 113.4 percent, LEDET at R786.1 million or 102.5 percent and Education at R2.5 billion or 101.8 percent.

5.1.4. Payment for Capital Assets

Table 7: Payment for Capital Assets as at 31 March 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary Outcome	Actual as at 31 March 2019	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
R thousand									
Education	975 264	1 035 081	986 581	944 495	944 495	95,7%	-	42 086	4,3%
Health	548 018	430 020	373 046	431 371	431 371	115,6%	-58 325	-	-15,6%
Social Development	48 362	48 162	53 762	53 035	53 035	98,6%	-	727	1,4%
Public Works, Roads and Infrastructure	164 335	162 335	109 035	116 927	116 927	107,2%	-7 892	-	-7,2%
Agriculture	98 442	118 056	109 615	76 889	76 889	70,1%	-	32 726	29,9%
Transport	37 096	36 796	36 796	9 250	9 250	25,1%	-	27 546	74,9%
Co-Operative Governance Human Settlements And	61 421	66 053	66 231	48 441	48 441	73,1%	-	17 790	26,9%
Sport,Art And Culture	40 611	43 935	43 515	34 879	34 879	80,2%	-	8 636	19,8%
Community Safety	484	599	645	668	668	103,6%	-23	-	-3,6%
Office of the Premier	5 491	6 316	6 816	5 613	5 613	82,4%	-	1 203	17,6%
Legislature	21 597	24 949	23 610	14 446	14 446	61,2%	-	9 164	38,8%
Treasury	10 936	10 936	7 557	6 658	6 658	88,1%	-	899	11,9%
Economic Development	78 361	78 160	75 879	63 702	63 702	84,2%	-	11 977	15,8%
Total	2 090 418	2 061 398	1 892 888	1 806 374	1 806 374	95,4%	-86 240	152 754	4,6%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	86 514		

The overall provincial expenditure on Payment for Capital Assets is at R1.8 billion or 95.4 percent of the total budget of R1.9 billion. The highest percentage spending departments are Health at R431.2 million or 115.6 percent and reflects an over expenditure together with Public Works, Roads and Infrastructure at R116.9 million or 107.2 percent and Community Safety at R0.668 million or 103.6 percent. Overall the province underspent by R86.5 million or 4.6 percent.

5.2. Equitable share spending

Table 8: Equitable share spending as at 31 March 2019

	Adjusted Appropriation	Actual as at Preliminary March 2019	Actual spending as % of budget	Preliminary Outcome	Variance
Education	28 449 124	28 407 544	99,9%	28 407 544	41 580
Health	16 990 580	17 000 169	100,1%	17 000 169	(9 589)
Social Development	1 934 530	1 912 912	98,9%	1 912 912	21 618
Public Works , Roads and Infrastruc	2 326 676	2 316 468	99,6%	2 316 468	10 208
Agriculture	1 541 967	1 542 874	100,1%	1 542 874	(907)
Transport	1 709 419	1 671 121	97,8%	1 671 121	38 298
CoGHSTA	1 376 819	1 339 810	97,3%	1 339 810	37 009
Sport, Arts & Culture	287 012	270 112	94,1%	270 112	16 900
Community Safety	109 714	108 554	98,9%	108 554	1 160
Office of the Premier	420 680	418 399	99,5%	418 399	2 281
Legislature	417 309	390 570	93,6%	390 570	26 739
Treasury	462 850	448 995	97,0%	448 995	13 855
Economic Development	1 701 998	1 689 170	99,2%	1 689 170	12 828
Total	57 728 678	57 516 698	99,6%	57 516 698	211 980
Economic classification					
Current payments	51 902 051	51 706 722	99,62%	51 706 722	195 295
Compensation of employees	45 195 477	44 996 483	99,6%	44 996 483	198 994
Goods and Services	6 706 574	6 710 239	100,1%	6 710 239	(3 665)
Other	920	954	0,0%	954	(34)
Current transfers and subsidies	5 208 224	5 272 956	101,2%	5 272 956	(64 732)
Payments for capital assets	546 570	467 036	85,4%	467 036	79 534
Payments for financial assets	70 913,00	69 030	0,0%	69 030	1 883
Total	57 728 678	57 516 698	99,6%	57 516 698	211 980

Provincial equitable share spending is at R57.5 billion or 99.6 percent of the total adjusted budget of R57.7 billion.

The highest percentage spending departments are Health at 100.1 percent or R17.0 billion with an overspending by R9.6 million, Education at 99.9 percent or R28.4 billion and Agriculture at 100.1 percent or R1.5 billion whereas low percentage spending departments are Sport, Arts and Culture at 94.1 percent or R270.1 million and Legislature at 93.6 percent or R390.6 million. The province underspent by R211.9 million while during February it was projecting to overspend by R1.2 billion.

5.3. Conditional Grants

Table 9: Conditional Grants spending per department as at 31 March 2019

	Adjusted Appropriation	Actual as at Preliminary March 2019	Actual spending as % of budget	Preliminary Outcome	Variance
Education	2 385 382	2 272 520	95,3%	2 272 520	112 862
Health	2 811 194	2 733 028	97,2%	2 733 028	78 166
Social Development	130 439	132 283	101,4%	132 283	(1 844)
Public Works , Roads and Infrastru	1 168 618	1 093 912	93,6%	1 093 912	74 706
Agriculture	395 303	393 455	99,5%	393 455	1 848
Transport	356 809	356 809	100,0%	356 809	-
CoGHSTA	1 312 187	1 236 182	94,2%	1 236 182	76 005
Sport, Arts and Culture	200 702	181 356	90,4%	181 356	19 346
Community Safety	2 000	2 000	100,0%	2 000	-
Economic Development	3 376	3 375	100,0%	3 375	1
Total	8 766 010	8 404 920	95,9%	8 404 920	361 090
Current payments	4 198 870	3 916 395	93,27%	3 916 395	532 996
Compensation of employees	818 453	807 284	98,6%	807 284	11 169
Goods and Services	3 380 417	3 109 111	92,0%	3 109 111	271 306
Current transfers and subsidies	3 220 822	3 149 187	97,8%	3 149 187	71 635
Payments for capital assets	1 346 318	1 339 338	99,5%	1 339 338	6 980
Payments for financial assets	-	-	-	-	-
Total	8 766 010	8 404 920	95,9%	8 404 920	361 090

The CGs' overall expenditure is at R8.4 billion or 95.9 percent of the total adjusted budget of R8.8 billion. Spending by Departments at this period last financial year was at R7.7 billion or 97.3 percent. The highest percentage spending departments are Social Development at R132.3 million or 101.4 percent, Economic Development at R3.3 million or 100.0 percent, Transport at 356.8 million or 100.0 percent and Community Safety at R2.0 million or 100.0 percent.

Overall the province underspent Conditional grants budget by R361.1 million. All the department underspent except Social Development which overspent by R1.8 million.

Table 10: Limpopo Conditional Grants spending per grant as at 31 March 2019

R thousand	Budget	Adjusted Budget	Provincial Actual Payments	Actual Payments as a % of Adjusted budget
Agriculture	345 387	395 303	393 455	99,5%
Comprehensive Agricultural Support Programme	256 521	271 237	272 647	100,5%
Disaster (Casp Infrastructure)	6 581	—	—	0,0%
Ilima/Letsema Projects Grant	71 263	71 263	71 745	100,7%
EPWP Incentive allocation	5 000	5 000	4 692	93,8%
Land Care Programme Grant	12 603	47 803	44 371	92,8%
Sport, Arts and Culture	195 322	200 002	181 356	90,7%
Mass Sport and Recreation Programme	67 679	68 558	64 330	93,8%
EPWP Incentive allocation	2 000	2 000	1 782	89,1%
Community Library Services Grant	125 643	129 444	115 244	89,0%
Education	2 349 648	2 385 382	2 272 520	95,3%
HIV and Aids (Life Skills Education) Grant	27 116	28 964	19 938	68,8%
National School Nutrition Programme Grant	1 229 299	1 255 019	1 218 330	97,1%
Infrastructure Grant	1 011 680	1 011 680	951 412	94,0%
Maths, Science and Technology	43 364	49 542	46 885	94,6%
Learners with Profound Intellectual Disabilities	21 700	23 688	20 934	88,4%
Social sector EPWP grant	14 355	14 355	12 782	89,0%
EPWP Incentive allocation	2 134	2 134	2 239	104,9%
Health	2 720 840	2 811 194	2 733 028	97,2%
Comprehensive HIV and Aids Grant	1 600 516	1 602 363	1 542 995	96,3%
Health Professions Training and Development Gr	139 366	139 366	138 332	99,3%
Human Papilloma Vaccine	27 471	27 471	25 094	91,3%
EPWP Social Sector	27 029	27 029	26 946	99,7%
Hospital Revitalisation Grant	536 898	625 405	632 087	101,1%
National Tertiary Services Grant	387 560	387 560	365 574	94,3%
EPWP Incentive	2 000	2 000	2 000	100,0%
COGHSTA	1 312 187	1 312 187	1 236 182	94,2%
Integrated Housing & Human Settlements Develop	1 285 681	1 285 681	1 224 478	95,2%
Deeds Restoration	24 506	24 506	11 704	47,8%
EPWP Incentive allocation	2 000	2 000	—	0,0%
Public Works, Roads and Infrastructure	1 131 500	1 168 618	1 093 912	93,6%
Infrastructure Grant	994 146	1 031 284	1 064 562	103,2%
Transport Disaster Management	130 000	130 000	22 000	16,9%
EPWP incentive grant	7 354	7 354	7 350	99,9%
Economic Development	3 376	3 376	3 375	100,0%
EPWP Incentive grant	3 376	3 376	3 375	100,0%
Social Development	127 200	130 439	132 283	101,4%
Early Childhood development	68 561	71 800	59 156	82,4%
Social worker employment	50 631	50 631	65 644	129,7%
EPWPSocial sector grant	8 008	8 008	7 483	93,4%
Transport	356 809	356 809	356 809	100,0%
Public Transport Operations Grant	356 809	356 809	356 809	100,0%
Community Safety	2 000	2 000	2 000	100,0%
EPWP incentive grant	2 000	2 000	2 000	100,0%
Total	8 544 269	8 765 310	8 404 920	95,9%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R393.5 million or 99.5 percent of the total adjusted budget of R395.3 million. The spending per grant type is as follows:

- **Comprehensive Agricultural Support programme** spent 100.5 percent or R272.6 million of the total adjusted budget of R271.2 million.
- **Land care** recorded an expenditure of R44.4 million or 92.8 percent of the total adjusted budget of R47.8 million.
- **ILLIMA/LETSEMA** spent R71.7 million or 100.7 percent of the total adjusted budget of R71.3 million.
- **EPWP incentive grant** spent R4.7 million or 93.8 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R181.4 million or 90.7 percent of the total adjusted budget of R200.0 million.

- **Mass Sport and Recreation Programme** spent R64.3 million or 93.8 percent of the total adjusted budget of R68.6 million.
- **Community Library Services** spent R115.2 million or 89.0 percent of the total adjusted budget of R129.4 million.
- **EPWP Incentive** grant spent R1.8 million or 89.1 percent of the allocated R2.0 million.

5.3.3. Education

Overall spending by the department is at R2.3 billion or 95.3 percent of the total adjusted budget of R2.4 billion. The spending per grant is explained below.

- **HIV/AIDS Life skills** spent R19.9 million or 68.8 percent of the total adjusted budget of R28.9 million.
- **National School Nutrition Programme** spent R1.2 billion or 97.1 percent of the total adjusted budget of R1.3 billion.
- **Infrastructure grant** spent R951.4 million or 94.0 percent of the total adjusted budget of R1.0 billion.
- **Maths, Science and Technology** spent R46.9 million or 94.6 percent of the total adjusted budget of R49.5 million.

- **EPWP Social sector** grant spent R12.8 million or 89.0 percent of the total budget of R14.4 million.
- **EPWP Incentive Grant** – spent R2.2 million or 104.9 percent of the total budget of R2.1 million.
- **Learners with Profound Intellectual Disabilities** – spent R20.9 million or 88.4 percent.

5.3.4 Health

The overall spending on CG is R2.7 billion or 97.2 percent of the total adjusted budget of R2.8 billion.

- **HIV and AIDS** - spent 96.3 percent or R1.5 billion of the total adjusted budget of R1.6 billion.
- **EPWP Social Sector** grant spent R26.9 million or 99.7 percent.
- **National Tertiary Services** grant spent R365.6 million or 94.3 percent of the total budget of R387.6 million.
- **Health Professions Training and Development** grant has recorded expenditure of R138.3 million or 99.3 percent of the total budget of R139.4 million.
- **Health Facilities Revitalization** grant spent 101.1 percent or R632.1 million of the total adjusted budget of R625.4 million.
- **Human Papilloma Virus vaccine** grant – spent R25.1 million or 91.3 percent of the total budget of R27.5 million.
- **EPWP Incentive grant** – spend R2.0 million or 100.0 percent.

5.3.5 CoGHSTA

In overall, the department spent R1.2 billion or 94.2 percent of the total budget of R1.3 billion.

- **Integrated Housing, Human Settlement Development** grant – spent R1.2 billion or 95.2 percent of the budget of R1.3 billion.
- **Deeds Restoration** grant – spent R11.7 million or 47.8 percent of the total budget of R24.5 million.
- **EPWP** - there is no spending for the reporting period. The spending is affected by the signing of the contract with the National Department of Public Works.

5.3.6 LEDET

The department spent R3.3 million or 100.0 percent.

5.3.7. Department of Public Works, Roads and Infrastructure

Overall spending by the department is R1.1 billion or 93.6 percent.

- **Infrastructure grant** – spent R1.1 million or 103.2 percent against the budget of R1.0 billion.
- **Transport Disaster Management** – spend R22.0 million or 16.9 percent of the budget of R130.0 million.
- **EPWP grant** – spent R7.3 million or 99.9 percent.

5.3.8 Transport

- The department spent R100.0 percent or R356.8 million.

5.8.9. Community Safety

- The department spend R2.0 million or 100.0 percent of the total budget.

5.8.10. Social Development

Overall spending by the department is R132.3 million or 101.4 percent of the total adjusted budget of R130.4 million.

- **Early Childhood Development grant** - recorded an expenditure of R59.2 million or 82.4 percent of the total adjusted budget of R71.8 million.
- **Social Worker Employment grant** – spent R65.6 million or 129.7 percent of the budget of R50.6 million.
- **EPWP social sector grant** - Spent R7.5 million or 93.4 percent.

6. Provincial Own Revenue

Table 11: Provincial own revenue collection per vote as at 31st March 2019.

REVENUE COLLECTION AS AT 28 MARCH 2019									
Departments/Votes	Main appropriation 2018/19	Adjusted appropriation 2018/19	Actual Collection to March 2019	Actual collection as % of the main appropriation	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of main appropriation	Adjusted appropriation 2017/18	Actual Collection to March 2018	Actual collection as % of main appropriation
Office of the Premier	587	617	1 206	195.6%	589	95.5%	550	751	136.5%
Provincial Legislature	234	744	785	105.5%	41	5.5%	477	581	121.8%
Education	41 264	40 981	43 677	106.6%	2 696	6.6%	61 408	63 105	102.8%
Agriculture & Rural Development	12 579	12 579	11 091	88.2%	-1 488	-11.8%	12 225	14 549	119.0%
Provincial Treasury	300 000	287 997	289 273	100.4%	1 276	0.4%	330 410	346 307	104.8%
Economic Development, Environment & Tourism	160 918	150 941	150 269	99.6%	-672	-0.4%	152 240	135 550	89.0%
Health	168 177	177 700	212 625	119.7%	34 925	19.7%	182 996	181 367	99.1%
Transport	524 149	528 806	560 727	106.0%	31 921	6.0%	503 528	502 978	99.9%
Public Works, Roads & Infrastructure	28 355	34 877	33 536	96.2%	-1 341	-3.8%	42 060	70 166	166.8%
Community Safety	232	122	90	74.1%	-32	-26.3%	116	264	228.4%
Co-operative Governance, Human Settlements & Traditional Affairs	4 784	5 773	6 159	106.7%	386	6.7%	4 845	4 423	91.3%
Social Development	3 969	3 969	3 761	94.8%	-208	-5.2%	2 794	2 763	98.9%
Sport, Arts & Culture	1 940	2 063	1 724	83.5%	-339	-16.5%	1 839	2 212	120.3%
Total provincial receipts	1 247 168	1 247 168	1 314 923	105.4%	67 754	5.4%	1 295 488	1 325 016	102.3%

Provincial Own Revenue target for 2018/19 financial year is R1.247 billion and remained unchanged during budget adjustment. As at the end of March 2019, the Province has collected an amount of R1.314 billion or 105.4 percent which is above the target of R1.247 billion or 100.0 percent. The over collection of R67.7 million or 5.4 percent is mainly influenced by Health due to improved Patient fees collection; and Transport on Motor vehicle licenses and recovery of debts. Collection is above that of the previous year corresponding period of 102.3 percent.

6.1. Out of thirteen (13) Departments, seven (7) collected above their set monthly projections as follows:

6.1.1. Office of the Premier (Adjusted Target of R0.617 million)

The Office has collected R1.2 million or 195.6 percent against the projections of R0.617 million or 100 percent. Over collection of R0.589 million or 95.6 percent is mainly due to more proceeds on disposal of assets.

6.1.2. Provincial Legislature (Adjusted Target of R0.744 million)

The institution collected R0.785 million or 105.5 percent against the projections of R0.744 million or 100 percent. The over collection of R0.041 million or 5.5 percent is on recovery of previous years' interdepartmental debts.

6.1.3. Education (Adjusted Target of R40.981 million) The Department collected R43.7 million or 106.6 percent against the target of R40.9 million or 100.0 percent. Over collection of R2.7 million or 6.6 percent is due to recovery of previous year's expenditure debts.

6.1.4. Provincial Treasury (Adjusted Target of R287.9 million)

As at the end of March 2019 actual collection is R289.2 million or 100.4 percent against the annual target of R287.9 million or 100.0 percent. Over collection of R1.3 million or 0.4 percent is due to more interest earned from bank balance which is unpredictable.

6.1.5. Health (Adjusted Target of R177.7 million)

The Department collected R212.6 million or 119.7 percent against the projections of R177.7 million or 100 percent. Over collection of R34.9 million or 12.9 percent is mainly due to improved collection of patient fees from Road Accident Fund and implementation of EDI which enhanced turnaround time on submission of claims. Also the Department collected more proceeds from auction on disposal of assets.

6.1.6 Transport (Adjusted Target R528.8 million)

As at end of March 2019 the Department collected R560.7 million or 106.0 percent against the annual target of R528.8 million or 100.0 percent. Over collection of R31.9 million or 6.0 percent is mainly on motor vehicle licenses due to increased number of motor vehicle population, recovery of municipality debts and licencing of vehicles at post offices.

6.1.7. Co-operative Governance, Human Settlements & Traditional Affairs (Adjusted Target of R5.7 million)

The actual collection as at the end of March 2019 amounts to R6.1 million or 106.7 percent against the target of R5.7 million or 100.0 percent. The over collection of R0.386 million or 6.7 percent is due to interest received from Risima which is the implementing agency of the Department (Revenue Enhancement Strategy).

6.1.8. Economic Development, Environment & Tourism (Adjusted Target of R150.9 million)

Collection as at 31st March 2019 amounts to R150.3 million or 99.6 percent against the target of R150.9 million or 100.0 percent which is in line with the set target. Insignificant under collection of 0.4 percent is influenced by tourism revenue – three resorts were anticipated to open for public in December 2018 but were not opened pending finalisation of renovations and construction of chalets.

6.2. The following Six (6) Departments have collected below their set projections

6.2.1. Agriculture (Adjusted Target of R12.6 million)

The actual collection as at the end of March 2019 amounts to R11.0 million or 88.2 percent against the projection of R12.6 million or 100 percent. The Department has collected below the target by R1.5 million or 11.8 percent due to poor implementation of auction plan and recovery of student debts (tuition fees).

6.2.2. Public Works Roads and Infrastructure (Adjusted Target of R34.8 million)

The Department collected R33.5 million or 96.2 percent against the target of R34.8 million or 100.0 percent. The Department has under collected by R1.3 million or 3.8 percent due to less collection on property rentals.

6.2.3. Community Safety (Adjusted Target of R0.122 million)

The Department collected R0.090 million or 74.1 percent against the target of R0.122 million or 100.0 percent. The under collection of R0.032 million or 26.3 percent is due to less recovery of previous years' expenditure debts.

6.2.4. Social Development (Adjusted Target of R3.9million)

The Department collected R3.7 million or 94.8 percent against the target of R3.9 million or 100.0 percent. The under collection of R0.208 million or 5.2 percent is primarily influenced by less collection on previous years' expenditure related debts.

6.2.5. Sports Arts & Culture (Adjusted Target of R2.0 million)

As at the end of March 2019, actual collection for the Department is R1.7 million or 83.5 percent against the target of R2.0 million or 100.0 percent. Under collection of R0.339 million or 16.5 percent is mainly due to less collection on Mapungubwe Arts Festival due to poor planning / strategies.

6.3. Own revenue per economic classification

Table 12: Provincial own revenue collection per economic classification as at 31 March 2019.

Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Actual Collection to March 2019	Actual collection as % of the budget	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of budget	Adjusted appropriation 2017/18	Actual Collection to March 2018	Actual collection as % of the budget
Tax receipts	518 779	545 330	570 158	104.6%	24 828	4.6%	506 130	501 614	99.1%
<i>Casino taxes</i>	73 774	58 436	60 928	104.3%	2 492	4.3%	69 796	59 604	85.4%
<i>Horse racing taxes</i>	31 855	42 601	46 181	108.4%	3 580	8.4%	26 313	30 860	117.3%
<i>Liquor licenses</i>	3 800	3 663	3 544	96.8%	-119	-3.2%	4 236	3 369	79.5%
<i>Motorvehicle licenses</i>	409 350	440 630	459 504	104.3%	18 874	4.3%	405 765	407 781	100.5%
Sales of goods and services other than capital assets	285 349	286 524	304 140	106.1%	17 616	6.1%	292 296	279 381	95.6%
<i>of which: Patient fees</i>	82 300	85 311	114 342	134%	29 031	34.0%	100 841	90 108	89.4%
Transfers received from:	-	5 413	5 413	100.0%	0	0.0%	-	-	-
Fines, penalties and forfeits	78 763	52 064	69 216	132.9%	17 152	32.9%	63 947	62 133	97.2%
Interest, dividends and rent on land	300 742	289 189	290 683	100.5%	1 494	0.5%	335 018	348 451	104.0%
Sales of capital assets	11 748	20 949	24 058	114.8%	3 109	14.8%	13 714	39 831	290.4%
Revenue financial assets	51 787	47 699	51 256	107.5%	3 557	7.5%	84 382	92 987	110.2%
Total departmental receipts	1 247 168	1 247 168	1 314 923	105.4%	67 755	5.4%	1 295 488	1 325 016	102.3%

6.3.1. Tax Receipts (Adjusted Target of R545.3 million)

An amount of R570.1 million or 104.6 percent has been collected against the annual projections of R545.3 million or 100.0 percent. The over collection of R24.8 million or 4.6 percent is mainly on motor vehicle licenses due to increased number of vehicle population and improved transfer of motor vehicle licence fees by municipalities by Transport.

6.3.2. Sale of Goods & Services non-capital assets (Adjusted Target of R286.5 million)

As at 31st March 2019, actual collection is R304.1 million or 106.1 percent against the annual projections of R286.5 million or 100.0 percent. The over collection of R17.6 million or 6.1 percent is mainly due enhanced collection on patient fees by the Department of Health.

6.3.3. Transfers and subsidies (Adjusted Target of R5.4 million)

The item collected R5.4 million as at the end of March 2019. The collection is due to surrender of unspent funds received from Limpopo Tourism Agency and Limpopo Gambling Board.

6.3.4. Fines, penalties and forfeits (Adjusted Target of R52.1 million)

Fines, penalties and forfeits collected R69.2 million or 132.9 percent against the annual projections of R52.0 million or 100.0 percent. Over collection of R17.1 million or 32.9 percent is due improved traffic fines as a result of enhanced follow-up of outstanding traffic fines through roadblocks and correction of misclassification from motor vehicle licence to traffic fines.

6.3.5. Interest, Dividend and Rent on Land (Adjusted Target of R289.2 million)

Collection as at 31st March 2019 is R 290.6 million or 100.5 percent against the annual projections of R289.1 million or 100.0 percent. Over collection of R1.4 million or 0.5 percent is mainly due to more interest earned from bank balances by Provincial Treasury which is unpredictable.

6.3.6. Sale of Capital Assets (Adjusted Target of R20.9 million)

The item collected R24.0 million or 114.8 percent against the annual projections of R20.9 million or 100.0 percent. Over collection of R3.1 million or 14.8 percent is mainly due to more proceeds on sale of capital assets by Health.

6.3.7. Financial Transactions in Assets and Liabilities (Adjusted Target of R47.7 million)

The item collected R51.2 million or 107.5 percent against the annual projections of R 47.6 million or 100.0 percent. The over collection of R3.5 million or 7.5 percent is mainly due to recovery of previous years' expenditure debts by Department of Education and Health.

7. Provincial Infrastructure.

The table below shows the Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2016/17, 2017/18 and 2018/19) as at 31 March 2019.

Table 13: Infrastructure Expenditure comparison as at end March year-on-year

Infrastructure Expenditure Comparison as at 31 March year-on-year											
Department	Budget (R'000)				Expenditure (R'000)			% Expenditure			
	2016/17	2017/18	2018/19		2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
			Main	Adjusted						Main	Adjusted
Education	1 113 630	1 109 091	1 013 426	1 013 426	1 047 127	1 096 187	953 135	94,0%	98,8%	94,1%	94,1%
Agriculture & Rural Develo	177 077	144 165	160 455	202 259	159 896	135 113	216 403	90,3%	93,7%	134,9%	107,0%
LEDET	40 117	61 345	54 481	54 689	24 597	79 359	47 929	61,3%	129,4%	88,0%	87,6%
Health**	735 668	662 172	729 277	729 277	671 917	554 446	729 277	91,3%	83,7%	100,0%	100,0%
PWR&I - Roads*	1 930 240	2 149 155	1 883 322	2 262 043	1 857 338	2 092 958	2 197 989	96,2%	97,4%	116,7%	97,2%
PWR&I - Works			75 616	75 616			33 469	0,0%	0,0%	44,3%	44,3%
Transport	26 000	15 200	27 915	27 915	7 046	13 707	2 514	27,1%	90,2%	9,0%	9,0%
CoGHSTA	1 603 212	1 254 481	1 312 187	1 312 187	1 517 376	1 253 839	1 329 931	94,6%	100,0%	101,4%	101,4%
Social Development	40 017	40 805	43 201	37 705	31 450	40 677	37 705	78,6%	99,7%	87,3%	100,0%
Sport, Arts & Culture	33 593	48 849	40 031	44 404	35 141	34 526	35 405	104,6%	70,7%	88,4%	79,7%
TOTAL	5 699 554	5 485 243	5 339 911	5 759 521	5 351 888	5 300 811	5 583 757	93,9%	96,6%	104,6%	96,9%


As at 31 March 2019, the Provincial Infrastructure expenditure stood at R 5.6 billion. The total expenditure represents 96.9 percent of the Adjusted Provincial infrastructure budget.

12. Conclusion

The Provincial Treasury hereby submits the Limpopo Provincial Revenue and Expenditure preliminary report and the following should be noted: -

- The overall provincial spending as at 31 March 2019 amounts to R65.9 billion or 99.1 percent of the total adjusted budget of R66.5 billion. Of the R65.9 billion total expenditures, R57.5 billion or 99.6 percent is on equitable share and R8.4 billion or 95.9 percent on Conditional grant.
- As at the end of March 2019, the Province has collected an amount of R1.314 billion or 105.4 percent which is above the target of R1.247 billion. The over collection of R67.7 million or 5.4 percent is mainly influenced by Health due to improved Patient fees collection; and Transport on Motor vehicle licenses and recovery of debts. Collection is above that of the previous year corresponding period of 102.3 percent
- The Provincial Infrastructure expenditure amount to R5.6 billion or 96.9 percent of the provincial infrastructure budget of R5.8 billion.
- Revenue collection and expenditure performance is monitored monthly and quarterly through IYM and IRM analysis reports and bilateral meetings with Departments and Public Entities.

Regards,



1 Gavin Pratt CA (SA)
HOD: Provincial Treasury

15/04/2019
Date