



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY

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**The Director General  
National Treasury  
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PRETORIA**

### **LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 30 APRIL 2018**

#### **1. Purpose**

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 30 April 2018.

#### **2. Background**

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 30 April 2018 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 April 2018 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 will be held with all Provincial departments from the 21<sup>st</sup> to 23<sup>rd</sup> of May 2018. The Cash Allocation Letters for 2018/19 financial year will be issued to all departments immediately 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 15<sup>th</sup> for normal salaries, 22<sup>nd</sup> 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 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 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 April 2018.

**Table 1: Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 30 April 2018**

Departments	Opening Bank Balances at 01-Apr-18 R' 000	Cash Allocation 30-Apr-18 R' 000	Actual Expenditure 30-Apr-18 R' 000	Tranfers To Departments 30-Apr-18 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	241 878	2 191 810	2 157 099	1 048 415	34 711	1,6%	1 108 684	51,4%
Health	226 832	2 019 362	1 768 451	986 000	250 911	12,4%	782 451	44,2%
Social Development	17 324	159 688	128 359	50 520	31 329	19,6%	77 839	60,6%
Public Works, Roads and Infrastructure	158 295	495 904	482 822	-	13 082	2,6%	482 822	100,0%
Agriculture	165 303	126 517	97 009	-	29 508	23,3%	97 009	100,0%
Transport	86 753	119 286	115 754	14 708	3 532	3,0%	101 046	87,3%
CoGHSTA	43 018	175 807	166 805	71 979	9 002	5,1%	94 826	56,8%
Sport, Arts & Culture	32 765	29 126	24 650	-	4 476	15,4%	24 650	100,0%
Community Safety	-149	7 877	7 682	4 941	195	2,5%	2 741	35,7%
Office of the Premier	8 393	28 989	27 032	9 107	1 957	6,8%	17 925	66,3%
Provincial Legislature	57 150	29 494	35 526	-	-6 032	-20,5%	35 526	100,0%
Provincial Treasury	10 233	29 749	37 338	-	-7 589	-25,5%	37 338	100,0%
Economic Development, Environmental & Tourism	25 536	147 455	90 937	27 887	56 518	38,3%	63 050	69,3%
<b>Total</b>	<b>1 073 331</b>	<b>5 561 064</b>	<b>5 139 464</b>	<b>2 213 557</b>	<b>421 600</b>	<b>7,6%</b>	<b>2 925 907</b>	<b>56,9%</b>

#### Summary Per Fund

Equitable Share	4 799 860	4 371 252	1 908 607	428 608	8,9%	2 462 645	56,3%
Conditional Grant	761 204	768 212	304 950	-7 008	-0,9%	463 262	60,3%
<b>Total</b>	<b>5 561 064</b>	<b>5 139 464</b>	<b>2 213 557</b>	<b>421 600</b>	<b>7,6%</b>	<b>2 925 907</b>	<b>56,9%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R421.6 million or 7.6 percent. It should be

clear that the under-spending has nothing to do with availability of cash or Treasury interruptions as Treasury has given cash allocations and processes well upfront.

On the other hand, transfers to departments were R2.9 billion or 56.9 percent less than actual expenditure. The reason for transferring less funds than was required is due to the huge opening PMG balances of almost all departments at the beginning of April 2018.

## 4.2. Interest Performance

**Table 2: Interest earned**

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												4 588
CPD (SA Reserve Bank)	15 189												15 189
Interest on investment with SBSA													-
Total	19 777	-	-	-	-	-	-	-	-	-	-	-	19 777
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												1 819
CPD (SA Reserve Bank)	35 848												35 848
Interest on investment with SBSA													-
Total	37 667	-	-	-	-	-	-	-	-	-	-	-	37 667

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 R19.8 million by end of April 2018 which represent 47.5 percent decrease from last financial year. Interest earned from the CPD account alone was at R15.2 million recording a 57.6 percent decrease from R35.8 million last financial year

## 5. Provincial Expenditure

**Table 3: Provincial overall expenditure as at 30 April 2018**

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 April 2018	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
<b>R thousand</b>									
Education	30 607 772	30 607 772	30 607 772	30 607 772	2 157 099	7,0%	-	-	0,0%
Health	19 511 420	19 511 420	19 511 420	19 511 420	1 768 451	9,1%	-	-	0,0%
Social Development	1 986 729	1 986 729	1 986 729	1 986 729	128 359	6,5%	-	-	0,0%
Public Works, Roads And Infrastructure	3 118 176	3 118 176	3 118 176	3 118 176	482 822	15,5%	-	-	0,0%
Agriculture	1 917 354	1 917 354	1 917 354	1 917 354	97 009	5,1%	-	-	0,0%
Transport	2 106 228	2 106 228	2 106 228	2 106 228	115 754	5,5%	-	-	0,0%
Co-Operative Governance Human Settlement	2 624 006	2 624 006	2 624 006	2 624 006	166 805	6,4%	-	-	0,0%
Sport, Arts And Culture	472 264	472 264	472 264	472 264	24 650	5,2%	-	-	0,0%
Community Safety	109 714	109 714	109 714	109 714	7 682	7,0%	-	-	0,0%
Office Of The Premier	420 680	420 680	420 680	420 680	27 032	6,4%	-	-	0,0%
Provincial Legislature	360 927	360 927	360 927	360 927	35 526	9,8%	-	-	0,0%
Provincial Treasury	472 850	472 850	472 850	472 850	37 338	7,9%	-	-	0,0%
Economic Development, Environment And Tourism	1 665 375	1 665 375	1 665 375	1 665 375	90 937	5,5%	-	-	0,0%
<b>Total</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>5 139 464</b>	<b>7,9%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
<b>Economic classification</b>						<b>Net</b>			
<b>Current payments</b>	<b>55 455 766</b>	<b>55 455 766</b>	<b>55 455 766</b>	<b>55 455 766</b>	<b>4 335 228</b>	<b>7,8%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
Compensation of employees	45 956 169	45 956 169	45 956 169	45 956 169	3 487 103	7,6%	-	-	0,0%
Goods and services	9 498 677	9 498 677	9 498 677	9 498 677	848 125	8,9%	-	-	0,0%
Interest and rent on land	920	920	920	920	-	0,0%	-	-	0,0%
<b>Transfers and subsidies</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>604 772</b>	<b>7,7%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
<b>Payments for capital assets</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>199 464</b>	<b>9,5%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>65 373 495</b>	<b>5 139 464</b>	<b>7,9%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						<b>Net</b>		<b>-</b>	

Overall the provincial expenditure is R5.1 billion representing 7.9 percent spending of the R65.4 billion allocated budget. Hereunder is the synopsis of provincial expenditure as at 30 April 2018

- **Compensation of Employees (CoE)** spent R3.5 billion or 7.6 percent of the total budget of R45.9 million
- **Goods and Services** spent R848.1 million or 8.9 percent of the total budget of R9.5 billion.
- **Transfers and subsidies** recorded an expenditure of R604.8 million or 7.7 percent of the total budget of 7.8 billion.
- **Payment for Capital Assets** spent R199.5 million or 9.5 of the total budget of R2.1 billion.

## 5.1. Spending per Economic Classification

### 5.1.1. Compensation of Employees

**Table 4: Compensation of Employees as at 30 April 2018**

	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary outcome	Actual spending as at 30 April 2018	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
<b>R thousand</b>									
Education	24 637 533	24 637 533	24 637 533	24 637 533	1 908 428	7,7%	-	-	0,0%
Health	14 257 472	14 257 472	14 257 472	14 257 472	1 056 230	7,4%	-	-	0,0%
Social Development	1 084 112	1 084 112	1 084 112	1 084 112	85 097	7,8%	-	-	0,0%
Public Works , Roads and Infrastructure	1 100 857	1 100 857	1 100 857	1 100 857	79 302	7,2%	-	-	0,0%
Agriculture	1 208 280	1 208 280	1 208 280	1 208 280	86 840	7,2%	-	-	0,0%
Transport	975 322	975 322	975 322	975 322	68 344	7,0%	-	-	0,0%
Co-Operative Governance Human Settlements	1 041 309	1 041 309	1 041 309	1 041 309	79 905	7,7%	-	-	0,0%
Sport,Art And Culture	199 781	199 781	199 781	199 781	14 683	7,3%	-	-	0,0%
Community Safety	76 967	76 967	76 967	76 967	6 106	7,9%	-	-	0,0%
Office of the Premier	300 576	300 576	300 576	300 576	23 383	7,8%	-	-	0,0%
Legislature	198 319	198 319	198 319	198 319	14 965	7,5%	-	-	0,0%
Treasury	310 658	310 658	310 658	310 658	22 846	7,4%	-	-	0,0%
Economic Development	564 983	564 983	564 983	564 983	40 974	7,3%	-	-	0,0%
<b>Total</b>	<b>45 956 169</b>	<b>45 956 169</b>	<b>45 956 169</b>	<b>45 956 169</b>	<b>3 487 103</b>	<b>7,6%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							<b>Net</b>	<b>-</b>	

The overall provincial CoE spending is at R3.5 billion or 7.6 percent. The highest percentage spending departments are Community Safety at R6.1 million or 7.9 percent, Social Development at 7.8 percent or R85.1 million and Office of the Premier at 7.8 percent or R23.4 million. All the departments are projecting to breakeven.

### 5.1.2. Goods and Services

**Table 5: Goods and Services as at 30 April 2018**

	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary outcome	Actual spending as at 30 April 2018	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
<b>R thousand</b>									
Education	2 668 540	2 668 540	2 668 540	2 668 540	12 347	0,5%	-	-	0,0%
Health	4 056 727	4 056 727	4 056 727	4 056 727	696 644	17,2%	-	-	0,0%
Social Development	269 344	269 344	269 344	269 344	35 144	13,0%	-	-	0,0%
Public Works, Roads and Infrastructure	790 149	790 149	790 149	790 149	16 577	2,1%	-	-	0,0%
Agriculture	401 600	401 600	401 600	401 600	8 617	2,1%	-	-	0,0%
Transport	291 800	291 800	291 800	291 800	24 357	8,3%	-	-	0,0%
Co-Operative Governance Human Settlements And	184 548	184 548	184 548	184 548	15 402	8,3%	-	-	0,0%
Sport,Art And Culture	219 377	219 377	219 377	219 377	9 537	4,3%	-	-	0,0%
Community Safety	32 252	32 252	32 252	32 252	1 575	4,9%	-	-	0,0%
Office of the Premier	112 781	112 781	112 781	112 781	3 522	3,1%	-	-	0,0%
Legislature	67 984	67 984	67 984	67 984	2 920	4,3%	-	-	0,0%
Treasury	143 955	143 955	143 955	143 955	12 419	8,6%	-	-	0,0%
Economic Development	259 620	259 620	259 620	259 620	9 064	3,5%	-	-	0,0%
<b>Total</b>	<b>9 498 677</b>	<b>9 498 677</b>	<b>9 498 677</b>	<b>9 498 677</b>	<b>848 125</b>	<b>8,9%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							<b>Net</b>	<b>-</b>	

The overall spending on Goods and Services is at R848.1 million or 8.9 percent of the total budget of R9.5 billion. All the departments are projecting to breakeven. The highest percentage spending departments are Health, Social Development at R696.6 million or 17.2 percent and R35.1 million or 13.0 percent respectively due to accruals for 2017/18 financial year and Provincial Treasury at R12.4 million or 8.6 percent due to GTAC payment.

### 5.1.3. Transfers and subsidies

**Table 6: Transfers and subsidies as at 30 April 2018**

	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary outcome	Actual spending as at 30 April 2018	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
<b>R thousand</b>									
Education	2 326 435	2 326 435	2 326 435	2 326 435	57 609	2,5%	-	-	0,0%
Health	649 203	649 203	649 203	649 203	5 897	0,9%	-	-	0,0%
Social Development	584 911	584 911	584 911	584 911	4 168	0,7%	-	-	0,0%
Public works, Roads and Infrastructure	1 062 835	1 062 835	1 062 835	1 062 835	382 470	36,0%	-	-	0,0%
Agriculture	209 032	209 032	209 032	209 032	863	0,4%	-	-	0,0%
Transport	802 010	802 010	802 010	802 010	22 739	2,8%	-	-	0,0%
Co-Operative Governance Human Settlements	1 336 728	1 336 728	1 336 728	1 336 728	71 113	5,3%	-	-	0,0%
Sport, Art And Culture	12 495	12 495	12 495	12 495	-	0,0%	-	-	0,0%
Community Safety	11	11	11	11	1	9,1%	-	-	0,0%
Office of the Premier	1 832	1 832	1 832	1 832	11	0,6%	-	-	0,0%
Legislature	73 027	73 027	73 027	73 027	16 951	23,2%	-	-	0,0%
Treasury	7 301	7 301	7 301	7 301	2 073	28,4%	-	-	0,0%
Economic Development	761 491	761 491	761 491	761 491	40 877	5,4%	-	-	0,0%
<b>Total</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>7 827 311</b>	<b>604 772</b>	<b>7,7%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							<b>Net</b>	<b>-</b>	

The province spent R604.8 million or 7.7 percent of the total budget of R7.8 billion on Transfers and subsidies. The highest percentage spending departments are; Public Works, Roads and Infrastructure at R382.5 million or 36.0 percent due to the transfer to RAL; Provincial Legislature at R16.9 million or 23.2 percent due to urgent request for the transfer to political parties which were projected for May 2018 and Provincial Treasury at R2.1 million 28.4 percent due to payment of bursaries. Overall the departments are projecting to breakeven.

#### 5.1.4. Payment for Capital Assets

**Table 7: Payment for Capital Assets as at 30 April 2018**

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Preliminary outcome	Actual spending as at 30 April 2018	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	975 264	975 264	975 264	975 264	178 715	18,3%	-	-	0,0%
Health	548 018	548 018	548 018	548 018	9 680	1,8%	-	-	0,0%
Social Development	48 362	48 362	48 362	48 362	3 950	8,2%	-	-	0,0%
Public Works, Roads and Infrastructure	164 335	164 335	164 335	164 335	4 473	2,7%	-	-	0,0%
Agriculture	98 442	98 442	98 442	98 442	689	0,7%	-	-	0,0%
Transport	37 096	37 096	37 096	37 096	314	0,8%	-	-	0,0%
Co-Operative Governance Human Settlements And	61 421	61 421	61 421	61 421	385	0,6%	-	-	0,0%
Sport, Art And Culture	40 611	40 611	40 611	40 611	430	1,1%	-	-	0,0%
Community Safety	484	484	484	484	-	0,0%	-	-	0,0%
Office of the Premier	5 491	5 491	5 491	5 491	116	2,1%	-	-	0,0%
Legislature	21 597	21 597	21 597	21 597	690	3,2%	-	-	0,0%
Treasury	10 936	10 936	10 936	10 936	-	0,0%	-	-	0,0%
Economic Development	78 361	78 361	78 361	78 361	22	0,0%	-	-	0,0%
<b>Total</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>2 090 418</b>	<b>199 464</b>	<b>9,5%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>

The overall provincial expenditure on Payment for Capital Assets is at R199.5 million or 9.5 percent of the total budget of R2.1 billion. The highest percentage spending departments are, Education at R178.7 million or 18.3 percent due to payments of infrastructure projects and Social Development at R3.9 million or 8.2 percent. Currently there is no department which is projecting to over or under spending of the budget.

#### 5.2. Equitable share spending

**Table 8: Equitable share spending as at 30 April 2018**

	Main Appropriation	Actual as at April 2018	Actual spending as % of budget	Outcome	Variance
Education	28 258 124	1 973 402	7,0%	28 258 124	-
Health	16 790 580	1 572 506	9,4%	16 790 580	-
Social Development	1 859 529	123 246	6,6%	1 859 529	-
Public Works , Roads and Infrastructure	1 986 676	177 002	8,9%	1 986 676	-
Agriculture	1 571 967	92 540	5,9%	1 571 967	-
Transport	1 749 419	115 754	6,6%	1 749 419	-
CoGHSTA	1 311 819	98 293	7,5%	1 311 819	-
Sport, Arts & Culture	276 942	19 994	7,2%	276 942	-
Community Safety	107 714	7 682	7,1%	107 714	-
Office of the Premier	420 680	27 032	6,4%	420 680	-
Legislature	360 927	35 526	9,8%	360 927	-
Treasury	472 850	37 338	7,9%	472 850	-
Economic Development	1 661 998	90 937	5,5%	1 661 998	-
<b>Total</b>	<b>56 829 225</b>	<b>4 371 252</b>	<b>7,7%</b>	<b>56 829 225</b>	<b>-</b>

Provincial equitable share spending is at R4.4 billion or 7.7 percent of the total budget of R56.8 billion.

The highest percentage spending departments are Provincial Legislature at R35.5 million or 9.8, Health at R1.6 billion or 9.4 percent and Public Works, Roads and Infrastructure at R177.0 million or 8.9 percent, whereas the following departments recorded less than 7.0 percent spending; LEDET at R90.9 million or 5.5 percent, Agriculture and Rural Development R92.5 million or 5.9 percent, Office of the Premier at R27.0 million or 6.4 percent and Transport and Social Development recorded 6.6 percent both or R115.7 million and R123.2 million respectively.

### 5.3. Conditional Grants

**Table 9: Conditional Grants spending per department as at 30 April 2018**

	<b>Main Appropriation</b>	<b>Actual as at April 2018</b>	<b>Actual spending as % of budget</b>	<b>Outcome</b>	<b>Variance</b>
Education	2 349 648	183 697	7,8%	2 349 648	-
Health	2 720 840	195 945	7,2%	2 720 840	-
Social Development	127 200	5 113	4,0%	127 200	-
Public Works , Roads and Infrastructure	1 131 500	305 820	27,0%	1 131 500	-
Agriculture	345 387	4 469	1,3%	345 387	-
Transport	356 809	-	0,0%	356 809	-
CoGHSTA	1 312 187	68 512	5,2%	1 312 187	-
Sport, Arts and Culture	195 322	4 656	2,4%	195 322	-
Community Safety	2 000	-	0,0%	2 000	-
Economic Development	3 376	-	0,0%	3 376	-
<b>Total</b>	<b>8 544 269</b>	<b>768 212</b>	<b>9,0%</b>	<b>8 544 269</b>	<b>-</b>

The CGs' overall expenditure is at R768.2 million or 9.0 percent of the total budget of R8.5 billion. Spending by Departments has improved as compared to the same period of the previous financial year which was R155.5 million or 2.0 percent. The highest percentage spending department is Public Works, Roads and Infrastructure due to the transfer to RAL.



**Table 10 Limpopo Conditional Grant spending per grant as at 30 April 2018.**

<b>R thousand</b>	<b>Main Appropriation</b>	<b>Provincial Actual Payments</b>	<b>Actual Payments as a % of main budget</b>
<b>Agriculture</b>	<b>345 387</b>	<b>4 469</b>	<b>1,3%</b>
Comprehensive Agricultural Support Programme Grant	256 521	3 481	1,4%
Disaster (Casp Infrastructure)	5 000	—	0,0%
Ilima/Letsema Projects Grant	71 283	983	1,4%
EPWP Incentive allocation	5 000	—	0,0%
Land Care Programme Grant	12 603	5	0,0%
<b>Sport, Arts and Culture</b>	<b>195 322</b>	<b>4 656</b>	<b>2,4%</b>
Mass Sport and Recreation Programme	67 679	486	0,7%
EPWP Incentive allocation	2 000	56	2,8%
Community Library Services Grant	125 643	4 114	3,3%
<b>Education</b>	<b>2 349 648</b>	<b>183 697</b>	<b>7,8%</b>
HIV and Aids (Life Skills Education) Grant	27 116	932	3,4%
National School Nutrition Programme Grant	1 229 299	2 584	0,2%
Infrastructure Grant	1 011 680	180 180	17,8%
Maths, Science and Technology	43 364	—	0,0%
Learnners with Profound Intellectual Disabilities	21 700	—	0,0%
Social sector EPWP grant	14 355	—	0,0%
EPWP Incentive allocation	2 134	1	0,0%
<b>Health</b>	<b>2 720 840</b>	<b>195 945</b>	<b>7,2%</b>
Comprehensive HIV/AIDS	1 600 516	140 404	8,8%
Human Ppilomavirus Vaccine grant	27 471	111	0,4%
Health Professions Training and Development Grant	139 366	9 818	7,0%
EPWP Social Sector	27 029	—	0,0%
EPWP Incentive grant	2 000	—	0,0%
Hospital Revitalisation Grant	536 898	8 522	1,6%
National Tertiary Services Grant	387 560	37 090	9,6%
<b>Co-operate Governance, Human Settlements and Traditional Affairs</b>	<b>1 312 187</b>	<b>68 512</b>	<b>5,2%</b>
Integrated Housing & Human Settlements Development Grant	1 285 681	68 512	5,3%
Deeds Restoration	24 506	—	0,0%
EPWP Incentive allocation	2 000	—	0,0%
<b>Public Works</b>	<b>1 131 500</b>	<b>305 820</b>	<b>27,0%</b>
Infrastructure Grant	994 146	305 819	30,8%
Transport Disaster management	130 000	—	0,0%
EPWP incentive grant	7 354	1	0,0%
<b>Economic Development</b>	<b>3376</b>	<b>—</b>	<b>0,0%</b>
EPWP Incentive grant	3376	—	0,0%
<b>Social Development</b>	<b>127 200</b>	<b>5 113</b>	<b>4,0%</b>
Early Childhood development	68 561	198	0,3%
Social worker employment	50 631	4 915	9,7%
EPWPSocial sector grant	8 008	—	0,0%
<b>Transport</b>	<b>356 809</b>	<b>—</b>	<b>0,0%</b>
Public Transport Operations Grant	356 809	—	0,0%
<b>Community Safety</b>	<b>2 000</b>	<b>—</b>	<b>0,0%</b>
EPWP incentive grant	2 000	—	0,0%
<b>Total</b>	<b>8 544 269</b>	<b>768 212</b>	<b>9,0%</b>

### 5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R4.5 million or 1.3 percent of the total budget of R345.4 million.

- **Comprehensive Agricultural Support programme** spent 1.4 percent or R3.5 million of the total budget of R256.5 million. Low expenditure is due to the introduction by the department of a new payment system which only started towards the end of April 2018 due to the delay in training of Supply Chain Management officials.
  - **Land care** recorded zero spending.
- **ILLIMA/LETSEMA** spend R0.983 million or 1.4 percent.
- **EPWP incentive grant** did not record any expenditure.

### 5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R4.7 million or 2.4 percent of the total budget of R195.3 million.

- **Mass Sport and Recreation Programme** spent R0.486 million or 0.7 percent of the total budget of R67.7 million.
- **Community Library Services** spent R4.1 million or 3.3 percent of the total budget of R125.6 million.
- **EPWP Incentive** grant spent R0.56 million or 2.8 percent of the allocated R2 million.

### 5.3.3. Education

Overall spending by the department is at R183.7 million or 7.8 percent of the total budget of R2.3 billion.

- **HIV/AIDS Life skills** spent R0.932 million or 3.4 percent of the total budget of R27.1 million.
- **National School Nutrition Programme** spent R2.6 million or 0.2 percent of the total budget of R1.2 billion.
- **Infrastructure grant** spent R180.2 million or 17.8 percent of the total budget of R1.0 billion. High expenditure is due to previous financial years projects which were on hold during intervention and are now being finalized.
- **Maths, Science and Technology** spent zero out of the total budget of R43.4 million.
- **EPWP Social sector** grant did not spend.
- **EPWP Incentive Grant** did not record any expenditure for the month of April 2018.
- **Learners with Profound Intellectual Disabilities** – there is no spending.

#### 5.3.4. Health

The overall spending on CG is R195.9 million or 7.2 percent of the total budget of R2.7 billion.

- **HIV and AIDS** - spent 8.8 percent or R140.4 million of the total budget of R1.6 billion. High expenditure is due to payment of accruals for 2017/18
- **EPWP Social Sector** grant did not spend during the reporting period. NPO funding tender only finalized at the end of April 2018.
- **National Tertiary Services** grant spent R37.1 million or 9.6. percent of the total budget of R387.6 million. High spending is due to payment of leave gratuity due to resignations and other consumables.
- **Health Professions Training and Development** grant has recorded expenditure of R 9.8 million or 7.0 percent of the total budget of R139.4 million. Low spending is due to late delivery of data scope mobile stand, Electro-cardiograph with trolley and Diathermy machine.
- **Health Facilities Revitalization grant** spent 1.6 percent or R8.5 million of the total budget of R536.9 million. Low spending is due to slow construction progress at Maphutha Malatjie OPD and delayed finalization of the design and documentation of laundry and Contract A6 Letaba Revitalization site projects.
- **Human papilloma virus vaccine grant** – spent R0.111 million or 0.4 percent of the total budget of R27.5 million. The expenditure is anticipated to be incurred in the second quarter during the second round of the campaign. The submission to appoint Nurses and Data capturers has been approved for appointment
- **EPWP Incentive grant** – did not spend. Due to the delay in finalizing appointment of workers by the Department of Public Works, Roads and Infrastructure.

#### 5.3.5 CoGHSTA

In overall, the department spent R68.5 million or 5.2 percent of the total budget of R1.3 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R68.5 million or 5.3 percent of the budget of R1.3 billion. Low expenditure is due to poor performance by contractors to build houses.
- **Deeds Restoration grant** and **EPWP grant** reflected zero spending by end of April 2018

### 5.3.6 LEDET

The department did not spend. Funds has been committed and payment will be effected during May 2018.

### 5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R305.8 million or 27.0 percent.

- **Infrastructure grant** – spent R305.8 million or R30.8 percent. The high expenditure is due to the transfer to RAL.
- **Transport Disaster Management** – did not spend.
- **EPWP grant** – spent R 0.001 million.

### 5.3.8. Transport

- The department has not yet spent its allocated budget of R356.8 million. Bus subsidy for April will only be paid during May 2018.

### 5.8.9. Community Safety

The department reflect zero spending. Spending under the grant will only commence during June 2018.

### 5.8.10. Social Development

Overall spending by the department is R5.1 million or 4.0 percent of the total budget of R127.2 million.

- **Early Childhood Development grant** - recorded an expenditure of R0.198 million or 0.3 percent of R68.5 allocated budget.
- **Social Worker Employment grant** – spend R4.9 million or 9.7 percent of the budget of R50.6 million. The spending is high due to the appointment Social Work Auxiliary officials have introduced other salary benefits for the current financial year.
- **EPWP social sector grant** - did not spend. The department transfers to NPOs which is made in tranches on quarterly basis and the first payment will be processed during this quarter.

## 6. Provincial Own Revenue

**Table 11: Provincial own revenue collection per vote as at 30 April 2018**

REVENUE COLLECTION AS AT 30 APRIL 2018												
Departments (Votes)	Main appropriation 2018/19	Projections to April 2018	Projections as % of main appropriation	Actual Collection to April 2018	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of main	Main appropriation 2017/18	Actual Collection to April 2017	Actual collection as % of main appropriation
Office of the Premier	567	36	6,3%	37	6,5%	530	567	1	0,1%	777	37	4,8%
Provincial Legislature	234	8	3,4%	12	5,2%	222	234	4	1,8%	219	8	3,6%
Education	41 264	3 024	7,3%	2 491	6,0%	38 790	41 281	-533	-1,3%	41 613	2 342	5,6%
Agriculture & Rural Development	12 579	280	2,2%	181	1,4%	12 398	12 579	-99	-0,8%	10 854	472	4,3%
Provincial Treasury	300 000	32 152	10,7%	29 615	9,9%	270 385	300 000	-2 537	-0,8%	188 133	37 702	20,0%
Economic Development, Environment & Tourism	160 918	8 442	5,2%	7 689	4,8%	153 230	160 919	-753	-0,5%	152 240	8 097	5,3%
Health	168 177	10 401	6,2%	16 324	9,7%	156 665	172 988	5 923	3,5%	182 996	13 187	7,2%
Transport	524 149	27 546	5,3%	33 352	6,4%	490 797	524 148	5 806	1,1%	494 040	26 240	5,3%
Public Works, Roads & Infrastructure	28 355	2 347	8,3%	2 500	8,8%	26 008	28 508	153	0,5%	58 783	2 782	4,7%
Community Safety	232	7	3,0%	7	3,2%	225	232	0	0,1%	116	8	7,0%
Co-operative Governance, Human Settlements & Traditional Affairs	4 784	176	3,7%	1 170	24,5%	4 523	5 693	995	20,8%	2 792	457	16,4%
Social Development	3 969	458	11,5%	142	3,6%	3 826	3 968	-316	-8,0%	3 438	367	10,7%
Sport, Arts & Culture	1 940	40	2,0%	22	1,1%	1 918	1 940	-18	-0,9%	1 839	118	6,4%
<b>Total provincial receipts</b>	<b>1 247 168</b>	<b>84 917</b>	<b>6,8%</b>	<b>93 543</b>	<b>7,5%</b>	<b>1 159 517</b>	<b>1 253 059</b>	<b>8 626</b>	<b>0,7%</b>	<b>1 137 840</b>	<b>91 817</b>	<b>8,1%</b>

The total Provincial Own Revenue target for 2018/19 financial year is R1.2 billion. As at the end of April 2018 the province has collected an amount of R93.5 million or 7.5 percent which is above the projections of R84.9 million or 6.8 percent. The over collection of R6.2 million is mainly contributed by Health, Transport and COGHSTA which collected above the projection due to more collection on patient fee and auction sale, increase in motor vehicle population, Municipalities repaying their debts and interest received from Risima respectively.

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

#### 6.1.1. Office of the Premier (Original Target of R0.567 million)

The Office has collected R0.037 million or 6.5 percent against the projections of R0.036 million. Over collection of R0.001 million or 0.1 percent is mainly on recovery of departmental debts which collected more than the projected amount.

#### 6.1.2. Provincial Legislature (Original Target of R0.234 million)

Actual collection as at 30 April 2018 is R0.012 million or 15.2 percent against the projections of R0.008 million or 3.4 percent. The over collection of R0.004 million is on recovery on previous years' expenditure debts.

#### **6.1.3. Health (Original Target of R168.177 million)**

The Department collected R13.9 million or 8.3 percent against the projections of R10.4 million or 6.2 percent. Over collection of R 3.5 million is mainly due to auction sale and improved collection on patient fees.

#### **6.1.4. Transport (Target R524.149 million)**

As at end of April 2018 the Department collected R33.6 million against the projections of R27.5 million. Over collection of R5.8 million or 1.1 percent is mainly on motor vehicle licenses due to increased number of motor vehicle population and recovery of municipality debts. The department recorded uncaptured receipts amounting R3.5 million as at the end of April 2018.

#### **6.1.5. Public Works Roads and Infrastructure (Original Target of R28.3 million million)**

The Department collected R2.5 million or 8.8 percent against the projection of R2.3 million or 8.3 percent. Over collection of R0.153 million of 0.5 percent is due to recovery of previous year's debts.

#### **6.1.6. Community Safety (Original Target of R0.232 million)**

The Department collected R0.007 million or 3.2 percent against the projection of R0.007 million or 3.0 percent. The department has collected in line with the projections.

#### **6.1.7. Co-operative Governance, Human Settlements & Traditional Affairs (Original Target of R4.8 million)**

The actual collection as at the end of April 2018 amounts to R1.2 million or 24.5 percent against the projection of R.0176 million or 3.7 percent. The over collection of R0.995 million or 20.8 percent is due to interest received from Risima for the previous financial year.

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

#### **6.2.1. Education (Original Target of R41.264 million)**

The department collected R2.3 million or 6.0 percent against the projections of R3.0 million or 7.3 percent. Under collection is due a suspense account relating to financial transactions which was not cleared as at closure of books for the month of April 2018.

#### **6.2.3. Agriculture (Original Target of R12.579 million)**

As at the end of April 2018 the department collected R0.181 million or 1.4 percent against the projection of R0.280 million or 2.0 percent against the projections. Under collection of R0.099 million is due to less collection of boarding services for students and veterinary services.

#### **6.2.4. Treasury (Original Target of R300.0 million)**

As at 30<sup>th</sup> April 2018 actual collection is R29.6 million or 9.9 percent against the projections of R32.1 million or 10.7 percent. Under collection of R2.5 million or 0.8 percent is due to less interest earned from positive bank balance.

### 6.2.5. Economic Development, Environment & Tourism (Original Target of R160.9 million)

Collection as at 30<sup>th</sup> April 2018 amounts to R7.6 million or 4.8 percent against the projections of R8.4 million or 5.2 percent. Under collection of R0.753 million is mainly contributed by the less collection on casino taxes and horse racing which is caused by less public participation on gambling and horse racing activities.

### 6.2.6. Social Development (Original Target of R3.969 million)

The Department collected R0.142 million or 3.6 percent against the projections of R0.458 million or 11.5 percent. The under collection of R0.316 million or 8.0 percent is primarily influenced by less collection on departmental debts and previous years' expenditure debts.

### 6.2.7. Sports Arts & Culture (Original Target of R1.940 million)

As at the end of April 2018 actual collection for the department is R0.022 million or 1.1 percent against the projections of R0.040 million or 2.0 percent. Under collection of R0.018 million is mainly due to suspense account relating to financial transactions which will only be cleared in May 2018.

## 6.3. Own revenue per economic classification

The table below reflects provincial own revenue collection per economic classification as at 30 April 2018.

**Table 12: Own revenue per economic classification**

	Main appropriation	Projections to April 2018	Projections as % of budget	Actual Collection to April 2018	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of budget	Main appropriation 2017/18	Actual Collection to April 2017	Actual collection as % of the budget
<b>Tax receipts</b>	<b>518 779</b>	<b>29 705</b>	<b>5,7%</b>	<b>34 456</b>	<b>6,6%</b>	<b>479 554</b>	<b>514 010</b>	<b>4 751</b>	<b>0,9%</b>	<b>475 120</b>	<b>29 986</b>	<b>6,3%</b>
<i>Casino taxes</i>	73 774	5 417	7,3%	4 441	6,0%	68 357	72 798	-976	-1,3%	69 796	5 418	7,8%
<i>Horse racing taxes</i>	31 855	2 574	8,1%	2 134	6,7%	25 239	27 373	-440	-1,4%	13 813	2 575	18,6%
<i>Liquor licenses</i>	3 800	18	0,5%	28	0,7%	4 460	4 488	10	0,3%	4 236	17	0,4%
<i>Motorvehicle licenses</i>	409 350	21 696	5,3%	27 852	6,8%	381 498	409 350	6 156	1,5%	387 275	21 975	5,7%
<b>Sales of goods and services other than capital assets</b>	<b>285 349</b>	<b>16 957</b>	<b>5,9%</b>	<b>21 333</b>	<b>7,5%</b>	<b>267 259</b>	<b>288 592</b>	<b>4 376</b>	<b>1,5%</b>	<b>357 246</b>	<b>19 166</b>	<b>5,4%</b>
<i>of which: Patient fees</i>	82 300	4 511	5,5%	6 514	7,9%	-	6 514	2 003	2,4%	100 000	6 861	6,9%
Transfers received from:	-	-	-	-	-	-	-	0	-	-	2 634	-
Fines, penalties and forfeits	78 763	4 134	5,2%	3 614	4,6%	75 171	78 785	-520	-0,7%	71 571	-	0,0%
Interest, dividends and rent on land	300 742	32 159	10,7%	30 470	10,1%	273 762	304 231	-1 689	-0,6%	190 816	37 710	19,8%
Sales of capital assets	11 748	-	0,0%	2 458	20,9%	11 664	14 122	2 458	20,9%	10 367	259	2,5%
Revenue financial assets	51 787	1 961	3,8%	1 212	2,3%	52 107	53 319	-750	-1,4%	32 920	2 063	6,3%
<b>Total departmental receipts</b>	<b>1 247 168</b>	<b>84 917</b>	<b>6,8%</b>	<b>93 543</b>	<b>7,5%</b>	<b>1 159 517</b>	<b>1 253 059</b>	<b>8 626</b>	<b>0,7%</b>	<b>1 137 840</b>	<b>91 817</b>	<b>8,1%</b>

### 6.3.1. Tax receipts (Original Target of R518.779 million)

An amount of R34.456 million or 6.6 percent has been collected against the projections of R29.7 million or 5.7 percent. The over collection is due to more collection on motor vehicle licenses due to increased number of vehicle population and debt repayment by municipalities

#### **6.3.2. Sale of goods & services non capital assets (Original Target of R285.349 million)**

As at 30 April 2018 actual collection is R21.3 million or 7.5 percent against the projections of R16.9 million or 5.9 percent. The over collection of R4.3 million or 1.5 percent is mainly due to more collection on patient fee rentals and entrance fee by Health and LEDET respectively.

#### **6.3.3. Fines, penalties and forfeits (Original Target of R78.763 million)**

Fines, penalties and forfeits collected R3.6 million or 4.6 percent against the projections of R4.1 million or 5.2 percent. Under collection of R0.520 million is due to less collection of traffic fines, penalties on motor vehicle licenses and impoundment fees by Department of Transport.

#### **6.3.4. Interest, dividend and rent on land (Original Target of R300.742 million)**

Collection as at 30<sup>th</sup> April 2018 is R30.470 million or 10.1 percent against the projections of R31.1 million or 10.7 percent. Under collection of R1.6 million is mainly due to less interests earned from favourable bank balances by Provincial Treasury.

#### **6.3.5. Sale of capital assets (Original Target of R11.748 million)**

The item collected R2.4 million or 20.9 percent with no projections for the month of April 2018. Over collection of R2.4 million is mainly due auction held in April 2018 by the department of Health.

#### **6.3.6. Financial transactions in assets and liabilities (Original Target of R51.787 million)**

The item collected R1.2 million or 2.3 percent against the projections of R 1.9 million or 3.8 percent. The under collection of R0.750 million is mainly due to less recovery of previous years' expenditure debts by Social Development and suspense account which is not yet cleared by department of education for the month of April 2018.



## 7. Provincial Infrastructure Performance

### 8. Table 13: Provincial Infrastructure Performance

Infrastructure Expenditure Comparison as at 30 April 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
Education	910 610	810 523	1 013 426	1 458	1 493	180 173	0,2%	0,2%	17,8%
Agriculture & Rural Development	172 643	172 992	160 455	1 348	326	165	0,8%	0,2%	0,1%
LEDET	49 314	59 345	54 481	-	-	-		0,0%	0,0%
Health	735 668	652 027	729 277	57 454	25 868	30 909	7,8%	4,0%	4,2%
PWR&I - Roads*	1 597 303	1 949 853	1 883 322	-	156 200	408 012	0,0%	8,0%	21,7%
PWR&I - Works			75 616	-		-			0,0%
Transport	26 000	2 353	27 915	-	-	-	0,0%	0,0%	0,0%
CoGHSTA	1 210 370	1 319 493	1 312 187	55 075	43 514	68 512	4,6%	3,3%	5,2%
Social Development	32 076	36 298	43 201	-	-	3 950			9,1%
Sport, Arts & Culture	35 593	48 749	40 031	-	5 189	-	0,0%	10,6%	0,0%
<b>TOTAL</b>	<b>4 769 577</b>	<b>5 051 633</b>	<b>5 339 911</b>	<b>115 335</b>	<b>232 590</b>	<b>691 722</b>	<b>2,4%</b>	<b>4,6%</b>	<b>13,0%</b>

As at 30 April 2018, the Provincial Infrastructure expenditure stood at R691.7 million. The total expenditure represents 13.0 percent of the total Provincial infrastructure budget. The expenditure was supposed to be in the region of about R445.0 million, which represents 8.3 percent of the total infrastructure budget in terms of the norm. The province is 5 percent or R246.7 million below the straight line norm.

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

Main appropriation: R5.3 billion (against the R5.0 billion for the 2017/18 financial year). The overall Provincial Infrastructure Budget has increased, with a 5 percent or R261.2 million from the previous financial year.

There had been some corrections to the tabled budget, with the departments of Public Works, Roads and Infrastructure and Cooperative Governance, Human Settlements and Traditional Affairs' infrastructure budget being R1.9 billion and R1.3 billion respectively, this includes the incentive grants.

## 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 30 April 2018 amounts to R5.1 billion or 7.9 percent of the total budget of R65.4 billion. Of the R5.1 billion total expenditures, R4.4 billion is on equitable share and R768.2 million on Conditional grant. The expenditure improved by 0.9 percent when comparing to the previous financial year during the same period.

- As at the end of April 2018 the province has collected an amount of R93.5 million or 7.5 percent which is above the projections of R84.9 million or 6.8 percent. The over collection of R6.2 million is mainly contributed by Health, Transport and COGHSTA which collected above the projection due to more collection on patient fee and auction sale, increase in motor vehicle population, Municipalities repaying their debts and interest received from Risima respectively.
- The Provincial Infrastructure expenditure amount to R691.7 million or 13.0 percent which is an improvement as compared to the previous corresponding year.
- 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,



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

21/5/2018  
**Date**