



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 30 APRIL 2019

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 30 April 2019.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 30 April 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 revenue and expenditure trend for the period under review finds its basis on the April 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

2019/20 Cash Allocation bilateral will be held with all Provincial departments from the 22nd to 27th of April 2019. The Cash Allocation Letters for 2019/20 financial year will be 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 1 :Cash flow projections, actual expenditure and transfers to departments

Departments	Opening Bank Balances at 01-Apr-19 R' 000	Cash Allocation 30-Apr-19 R' 000	Actual Expenditure 30-Apr-19 R' 000	Tranfers To Departments 30-Apr-19 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	152 109	2 268 693	2 427 918	2 337 166	-159 225	-7,0%	90 752	3,7%
Health	63 174	2 026 224	1 759 637	1 692 733	266 587	13,2%	66 904	3,8%
Social Development	8 320	156 729	119 553	123 179	37 176	23,7%	-3 626	-3,0%
Office of the Premier	6 950	29 488	150 814	32 663	-121 326	-411,4%	118 151	78,3%
Provincial Legislature	82 579	67 164	24 437	67 164	42 727	63,6%	-42 727	-174,8%
Agriculture	286	127 903	149 660	150 059	-21 757	-17,0%	-399	-0,3%
Provincial Treasury	20 442	37 398	29 773	38 462	7 625	20,4%	-8 689	-29,2%
Economic Development, Enviroment and Tourism	24 422	152 405	95 957	92 239	56 448	37,0%	3 718	3,9%
Transport	101 419	136 424	93 903	101 652	42 521	31,2%	-7 749	-8,3%
Public Works, Roads and Infrastructure	94 057	210 386	150 814	142 605	59 572	28,3%	8 209	5,4%
Community Safety	1 031	8 298	7 329	6 470	969	11,7%	859	11,7%
Cooperative Governance , Human Sttlement and T	67 885	214 126	170 647	150 973	43 479	20,3%	19 674	11,5%
Sport Arts and Culture	31 483	33 308	31 188	31 107	2 120	6,4%	81	0,3%
Total	654 157	5 468 546	5 211 630	4 966 472	256 916	4,7%	245 158	4,7%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R375.4 million or 6.9 percent. Office of the Premier, Department of Transport, Sport, Arts & Culture, Community Safety, Education, and Provincial Treasury spent more than their monthly projection mainly due to accruals paid from the previous financial year. 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, transfers to departments is R126.7 million or 2.5 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 2019.

4.2. Interest Performance

Table 2: Interest Performance

Institution	2019/20												Total
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	
Commercial Bank (SBSA)	2 164												2 164
CPD (SA Reserve Bank)	14 225												14 225
Commercial Bank (absa)													-
Total	16 389	-	-	-	-	-	-	-	-	-	-	-	16 389
Institution	2018/19												Total
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
Commercial Bank (SBSA)	4 588												4 588
CPD (SA Reserve Bank)	15 189												15 189
Commercial Bank (absa)													-
Total	19 777	-	-	-	-	-	-	-	-	-	-	-	19 777

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 R16.4 million by end of April 2019 that represent 17.1 percent decrease from last financial year. Interest earned from the CPD account alone was at R14.2 million recording a 6.3 percent decrease from R15.2 million last financial year.

5. Provincial Expenditure

Table 3: Provincial overall expenditure as at 30 April 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 April 2019	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand									
Education	32 291 008	32 291 008	32 291 008	32 291 008	2 427 918	7,5%	-	-	0,0%
Health	20 777 068	20 777 068	20 777 068	20 777 068	1 759 637	8,5%	-	-	0,0%
Social Development	2 181 129	2 181 129	2 181 129	2 181 129	119 553	5,5%	-	-	0,0%
Office Of The Premier	443 476	443 476	443 476	443 476	32 368	7,3%	-	-	0,0%
Provincial Legislature	375 755	375 755	375 755	375 755	24 437	6,5%	-	-	0,0%
Agriculture	2 000 770	2 000 770	2 000 770	2 000 770	149 660	7,5%	-	-	0,0%
Provincial Treasury	506 841	506 841	506 841	506 841	29 773	5,9%	-	-	0,0%
Economic Development, Environment And Tourism	1 722 710	1 722 710	1 722 710	1 722 710	95 957	5,6%	-	-	0,0%
Transport	2 227 547	2 227 547	2 227 547	2 227 547	93 903	4,2%	-	-	0,0%
Public Works, Roads And Infrastructure	3 616 964	3 616 964	3 616 964	3 616 964	150 814	4,2%	-	-	0,0%
Community Safety	117 638	117 638	117 638	117 638	7 329	6,2%	-	-	0,0%
Cooperative Governance, Human Settlements And Urban Development	2 720 467	2 720 467	2 720 467	2 720 467	170 647	6,3%	-	-	0,0%
Sport, Arts And Culture	519 537	519 537	519 537	519 537	31 188	6,0%	-	-	0,0%
Total	69 500 910	69 500 910	69 500 910	69 500 910	5 093 184	7,3%	-	-	0,0%
Economic classification						Net	-		-
Current payments	59 300 122	59 300 122	59 300 122	59 300 122	4 682 016	7,9%	-	-	0,0%
Compensation of employees	49 191 590	49 191 590	49 191 590	49 191 590	3 919 592	8,0%	-	-	0,0%
Goods and services	10 107 562	10 107 562	10 107 562	10 107 563	762 424	7,5%	-	-	0,0%
Interest and rent on land	970	970	970	970	-	0,0%	-	-	0,0%
Transfers and subsidies	8 185 421	8 185 421	8 185 421	8 185 421	357 570	4,4%	-	-	0,0%
Payments for capital assets	2 015 367	2 015 367	2 015 367	2 015 367	53 598	2,7%	-	-	0,0%
Total	69 500 910	69 500 910	69 500 910	69 500 910	5 093 184	7,3%	-	-	0,0%

Overall the provincial expenditure is R5.1 billion representing 7.3 percent spending of the R69.5 billion allocated budget. Hereunder is the synopsis of provincial expenditure as at 30 April 2019

- **Compensation of Employees (CoE)** spent R3.9 billion or 8.0 percent of the total budget of R49.1 million
- **Goods and Services** spent R762.4 million or 7.5 percent of the total budget of R10.1 billion.
- **Transfers and subsidies** recorded an expenditure of R357.6 million or 4.4 percent of the total budget of R8.2 billion.
- **Payment for Capital Assets** spent R53.6 million or 2.8 of the total budget of R2.0 billion.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 4: Compensation of Employees as at 30 April 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2019	Actual spending as % of Main budget	(Over)	Under	%(Over)/under of Main budget
R thousand									
Education	25 957 635	25 957 635	25 957 635	25 957 635	2 141 282	8,2%	-	-	0,0%
Health	15 808 869	15 808 869	15 808 869	15 808 869	1 203 899	7,6%	-	-	0,0%
Social Development	1 182 104	1 182 104	1 182 104	1 182 104	96 447	8,2%	-	-	0,0%
Office of the Premier	318 611	318 611	318 611	318 611	25 716	8,1%	-	-	0,0%
Provincial Legislature	203 913	203 913	203 913	203 913	13 893	6,8%	-	-	0,0%
Agriculture	1 205 829	1 205 829	1 205 829	1 205 829	93 277	7,7%	-	-	0,0%
Provincial Treasury	322 089	322 089	322 089	322 089	25 043	7,8%	-	-	0,0%
Economic Development	598 142	598 142	598 142	598 142	48 263	8,1%	-	-	0,0%
Transport	1 029 939	1 029 939	1 029 939	1 029 939	73 592	7,1%	-	-	0,0%
Public Works, Roads and Infrastructure	1 165 707	1 165 707	1 165 707	1 165 707	89 006	7,6%	-	-	0,0%
Community Safety	83 384	83 384	83 384	83 384	6 473	7,8%	-	-	0,0%
Cooperative Governance, Human Settlement	1 094 897	1 094 897	1 094 897	1 094 897	88 764	7,9%	-	-	0,0%
Sport , Arts and Culture	220 471	220 471	220 471	220 471	15 937	7,2%	-	-	0,0%
Total	49 191 590	49 191 590	49 191 590	49 191 590	3 919 592	8,0%	-	-	0,0%
							Net	-	

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

The overall provincial CoE spending is at R3.9 billion or 8.0 percent. The highest percentage spending departments are Education at R2.1 billion or 8.2 percent, Social Development at 8.2 percent or R96.4 million, Office of the Premier at 8.1 percent or R25.7 million and Economic Development, Environment and Tourism at 8.1 percent or R48.3 million. All the departments are projecting to breakeven.

5.1.2. Goods and Services

Table 5: Goods and Services as at 30 April 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2019	Actual spending as % of Main budget	(Over)	Under	%(Over)/under of Main budget
R thousand									
Education	2 804 857	2 804 857	2 804 857	2 804 857	74 093	2,6%	-	-	0,0%
Health	4 194 955	4 194 955	4 194 955	4 194 955	515 717	12,3%	-	-	0,0%
Social Development	354 895	354 895	354 895	354 895	19 931	5,6%	-	-	0,0%
Office of the Premier	117 395	117 595	117 395	117 395	6 223	5,3%	-	-	0,0%
Provincial Legislature	76 288	76 288	76 288	76 288	3 498	4,6%	-	-	0,0%
Agriculture	491 904	491 904	491 904	491 904	30 263	6,2%	-	-	0,0%
Provincial Treasury	173 531	173 531	173 531	173 531	4 136	2,4%	-	-	0,0%
Economic Development	297 567	297 567	297 567	297 567	12 417	4,2%	-	-	0,0%
Transport	324 374	324 374	324 374	324 374	16 027	4,9%	-	-	0,0%
Public Works, Roads and Infrastructure	808 259	808 259	808 259	808 259	49 509	6,1%	-	-	0,0%
Community Safety	32 034	32 034	32 034	32 034	853	2,7%	-	-	0,0%
Cooperative Governance, Human Settlement	196 832	196 832	196 832	196 832	15 983	8,1%	-	-	0,0%
Sport , Arts and Culture	234 671	234 671	234 671	234 671	13 774	5,9%	-	-	0,0%
Total	10 107 562	10 107 762	10 107 562	10 107 562	762 424	7,5%	-	-	0,0%
							Net	-	

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

The overall spending on Goods and Services is at R762.4 million or 7.5 percent of the total budget of R10.1 billion. The highest percentage spending departments are Health and Cooperative Governance, Human Settlement and Traditional Affairs at R515.7 million or 12.3 percent, R15.9 million or 8.1 percent. Department of Health is mainly influenced by accruals from the 2018/19 financial year.

5.1.3. Transfers and subsidies

Table 6: Transfers and subsidies as at 30 April 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2019	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
R thousand									
Education	2 491 081	2 491 081	2 491 081	2 491 081	185 168	7,4%	-	-	0,0%
Health	376 108	376 108	376 108	376 108	29 075	7,7%	-	-	0,0%
Social Development	591 292	591 292	591 292	591 292	1 636	0,3%	-	-	0,0%
Office of the Premier	732	732	732	732	2	0,3%	-	-	0,0%
Provincial Legislature	82 435	82 435	82 435	82 435	7 046	8,5%	-	-	0,0%
Agriculture	202 401	202 401	202 401	202 401	21 481	10,6%	-	-	0,0%
Provincial Treasury	6 528	6 528	6 528	6 528	226	3,5%	-	-	0,0%
Economic Development	769 901	769 901	769 901	769 901	34 948	4,5%	-	-	0,0%
Transport	808 200	808 200	808 200	808 200	4 076	0,5%	-	-	0,0%
Public Works, Roads and Infrastructure	1 476 899	1 476 899	1 476 899	1 476 899	6 072	0,4%	-	-	0,0%
Community Safety	93	93	93	93	1	1,1%	-	-	0,0%
Cooperative Governance, Human Settlement	1 366 507	1 366 507	1 366 507	1 366 507	67 836	5,0%	-	-	0,0%
Sport , Arts and Culture	13 244	13 244	13 244	13 244	3	0,0%	-	-	0,0%
Total	8 185 421	8 185 421	8 185 421	8 185 421	357 570	4,4%	-	-	0,0%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-	-

The province spent R357.6 million or 4.4 percent of the total budget of R7.8 billion on Transfers and subsidies. The highest percentage spending departments are Agriculture at R21.5 million or 10.6 percent and Provincial Legislature at R7.0 million or 8.5 percent. Overall the departments are projecting to breakeven.

5.1.4. Payment for Capital Assets

Table 7: Payment for Capital Assets as at 30 April 2019

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2019	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
R thousand									
Education	1 037 435	1 037 435	1 037 435	1 037 435	27 375	2,6%	-	-	0,0%
Health	397 136	397 136	397 136	397 136	10 946	2,8%	-	-	0,0%
Social Development	52 838	52 838	52 838	52 838	1 539	2,9%	-	-	0,0%
Office of the Premier	6 738	6 738	6 738	6 738	427	6,3%	-	-	0,0%
Provincial Legislature	13 119	13 119	13 119	13 119	-	0,0%	-	-	0,0%
Agriculture	100 636	100 636	100 636	100 636	4 639	4,6%	-	-	0,0%
Provincial Treasury	4 693	4 693	4 693	4 693	368	7,8%	-	-	0,0%
Economic Development	56 130	56 130	56 130	56 130	329	0,6%	-	-	0,0%
Transport	65 034	65 034	65 034	65 034	208	0,3%	-	-	0,0%
Public Works, Roads and Infrastructure	166 099	166 099	166 099	166 099	6 227	3,7%	-	-	0,0%
Community Safety	2 127	2 127	2 127	2 127	2	0,1%	-	-	0,0%
Cooperative Governance, Human Settlement	62 231	62 231	62 231	62 231	64	0,1%	-	-	0,0%
Sport , Arts and Culture	51 151	51 151	51 151	51 151	1 474	2,9%	-	-	0,0%
Total	2 015 367	2 015 367	2 015 367	2 015 367	53 598	2,7%	-	-	0,0%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-	-

The overall provincial expenditure on Payment for Capital Assets is at R53.7 million or 2.7 percent of the total budget of R2.0 billion. The provincial spending on this classification is expected to improve from the month of June 2019.

5.2. Equitable share spending

Table 8: Equitable share spending as at 30 April 2019

	Main Appropriation	Actual as at 30 April 2019	Actual spending as % of budget	Projected Outcome	Variance
Education	29 830 491	2 391 805	8,0%	29 830 491	-
Health	17 703 818	1 598 250	9,0%	17 703 818	-
Social Development	2 099 948	118 212	5,6%	2 099 948	-
Office of the Premier	443 476	32 368	7,3%	443 476	-
Provincial Legislature	375 755	24 437	6,5%	375 755	-
Agriculture	1 658 425	121 699	7,3%	1 658 425	-
Provincial Treasury	506 841	29 773	5,9%	506 841	-
Economic Development, Environment and Tourism	1 719 147	95 955	5,6%	1 719 147	-
Transport	1 850 757	93 903	5,1%	1 850 757	-
Public Works, Roads and Infrastructure	2 452 943	134 008	5,5%	2 452 943	-
Community Safety	115 638	7 329	6,3%	115 638	-
Cooperative Governance, Human Settlements and Urban Development	1 380 944	106 222	7,7%	1 380 944	-
Sport, Arts and Culture	301 734	22 485	7,5%	301 734	-
Total	60 439 917	4 776 446	7,9%	60 439 917	-
Economic classification					
Current payments	54 615 704	4 505 539	8,25%	54 615 704	-
Compensation of employees	47 811 132	3 845 960	8,0%	47 811 132	-
Goods and Services	6 804 572	659 579	9,7%	6 804 572	-
Other	970	-	0,0%	970	-
Current transfers and subsidies	5 175 025	255 509	4,9%	5 175 025	-
Payments for capital assets	648 218	15 363	2,4%	648 218	-
Payments for financial assets	-	35	0,0%	-	-
Total	60 439 917	4 776 446	7,9%	60 439 917	-

Provincial equitable share spending is at R4.8 billion or 7.9 percent of the total budget of R60.4 billion. The highest percentage spending departments are Health at R1.6 billion or 9.0 percent, Education at R2.4 billion or 8.0 percent and Cooperative Governance, Human Settlement and Traditional Affairs at R106.2 million or 7.7 percent, whereas other departments spending are below 8.0 percent.

5.3. Conditional Grants

Table 9: Conditional Grants spending per department as at 30 April 2019

	Main Appropriation	Actual as at 30 April 2019	Actual spending as % of budget	Projected Outcome	Variance
Education	2 460 517	36 113	1,5%	2 460 517	-
Health	3 073 250	161 387	5,3%	3 073 250	-
Social Development	81 181	1 341	1,7%	81 181	-
Public Works , Roads and Infrastru	1 164 021	16 806	1,4%	1 164 021	-
Agriculture	342 345	27 961	8,2%	342 345	-
Transport	376 790	-	0,0%	376 790	-
CoGHSTA	1 339 523	64 425	4,8%	1 339 523	-
Sport, Arts and Culture	217 803	8 703	4,0%	217 803	-
Community Safety	2 000	-	0,0%	2 000	-
Economic Development	3 563	2	0,1%	3 563	-
Total	9 060 993	316 738	3,5%	9 060 993	-
Current payments	4 678 841	176 477	3,77%	4 678 841	-
Compensation of employees	1 394 691	73 632	5,3%	1 394 691	-
Goods and Services	3 284 150	102 845	3,1%	3 284 150	-
Current transfers and subsidies	3 012 902	102 061	3,4%	3 012 902	-
Payments for capital assets	1 369 250	38 200	2,8%	1 369 250	-
Payments for financial assets	-	-	-	-	-
Total	9 060 993	316 738	3,5%	9 060 993	-

The CGs' overall expenditure is at R316.7 million or 3.5 percent of the total budget of R9.0 billion. Spending by Departments has regressed as compared to the same period of the previous financial year which was R768.2 million or 9.0 percent. The highest percentage spending department is Agriculture at R27.9 million or 8.2 percent of the total budget of R342.3 million.

Table 10 Limpopo Conditional Grant spending per grant as at 30 April 2019.

Table 10: Limpopo: Conditional Grants Expenditure as at 30 April 2019			
R thousand	Budget	Provincial Actual Payments	Actual Payments as a % of Adjusted budget
Agriculture	342 346	27 961	8,2%
Comprehensive Agricultural Support Programme Grant	246 542	21 786	8,8%
Disaster (Casp Infrastructure)	—	—	0,0%
Ilima/Letsema Projects Grant	75 254	1 792	2,4%
EPWP Integrated grant	7 686	244	3,2%
Land Care Programme Grant	12 863	4 139	32,2%
Sport, Arts and Culture	217 803	8 703	4,0%
Mass Sport and Recreation Programme	71 489	3 228	4,5%
EPWP Integrated grant	2 000	74	3,7%
Community Library Services Grant	144 314	5 401	3,7%
Education	2 460 617	36 113	1,5%
HIV and Aids (Life Skills Education) Grant	29 124	2 383	8,2%
National School Nutrition Programme Grant	1 292 011	3 363	0,3%
Infrastructure Grant	1 050 160	28 397	2,7%
Maths, Science and Technology	45 802	—	0,0%
Learners with Profound Intellectual Disabilities	26 839	1 367	5,1%
Social sector EPWP grant	14 196	603	4,2%
EPWP Incentive allocation	2 385	—	0,0%
Health	3 073 260	161 387	5,3%
Comprehensive HIV and Aids Grant	1 947 302	70 020	3,6%
Community Outreach Services Component	258 929	—	0,0%
Comprehensive HIV, AIDS Component	1 598 159	70 020	4,4%
Malaria Component	45 366	—	0,0%
Tuberculosis Component	44 848	—	0,0%
Health Professions Training and Development Grant	147 168	12 038	8,2%
Human Papillomavirus Vaccine Grant	29 009	9	0,0%
EPWP Social Sector	37 299	-9	0,0%
Hospital Revitalisation Grant	457 951	18 402	4,0%
Human Resources Capacitation Grant	43 258	7 510	17,4%
National Tertiary Services Grant	409 263	53 400	13,0%
EPWP Integrated grant	2 000	17	0,9%
COGHSTA	1 339 623	64 426	4,8%
Integrated Housing & Human Settlements Development Gra	1 301 677	63 857	4,9%
Deeds Restoration	35 820	568	1,6%
EPWP Incentive allocation	2 026	—	0,0%
Public Works, Roads and Infrastructure	1 164 021	16 806	1,4%
Infrastructure Grant	1 018 253	16 773	1,6%
Transport Disaster Management	140 000	—	0,0%
EPWP Integrated grant	5 768	33	0,6%
Economic Development	3 563	2	0,1%
EPWP Incentive grant	3 563	2	0,1%
Social Development	81 181	1 341	1,7%
Early Childhood development	68 992	1 334	1,9%
EPWP Integrated grant	2 000	—	0,0%
EPWP Social sector grant	10 189	7	0,1%
Transport	376 790	—	0,0%
Public Transport Operations Grant	376 790	—	0,0%
Community Safety	2 000	—	0,0%
EPWP incentive grant	2 000	—	0,0%
Total	9 060 993	316 738	3,5%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R27.9 million or 8.2 percent of the total budget of R342.3 million.

- **Comprehensive Agricultural Support programme** spent 1.4 percent or R21.8 million of the total budget of R246.5 million.

- **Land care** recorded an expenditure of R4.1 million or 32.2 percent and is mainly influenced by prior year accruals
- **ILLIMA/LETSEMA** spend R1.8 million or 2.4 percent
- **EPWP incentive grant** spend R0.244 million or 3.2 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R8.7 million or 4.0 percent of the total budget of R217.8 million.

- **Mass Sport and Recreation Programme** spent R3.2 million or 4.5 percent of the total budget of R71.5 million.
- **Community Library Services** spent R5.4 million or 3.7 percent of the total budget of R144.3 million.
- **EPWP Incentive grant** spent R0.074 million or 3.7 percent of the allocated R2 million.

5.3.3. Education

Overall spending by the department is at R36.1 million or 1.5 percent of the total budget of R2.4 billion.

- **HIV/AIDS Life skills** spent R2.4 million or 8.2 percent of the total budget of R29.1 million.
- **National School Nutrition Programme** spent R3.4 million or 0.3 percent of the total budget of R1.3 billion.
- **Infrastructure grant** spent R28.4 million or 2.7 percent of the total budget of R1.0 billion.
- **Maths, Science and Technology** did not spend on its allocated budget.
- **EPWP Social sector** grant spent R0.603 million or 4.2 percent.
- **EPWP Incentive Grant** did not record any expenditure for the month.
- **Learners with Profound Intellectual Disabilities** – spent R1.4 million or 5.1 percent of the total budget of R26.8 million.

5.3.4. Health

The overall spending on CG is R161.4 million or 5.3 percent of the total budget of R3.1 billion.

- **HIV and AIDS** - spent 3.6 percent or R70.0 million of the total budget of R1.9 billion.
- **EPWP Social Sector** grant did not spend during the reporting period.
- **National Tertiary Services** grant spent R53.4 million or 13.1. percent of the total budget of R409.3 million.
- **Health Professions Training and Development** grant has recorded expenditure of R12.0 million or 8.2 percent of the total budget of R147.2 million.
- **Health Facilities Revitalization grant** spent 4.0 percent or R18.4 million of the total budget of R457.9 million.
- **Human papilloma virus vaccine grant** – did not spend out of the budget of R29.0 million
- **EPWP Incentive grant** – spend R0.017 million or 0.9 percent.

5.3.5 CoGHSTA

In overall, the department spent R64.4 million or 4.8 percent of the total budget of R1.3 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R63.8 million or 4.9 percent of the budget of R1.3 billion.
- **Deeds Restoration grant** spent R0.568 million or 1.6 percent of the budget of R35.8 million.
- and **EPWP grant** reflected zero spending by end of April 2019

5.3.6 LEDET

The department spend R0.002 million or 0.1 percent.

5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R16.8 million or 1.4 percent of the budget of R1.2 billion.

- **Infrastructure grant** – spent R16.8 million or 1.6 percent.
- **Transport Disaster Management** – did not spend.
- **EPWP grant** – spent R 0.033 million or 0.6 percent.

5.3.8. Transport

- The department has not yet spent its allocated budget of R376.8 million.

5.8.9. Community Safety

The department reflects zero spending.

5.8.10. Social Development

Overall spending by the department is R1.3 million or 1.7 percent of the total budget of R81.2 million.

- **Early Childhood Development grant** - recorded an expenditure of R1.3 million or 1.9 percent of R68.9 million allocated budget.
- **EPWP social sector grant** - spent R0.007 million or 0.1 percent of the budget of R1.2 million.
- **EPWP integrated grant** - did not spend.

6. Provincial Own Revenue

Table 11: Provincial own revenue collection per vote as at 30 April 2019.

Departments (Votes)	Main appropriation 2019/20	Projections to April 2019	Projections as % of main appropriation	Actual Collection to April 2019	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 appropriation	Main appropriation 2018/19	Actual Collection to April 2018	Actual collection as % of main appropriation
Office of the Premier	583	45	7.7%	34	5.8%	568	602	-11	-1.9%	567	37	6.5%
Provincial Legislature	246	20	8.1%	1	0.2%	245	246	-19	-7.9%	234	12	5.2%
Education	43 826	3 476	7.9%	2 679	6.1%	41 147	43 826	-797	-1.8%	41 264	2 491	6.0%
Agriculture & Rural Development	11 722	543	4.6%	216	1.8%	11 506	11 722	-327	-2.8%	12 579	181	1.4%
Provincial Treasury	280 874	26 460	9.4%	22 935	8.2%	257 939	280 874	-3 525	-1.3%	300 000	29 615	9.9%
Economic Development, Environment & Tourism	158 941	8 759	5.5%	10 156	6.4%	150 182	160 338	1 397	0.9%	160 918	7 689	4.8%
Health	193 610	13 118	6.8%	10 370	5.4%	183 476	193 846	-2 748	-1.4%	168 177	13 920	8.3%
Transport	584 740	30 815	5.3%	45 714	7.8%	539 025	584 739	14 899	2.5%	524 149	33 353	6.4%
Public Works, Roads & Infrastructure	30 438	2 374	7.8%	2 886	9.5%	28 064	30 950	511	1.7%	28 355	2 500	8.8%
Community Safety	94	7	7.4%	7	7.8%	87	94	0	0.4%	232	7	3.2%
Co-operative Governance, Human Settlements & Traditional Affairs	5 119	165	3.2%	598	11.7%	4 954	5 552	433	8.5%	4 784	1 170	24.5%
Social Development	4 182	300	7.2%	174	4.2%	4 026	4 200	-126	-3.0%	3 969	142	3.6%
Sport, Arts & Culture	2 224	45	2.0%	26	1.2%	2 197	2 223	-18	-0.8%	1 940	22	1.1%
Total provincial receipts	1 316 599	86 127	6.5%	95 796	7.3%	1 223 416	1 319 212	9 669	0.7%	1 247 168	91 139	7.3%

The total Provincial Own Revenue target for 2019/20 financial year is R1.3 billion. As at the end of April 2019 the Province has collected an amount of R95.8 million or 7.3 percent which is above the projections of R86.1 million or 6.5 percent. The over collection of R9.6 million is mainly contributed by LEDET on casino taxes; and Transport due to increased motor vehicle

population and improved recovery of Motor vehicle licences debts from Municipalities respectively. The collection is above that of the previous corresponding period of R91.1 million.

6.1. Out of thirteen (13) Departments, five (5) collected above to their set monthly projections as follows:

6.1.1. Economic Development, Environment & Tourism (Original Target of R158.941 million)

Collection as at 30th April 2019 amounts to R10.2 million or 6.4 percent against the projections of R8.7 million or 5.5 percent. Over collection of R1.4 million is mainly contributed by improved collection of casino and horse racing taxes.

6.1.2. Transport (Target R584.740 million)

As at end of April 2019 the Department collected R45.7 million or 7.8 percent against the projections of R30.8 million or 5.3 percent. Over collection of R14.8 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 R1.4 million as at the end of April 2019.

6.1.3. Public Works Roads and Infrastructure (Original Target of R30.438 million million)

The Department collected R2.9 million or 9.5 percent against the projection of R2.4 million or 7.8 percent. Over collection of R0.511 million of 1.7 percent is mainly due to surrender of previous year revenue collection by Public Entity (RAL).

6.1.4. Co-operative Governance, Human Settlements & Traditional Affairs (Original Target of R5.119 million)

The actual collection as at the end of April 2019 amounts to R0.598 million or 11.7 percent against the projection of R0.0165 million or 3.2 percent. The over collection of R0.433 million or 8.5 percent is due to recovery of previous year's expenditure debts.

6.1.5. Community Safety (Original Target of R0.094 million)

The Department collected R0.007 million or 7.4 percent against the projection of R0.007 million or 7.8 percent. The department has collected in line with the projections.

The following Eight (8) Departments have collected below their set projections

6.1.6. Office of the Premier (Original Target of R0.583 million)

The Office has collected R0.034 million or 5.8 percent against the projections of R0.045 million or 7.7 percent. Under collection of R0.011 million or 1.9 percent is mainly on recovery of previous year debts which collected less than the projected amount.

6.1.7. Provincial Legislature (Original Target of R0.246 million)

Actual collection as at 30 April 2019 is R0.001 million or 0.2 percent against the projections of R0.020 million or 8.1 percent. The under collection of R0.019 million is on commission on insurance due to changes in financial system which do not interface with BAS.

6.1.8. Education (Original Target of R43.826 million)

The department collected R2.7 million or 6.1 percent against the projections of R3.5 million or 7.9 percent. Under collection of R0.797 is due a less recovery of previous year expenditure related debts.

6.1.9. Agriculture (Original Target of R11.722 million)

As at the end of April 2019 the department collected R0.216 million or 1.8 percent against the projection of R0.543 million or 4.6 percent. Under collection of R0.327 million is due late reconciliation of academic services fees by Agricultural colleges.

6.1.10. Treasury (Original Target of R280.874 million)

As at 30th April 2019 actual collection is R22.9 million or 8.2 percent against the projections of R26.5 million or 9.4 percent. Under collection of R3.5 million or 1.3 percent is due to less interest earned from bank balance which is volatile.

6.1.11. Health (Original Target of R193.610 million)

The Department collected R10.4 million or 5.4 percent against the projections of R13.1 million or 6.8 percent. Under collection of R 2.7 million is on patient fee which was caused by backlog of uncaptured receipts; and less recovery of previous year related debts than anticipated. The uncaptured receipts amounts to R3.2 million as at end April 2019.

6.1.12. Social Development (Original Target of R4.182 million)

The Department collected R0.174 million or 4.2 percent against the projections of R0.300 million or 7.2 percent. The under collection of R0.126 million or 3.0 percent is primarily influenced by less collection on parking, sale of tender documents and previous years' expenditure related debts.

6.1.13. Sports Arts & Culture (Original Target of R2.224 million)

As at the end of April 2019 actual collection for the department is R0.174 million or 4.2 percent against the projections of R0.300 million or 7.2 percent. Under collection of R0.018 million is mainly due less recovery of previous years' expenditure related debts.

6.2. Own revenue per economic classification

Table 12: Provincial own revenue collection per economic classification as at 30th April 2019.

Summary of Provincial Own Receipt by Economic Classification												
Items (Revenue Sources)	Main appropriation	Projections to April 2018	Projections as % of budget	Actual Collection to April 2019	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 2018/19	Actual Collection to April 2018	Actual collection as % of the budget
Tax receipts	604 232	33 309	5.5%	48 336	8.0%	556 024	604 360	15 027	0.9%	518 779	34 456	6.6%
<i>Casino taxes</i>	59 897	4 562	7.6%	5 945	9.9%	55 335	61 280	1 383	-1.3%	73 774	4 441	6.0%
<i>Horse racing taxes</i>	46 972	2 498	5.3%	2 922	6.2%	44 474	47 396	424	-1.4%	31 855	2 134	6.7%
<i>Liquor licenses</i>	3 857	93	2.4%	59	1.5%	3 764	3 823	-34	0.3%	3 800	28	0.7%
<i>Motorvehicle licenses</i>	493 506	26 156	5.3%	39 411	8.0%	452 451	491 862	13 255	1.5%	409 350	27 852	6.8%
Sales of goods and services other than capital assets	305 311	21 400	7.0%	18 119	5.9%	287 940	306 059	-3 281	1.5%	285 349	21 333	7.5%
<i>of which: Patient fees</i>	99 021	7 562	7.6%	4 418	4.5%	94 603	99 021	-3 144	2.4%	82 300	6 514	7.9%
Transfers received from:	5 700	-	0.0%	-	0.0%	5 700	5 700	0	-	-	-	-
Fines, penalties and forfeits	54 823	2 773	5.1%	4 075	7.4%	52 050	56 125	1 302	-0.7%	78 763	3 614	4.6%
Interest, dividends and rent on land	281 727	26 430	9.4%	22 931	8.1%	258 831	281 762	-3 499	-0.6%	300 742	30 471	10.1%
Sales of capital assets	12 791	-	0.0%	-	0.0%	12 791	12 791	0	20.9%	11 748	54	0.5%
Revenue financial assets	52 015	2 215	4.3%	2 334	4.5%	50 080	52 414	119	-1.4%	51 787	1 212	2.3%
Total departmental receipts	1 316 599	86 127	6.5%	95 796	7.3%	1 223 416	1 319 212	9 669	0.7%	1 247 168	91 139	7.3%

6.2.1. Tax Receipts (Original Target of R604.232 million)

An amount of R48.3 million or 8.0 percent has been collected against the projections of R33.3 million or 5.7 percent. The over collection is due to more collection on motor vehicle licenses (increased number of vehicle population) and improved recovery of motor vehicle fees debts from municipalities by Transport; and improved casino taxes collection by LEDET.

6.2.2. Sale of Goods & Services non-capital assets (Original Target of R305.311 million)

As at 30 April 2019 actual collection is R18.1 million or 5.9 percent against the projections of R21.4 million or 7.0 percent. The under collection of R3.3 million or 1.5 percent is mainly due less collection on patient fee by Health.

6.2.3. Fines, penalties and forfeits (Original Target of R54.823 million)

Fines, penalties and forfeits collected R4.1 million or 7.4 percent against the projections of R2.8 million or 5.1 percent. Over collection of R1.3 million is due to increased collection of penalties on motor vehicle licenses and impoundment fees by Department of Transport.

6.2.4. Transfers received (Original Target of R5.700 million)

The item was not projected for collection in April 2019 and therefore zero collection.

6.2.5. Interest, Dividend and Rent on Land (Original Target of R281.727 million)

Collection as at 30th April 2019 is R22.9 million or 8.1 percent against the projections of R26.4 million or 9.4 percent. Under collection of R3.5 million is mainly due to less interests earned from favourable bank balances by Provincial Treasury.

6.2.6. Sale of Capital Assets (Original Target of R12.791 million)

The item was not projected for collection in April 2019.

6.2.7. Financial Transactions in Assets and Liabilities (Original Target of R52.015 million)

The item collected R2.3 million or 4.5 percent against the projections of R 2.2 million or 4.3 percent. Over collection of R0.119 million is mainly due to more recovery of previous years' expenditure debts by CoGHSTA; and surrender of previous year revenue from RAL by Public Works, Roads and Infrastructure.

7. Provincial Infrastructure Performance

Table 13: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2017/18, 2018/19 and 2019/20) as at 30 April.

Infrastructure Expenditure Comparison as at 30 April year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Education	810 523	1 013 426	1 051 986	1 493	180 173	42 372	0,2%	17,8%	4,0%
Agriculture & Rural Development	172 992	160 455	223 426	326	165	8 664	0,2%	0,1%	3,9%
LEDET	59 345	54 481	45 267	-	-	1 771		0,0%	3,9%
Health	652 027	729 277	656 200	25 868	30 909	50 280	4,0%	4,2%	7,7%
PWR&I - Roads*	1 949 853	1 883 322	2 077 037	156 200	408 012	49 563	8,0%	21,7%	2,4%
PWR&I - Works		75 616	76 396		-	2 889			3,8%
Transport	2 353	27 915	43 021	-	-	3 000	0,0%	0,0%	7,0%
CoGHSTA	1 319 493	1 312 187	1 337 497	43 514	68 512	64 425	3,3%	5,2%	4,8%
Social Development	36 298	43 201	47 846	-	3 950	2 854			6,0%
Sport, Arts & Culture	48 749	40 031	47 128	5 189	-	1 113	10,6%	0,0%	2,4%
TOTAL	5 051 633	5 339 911	5 605 804	232 590	691 722	226 931	4,6%	13,0%	4,0%

As at 30 April 2019, the Provincial Infrastructure expenditure stood at R226.9 million. The total expenditure represents 4.0 percent of the total Provincial infrastructure budget of R5.6 billion. The expenditure was supposed to be in the region of about R467.1 million, which represents 8.0 percent of the total infrastructure budget in terms of the norm.

The province is 4.0 or R 240.2 million below the straight line norm. The Provincial Infrastructure budget for the current financial year is as follows:

Main appropriation: R 5.6 billion (against the R 5.3 billion for the 2018/19 financial year). The overall Provincial Infrastructure Budget has increased by 5.0 percent or R 265.9 million from the previous financial year

The expenditure for the current financial year is below all prior years. If the trend is maintained, there is a high probability of the budget being underspend by end of financial year. Provincial Treasury together with the departments will finalise the projections, however all departments project to break-even by the end of March 2020.


The departments are in the final stages of capturing the projects in the Infrastructure Reporting Model – the final date for capturing was 30 April 2019, however National Treasury gave an extension till 31 May 2019. Most of the departments have finished capturing and are attending to GAPS that have been identified, in particular aligning to BAS and IYM.

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 2019 amounts to R5.1 billion or 7.3 percent of the total budget of R69.5 billion. Of the R5.1 billion total expenditures, R4.8 billion or 7.8 percent is on equitable share and R316.7 million or 3.5 percent on Conditional grant.
- As at the end of April 2019 the province has collected an amount of R95.8 million or 7.3 percent which is above the projections of R86.1 million or 6.5 percent. The over collection of R9.6 million is mainly contributed by LEDET on casino taxes and Transport due to increased motor vehicle population and improved recovery of motor vehicle license debts from municipalities.
- The Provincial Infrastructure expenditure amount to R226.9 million or 4.0 percent.
- Revenue collection and expenditure performance is monitored monthly and quarterly through IYM and IRM analysis reports and bilateral meetings with Departments.

Regards,



Gavin Pratt CA (SA)

HOD: Provincial Treasury

22/5/2019

Date