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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 DECEMBER 2017

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 December 2017.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 December 2017 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 December 2017 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

2017/18 Cash Allocation bilateral were held with all Provincial departments from the 15th & 18th of May 2017. Cash allocation letters for 2017/18 financial year were issued to all departments on the 30th of May 2017, 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 15th and for month-end.

These systems and processes were put in place to ensure that service delivery continues without disruptions relating to cash flow problems as well as to alleviate cash flow challenges experienced in the previous financial year.

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 below provides cash flow projections, actual expenditure and transfers to departments during December 2017.

Table 1: Cash Flow Management Performance as at 31 December 2017

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 December 2017

Departments	Opening Bank Balances at 01-Apr-17 R' 000	Cash Allocation 31-Dec-17 R' 000	Actual Expenditure 31-Dec-17 R' 000	Tranfers To Departments 31-Dec-17 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	465 626	22 380 076	21 983 475	21 958 424	396 601	1.8%	25 051	0.1%
Health	-132 549	13 964 931	14 248 909	14 443 416	-283 978	-2.0%	-194 507	-1.4%
Social Development	12 339	1 363 121	1 359 378	1 372 372	3 743	0.3%	-12 994	-1.0%
Public Works, Roads and Infrastructure	122 003	2 428 833	2 316 494	2 311 126	112 339	4.6%	5 368	0.2%
Agriculture	105 669	1 401 913	1 164 256	1 166 934	237 657	17.0%	-2 678	-0.2%
Transport	53 440	1 427 957	1 415 915	1 367 209	12 042	0.8%	48 706	3.4%
CoGHSTA	98 715	1 985 642	1 607 018	1 649 023	378 624	19.1%	-42 005	-2.6%
Sport, Arts & Culture	13 398	376 892	332 201	339 867	44 691	11.9%	-7 666	-2.3%
Safety & Security and Liaison	2 936	75 531	77 325	77 508	-1 794	-2.4%	-183	-0.2%
Office of the Premier	9 317	273 188	301 144	300 896	-27 956	-10.2%	248	0.1%
Provincial Legislature	30 409	261 007	247 091	275 190	13 916	5.3%	-28 099	-11.4%
Provincial Treasury	16 294	370 983	310 787	277 150	60 196	16.2%	33 637	10.8%
Economic Development, Environmental & Tourism	41 519	1 136 239	1 200 458	1 185 311	-64 219	-5.7%	15 147	1.3%
Total	839 116	47 446 313	46 564 451	46 724 426	881 862	1.9%	-159 975	-0.3%

Summary Per Fund

Equitable Share		41 102 311	40 724 148	40 402 519	378 163	0.9%	321 629	0.8%
Conditional Grant		6 344 002	5 840 303	6 321 907	503 699	7.9%	-481 604	-8.2%
Total		47 446 313	46 564 451	46 724 426	881 862	1.9%	-159 975	-0.3%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R881.9 million or 0.9 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 R159.9 million or 0.3 percent more than actual expenditure. The reason for transferring more funds than was required is due to the closing of unfavorable opening PMG balances of department of Health at the beginning of April 2017.

4.2. Interest Performance

Table 2: Interest earned as at 31 December 2017

R'000													
Institution	2017/18												Total
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	
Commercial Bank (SBSA)	1 819	1 663	1 443	1 619	1 551	1 795	1 739	1 783	1 238				14 650
CPD (SA Reserve Bank)	35 848	30 777	27 144	23 333	29 496	27 843	26 777	31 323	23 295				255 836
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	-	-	-	271 847

INTEREST EARNED : 2016/17 FINANCIAL YEAR													
R'000													
Institution	2016/17												Total
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	
Commercial Bank (SBSA)	5 106	2 121	1 861	1 408	828	806	690	751	888				14 459
CPD (SA Reserve Bank)	22 943	28 559	30 582	28 387	33 179	33 417	32 941	37 589	32 735				280 332
Interest on investment with SBSA									1 405				1 405
Total	28 049	30 680	32 443	29 795	34 007	34 223	33 631	38 340	35 028	-	-	-	296 196

It is important to note that in public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions. When compared to the same period in the previous year as indicated in the table above interest revenue decrease from R296.196 million in 2016/17 to R271.8 million for 2017/18. Interest earned in the CPD account alone also decrease from R280.3 million to R255.8 million.

5. Provincial overall expenditure as at 31 December 2017

In overall, the provincial expenditure is at R46.5 billion or 74.2 percent of the total adjusted budget of R62.8 billion. The highest spending departments are Health; Education, Safety and Security at 76.6 percent, 76.1 percent and 74.9 percent respectively.

Table 3: Provincial overall expenditure as at 31 December 2017

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2017	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Education	28 783 149	97 345	28 880 494	28 880 494	29 255 925	21 983 475	76.1%	-375 431	-	-1.3%
Health	18 042 777	563 252	18 606 039	18 606 039	19 491 068	14 248 909	76.6%	-865 017	-	-4.6%
Social Development	1 821 036	7 778	1 828 814	1 828 814	1 828 814	1 369 378	74.3%	-	-	0.0%
Public Works, Roads And Infrastructure	3 135 729	292 334	3 428 063	3 428 063	3 428 063	2 316 494	67.6%	-	-	0.0%
Agriculture	1 855 352	8 855	1 864 207	1 864 207	1 864 207	1 164 256	62.5%	-	-	0.0%
Transport	1 952 386	28 258	1 980 645	1 980 645	1 980 645	1 415 915	71.1%	-	-	0.0%
Co-Operative Governance Human Settlements	2 581 771	86 068	2 667 839	2 667 839	2 667 842	1 607 018	60.2%	-3	-	0.0%
Sport, Arts And Culture	460 288	5 721	466 009	466 009	466 009	332 201	71.3%	-	-	0.0%
Safety, Security And Liaison	103 713	-	103 713	103 713	103 713	77 325	74.6%	-	-	0.0%
Office Of The Premier	395 789	9 271	405 060	405 060	405 060	301 144	74.3%	-	-	0.0%
Provincial Legislature	341 810	55 560	397 370	397 370	397 370	247 091	62.2%	-	-	0.0%
Provincial Treasury	474 520	-41 711	432 809	432 809	430 430	310 787	71.8%	-	2 479	0.6%
Economic Development, Environment And Tourism	1 500 308	194 663	1 694 971	1 694 971	1 694 971	1 200 458	70.8%	-	-	0.0%
Total	61 458 728	1 307 395	62 766 123	62 766 123	64 024 095	46 584 481	74.2%	-1 250 451	2 479	-2.0%
Economic classification							Net	-1 257 972		
Current payments	51 905 120	535 481	52 440 601	52 440 601	53 307 543	39 080 466	74.5%	-866 972	-	-1.7%
Compensation of employees	43 065 813	-211 751	42 844 062	42 844 062	43 131 014	31 976 250	74.6%	-286 952	-	-0.7%
Goods and services	8 848 437	747 202	9 595 639	9 595 639	10 175 659	7 103 645	74.0%	-580 021	-	-6.0%
Interest and rent on land	870	-	870	870	870	571	65.6%	-	-	0.0%
Transfers and subsidies	7 432 060	653 319	8 085 379	8 085 379	8 106 137	6 052 080	74.8%	-10 758	-	-0.1%
Payments for capital assets	2 101 548	106 449	2 207 997	2 207 997	2 588 236	1 410 581	63.9%	-380 239	-	-17.2%
Payments for financial assets	20 000	2 176	22 176	22 176	22 176	21 324	0.0%	-3	-	0.0%
of which: NPNC	16 301 367	-	17 714 064	17 714 064	18 304 845	13 177 620	74.4%	-590 781	-	-3.3%
Total	61 458 728	1 307 395	62 766 123	62 766 123	64 024 095	46 584 481	74.2%	-1 257 971	-	-2.0%
							Net	-1 257 972		

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

Hereunder is the synopsis of provincial expenditure as at 31 December 2017:

- **Compensation of Employees (CoE)** spent R31.9 billion or 74.6 percent with a projected overspending of R286.9 million or 0.7 percent mainly in the Department of Health at R298.8 million or 2.3 percent due to unbudgeted outstanding pay-progression and performance bonuses.
- **Goods and Services** spent R7.1 billion or 74.8 percent with projected over spending of R580.0 million or 6.0 percent in the Department of Health at R586.2 million or 13.8 percent due to previous year accruals and payables and Legislature at R4.9 million or 6.2 percent due to accommodation and travelling of MPLs during public hearings and committee meetings.
- **Transfers and subsidies** recorded an expenditure of R6.1 billion or 74.8 percent and projected to overspend by R10.7 million or 0.1 percent. The overspending is mainly due to leave gratuity.
- **Payment for Capital Assets** spent R1.4 billion or 63.9 percent and project to overspend by R380.2 million or 17.2 percent. The department of Education is projecting to overspend by R375.4 million or 44.7 percent under infrastructure grant. The projects that were put on hold during the Section 100 (1) (b) intervention have now been reactivated due to legal implications however no budget is available for these projects in the current financial year. Another factor that may result in the overspending is the discrepancy between the commitment register and Table 5 which only came to light when the Financial Specialist from LPT submitted the revisions to the AFS.

The Province is projecting to overspend the budget by R1.3 billion or 2.0 percent mainly in the Department of Education by R375.4 million or 1.3 percent and Health by R885.0 million or 4.8 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

The overall provincial CoE spending is at R31.9 billion or 74.6 percent of the total adjusted budget of R42.8 billion. The highest spending departments are Safety, Security and Liaison at R55.2 million or 78.2 percent; Education at R17.5 billion or 75.3 percent and Treasury at R209.2 million or 74.7 percent.

The province is projecting to overspend by R286.9 million or 0.7 percent which is attributed by unbudgeted pay progression and performance bonuses in the Department of Health which amount to R298.8 million or 2.3 percent. The projected underspending of R11.9 million is attributed by Public Works, Roads and Infrastructure at R4.9 million or 0.5 percent; Legislature at 4.9 million or 2.6 percent and Provincial Treasury at R2.1

million or 0.8 percent due to delayed filling of budgeted vacant posts. The other departments are projecting to breakeven.

Table 4: Compensation of Employees as at 31 December 2017

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2017	Actual spending as % of Total Available	(Over)	Under	%(Over)/under of Total Available
R thousand										
Education	23 334 306	-108 232	23 226 074	23 226 074	23 226 074	17 480 088	75.3%	-	-	0.0%
Health	12 989 892	24 767	13 024 159	13 024 159	13 323 007	9 683 958	74.4%	-288 848	-	-2.3%
Social Development	991 315	4 100	995 415	995 415	995 415	740 145	74.4%	-	-	0.0%
Public Works, Roads And Infrastructure	1 087 911	-56 874	1 031 037	1 031 037	1 026 178	742 753	72.0%	-	4 859	0.5%
Agriculture	1 179 086	-44 516	1 134 570	1 134 570	1 134 570	808 927	71.3%	-	-	0.0%
Transport	921 854	-1	921 853	921 853	921 853	665 598	72.2%	-	-	0.0%
Corporate Governance and Traditional Affairs	981 783	-384	981 399	981 399	981 402	714 510	72.8%	-3	-	0.0%
Sport, Arts and Culture	187 419	-	187 419	187 419	187 419	139 265	74.3%	-	-	0.0%
Safety, Security And Liaison	72 055	-1 485	70 570	70 570	70 570	55 167	78.2%	-	-	0.0%
Office of the Premier	284 098	-	284 098	284 098	284 098	210 237	74.0%	-	-	0.0%
Provincial Legislature	187 968	-1 400	186 568	186 568	181 645	133 319	71.5%	-	4 923	2.6%
Provincial Treasury	312 969	-32 724	280 145	280 145	278 028	209 228	74.7%	-	2 117	0.8%
Economic Development, Environment and Tourism	515 733	4 993	520 726	520 726	520 726	383 055	73.6%	-	-	0.0%
Total	43 065 813	-211 761	42 844 052	42 844 052	43 131 014	31 976 260	74.6%	-286 861	11 899	-0.7%
							Net	-286 962		

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

5.1.2. Goods and Services

The overall spending on Goods and Services is at R7.1 billion or 74.0 percent of the total adjusted budget of R9.6 billion. The province projects to overspend by R580.0 billion or 6.0 percent.

Table 5: Goods and Services as at 31 December 2017

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2017	Actual spending as % of Total Available	(Over)	Under	%(Over)/under of Total Available
R thousand										
Education	2 552 906	94 174	2 647 109	2 647 109	2 647 109	1 718 058	64.9%	-	-	0.0%
Health	3 684 688	562 966	4 247 644	4 247 644	4 833 813	3 639 363	85.7%	-586 109	-	-13.8%
Social Development	240 140	8 003	248 140	248 140	238 440	197 922	79.8%	-	9 700	3.9%
Public Works, Roads And Infrastructure	729 594	59 965	789 579	789 579	788 976	405 179	51.4%	-	3	0.0%
Agriculture	400 655	21 136	421 791	421 791	421 791	281 987	62.1%	-	-	0.0%
Transport	252 305	11 260	263 565	263 565	263 565	190 161	72.1%	-	-	0.0%
Co operative Governance and Traditional Affairs	179 134	-8 423	170 711	170 711	170 711	125 653	73.6%	-	-	0.0%
Sport, Arts and Culture	206 415	-1 561	204 854	204 854	204 854	164 455	80.3%	-	-	0.0%
Safety, Security And Liaison	30 792	1 301	32 093	32 093	32 093	21 287	66.3%	-	-	0.0%
Office of the Premier	105 288	7 436	112 703	112 703	112 703	84 866	75.3%	-	-	0.0%
Provincial Legislature	63 636	16 340	79 976	79 976	84 923	45 836	57.3%	-4 944	-	-6.2%
Provincial Treasury	131 234	-12 715	118 519	118 519	117 476	75 577	63.8%	-	1 043	0.9%
Economic development, Environment and Tourism	271 638	-12 086	259 552	259 552	259 205	173 272	66.8%	-	347	0.1%
Total	8 848 437	747 202	9 595 639	9 595 639	10 175 689	7 103 645	74.0%	-580 113	11 093	-6.0%
							Net	-580 020		

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

The overspending is mainly under the Department of Health at R586.2 billion or 13.8 percent due to payment of accruals and payables from 2016/17 financial year and Legislature is projecting to overspend by R4.9 million or 6.2 percent and the projected overspending is on accommodation and travelling by MPLs. The following departments are projecting to underspend:-

- Social Development – R9.7 million or 3.9 percent due to the delay in the development of database for service providers.
- Provincial Treasury – R1.0 million or 0.9 percent. Underspensing is due to non-implementation of GTAC plans as per the timelines by programme managers.

5.1.3. Transfers and subsidies

Table 6: Transfers and subsidies as at 31 December 2017

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2017	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Rthousand										
Education	2 114 230	53 038	2 167 268	2 167 268	2 167 268	2 013 071	92.9%	-	-	0.0%
Health	706 760	35 762	742 522	742 522	742 522	593 170	79.9%	-	-	0.0%
Social Development	538 733	-4 200	534 533	534 533	538 733	394 121	73.7%	-4 200	-	-0.8%
Public Works, Roads And Infrastructure	1 025 112	264 113	1 289 225	1 289 225	1 294 084	1 017 705	78.9%	-4 859	-	-0.4%
Agriculture	215 931	20 541	236 472	236 472	236 472	72 588	30.7%	-	-	0.0%
Transport	767 022	-	767 022	767 022	767 022	532 746	69.5%	-	-	0.0%
Co operative Governance and Traditional Aff	1 348 704	83 391	1 432 095	1 432 095	1 432 095	761 327	53.2%	-	-	0.0%
Sport, Arts and Culture	11 905	539	12 444	12 444	12 444	11 418	91.8%	-	-	0.0%
Safety, Security And Liaison	105	-91	14	14	14	12	85.7%	-	-	0.0%
Office of the Premier	2 312	-500	1 812	1 812	1 812	2 871	158.4%	-	-	0.0%
Provincial Legislature	65 818	29 720	95 538	95 538	95 517	66 350	69.4%	-	21	0.0%
Provincial Treasury	6 328	273	6 601	6 601	7 282	4 028	61.0%	-681	-	-10.3%
Economic Development, Environment and To	629 100	180 733	809 833	809 833	810 872	562 673	71.9%	-1 039	-	-0.1%
Total	7 432 060	663 319	8 095 379	8 095 379	8 106 137	6 052 080	74.8%	-10 779	21	-0.1%
								Net	-10 758	

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

Province spent R6.1 billion or 74.8 percent of the total adjusted budget of R8.1 billion on Transfers and Subsidies. The highest percentage spending departments are; Office of the Premier at R2.8 million or 158.4 percent due to payment of leave gratuities; Education at R2.0 billion or 92.9 percent and Sport, Arts and Culture at R11.4 million or 91.8 percent.

In overall, Transfers and Subsidies is projecting an overspending of R10.7 million or 0.1 percent under Social Development by R4.2 million or 0.8 percent as a result of transfers to Non-Profit Institutions; Public Works, Roads and Infrastructure by R4.8 million or 0.4 percent due to transfers to RAL; Treasury by R0.681 million or 10.3 percent due to payment for leave gratuities; and LEDET by R1.0 million or 0.1 percent.

5.1.4. Payment for Capital Assets

Table 7: Payment for Capital Assets as at 31 December 2017

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2017	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Education	781 678	58 365	840 043	840 043	1 215 474	772 238	91.9%	-375 431	-	-44.7%
Health	651 937	60 223	591 714	591 714	591 714	322 388	54.0%	-	-	0.0%
Social Development	50 848	122	50 726	50 726	56 226	27 190	53.6%	-5 500	-	-10.8%
Public Works, Roads And Infrastructure	293 112	-25 700	318 812	318 812	318 812	150 854	47.3%	-	-	0.0%
Agriculture	59 650	11 094	70 774	70 774	70 774	20 754	29.3%	-	-	0.0%
Transport	21 205	15 700	36 905	36 905	36 905	26 300	71.4%	-	-	0.0%
Co-operative Governance and Traditional Affairs	72 150	11 484	83 634	83 634	83 634	5 518	6.6%	-	-	0.0%
Sport, Arts and Culture	54 549	6 743	61 292	61 292	61 292	17 063	27.8%	-	-	0.0%
Safety, Security and Liaison	760	-	760	760	760	598	78.7%	-	-	0.0%
Office of the Premier	4 111	2 336	6 447	6 447	6 447	3 180	49.3%	-	-	0.0%
Provincial Legislature	24 365	10 900	35 265	35 265	35 265	1 567	4.5%	-	-	0.0%
Provincial Treasury	4 189	3 455	7 644	7 644	7 644	1 954	25.6%	-	-	0.0%
Economic Development, Environment and Tourism	82 944	21 017	103 961	103 961	103 269	60 857	58.6%	-	682	0.7%
Total	2 101 548	175 739	2 207 997	2 207 997	2 588 236	1 410 581	63.9%	-380 931	682	-17.2%
								Net	-380 239	

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

Provincial expenditure on Payment for Capital Assets is at R1.4 billion or 63.9 percent of the total adjusted budget of R2.2 billion. The province is projecting to overspend by R380.2 million or 17.2 percent. The projected overspending is under Education at R375.4 million or 44.7 percent and the department of Social Development at R5.5 million or 10.8 percent.

5.2. Equitable share spending

Table 8: Equitable share spending as at 31 December 2017

	Adjusted Appropriation	Actual as at December 2017	Actual spending as % of budget	Outcome	Variance
Education	26 765 104	20 194 827	75.5%	26 765 104	-
Health	16 183 472	12 393 180	76.6%	17 068 489	(885 017)
Social Development	1 731 967	1 299 203	75.0%	1 731 967	-
Public Works, Roads and Infrastructure	2 254 504	1 429 163	63.4%	2 254 504	-
Agriculture	1 537 477	1 018 503	66.2%	1 537 477	-
Transport	1 645 035	1 203 383	73.2%	1 645 035	-
CoGHSTA	1 261 378	860 953	68.3%	1 261 381	(3)
Sport, Arts & Culture	274 975	191 932	69.8%	274 975	-
Safety & Security	101 713	76 091	74.8%	101 713	-
Office of the Premier	405 060	301 144	74.3%	405 060	-
Legislature	397 370	247 091	62.2%	397 370	-
Treasury	432 909	310 787	71.8%	430 430	2 479
Economic Development	1 692 404	1 197 891	70.8%	1 692 404	-
Total	54 683 368	40 724 148	74.5%	55 565 909	(882 541)

Provincial equitable share spending is at R40.7 billion or 74.5 percent of the total adjusted budget of R54.7 billion.

The highest percentage spending departments are Health at R12.4 billion or 76.6 percent; Education at R20.2 billion or 75.5 percent; and Social Development at R1.2 billion or 75.0 percent whereas the lowest spending departments are Legislature at R247.1 million or 62.2 percent; Public Works, Roads and Infrastructure at R1.4 billion or 63.4 percent and Agriculture R1.0 billion or 66.2 percent.

5.3. Conditional Grants

Table 9: Conditional Grants spending per department as at 31 December 2017

	Adjusted Appropriation	Actual as at December 2017	Actual spending as % of budget	Outcome	Variance
Education	2 115 390	1 788 648	84.6%	2 490 821	(375 431)
Health	2 422 567	1 855 729	76.6%	2 422 567	-
Social Development	96 847	60 175	62.1%	96 847	-
Public Works , Roads and Infrastructure	1 173 549	887 331	75.6%	1 173 549	-
Agriculture	326 730	145 753	44.6%	326 730	-
Transport	345 610	212 532	61.5%	345 610	-
CoG-ISTA	1 406 461	746 065	53.0%	1 406 461	-
Sport, Arts and Culture	191 034	140 269	73.4%	191 034	-
Safety , Security and Liaison	2 000	1 234	61.7%	2 000	-
Economic Development	2 567	2 567	100.0%	2 567	-
Total	8 082 755	5 840 303	72.3%	8 458 186	(375 431)

The CGs' overall expenditure is at R5.8 billion or 72.3 percent of the total adjusted budget of R8.1 billion. Spending has improved as compared to the same period last year which was at R5.2 billion or 66.5 percent.

Table 10: Limpopo Conditional Grant spending per grant as at 31 December 2017

Table 10: Limpopo: Conditional Grants Expenditure as at 31 December 2017			
R thousand	Adjusted Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
Agriculture	326 730	145 753	44.6%
Comprehensive Agricultural Support Programme Grant	241 971	97 972	40.5%
Ilime/Letsamea Projects Grant	67 365	38 931	57.8%
EPWP Incentive allocation	3 731	2 966	79.2%
Land Care Programme Grant	13 672	5 884	42.9%
Sport, Arts and Culture	191 034	140 269	73.4%
Mass Sport and Recreation Programme	67 650	58 420	86.1%
EPWP Incentive allocation	2 000	1 159	58.0%
Community Library Services Grant	121 184	80 690	66.6%
Education	2 115 390	1 788 648	84.6%
HIV and Aids (Life Skills Education) Grant	36 339	13 691	38.5%
National School Nutrition Programme Grant	1 176 754	857 652	73.7%
Infrastructure Grant	844 109	573 849	103.5%
Maths, Science and Technology	44 447	28 946	65.1%
Learners with Profound Intellectual Disabilities	9 853	-	0.0%
Social sector EPWP grant	2 888	2 652	91.8%
EPWP Incentive allocation	2 000	1 858	92.9%
Health	2 422 567	1 855 729	76.6%
Comprehensive HIV and Aids Grant	1 374 468	1 135 898	82.6%
Health Professions Training and Development Grant	131 725	97 127	73.7%
EPWP Social Sector	30 113	23 690	78.2%
Malaria Control	11 802	1 554	13.2%
Hospital Revitalisation Grant	508 144	323 601	63.7%
National Tertiary Services Grant	368 314	273 989	74.8%
Co-operate Governance, Human Settlements and Traditional Affairs	1 406 461	746 065	53.0%
Integrated Housing & Human Settlements Development Grant	1 404 461	743 672	53.0%
EPWP Incentive allocation	2 000	2 393	119.7%
Public Works	1 173 549	887 331	75.6%
Infrastructure Grant	1 167 652	882 447	75.6%
EPWP Incentive grant	5 897	4 884	82.8%
Economic Development	2 567	2 567	100.0%
EPWP Incentive grant	2 567	2 567	100.0%
Social Development	96 847	60 175	62.1%
Early Childhood development	41 085	25 523	62.1%
Social worker employment	46 764	27 638	59.1%
EPWP Social sector grant	8 978	7 014	78.1%
Transport	345 610	212 532	61.5%
Public Transport Operations Grant	345 610	212 532	61.5%
Safety, Security and Liaison	2 000	1 234	61.7%
EPWP Incentive grant	2 000	1 234	61.7%
Total	8 082 755	5 840 303	72.3%

5.3.1. Agriculture

Overall spending by the department is R145.8 million or 44.6 percent of the total budget of R326.7 million.

- **Comprehensive Agricultural Support Programme** spent 40.5 percent or R97.9 million of the total adjusted budget of R241.9 million. CASP expenditure is mostly affected by infrastructure projects, roots causes on the delay is due to lack of capacity in both the Supply Chain Management and Technical infrastructure unit to plan and execute projects timeously.
- **Land care** spent R5.8 million which translate to 42.9 percentage of the total budget of R13.7 million and delays in tender processes is the cause for the under spending, the main contributors being the Ga-Kgatla Soil Conservation work and University of Limpopo (Conservation Agriculture Management) and reconsideration of SLA between Mvula Trust, University of Limpopo and the Department due to audit outcomes of 2016/17 to tighten the SCM compliance with implementing agencies.
- **Illima/Letsema** spent R38.9 million or 57.8 percent of the total budget of R67.4 million. The underspending is due to delayed submission of disaster funds request for fertilisers and approval processes for localised disaster support and draught in the Province which delayed the start of ploughing and the appointment of private tractor operators.
- **EPWP incentive grants** R2.9 million or 79.2 percent of the total allocation of R3.7 million.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CGs' expenditure of R140.3 million or 73.4 percent of the total budget of R191.0 million.

- **Mass Sport and Recreation Programme** spent R58.4 million or 86.1 percent of the total budget of R67.8 million. Posts for mass sport participation grant were advertised and filled during the month of August 2017. There are also planned projects that were implemented during the period such as Limpopo Provincial Sport Awards and Provincial Boxing.
- **Community Library Services** spent R80.7 million or 66.6 percent of the total budget of R121.2 million which reflects a low expenditure in terms of the norm. Vacant positions of librarians and library assistants not yet filled and delay in compilation of specification for furniture and equipment. Posts for librarians and library assistants will not be filled hence the remaining budget will cater for the upgrading of posts within the grant.

- **EPWP Incentive grant** spent R1.2 million or 58.0 percent of the allocated R2 million. Delayed procurement of material to be used in the museums and payment of EPWP employees which are processed after the month of work performed.

5.3.3. Education

Overall spending by the department is at R1.8 billion or 84.6 percent of the total adjusted budget of R2.1 billion.

- **HIV/AIDS Life Skills** spent R13.6 million or 38.5 percent of the total budget of R35.3 million which is less than the projected spending in terms of the business plan. Programs that are still outstanding include broadcasting HIV/AIDS related road shows and procurement of laptops.
- **National School Nutrition Programme** spent R867.7 million or 73.7 percent of the total adjusted budget of R1.2 billion. The expenditure is below the projected cash flow as per the Business plan. December invoices are not yet fully paid due to delay caused by late submission of invoices by suppliers.
- **Infrastructure grant** spent R873.8 million or 103.5 percent of the total budget of R844.1 million. The spending is high due to payments of accruals. The projects that were put on hold during the Section 100 (1) (b) intervention have now been reactivated due to legal implications however no budget is available for these projects in the current financial year. Another factor that may result in the overspending is the discrepancy between the commitment register and Table 5 which only came to light when the Financial Specialist from LPT submitted the revisions to the AFS.
- **Maths Science and Technology** spent R28.9 million or 65.1 percent of the total budget of R44.4 million. Service provider for laptops has been appointed. Funds have been transferred to 95.0 percent of schools which submitted assurance certificates. The remaining 5.0 percent will receive the funds as soon as they submit assurance. Camps for learners are held in all districts. Invoices for Technology, Maths Literacy workshop are not yet processed. Other workshops are to be held in the fourth quarter.
- **EPWP Social sector Grant** spends R2.6 million or 91.8 percent of the total allocation of R2.9 million. The grant has created 137 temporary jobs for school based monitors.
- **EPWP Incentive Grant** spent R1.9 million or 97.9 percent of its allocated budget of R2 million. 98 beneficiaries have been appointed which will improve on the spending.
- **Learners with Profound Disabilities Grant** did not incur any expenditure during the time of reporting. The department is in the process of filling the posts. And the procurement of goods is underway.

5.3.4. Health

Conditional grants spending for the department of Health are at 76.6 percent or R1.8 billion of the allocated adjusted budget of R2.4 billion and the spending is summarised as follows:-

- **HIV and AIDS** spent 82.6 percent or R1.1 billion of the total adjusted budget of R1.4 billion. High spending is due to increased patients on ART due to test and treat policy.
- **Health Professions Training and Development** grant spent R97.1 million or 73.7 percent of the allocated R131.7 million which is low in terms of the projections because the retirement by head of forensic medicine specialist and resignation by head of emergency medical services.
- **EPWP Social Sector** grant spent 78.2 percent or R23.6 million of the budgeted R30.1 million for this programme and tranches are being transferred as per planned.
- **Health Facilities Revitalisation** grant spent 63.7 percent or R323.6 million of the total budget of R508.1 million. Reasons for underspending include slow construction progress at Maphutha Malatjie OPD, delayed finalization of the design and technical documentation of Mankweng, Pietersburg and Tshilidzini Laundry upgrade projects and delayed activation of the 10 laundry projects and Contract A6 at Letaba hospital revitalization site.
- **National Tertiary Services** grant spent R273.9 million or 74.8 percent of the total budget of R366.3 million. Awaiting delivery of invoices for medical equipment maintained by the service providers to the value of R1.6 million.
- **Malaria control grant – This is a new grant allocated during the adjustment budget with a budget of R11.8 million.** Stipend for the spray workers to the value of R1.8 million has already been paid but from equitable share. Awaiting delivery for promotional items to the value of R0.17 million and placement of orders for the remaining material is in process.

5.3.5 CoGHSTA

In overall, the department spent R746.1 million or 53.0 percent of the total adjusted budget of R1.4 billion.

- **Integrated Housing and Human Settlements development** grant spent R743.7 million or 53.0 percent of the total adjusted budget of R1.4 billion allocated to the programme. The programme has spent far less than the norm and the projected spending in terms of the business plan. The underspending is due to the delay in the appointment of service providers for construction in various municipalities in the province.

- **EPWP Incentive allocation** spent R2.4 million or 119.7 percent of the total budget of R2 million. Overspending will be corrected to equitable share through processing of a journal.

5.3.6. Department of Works, Roads and Infrastructure

In overall, the department spent R887.3 million or 75.6 percent of the total adjusted budget of R1.2 billion.

- **Infrastructure grant** spent R882.4 million or 75.6 percent of the total adjusted budget of R1.2 billion. The 17 roads projects which were advertised during the 2016/17 financial year is at adjudication stage, expenditure for the projects is expected in the third quarter. The department has spent less on the maintenance and repairs on heavy plant machinery because of less machinery downtime. There is also low plant utilisation due to shortage of drivers. There is also a delay in renovation of Giyani government complex due to the suspension of the project by the electrical consultant due to failure by IDT in paying its constructors.
- **EPWP Incentive** spent R4.9 million or 82.8 percent of the total budget of R5.8 million.

5.3.7. LEDET

The department spent R2.6 million or 100.0 percent of the total allocated budget of R2.6 million of its EPWP Incentive allocation.

5.3.8. Social Development recorded an expenditure of R60.2 million or 62.1 percent of the total budget of R96.8 million.

- **Early Childhood Development** – spend R25.5 million or 62.1 percent of the total budget of R41.1 million. The transfers to NPO are done in tranches on quarterly basis. The expenditure will increase once the appointment of ECD personnel is concluded and maintenance is undertaken.
- **Social Worker Employment** – spent R27.7 million or 59.1 percent of the total budget of R46.8 million. The department has requested the appointment of 48 social worker graduates for the remaining four months.
- **EPWP Social sector Grant** – spent R7.0 million or 78.1 percent of the total budget of R8.9 million. The transfers to NPO are done in tranches on quarterly basis. The second trench will be transferred soon.

5.3.9. Transport - Public Transport Operation grant spent R212.5 million or 61.5 percent of the total allocation of R345.6 million. Payments are being made after the services have been rendered hence a reflection of under spending.

5.3.10. Safety, Security and Liaison

The spending is at R1.2 million or 61.7 percent as at October 2017. There were delays in the commencement of the project due to inadequate personnel.

6. Provincial Own Revenue

The table below reflects provincial own revenue collection per vote as at 31 December 2017.

Table 11: Revenue collection per vote as at 31 December 2017

REVENUE COLLECTION AS AT 31 DECEMBER 2017													
Departments (Votes)	Main appropriation	Adjusted Estimates	Projections to December 2017	Projections as % of adjusted budget	Actual to December 2017	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Variance Over / (Under) Collection	% Variance Over / (Under) Collection as of budget	Previous yr Budget 2016/17	Previous yr Actual to December 2016	Actual collection as % of the budget
Office of the Premier	777	550	415	75.4%	611	111.0%	183	794	196	35.6%	755	999	132.3%
Provincial Legislature	219	477	468	98.0%	515	107.9%	35	550	47	9.9%	207	145	69.8%
Education	41 614	61 408	54 571	88.9%	54 805	89.2%	7 700	62 505	235	0.4%	43 395	52 865	121.8%
Agriculture & Rural Development	12 225	12 225	7 365	60.2%	6 793	55.6%	3 039	9 832	-571	-4.7%	8 074	7 418	91.9%
Provincial Treasury	188 133	330 410	262 937	79.6%	270 531	81.9%	67 473	338 004	7 595	2.3%	180 129	303 801	168.7%
Economic Development, Environment & Tourism	152 240	152 240	107 685	70.7%	100 262	65.9%	43 285	143 547	-7 423	-4.9%	143 324	90 658	63.3%
Health	182 996	182 996	129 357	70.7%	124 317	67.9%	58 679	182 996	-5 040	-2.8%	174 076	116 367	66.8%
Transport	494 040	503 528	374 726	74.4%	365 479	72.6%	138 049	503 528	-9 248	-1.8%	449 064	338 809	75.4%
Public Works, Roads & Infrastructure	58 783	42 060	33 582	79.8%	29 745	70.7%	8 961	38 706	-3 837	-9.1%	58 699	178 794	315.3%
Community Safety	115	116	70	60.6%	241	208.7%	21	262	171	148.1%	104	136	130.4%
Co-operative Governance, Human Settlements & Traditional Affairs	2 792	4 846	3 019	62.3%	3 073	63.4%	484	3 557	54	1.1%	2 800	5 388	191.7%
Social Development	3 438	2 794	1 704	61.0%	1 707	61.1%	258	1 965	3	0.1%	3 273	8 231	251.5%
Sport, Arts & Culture	1 839	1 839	1 666	92.3%	1 460	79.4%	227	1 687	-236	-12.9%	1 204	1 896	157.5%
Total provincial receipts	1 139 209	1 295 488	977 595	75.5%	959 541	74.1%	328 393	1 287 934	-18 227	-1.4%	1 063 104	1 105 485	104.0%

Provincial Own Revenue target for 2017/18 financial year is R1.1 billion and was adjusted to R1.3 billion. As at the end of December 2017, an amount of R959.5 million or 74.5 percent was collected below the projection of R977.6 million or 75.5 percent. The under collection of R18.2 million is mainly attributed to less collection on accommodation, entrance fee and hunting licenses due to reduced number of visitors at resorts and decrease in the number of hunting permit applications, poor recovery of patient fees debts, less collection on traffic fines as a result of lack of system to track down defaulters and delay on sale of capital assets by LEDET, Health, Transport and Public Works respectively. The collection is below that of the previous corresponding period of R1.1 billion or 104.0 percent due to once off surrender of surpluses by Road Agency Limpopo.

6.1. The following seven (7) departments collected above their set target

6.1.1. Provincial Legislature (Adjusted Target of R0.477 million)

As at the end of December 2017, collection amounted to R0.515 million or 107.9 percent against the projection of R0.468 million or 98.0 percent. Over collection of R0.047 million or 9.9 percent is due to recovery of previous years' expenditure more than the budgeted amount.

6.1.2. Office of the Premier (Adjusted Target of R0.550 million)

As at the end of December 2017, collection amounted to R0.611 million or 111.0 percent against projection of R0.415 million or 75.4 percent. Over collection of R0.196 million or 35.6percent is due to sale of assets without a budget and once off recovery of previous year related debts.

6.1.3. Education (Adjusted Target of R61.4 million)

The Department has collected R54.8 million or 89.2 percent compared to projection of R54.6 million or 88.9 percent. Over collection of R0.235 million or 0.4 percent is mainly due to recovery of previous year's debts.

6.1.4. Provincial Treasury (Adjusted Target of R 330.4 million)

The Department collected R270.5 million or 81.9 percent versus projection of R262.9 million or 79.6 percent. Over collection of R7.6 million or 2.3 percent is mainly due to interests earned from favourable bank balances.

6.1.5. Community Safety (Adjusted Target of R0.116 million)

The Department collected R0.241 million or 208.7 percent against the projection of R0.242 million or 209.4 percent. Over collection of R0.171 million is mainly due to debts written off during November 2017 however commission on insurance and parking fee is under collecting due to reduction in the number of stop order usage and termination of parking fees charged on un-demarcated bays.

6.1.6. Co-operative Governance, Human Settlements & Traditional Affairs (Adjusted Target of R4.8 million)

The Department collected R3.1 million or 63.4 percent of the projection of R3.0 million or 62.3percent. Over collection of R0.054 million or 1.1 percent is due to reversal of payments by contractors which include SKMM Trading, ROSPA trading and recovery departmental debts (bursary and kilometre recovery) relating to previous financial year.

6.1.7. Social Development (Adjusted Target of R2.8 million)

The Department collected R1.7 million or 61.1 percent against projection of R1.7 million or 61.0 percent. The slight over collection of R0.003 million or 0.1 percent is due to improved recovery of previous year's expenditure related debts.

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

6.2.1. Economic Development, Environment & Tourism (Original Target of R152.2 million)

As at 31 December 2017, actual collection is R100.3 million or 65.9 percent against projection of R107.7 million or 70.7 percent. Under collection of R7.4 million or 4.9 percent is mainly on accommodation and entrance fee and hunting licences due to reduced number of visitors at resorts and decrease in the number of hunting permit applications. Receipts amounting to R0.870 were not cleared due unavailability of BAS during festive season.

6.2.2. Health (Original Target of R174.1 million)

Collection as at 31 December 2017 is R124.3 million or 67.9 percent compared to projection of R129.4 million or 70.7 percent. Under collection of R5.0 million or 2.8 percent is mainly contributed by less recovery on previous year's expenditure related debts and patient fee debts (RAF). The department remain with unallocated receipts amounting to R4.5 million as at end December 2017.

6.2.3. Transport (Adjusted Target R503.5 million)

As at end of December 2017 the department collected R365.6 million or 72.6 percent against the projection of R374.7 million or 74.4 percent. Under collection of R9.2 million or 1.8 percent is mainly on traffic fines as a result of lack of system to track down defaulters and uncaptured receipts amounting to R13.4 million as at end of December 2017.

6.2.3. Public Works, Roads and Infrastructure (Adjusted Target of R42.1 million)

The Department collected R29.7 million or 70.7 percent compared to projection of R33.6 million or 79.8 percent. The under collection of R3.8 million or 9.1 percent is primarily influenced by under collection on tender documents (advertisement) by RAL and delay in auctioning of scraps.

6.2.4. Agriculture and Rural Development (Adjusted Target of R12.2 million)

Actual collection as at 31 December 2017 is R6.8 million or 55.6 percent against projection of R7.4 million or 60.2 percent. Under collection of R0.571 million or 4.7 percent is mainly due to less collection on commission on insurance, parking fees, veterinary services and registration and tuition fees.

6.2.5. Sports Arts & Culture (Original Target of R1.8 million)

The Department collected R1.5 million or 79.4 percent compared to projection of R1.7 million or 92.3 percent. The under collection is largely attributed to under performance of Mapungubwe Arts festival due to short changing of scheduled events.

6.3. Own revenue per economic classification

The table below reflects provincial own revenue collection per economic classification as at 31 December 2017.

Table 12: Own revenue per economic classification

Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Projections to December 2017	Projections as % of budget	Actual to December 2017	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	Previous yr Budget 2016/17	Previous yr Actual to December 2016	Actual collection as % of the budget
Tax receipts	475 120	506 130	375 214	74.1%	361 543	71.4%	140 109	501 652	-13 672	-2.7%	427 193	334 035	78.2%
<i>Casino taxes</i>	69 796	69 796	46 526	66.7%	42 250	60.5%	23 271	65 521	-4 275	-6.1%	66 472	42 616	64.1%
<i>Horse racing taxes</i>	13 813	26 313	21 946	83.4%	21 453	81.5%	4 368	25 821	-493	-1.9%	13 031	18 908	145.1%
<i>Liquor licenses</i>	4 236	4 236	1 984	46.8%	2 301	54.3%	2 224	4 525	317	7.5%	4 012	2 504	62.4%
<i>Motorvehicle licenses</i>	387 275	405 785	304 759	75.1%	295 539	72.8%	110 246	405 785	-9 220	-2.3%	343 678	270 008	78.6%
Sales of goods and services other than capital assets	340 285	292 296	208 006	70.5%	195 638	66.9%	98 012	293 650	-10 368	-3.5%	336 433	183 532	54.6%
<i>of which: Patient fees</i>	113 466	100 841	67 771	67.2%	61 280	60.8%	31 444	92 724	-6 491	-6.4%	100 000	60 639	60.6%
Transfers received from:	-	-	-	0.0%	50	0.0%	-	50	-	0.0%	-	49 151	-
Fines, penalties and forfeits	71 571	63 947	46 423	72.6%	44 249	69.2%	19 363	63 612	-2 174	-3.4%	55 549	80	0.1%
Interest, dividends and rent on land	190 626	335 018	264 218	78.9%	271 708	81.1%	68 499	340 206	7 490	2.2%	182 328	302 783	166.1%
Sales of capital assets	10 367	13 714	4 728	34.5%	4 796	35.0%	6 060	10 856	68	0.5%	15 166	10 144	66.9%
Revenue financial assets	49 870	84 382	81 178	96.2%	81 557	96.7%	(3 649)	77 908	379	0.4%	46 435	225 760	486.2%
Total departmental receipts:	1 137 839	1 295 488	977 767	75.5%	959 541	74.1%	328 393	1 287 934	-18 227	-1.4%	1 063 104	1 105 485	104.0%

6.3.1. Tax receipts (Adjusted Target of R506.1 million)

An amount of R361.5 million or 71.4 percent has been collected against projection of R375.2 million or 74.1 percent. The under collection of R13.7 million or 2.7 percent is collection on motor vehicle licenses and casino taxes due to uncaptured receipts and December levies not accounted for by Transport and LEDET respectively.

6.3.2. Sale of goods & services non capital assets (Adjusted Target of R292.3 million)

As at 31 December 2017 an amount of R195.6 million or 66.9 percent is collected compared to projection of R206.0 million or 70.5 percent. The under collection of R10.4 million or 16.3 percent is influenced by sale of tender documents (advertisements) by Public Works, less collection of patient fees by Department of Health as well as under collection of accommodation and entrance fee by LEDET.

6.3.3. Fines, penalties and forfeits (Adjusted Target of R63.9 million)

Fines, penalties and forfeits collected R44.2 million or 69.2 percent against projection of R46.4 million or 72.6 percent. The under collection of R2.1 million or 3.4 percent is due to less collection on penalties on motor vehicle licenses than anticipated by the Department of Transport.

6.3.4. Interest, dividend and rent on land (Adjusted Target of R335.0 million)

Collection as at 31 December 2017 is R271.7 million or 81.1 percent against the projection of R264.2 million or 78.9 percent. Over collection of R7.4 million or 2.2 percent is mainly due to interests earned from favourable bank balances by the Provincial Treasury.

6.3.5. Sale of capital assets (Adjusted Target of R13.7 million)

The item collected R4.8 million or 35.0 percent compared to projection of R4.7 million or 34.5 percent. Over collection of R0.068 million or 0.5 percent is due to more sale of capital assets by Department of Transport.

6.3.6. Financial transactions in assets and liabilities (Adjusted target of R84.4 million)

The item collected R81.6 million or 96.7 percent against projection of R81.2 million or 96.2 percent. The over collection of R0.379 million or 0.4 percent is mainly due to improved recovery of previous years' expenditure by Health, LEDET, COGHSTA and Transport

7. Infrastructure

The table 13 below shows the Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2015/16, 2016/17 and 2017/18) as at 31 December.

Table 13: Provincial Infrastructure Budget and Expenditure Comparisons.

Infrastructure Expenditure Comparison as at 31 Dec year-on-year												
Department	Budget (R000)				Expenditure (R000)				%Expenditure			
	2015/16	2016/17	2017/18		2015/16	2016/17	2017/18		2015/16	2016/17	2017/18	
			Main	Adjusted			Main	Adjusted			Main	Adjusted
Education	955 128	1 113 630	810 523	852 339	809 393	385 947	817 359	817 359	84.7%	34.7%	100.8%	95.9%
Agriculture	167 943	177 077	172 992	144 165	73 389	97 011	61 850	61 850	43.7%	54.8%	35.8%	42.9%
LEDET	68 465	40 117	59 345	61 345	36 771	5 381	37 449	37 449	53.7%	13.4%	63.1%	61.0%
Health	625 926	735 688	652 027	662 172	507 741	406 422	452 852	452 852	81.1%	55.2%	69.5%	68.4%
*Public Works, Roads & Infrastructure	1 825 353	1 930 240	1 949 853	2 149 155	1 093 972	1 479 589	1 213 777	1 213 777	59.9%	76.7%	62.2%	56.5%
*Transport	9 882	26 000	2 353	18 603	2 584	1 038	12 813	12 813	26.1%	4.0%	544.5%	68.9%
CoGHSTA	1 593 889	1 603 212	1 319 493	1 406 461	789 706	961 209	746 065	746 065	49.5%	60.0%	56.5%	53.0%
*Social Development	34 886	39 997	36 298	40 805	20 490	19 461	21 810	21 810	58.7%	48.7%	60.1%	53.4%
Sport, Arts & Culture	56 651	33 583	48 749	48 849	17 197	32 517	15 880	15 880	30.4%	96.8%	32.6%	32.5%
TOTAL	5 338 123	5 699 534	5 051 633	5 383 894	3 351 243	3 388 555	3 379 856	3 379 856	62.8%	59.9%	66.9%	62.8%

As at 31 December 2017, the Provincial Infrastructure expenditure stood at R3.4 billion. The total expenditure represents 62.8 percent of the total adjusted Provincial infrastructure budget.

The expenditure was supposed to be in the region of about R4.0 billion, which represents 75.0 percent of the total adjusted infrastructure budget in terms of the norm. The province is 12.2 percent or R658.1 million below the straight line norm.

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

Main appropriation: R 5.1 billion (against the R5.699 billion for the 2016/17 financial year).

Adjusted appropriation: R5.4 billion against main appropriation of R5.1 billion due to upward adjustment from the Department(s) of Transport, Public Works, Roads and Infrastructure, Economic Development, Environment and Tourism, Health, Transport, Education, CoGHSTA, Social Development. Other departments are yet to capture the adjusted budget accordingly.

8. Conclusion

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

- The overall provincial spending as at 31 December 2017 amounts to R46.6 billion or 74.2 percent of the total adjusted budget of R62.8 billion. Of the R46.6 billion total expenditure, R40.7 billion is on equitable share and R5.8 billion on Conditional grants.
- As at the end of December 2017, an amount of R959.5 million or 74.5 percent was collected below the projection of R977.6 million or 75.5 percent.
- As at 31 December 2017, the Provincial Infrastructure expenditure stood at R3.4 billion. The total expenditure represents 62.8 percent of the total adjusted Provincial infrastructure budget.
- 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,



Pratt GC CA (SA)
HOD: Provincial Treasury



Date