



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 OCTOBER 2015.

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 October 2015.

2. Background

The Limpopo Provincial Treasury hereby submits the October 2015 Provincial revenue and expenditure report in line with chapter 5, section 40 (4) (b) 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 officer of a department to submit information to the provincial treasury 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 in terms of section 40 (4) (a).

3. Discussion

The Limpopo provincial government revenue and expenditure trend for the period under review finds its basis on the October 2015 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analysed in terms of the projected expenditure, projected cash requests and actual expenditure as recorded in the IYM and Infrastructure Reporting Model (IRM) submissions.

The explanations for the variances were provided by departments as per their IYM and IRM variance report 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

All the departments were informed of the payments runs and the processes to be followed by departments to enable Provincial Treasury to release payment tapes and schedule were sent to departments as well. The runs are scheduled as follows:-

- PERSAL runs are scheduled 4 times a month, i.e. the 15th for normal salaries, 22nd for Educators' salaries, last Wednesday of the month for Supplementary payments (claims) and month-end for probation and contract employees and Third Party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the 15th and for month-end.

These systems and processes were put in place to ensure that service delivery continues without disruptions relating to cash flow problems and to alleviate cash flow challenges experienced in the previous 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. The table below provides cash flow projections, actual expenditure and transfers to departments during October 2015.

Table 4.1: Cash allocations v/s actual expenditure Transfers as at 31 October 2015

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 October 2015

Departments	Opening Bank Balances at 01-Apr-15 R' 000	Cash Allocation 31-Oct-15 R' 000	Actual Expenditure 31-Oct-15 R' 000	Tranfers To Departments 31-Oct-15 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
					Education	508 149	14 586 811	14 024 987
Health	58 649	8 920 730	9 028 090	9 242 625	-107 360	-1.2%	-214 535	-2.4%
Social Development	30 358	858 475	848 765	870 446	9 710	1.1%	-21 681	-2.6%
Public Works	377 346	1 757 045	1 321 003	1 078 656	1 317 878	75.0%	242 347	18.3%
Agriculture	53 379	1 007 929	849 698	856 818	158 231	15.7%	-7 120	-0.8%
Roads & Transport	176 941	1 024 361	951 705	870 146	72 656	7.1%	81 559	8.6%
CoGSTHA	117 569	1 137 165	1 258 410	1 368 619	-121 245	-10.7%	-110 209	-8.8%
Sport, Arts & Culture	30 487	206 693	187 685	196 912	19 008	9.2%	-9 227	-4.9%
Safety & Security and Liaison	7 795	53 595	45 268	41 448	8 327	15.5%	3 820	8.4%
Office of the Premier	9 171	201 580	193 995	194 247	7 585	3.8%	-252	-0.1%
Provincial Legislature	4 321	171 000	179 517	181 652	-8 517	-5.0%	-2 135	-1.2%
Provincial Treasury	45 419	209 867	197 527	174 043	12 340	5.9%	23 484	11.9%
Economic Development, Environmental & Tourism	60 275	691 951	674 887	687 670	17 064	2.5%	-12 783	-1.9%
Total	1 479 859	30 827 202	29 761 537	29 779 600	1 947 501	6.3%	-18 063	-0.1%

Summary Per Fund

Equitable Share		26 499 209	26 225 237	25 667 164	273 972	1.0%	558 073	2.1%
Conditional Grant		4 327 993	3 536 300	4 112 436	791 693	18.3%	-576 136	-16.3%
Total		30 827 202	29 761 537	29 779 600	1 065 665	3.5%	-18 063	-0.1%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R1.948 billion or 6.3 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, the departments underspent the total transfers of R29.779 billion by R18.063 million or 0.1 percent. The reason for transferring more funds than was required is due to insufficient funds in some department to surrender 2014/15 unspent funds.

4.2 Interest Performance

Table 4.2: Interest Earned: 2015/16 and 2014/15 financial years

INTEREST EARNED : 2015/16 FINANCIAL YEAR

R'000

Institution	2015/16												Total
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	
Commercial Bank (SBSA)	5 541	2 258	2 334	1 357	1 564	1 142	1 286						15 482
CPD (SA Reserve Bank)	14 442	22 676	21 254	20 934	22 475	25 060	25 339						152 180
Total	19 983	24 934	23 588	22 291	24 039	26 202	26 625	-	-	-	-	-	167 662

INTEREST EARNED : 2014/15 FINANCIAL YEAR

R'000

Institution	2014/15												Total
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
Commercial Bank (SBSA)	5 264	2 061	2 772	2 359	1 571	2 419	1 885						18 331
CPD (SA Reserve Bank)	12 273	22 140	18 899	25 180	26 864	26 262	26 505						158 123
Total	17 537	24 201	21 671	27 539	28 435	28 681	28 390	-	-	-	-	-	176 454

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 R176.454 million in 2014/15 to R167.662 million for 2015/16. Interest earned in the CPD account alone also decrease from R158.123 million to R152.180 million.

5. Provincial overall expenditure as at 31 October 2015

The overall provincial spending as at 31 October 2015 amounts to R29.8 billion or 56.4 percent of the total budget of R52.7 billion. Previous year spending at the same period was at R28.5 billion or 55.4 percent of the budget of R51.5 billion. The highest spending departments are Legislature at 68.3 percent, Health at 61.2 percent and Economic Development at 58.1 percent. On the other hand, the lowest spending departments are DPWRI at 48.0 percent, Agriculture; Safety, Security and Liaison both at 50.1 percent, and Treasury at 51.3 percent.

Table 5: Provincial overall expenditure as at 31 October 2015

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Oct 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/under of Main budget
R thousand									
Education	25 284 705	25 284 705	25 284 705	25 300 525	14 024 987	55.5%	-15 820	-	-0.1%
Health	14 754 135	14 754 135	14 754 135	15 565 331	9 028 090	61.2%	-811 196	-	-5.5%
Social Development	1 537 757	1 537 757	1 537 757	1 537 757	848 765	55.2%	-	-	0.0%
Public Works, Roads And Infrastructure	2 749 756	2 749 756	2 749 756	2 749 756	1 321 003	48.0%	-	-	0.0%
Agriculture	1 697 131	1 697 131	1 697 131	1 650 601	849 698	50.1%	-	46 530	2.7%
Transport	1 838 898	1 838 898	1 838 898	1 742 100	951 705	51.8%	-	96 798	5.3%
Co-Operative Governance Human Settlement	2 269 327	2 269 327	2 269 327	2 689 614	1 258 410	55.5%	-420 287	-	-18.5%
Sport, Arts And Culture	345 324	345 324	345 324	363 274	187 685	54.4%	-17 950	-	-5.2%
Safety, Security And Liaison	90 354	90 354	90 354	87 994	45 268	50.1%	-	2 360	2.6%
Office Of The Premier	352 150	352 150	352 150	352 150	193 995	55.1%	-	-	0.0%
Provincial Legislature	262 688	262 688	262 688	273 882	179 517	68.3%	-11 194	-	-4.3%
Provincial Treasury	385 180	385 180	385 180	368 186	197 527	51.3%	-	16 994	4.4%
Economic Development, Environment And Tourism	1 160 813	1 160 813	1 160 813	1 150 858	674 887	58.1%	-	9 955	0.9%
Total	52 728 218	52 728 218	52 728 218	53 832 028	29 761 537	56.4%	-1 276 447	172 637	-2.1%
Economic classification						Net	-1 103 810		
Current payments	45 384 185	45 384 185	45 384 185	45 467 743	25 651 072	56.5%	-83 558	-	-0.2%
Compensation of employees	38 426 998	38 426 998	38 426 998	38 084 005	21 776 785	56.7%	-	342 993	0.9%
Goods and services	6 956 771	6 956 771	6 956 771	7 383 322	3 873 885	55.7%	-426 551	-	-6.1%
Interest and rent on land	416	416	416	416	402	96.6%	-	-	0.0%
Transfers and subsidies	5 626 940	5 626 940	5 626 940	6 333 048	3 125 018	55.5%	-706 108	-	-12.5%
Payments for capital assets	1 717 093	1 717 093	1 717 093	2 030 904	985 114	57.4%	-313 811	-	-18.3%
Payments for financial assets	-	-	-	333	235	-	-333	-	-
of which NPNC	12 584 127	12 584 127	12 584 127	13 717 119	6 999 540	55.6%	-1 132 992	-	-9.0%
Total	52 728 218	52 728 218	52 728 218	53 832 028	29 761 439	56.4%	-1 103 810	-	-2.1%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	-1 103 810		

The following is a synopsis of provincial expenditure per Economic classification as at 31 October 2015:

- CoE spent R21.8 billion or 56.7 percent representing R343.0 million or 0.9 percent underspending due to delays in appointments of funded vacant posts, resignations and delays in processing of performance bonuses and pay-progression.
- Goods and Services spent R3.9 billion or 55.7 percent with an overspending of R426.5 million or 6.1 percent due payments of accruals, under-funding of the budget especially in Health and Legislature and payments for unforeseen emergency repairs.
- Transfers and subsidies recorded an expenditure of R3.1 billion or 55.5 percent and overspending – R706.1 million or 12.5 percent due to payments of leave gratuities for unplanned resignations.
- Payment for Capital Assets spent R985.1 million representing an underspending of R313.8 million or 18.3 percent due reduction of conditional grants budgets especially in department of Health and Education.

The Province is projecting to overspend by R1.1 billion or 2.1 percent mainly influenced by the department of Health which is projecting to overspend by R811.2 million or 5.5 percent due to payments for emergency repairs, replacement of mechanical equipment and payment of accruals and CoGHSTA at R420.3 million or 18.5 percent due to payment of pay progression, sitting allowances of housing committee members and procurement of computer equipment for newly appointed officials.

However, the above projected overspending is reduced by the anticipated underspending mainly from the department of Transport by R96.8 million or 5.3 percent, Agriculture by R46.5 million or 2.7 percent, Treasury by R16.9 million or 4.4 percent and Economic Development by R9.9 million or 0.9 percent.

5.1. Spending per Economic Classification

The following is a breakdown of October 2015 provincial expenditure per Economic Classification.

5.1.1 Compensation of Employees

The overall provincial CoE spending is at R21.8 billion or 56.7 percent. The highest spending departments are Social Development at R478.3 million or 62.6 percent, Transport at R453.7 million or 60.6 percent, CoGHSTA at R481.9 million or 59.6 percent, Legislature at R89.1 million or 59.1 percent, Health at R6.5 billion 58.2 percent, and Education at R12.0 billion or 55.7 percent.

Table 5.1.1: Compensation of Employees

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Oct 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand										
Education	21 515 773	-	21 515 773	21 515 773	21 024 087	11 975 361	55.7%	-	491 686	2.3%
Health	11 166 905	-	11 166 905	11 166 905	11 354 231	6 503 475	58.2%	-187 326	-	-1.7%
Social Development	764 629	-	764 629	764 629	764 629	478 336	62.6%	-	-	0.0%
Public Works, Roads and Infrastructure	969 610	-	969 610	969 610	960 525	545 216	56.2%	-	9 085	0.9%
Agriculture	1 076 175	-	1 076 175	1 076 175	1 026 922	589 689	54.8%	-	49 253	4.6%
Transport	748 761	-	748 761	748 761	765 061	453 723	60.6%	-16 300	-	-2.2%
Co-Operative Governance Human Settlements	809 026	-	809 026	809 026	844 023	481 944	59.6%	-34 997	-	-4.3%
Sport, Art And Culture	149 422	-	149 422	149 422	153 076	83 071	55.6%	-3 654	-	-2.4%
Safety, Security And Liaison	63 146	-	63 146	63 146	60 786	33 133	52.5%	-	2 360	3.7%
Office of the Premier	256 909	-	256 909	256 909	256 909	140 604	54.7%	-	-	0.0%
Legislature	150 651	-	150 651	150 651	156 125	89 095	59.1%	-5 474	-	-3.6%
Treasury	278 126	-	278 126	278 126	253 228	138 609	49.8%	-	24 898	9.0%
Economic Development	477 865	-	477 865	477 865	464 403	264 529	55.4%	-	13 462	2.8%
Total	38 426 998	-	38 426 998	38 426 998	38 084 005	21 776 785	56.7%	-247 751	590 744	0.9%
							Net	342 993		

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

However, the following departments project to overspend their allocations; namely,

- CoGHSTA by R35 million or 4.3 percent due to implementation of pay progression,
- Legislature by R5.5 million or 3.6 percent due to the budgeted annual salary increase,
- Sport, Arts and Culture by R3.7 million or 2.4 percent due to shortfall on equitable share budget,
- Transport by R16.3 million or 2.2 percent due to implementation of approved ICS above projected percentage and the filling of critical traffic officers posts which was projected at lower notches, and
- Health by R187.3 million or 1.7 percent due to pay-progression, performance bonuses, appointment on advertised critical posts and the intake of health professionals.

Contrary, the following departments have projected an underspending. They are;

- Treasury at R24.9 million or 9.0 percent underspending due to delay in filling of funded vacant posts,
- Agriculture at R49.2 million or 4.6 percent due to late advertisement and filling of vacant budgeted posts,
- Safety, Security and Liaison at R2.4 million or 3.7 percent underspending due to late filling of sixteen vacant budgeted posts which has been advertised and shortlisting and interviews for some has been done,
- Economic Development at R13.5 million or 2.8 percent underspending due to late appointments and payment of outstanding performance bonuses and pay progression for SMS,
- Education at R491.7 million or 2.3 percent due to unplanned resignations, late filling of promotional posts in schools and attrition posts for support staff, and
- Public Works, Roads and Infrastructure at R9.1 million or 0.9 percent due to high vacancy rate of budgeted posts and employees exiting the system through natural attrition, transfers and retirements.

5.1.2. Goods and Services

Table: 5.1.2 Goods and Services

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Oct 2015	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 897 022	-	1 897 022	1 897 022	1 925 388	808 362	42.6%	-28 366	-	-1.5%
Health	2 844 906	-	2 844 906	2 844 906	3 225 791	1 910 914	67.2%	-380 885	-	-13.4%
Social Development	202 888	-	202 888	202 888	202 888	130 549	64.3%	-	-	0.0%
Public Works, Roads and Infrastructure	668 450	-	668 450	668 450	651 864	288 270	43.1%	-	16 586	2.5%
Agriculture	378 834	-	378 834	378 834	381 429	180 466	47.6%	-2 595	-	-0.7%
Transport	218 001	-	218 001	218 001	213 677	125 663	57.6%	-	4 324	2.0%
Co-Operative Governance Human Settlements And	163 537	-	163 537	163 537	174 048	89 949	55.0%	-10 511	-	-6.4%
Sport, Art And Culture	144 940	-	144 940	144 940	159 236	81 385	56.2%	-14 296	-	-9.9%
Safety, Security And Liaison	26 284	-	26 284	26 284	26 284	11 662	44.4%	-	-	0.0%
Office of the Premier	82 787	-	82 787	82 787	82 787	48 896	59.1%	-	-	0.0%
Legislature	41 527	-	41 527	41 527	46 887	30 687	73.9%	-5 360	-	-12.9%
Treasury	94 076	-	94 076	94 076	99 178	50 254	53.4%	-5 102	-	-5.4%
Economic Development	193 520	-	193 520	193 520	193 865	116 828	60.4%	-345	-	-0.2%
Total	6 956 772	-	6 956 772	6 956 772	7 383 322	3 873 885	55.7%	-447 460	20 910	-6.1%
							Net	-426 550		

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

The overall spending on Goods and Services is at R3.9 billion or 55.7 percent of the total allocated budget of R6.9 billion. The province projects to overspend by R426.5 million or 6.1 percent. This overspending is contributed by the following attributes;

- Health at R380.9 million or 13.4 percent due to payments of emergency repairs and replacement of mechanical equipment, payment of accruals, shortfall on the budget for key accounts and non-negotiable items,
- Legislature at R5.3 million or 12.9 percent due to payment of audit fees and Subsistence and Travel allowances for constituency work,
- Sport, Arts and Culture at R14.3 million or 9.9 percent due to budget pressures on rental of office building, security, and water and electricity,
- CoGHSTA at R10.5 million or 6.4 percent due to once off Microsoft annual licensing fee, payment of outstanding legal fees, and sitting allowances of housing committee members,

- Treasury at R5.1 million or 5.4 percent due to projected payments of outstanding invoices resulting from non-submission of supporting documents,
- Education at R28.4 million or 1.5 percent due to insufficient allocations for monitoring and support activities for schools,
- Agriculture at R2.6 million or 0.7 as drought disaster mitigation,
- Economic Development at R0.345 million or 0.2 percent due to payment of accruals.

However, the following department's project to underspend their budget due to the reasons advanced below;

- Public Works, Roads and Infrastructure to underspend by R16.6 million or 2.5 percent due to delays in the finalization of payments with regard to projects that have been transferred to RAL for implementation. Tender for the 19 projects which has been transferred to RAL was advertised and closed in October 2015,
- Transport at R4.3 million or 2.0 percent due to delays in the awarding of bids and the procurement of electronic bus monitoring system.

5.1.3. Transfers and subsidies

The province spent R3.1 billion or 55.5 percent of the total budget of R5.6 billion on Transfers and subsidies. The highest percentage spending departments are, Legislature at R58.8 million or 100.5 percent, Treasury at R5.2 million or 8.1 percent, Health at R390.2 or 76.5 percent, Sport, Arts and Culture at R6.2 million or 72.3 percent, Education at R703.4 million or 64.8 percent.

Table: 5.1.3 Transfers and subsidies

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Oct 2015	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand										
Education	1 085 121	-	1 085 121	1 085 121	1 414 241	703 438	64.8%	-329 120	-	-30.3%
Health	509 798	-	509 798	509 798	530 541	390 224	76.5%	-20 743	-	-4.1%
Social Development	496 709	-	496 709	496 709	496 709	227 542	45.8%	-	-	0.0%
Public works, Roads and Infrastructure	753 510	-	753 510	753 510	764 220	341 014	45.3%	-10 710	-	-1.4%
Agriculture	168 468	-	168 468	168 468	169 489	62 083	36.9%	-1 021	-	-0.6%
Transport	752 395	-	752 395	752 395	721 485	353 410	47.0%	-	30 910	4.1%
Co-Operative Governance Human Settlements	1 295 909	-	1 295 909	1 295 909	1 666 746	683 921	52.8%	-370 837	-	-28.6%
Sport, Art And Culture	8 562	-	8 562	8 562	8 562	6 187	72.3%	-	-	0.0%
Safety, Security And Liason	574	-	574	574	574	349	60.8%	-	-	0.0%
Office of the Premier	10 229	-	10 229	10 229	10 229	3 813	37.3%	-	-	0.0%
Legislature	58 522	-	58 522	58 522	59 097	58 808	100.5%	-575	-	-1.0%
Treasury	6 479	-	6 479	6 479	7 928	5 254	81.1%	-1 449	-	-22.4%
Economic Development	480 664	-	480 664	480 664	483 225	288 975	60.1%	-2 561	-	-0.5%
Total	5 626 940	-	5 626 940	5 626 940	6 333 046	3 125 018	55.5%	-737 016	30 910	-12.5%
							Net	-706 106		

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

In overall, the province is projecting to overspend by R706.1 million or 12.5 percent due to reasons outlined below.

- Education at R329.1 million or 30.3 percent due to unplanned resignations and payment of leave gratuity,
- CoGHSTA at R370.8 million or 28.6 percent due to payment of leave gratuity and expenditure on inauguration of traditional leaders,
- Treasury at R1.4 million or 22.4 percent due to payment of leave gratuity to retiring officials,

- Health at R20.7 million or 4.1 percent due to households' payments of bursaries, leave gratuity and payments to NPIs,
- Public Works, Roads and Infrastructure at R10.7 million or 1.4 percent due to payments of leave gratuity and municipal rates,
- Agriculture at R1.0 million or 0.6 percent due to payment of leave gratuity,
- Legislature spent at R0.575 million 1.0 percent mainly for political party transfers,
- Economic Development at R2.6 million or 0.5 percent due to payment of leave gratuity.

5.1.4. Payment for Capital Assets

The overall provincial expenditure on Payment for Capital Assets is at R985.1 million or 57.4 percent of the total budget of R1.7 billion.

Table: 5.1.4 Payment for Capital Assets

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Oct 2015	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	786 789	-	786 789	786 789	936 809	537 826	68.4%	-150 020	-	-19.1%
Health	232 527	-	232 527	232 527	454 768	223 477	96.1%	-222 241	-	-95.6%
Social Development	73 531	-	73 531	73 531	73 531	12 338	16.8%	-	-	0.0%
Public Works, Roads and Infrastructure	358 186	-	358 186	358 186	372 934	146 290	40.8%	-14 748	-	-4.1%
Agriculture	73 654	-	73 654	73 654	72 761	17 460	23.7%	-	893	1.2%
Transport	119 741	-	119 741	119 741	41 877	18 909	15.8%	-	77 864	65.0%
Co-Operative Governance Human Settlements And	855	-	855	855	4 697	2 498	292.2%	-3 842	-	-449.4%
Sport,Art And Culture	42 400	-	42 400	42 400	42 400	17 042	40.2%	-	-	0.0%
Safety,Security And Liason	350	-	350	350	350	124	35.4%	-	-	0.0%
Office of the Premier	2 225	-	2 225	2 225	2 225	682	30.7%	-	-	0.0%
Legislature	11 988	-	11 988	11 988	11 773	927	7.7%	-	215	1.8%
Treasury	6 500	-	6 500	6 500	7 830	3 388	52.1%	-1 330	-	-20.5%
Economic Development	8 348	-	8 348	8 348	8 949	4 153	49.7%	-601	-	-7.2%
Total	1 717 094	-	1 717 094	1 717 094	2 030 904	985 114	57.4%	-392 782	78 972	-18.3%
								Net	-313 810	

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

The highest percentage spending departments are;

- CoGHSTA at R2.5 million or 292.2 percent on payment for computer equipment for newly appointed officials and the purchase of two vehicles for the two kings,
- Health spent R223.5 million or 96.1 percent on payments of accruals in Health Facility Revitalization grant and payment of certified work by the DBSA,
- Public Works, Roads and Infrastructure project to overspend by R14.8 million or 4.1 percent due to preventatives and rehabilitation projects,
- Education spent R537.8 million or 68.4 percent on accruals for previous financial year's projects and maintenance of existing schools,
- Treasury spent R3.4 million or R52.1 percent on purchase of government vehicles, and
- Economic Development spent R4.1 million or 49.2 percent due to upgrading of Nature Reserve.

5.2. Equitable share spending

Table 5.2. Equitable share spending

	Budget	Actual as at October 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	23 371 679	12 915 060	55.3%	10 472 439	23 387 499	(15 820)
Health	13 023 734	8 082 477	62.1%	5 545 375	13 627 853	(604 119)
Social Development	1 534 567	846 139	55.1%	688 428	1 534 567	-
Public Works , Roads and Infrastructure	1 747 874	864 014	49.4%	883 860	1 747 874	-
Agriculture	1 369 664	737 389	53.8%	585 745	1 323 134	46 530
Transport	1 540 600	803 985	52.2%	639 817	1 443 802	96 798
CoGHSTA	983 450	579 359	58.9%	824 378	1 403 737	(420 287)
Sport, Arts & Culture	167 709	108 101	64.5%	77 558	185 659	(17 950)
Safety & Security	90 354	45 268	50.1%	42 726	87 994	2 360
Office of the Premier	350 072	193 995	55.4%	156 077	350 072	-
Legislature	262 688	179 517	68.3%	94 365	273 882	(11 194)
Treasury	385 180	197 527	51.3%	170 659	368 186	16 994
Economic Development	1 158 331	672 406	58.0%	475 970	1 148 376	9 955
Total	45 985 902	26 225 237	57.0%	20 657 397	46 882 635	(896 733)

Provincial equitable share spending is at R26.2 billion or 57.0 percent of the total budget of R45.9 billion. The highest percentage spending departments are Legislature 68.3 percent, Sport, Arts and Culture at 64.5 percent and Health at 62.1 percent.

However, the lowest spending departments are DPWRI at 49.4 percent, Safety, Security and Liaison at 50.1 percent, Treasury at 51.3 percent, and Social Development at 55.1 percent.

Provincial Departments project to overspend by R896.7 million. The highest projected overspending is in Departments of Health by R604.1 million, CoGHSTA at R420.3 million, Sport at R17.9 million, Education at R15.8 million and Legislature at R11.1 million.

5.3. Conditional grants

Table: 5.3.a. Conditional Grants Spending per department as at 31 October 2015

	Budget	Actual as at October 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	1 913 026	1 109 927	58.0%	803 099	1 913 026	-
Health	1 730 401	945 613	54.6%	991 866	1 937 478	(207 077)
Social Development	3 190	2 626	82.3%	564	3 190	-
Public Works , Roads and Infrastructure	1 001 882	456 989	45.6%	544 893	1 001 882	-
Agriculture	327 467	112 309	34.3%	215 158	327 467	-
Transport	298 298	147 720	49.5%	150 578	298 298	-
CoGHSTA	1 285 877	679 051	52.8%	606 826	1 285 877	-
Sport, Arts & Culture	177 615	79 584	44.8%	98 031	177 615	-
Safety & Security	2 078	-	0.0%	2 078	2 078	-
Economic Development	2 482	2 481	100.0%	1	2 482	-
Total	6 742 316	3 536 300	52.4%	3 413 094	6 949 393	(207 077)

The table above portrays provincial Conditional Grants (CGs) spending as at 31 October 2015. The CGs' overall expenditure is very low at R3.5 billion or 52.4 percent of the total budget of R6.7 billion. The highest spending departments are Economic Development at R2 481 million or 100.0 percent, Social Development at R2.6 million or 82.3 percent and Education at R1.1 billion or 58.0 percent.

Only the department of Health is projecting to overspend by R207.1 million due to reduced allocation on Health Revitalization grants' committed projects.

Table: 5.3 b. Limpopo Conditional Grant spending per grant as at 31 October 2015

Table 10: Limpopo: Conditional Grants Expenditure as at 31 October 2015			
R thousand	Main Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
Agriculture	327 467	112 309	34.3%
Comprehensive Agricultural Support Programme Grant	239 007	76 394	32.0%
Disaster (Casp Infrastructure)	22 837	5 446	23.8%
Ilima/Letsema Projects Grant	50 337	23 351	46.4%
EPWP Incentive allocation	5 285	3 514	66.5%
Land Care Programme Grant	10 001	3 604	36.0%
Sport, Arts and Culture	177 615	79 584	44.8%
Mass Sport and Recreation Programme	63 459	31 291	49.3%
EPWP Incentive allocation	2 000	1 397	69.9%
Community Library Services Grant	112 156	46 896	41.8%
Education	1 913 026	1 109 927	58.0%
HIV and Aids (Life Skills Education) Grant	30 875	9 563	31.0%
National School Nutrition Programme Grant	1 030 799	543 915	52.8%
Infrastructure Grant	735 762	489 600	66.5%
Flood damaged projects	69 366	56 409	81.3%
Maths, Science and Technology	40 979	4 544	11.1%
Social sector EPWP grant	3 095	5 474	176.9%
EPWP Incentive allocation	2 150	422	19.6%
Health	1 730 402	945 613	54.6%
Comprehensive HIV and Aids Grant	1 056 976	518 453	49.1%
Health Professions Training and Development Grant	118 855	71 139	59.9%
EPWP Social Sector	20 650	12 742	61.7%
EPWP Incentive grant	2 000	38	1.9%
Health insurance grant	7 204	2 620	36.4%
Hospital Revitalisation Grant	194 255	156 613	80.6%
National Tertiary Services Grant	330 462	184 008	55.7%
Co-operate Governance, Human Settlements and Traditional /	1 285 877	679 051	52.8%
Disaster : Flood Damage	34 332	3 465	10.1%
Integrated Housing & Human Settlements Development Grant	1 249 545	675 391	54.1%
EPWP Incentive allocation	2 000	195	9.8%
Public Works	1 001 882	456 989	45.6%
Infrastructure Grant	994 762	452 747	45.5%
EPWP incentive grant	7 120	4 242	59.6%
Economic Development	2482	2 481	100.0%
EPWP Incentive grant	2482	2481	100.0%
Social Develoment	3 190	2 626	0.0%
EPWP Incentive grant	3 190	2 626	0.0%
Safety, Security and Liaison	2 078	-	0.0%
EPWP Incentive grant	2 078	-	0.0%
Transport	298 298	147 720	49.5%
Public Transport Operations Grant	298 298	147 720	49.5%
Total	6 742 317	3 536 300	52.4%

5.3.1. Agriculture

The department has spent R112.3 million or 34.3 percent of the total budget of R327.5 million. Performance of individual CGs under the department of Agriculture is as follows;

- **EPWP** is the most spending grant in the department which recorded an expenditure of R3.5 million or 66.4 percent,
- **Letsema** is the second most performing grant with an expenditure of R23.3 million or 46.4 percent of the total budget of R50.3 million. The grant underspent due to late delivery of production inputs and late submission of invoices by service providers. Procurement of farmers' support material was slowed down by drought and expiry of contract for seeds and seedlings,
- **Land care** spent R3.6 million or 36.0 percent of the total budget of R10.0 million. Poor spending is associated with low spending on Consultancy & Specialised services that due to late start in implementing Ga-Kgatla Project and slow spending on farming supplies as a result of delays in delivery of fencing materials,
- **CASP** spent R76.4 million or 32.2 percent of the total budget of R261.8 million. Slow spending is mainly caused by poor planning for grant's major projects. However, delays in finalization of plans and procurement processes, improper management of project implementation processes, lack of skills and knowledge resulting in delays in the implementation of key mega projects also contributed to low spending. Delay in spending on Fetsa Tlala due to the drought.

5.3.2. Sport, Arts and Culture.

The department recorded and overall CGs' expenditure of R79.6 million or 44.8 percent.

- **EPWP** spent R1.4 million or 69.8 percent,
- **Mass Sport** spent R31.3 million or 49.3 percent of the budget of R63.4 million. Recorded underperformance is due to the resignation of sport coordinators and delays in filling of Managers position for Competative sport and Limpopo Sport Academy which is going through the evaluation processes. Late receipt of invoices for security services and electricity for community libraries contributed to slow spending as well.
- **Community Library Services** spent R46.9 million or 41.8 percent of the total budget of R112.1 million. Slow spending is due to late filling of 26 vacant funded library grant positions advertised and successful candidates assumed duty in the second quarter.

5.3.3. Education

Overall spending by the department is at R1.1 billion or 58.0 percent of the total budget of R1.9 billion.

- **HIV and Aids** spent R9.6 million or 30.9 percent during the period under review. Poor performance is due to delays in filling vacant funded posts. 2 066 bed screens to the value of R3,9 million are being delivered, invoice for LTSM amounting to R5 million has been submitted for payment. Most trainings have been suspended due to examinations and shall resume in December before the schools close, World Aids Day Commemoration preparations is scheduled for 03 December 2015.

- **National School Nutrition Programme** recorded an expenditure of R543.9 million or 52.7 percent. Payments are made after services have been rendered. New tender has been advertised.
- **Infrastructure grant** spent R489.6 million or 66.5 percent in line with approved business plans.
- **Infrastructure grant** (flood damaged) spent R56.4 million or 81.3 percent. Additional funding is required to cover the backlogs.
- **Math, Science and Technology** spent R4.5 million or 11.1 percent. Poor performance is caused by challenges and / or delays in procurement process. The tender to procure Maths and Science kits is at the evaluation phase and will be awarded during the third quarter.
- **EPWP (Social sector)** spent R5.5 million or 176.8 percent. The grant is overspending and incorrect postings on the grant are being investigated. Districts have completed appointing beneficiaries. Stipend is paid on a monthly basis.
- **EPWP (Incentive allocation)** spent R0.422 million or 19.6 percent. The department had challenges in finalizing the business plan. The program has identified 102 beneficiaries who are paid monthly stipend. Grant spending is expected to improve in the third quarter.

5.3.4. Health

The overall spending on CGs is R945.6 million or 54.6 percent of the total budget of R1.7 billion.

- **Comprehensive HIV and Aids** spent R518.4 million or 49.1 percent. Slow spending is due to delayed implementation of scheduled trainings and delivery of male condoms by supplier. Purchase orders for male and female condoms issued in October 2015.
- **HPTD** spent R71.1 million or 59.9 percent of the total budget of R118.8 million. The over-expenditure is due to payments of bursaries that are always done at the beginning of the financial year and high intake of orthopedic trauma patients.
- **EPWP (Social sector)** spent R12.7 million or 61.7 percent. Spending is in line with the plan.
- **EPWP (Incentive grant)** spent R0.038 million or 1.9 percent of the total budget of R2.0 million. The under spending is due to the late submission of the Annual plan to Public Works Department thereby impacting on timeous appointment of contract workers.
- **Hospital Revitalization grant** spent R156.6 million or 80.6 percent of the budget of R194.2 million. The department started 2015/16 financial year with a drastically reduced budget of R194 million against the following situation: Accruals amounted to R25 million. Projects committed (multiyear projects and retentions) amounted to R437 million. A tranche of R35 million in May 2015, R26 million in July 2015, and R12 million in September 2015, was paid to IDT for the implementation of Infrastructure projects.
- **National Tertiary Services** spent R184.0 million or 55.7 percent of the total budget of R330.5 million. The under-spending is due to delay in delivery of CT SIM, Crip intensive unit, 3 theater tables, Video endoscope and other medical equipment.

5.3.5. CoGHSTA

The department spent R679.0 million or 53.0 percent of the total budget of R1.3 billion. Low spending was mainly due to lack of poor performance by contractors, delay in delivery of materials, as well as relocation and replacement of beneficiaries.

5.3.6. Public Works, Roads and Infrastructure

In overall, DPWRI spent R 456.9 million or 45.6% of the total allocated budget R1.0 billion.

- **Infrastructure grant** spent R452.7 million or 45.1 percent of the budget of R994.8 million. The poor spending is associated with RAL projects which are still in the early construction stages, while the newly transferred projects are at procurement. The department has transferred 16 projects to DBSA with a budget of R200.0 million of which the contractors were only appointed in July 2015, but are now on site. The spending will improve in the third quarter.
- **EPWP Incentive grant** spent R4.2 million or 59.6 percent of the total budget of R7.1 million. The department anticipated to appoint 400 NYS during the current year.

5.3.7 LEDET

The departments spent R2.5 million or 100.0 percent of the budget of R2.5 million.

5.3.8 Transport

The expenditure of R147.7 million or 49.5 percent was recorded by the department against the allocated budget of R298.3 million. The spending is in line with the terms of the contract.

6. Provincial Own Receipts

Table 6: Provincial own revenue collection per vote as at 31 October 2015

REVENUE COLLECTION AS AT 31 OCTOBER 2015											
Departments (Votes)	Main appropriation	Projections to October 2015	Projections as % of budget	Actual to October 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to October 2014	Actual collection as % of the budget
Office of the Premier	662	397	60,0%	1 014	153,2%	265	1 279	617	658	438	66,6%
Provincial Legislature	156	115	73,7%	201	128,6%	99	300	86	249	112	45,0%
Education	50 291	29 047	57,8%	29 082	57,8%	21 244	50 326	35	50 704	24 034	47,4%
Agriculture	7 108	4 902	69,0%	5 666	79,7%	2 556	8 222	764	8 497	4 042	47,6%
Provincial Treasury	151 781	72 982	48,1%	166 361	109,6%	78 799	245 160	93 379	143 731	168 211	117,0%
Economic Development	131 737	60 014	45,6%	78 278	59,4%	71 723	150 001	18 264	84 825	86 749	102,3%
Health	150 131	73 010	48,6%	74 427	49,6%	75 704	150 131	1 417	135 572	73 028	53,9%
Transport	423 666	213 632	50,4%	233 330	55,1%	190 336	423 666	19 698	402 208	231 827	57,6%
Public Works	54 599	32 159	58,9%	141 668	259,5%	22 441	164 109	109 509	35 698	16 271	45,6%
Safety & Security	84	49	58,3%	195	231,6%	35	230	146	77	134	174,0%
Co-operative Governance	2 663	774	29,1%	4 559	171,2%	1 048	5 607	3 785	2 925	1 996	68,2%
Social Development	2 867	1 426	49,7%	1 567	54,7%	1 546	3 113	141	2 637	3 792	143,8%
Sport, Arts & Culture	962	246	25,6%	276	28,7%	710	986	30	921	1 260	136,8%
Total provincial receipts	976 707	488 753	50,0%	736 624	75,4%	466 506	1 203 130	247 871	868 702	611 894	70,4%

Original Provincial own revenue target for 2015/16 is R976.7 million. As at 31 October 2015 provincial own revenue collection is R736.6 million or 75.4 percent more than a projection of R488.8 million or 50.0 percent.

The overall over collection is R247.9 million, which is mainly contributed by Treasury and Public Works due to more interests earned on bank balances and surrender accumulated surpluses from Road Agency Limpopo (RAL). The collection is higher than that of the previous corresponding period of R611.9 million or 70.4 percent.

Twelve (12) Departments collected above their set monthly projections while one (1) department in line with projections.

6.1. Office of the Premier (Target R0.662 Million)

The office collected R1.0 million or 153.2 percent as compared to projections of R0.397 million or 60.0 percent. The over collection of R0.617 million is due to a once off payment received in settlement of an inter-departmental debt from the previous year and sale of capital assets which was not budgeted for.

6.2. Provincial Legislature (Target R0.156 Million)

The Department collected R0.201 million or 128.6 percent as compared to projections of R0.115 million or 73.7 percent. The over collection is due to recovery of debts from the previous years and sale of tender documents.

6.3. Education (Target R50.3 Million)

The Department collected R29.1 million or 57.8 percent as compared to projections of R29.0 million or 57.8 percent. The department has collected in line with the projections. The department has however not yet accounted for revenue collected from the former colleges.

6.4. Agriculture (Target R7.1 Million)

The Department collected R5.7 million or 79.7 percent as compared to projections of R4.9 million or 69.0 percent. Over collection of R0.765 million is due to the transfer of boarding and tuition fees from the two agricultural colleges, improvement on sale of tender documents and sale of capital assets (livestock) in all the research stations. Two more auctions will be held during the third quarter.

6.5. Provincial Treasury (Target R151.7 Million)

The Department collected R166.4 million or percent as compared to projections of R72.9 million or 48.1 percent. The over collection of R93.8 million is due to more interest received on positive bank balances.

6.6. Economic Development (Target R131.7 Million)

The Department has collected R78.3 million or 59.4 percent against projections of R60.0 million or 45.6 percent. Over collection of R18.3 million is due to the surrender of unspent funds from the Limpopo Tourism Agency and Limpopo Gambling Board as well as improved collection on horse racing levies. Collection for October from LTA was not accounted for as the entity failed to transfer before month end closure of books.

6.7. Health Target (R150.1 Million)

The Department has collected R74.4 million or 49.6 percent as compared to the projected amount of R73.0 million or 48.6 percent. The over collection is due to recovery of debts from the previous years. The department has appointed a RAF debt collector as part of the implementation of the Revenue Enhancement projects. The claims verification process by the service provider has been completed and the department anticipates collecting more revenue on debts.

6.8. Transport (Target R423.6 Million)

The Department collected R233.3 million or 55.1 percent against set projections of R213.6 million or 50.4 percent. The over collection is mainly due to improved collection on motor vehicle licences. The appointment of SAPO and introduction of multipurpose centres through the Revenue Enhancement Strategies is contributing positively towards this improvement in collection. Collection on abnormal loads and traffic fines is also showing improvements against set projection.

6.9. Public Works, Roads and Infrastructure (Target R54.6 Million)

The Department collected R141.7 million or 259.5 percent as compared to projections of R32.2 million or 58.9 percent. The over collection of R109.5 million is due to the transfer of unspent funds / accumulated surpluses from the Public Entity (RAL) relating to previous financial year. Collection from RAL for the month was not accounted for due to non-transfer by the entity.

6.10. Safety, Security & Liaison (Target R0.084 Million)

The Department collected R0.195 million or 231.6 percent compared to projections of R0.049 million or 58.3 percent. The over collection of R0.146 million is mainly due to sale of capital assets which was not anticipated or budgeted for.

6.11. Co-operative Governance (Target R2.7 Million)

Collection as at 31 October 2015 is R4.6 million or 171.2 percent as compared to set projection of R0.774 million or 29.1 percent. The over collection of R3.9 million is mainly due to a once off surrender of interests by Belabela Municipality through the Housing Development Agency (HDA). The interests were generated from unspent funds for development allocation by the department.

6.12. Social Development (Target R2.9 Million)

The Department collected R1.6 million or 54.7 percent against projections of R1.4 million or 49.7 percent. The over collection of R0.141 million is due to sale of tender documents which was not projected for, sale of scraps which was projected to collect R0.003 million but collected R0.126 million and improved collection on parking fees and commission on insurance.

6.13. Sports, Arts & Culture (R0.962 Million)

The Department collected R0.276 million or 28.7 percent against set projections of R0.246 million or 25.6 percent. The over-collection is mainly due to sale of tender documents, which has already over collected by R0.58 million.

7. Provincial Own revenue per Economic classification

The table below reflects provincial own revenue collection per economic classification as at 31 October 2015

Table 7: Summary of Provincial Own revenue per Economic classification

Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Projections to October 2015	Projections as % of budget	Actual to October 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to October 2014	Actual collection as % of the budget
Tax receipts	400 885	206 655	51,5%	232 092	57,9%	170 760	402 852	25 437	373 159	197 427	52,9%
Sales of goods and services other than capital assets	298 163	162 735	54,6%	130 565	43,8%	140 968	271 533	-32 170	258 144	126 577	49,0%
Transfers received from:	-	-	-	-	-	-	-	0	-	-	-
Fines, penalties and forfeits	52 605	26 709	50,8%	29 698	56,5%	23 179	52 877	2 989	50 089	26 031	52,0%
Interest, dividend and rent on land	153 803	73 597	47,9%	169 571	110,3%	80 216	249 787	95 974	142 741	169 732	118,9%
Sales of capital assets	16 683	3 474	20,8%	4 970	29,8%	14 700	19 670	1 496	13 046	5 256	40,3%
Revenue financial assets	54 568	15 583	28,6%	169 727	311,0%	36 683	206 410	154 144	31 523	86 871	275,6%
Total departmental receipts	976 707	488 753	50,0%	736 624	75,4%	466 506	1 203 130	247 871	868 702	611 894	70,4%

Tax receipts (Target R400.9 million)

An amount of R 232.1million or 57.9 percent has been collected against projections of R206.6 million or 51.5 percent. The item has over collected of R25.4 million is mainly on motor vehicle license by Department of Transport where more vehicles licenses were renewed that anticipated improved gaming levies under horse racing by LEDET.

Sale of goods & services non capital assets (Target R298.1 million)

As at 31 October 2015 collection is R130.565 million or 43.8 percent against projections of R162.735 million or 54.6 percent. Under collection of R32.170 million is mainly because of

non-accounting of own revenue from public entities by LEDET, poor collection of rentals by Public Works as well poor collection of patients fees by Health.

Fines, penalties and forfeits (Target R52.6 million)

Fines, penalties and forfeits collected R29.698 million or 56.5 percent against projections of R26.709 million or 50.8 percent. Over collection is due to improved collection by the department of Transport especially on motor vehicle licences.

Interest, dividend and rent on land (Target R153.8 million)

Collection as at 31 October 2015 is R169.571 million or 110.3 percent against set projections of R73.597 million or 47.9 percent. Over collection of R95.974 million is due to more interest earned on bank balances by Provincial Treasury.

Sale of capital assets (Target R16.7 million)

As at 31 October 2015 there is collection of R4.970 million or 29.8 percent against projections of R3.474 million or 20.8 percent. The over collection of R1.496 million is due to an auction by Education which was not projected for.

Financial transactions in assets and liabilities (Target R54.6 million)

The item collected R169.727 million or 311.0 percent against projections of R15.583 million or 28.6 percent. The over collection of R154.144 million is mainly due to the surrender of unspent funds by Economic Development and Public Works as well as the recovery of patient fees debts by Health.

8. Infrastructure expenditure comparison

The table below portrays the Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2013/14, 2014/15 and 2015/16) as at 31 October.

Table 8: Infrastructure Expenditure as at 30 September 2015

Infrastructure Expenditure Comparison as at 31 Oct year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
Education	997 599	1 098 625	805 128	385 215	783 452	546 010	39%	71%	68%
Agriculture	171 951	226 244	185 940	64 847	51 704	57 520	38%	23%	31%
LEDET	63 102	63 273	62 749	1 861	41 089	30 836	3%	65%	49%
Health	600 727	593 747	324 626	214 429	143 424	407 730	36%	24%	126%
Public Works, Roads & Infrastructure	59 765	59 439	2 171 423	12 591	11 618	704 474	21%	20%	32%
Transport*	1 903 808	1 769 577	89 304	763 910	983 573	2 584	40%	56%	3%
CoGHSTA	1 324 742	1 219 115	1 285 877	183 463	119 198	681 577	14%	10%	53%
Social Development	95 639	59 912	63 866	41 285	10 687	11 934	43%	18%	19%
Sport, Arts & Culture	22 500	26 000	43 000	5 390	2 906	11 953	24%	11%	28%
TOTAL	5 239 833	5 115 932	5 031 913	1 672 991	2 147 651	2 454 618	32%	42%	49%
Percentage									
Education	19%	21%	16%	23%	36%	22%			
Agriculture	3%	4%	4%	4%	2%	2%			
LEDET	1%	1%	1%	0%	2%	1%			
Health	11%	12%	6%	13%	7%	17%			
Public Works, Roads & Infrastructure	1%	1%	43%	1%	1%	29%			
Transport	36%	35%	2%	46%	46%	0%			
CoGHSTA	25%	24%	26%	11%	6%	28%			
Social Development	2%	1%	1%	2%	0%	0%			
Sport, Arts & Culture	0%	1%	1%	0%	0%	0%			
TOTAL	100%	100%	100%	100%	100%	100%			

*The Roads component used to be part in Transport

As at 31 October 2015, the Provincial Infrastructure expenditure stood at R2.4 billion or 49.0 percent of the total allocated budget of R5.0 billion. However, the total expenditure for the month of October 2015 was R413 million, representing 8.0 percent of the total provincial infrastructure budget, a further 8.0 percent increase from the previous month.

The expenditure was projected to be in the region of about R2.9 billion representing 58.0 percent of the total budget in terms of the norm. The province is 9.0 percent or R480 million below the straight line norm.

When compared to the previous month, all departments recorded movements ranging from 1.0 percent by the Department of Transport to 17.0 percent by the Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA).

All the departments recorded significant expenditure growth month-on-month, the expenditure growth from last month was twenty percent. The departmental expenditure growth ranged from 5.0 percent to 49.0 percent by the departments of Health and CoGHSTA, respectively.

- The Department of Cooperative Governance, Human Settlements and Traditional Affairs recorded the highest expenditure growth month-on-month. The expenditure for the month of October 2015 was R 222 million, representing an increase of 49.0 percent against a cumulative expenditure of R 458 million as at the end of September 2015. Despite recording the expenditure growth, the department's expenditure is at 53.0 percent as at the end of October 2015, which is 5.0 percent below the norm.
- The Departments of Transport and Social Development recorded the second highest expenditure growth month-on-month. The expenditure for the month of October 2015 was R 538 thousand and R 2. 4 million, respectively. These represent an increase of 26.0 percent against a cumulative expenditure of R 2 million and R 9. 5 million, respectively as at the end of September 2015. The departments are 55.0 percent and 39.0 percent below the norm, respectively as at the end of October 2015.
- LEDET grew its expenditure by R 5. 5 million or 22.0 percent against a cumulative expenditure of R 25. 2 million as at the end of September 2015. The department is below the norm by 9.0 percent as at the end of October 2015.
- The Department of Agriculture grew its expenditure by R 9. 9 million or 31.0 percent against a cumulative expenditure of R 47. 5 million as at the end of September 2015. The department is below the norm by 27.0 percent as at the end of October 2015.
- The Department of Public Works, Roads and Infrastructure grew its expenditure by R 119. 2 million or 20.0 percent against a cumulative expenditure of R 585. 2 million as at the end of September 2015. The department was below the norm by 26.0 percent as at the end of October 2015.
- The Department of Sport, Arts and Culture grew its expenditure by R 1. 9 million or 19.0 percent against a cumulative expenditure of R 10 million as at the end of September 2015. The department was below the norm by 30.0 percent as at the end of October 2015.
- The Department of Education grew its expenditure by R 29. 6 million or 6.0 percent against a cumulative expenditure of R 516. 3 million.
- The Department of Health grew its expenditure by R 21. 1 million or 5.0 percent against a cumulative expenditure of R 386. 5 million.

The province grew its expenditure by R 413.3 million or 20 percent during the month of October 2015 against a cumulative expenditure of R 2 billion as at the end of September 2015. An amount of R 413.3 million was spent during the month of October 2015; this

represents eight percent of the budget. If the trend was to be maintained, a projected under-expenditure of about R 510. 5 million or ten percent would be a possibility. The expenditure for the month of October 2015 is within the monthly norm of eight percent.

The departments with the assistance of both National and Provincial Treasury have uploaded the projects into the new web-based Infrastructure Reporting Model (IRM), the process was finalised by 15 June 2015. The National Treasury conducted a two days executive and champions training for Provincial Treasuries on the web based IRMs on 28 and 29 July 2015. Provincial Treasury officials have started supporting the departments and responding to issues raised by sectors. The Provincial Treasury had also nominated an additional official, bringing the number to two (2), to be part of the National Task Team to deal with the gaps identified in the new web based IRM. The major challenge identified with regards the web-based IRM remains the internet connectivity across the departments in the province. As a result of these challenges, the reporting is done manually. The province had not been updating the data on the IRM, the implication being that there has been non-compliance to DoRA and mechanisms are being worked out to address the challenge.

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

- Main appropriation: R 5.0 billion (against the R 5.1 appropriated for Financial Year 2014/15). This represents a decline of R84 million or 2.0 percent from the 2014/15 Financial Year.

The following are observed:

- The Provincial Infrastructure Budget is primarily funded by Conditional Grants, representing 8.0 percent of the entire budget. The failure to spend has a huge impact on the Provincial Infrastructure Budget and service delivery.
- The Provincial Infrastructure Expenditure for the current financial year (2015/16) compared to the two previous years (2013/14) and 2014/15) had improved significantly, though still below the straight line norm as at 31 October.
- The Provincial Infrastructure Expenditure as at 31 October is recorded as follows:
 - 32.0 percent - 2013/14
 - 42.0 percent - 2014/15
 - 49.0 percent - 2015/16
- All departments had poorly spent or have recorded low expenditure as at 31 October 2015, except for Health, which had over spend at one hundred and 26.0 percent and Education at 68.0 percent, which is above the norm by 68.0 percent and 10.0 percent respectively.

The projects being implemented for the current financial year are at different stages and there is no way that they can be completed without funds being provided given the

current spending, particularly for the Department of Health which had exhausted its budget five months into the financial year.

- The two departments, that is Education and Health project to overspend their infrastructure budgets by R 370 million or 46.0 percent and R 271 million or 83.0 percent respectively. The monthly projected expenditure for both the departments of Health and Education provided at the beginning of the financial year are not aligned to the current situation and more work needs to be done to address the situation. The same applies to all other departments.
- All the other departments project to break-even as at October 2015, except for the departments of Public Works, Roads and Infrastructure and Social Development who project to under-spend by R810. 3 million or 37.0 percent and R 29 million or 45.0 percent, respectively. Provincial Treasury projects under-expenditure and ways are being sought to ease the likely pressure being observed at the departments of Health and Education and to address the probable under-expenditure by the other departments during the tabling of the adjustment budget.

9. Conclusion

The Provincial Treasury hereby submits the Limpopo provincial revenue and expenditure report for October 2015;

- The overall provincial spending amounts to R29.8 billion or 56.4 percent of the total budget of R52.7 billion. Of the R29.8 billion total expenditure, R26.2 billion is on equitable share and R3.5 billion on Conditional grant,
- There is 1.0 percent increase on overall spending as compared to the same period during the previous year of which the overall expenditure was R28.5 billion or 55.4 percent of the total budget of R51.5 billion,
- The highest spending departments are Legislature at 68.3 percent, Health at 61.2 percent and Economic Development at 58.1 percent. However, the lowest spending departments are DPWRI at 48.0 percent, Agriculture; Safety, Security and Liaison both at 50.1 percent, and Treasury at 51.3 percent,
- The Provincial Infrastructure recorded an expenditure of R2.4 billion or 49.0 percent of the total allocated budget of R5.0 billion. The total expenditure for the month of October 2015 was R413 million or 8.0 percent of the total infrastructure budget,
- The Provincial own revenue collection is R736.6 million or 75.4 percent more than a projection of R488.8 million or 50.0 percent,
- The project overspending of R 1.1 billion has been addressed through the adjustment budget.



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Date