



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ref: 12/4/5/1  
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**The Director General  
National Treasury  
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## **LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 MARCH 2014**

### **1. Purpose**

To provide National Treasury with a report on provincial Revenue and Expenditure as at 31 March 2014

### **2. Background**

In terms of chapter 5, section 40 (4) (a) of the PMFA, 1999 the accounting officer of a department must at the beginning of a financial year provide the relevant treasury in the prescribed format with a breakdown of the anticipated revenue and expenditure of that department for that financial year.

In addition, Section 40 (4) (b) stipulates that the designated accounting officer of a department must submit information to the provincial treasury in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of section 40 (4) (a). Section 40 (4) (c) stipulates that accounting officer of a department must ensure to submit within 15 (fifteen) days of the end of each month to the Provincial Treasury and Executive Authority the information for that month, projected expenditure and revenue collection for the remainder of the current financial year and when necessary explanations or any material variances and a summary of the steps to be taken to ensure that the projected expenditure and revenue remain within budget.

The expenditure and revenue trends for the period under review is based on departmental March 2014 IYM submission by departments in terms of section 40(4) (b) of the PFMA. Departmental submissions are analysed in terms of the projected expenditure, projected cash requests and actual expenditure as recorded in the IYM submissions. The explanations provided for the variances were provided by departments as per the IYM variance report and where necessary further clarity was sought from departments.

### **3. Discussion**

Provincial Treasury Instruction Note 3 of 2012 issued on 28 April outlines the legislative requirements and process for IYM submissions. Given the challenges faced by departments in providing substantial reasons for variances in projection and expenditure Provincial Treasury Instruction Note 09 of 2012 was issued giving further directives on the information requirements.

#### **3.1 Cash Management**

Cash allocation letters for 2013/14 financial year were issued to departments 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 4 times a month, i.e. the 15<sup>th</sup> for normal salaries, 22<sup>nd</sup> 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 15<sup>th</sup> and for month-end.

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

#### **3.2 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 spending. Table 3 below provides cash flow projections, actual expenditure and transfers to departments from April 2013 to 31 March 2014.

**Table 1: Cash allocations vs. actual expenditure vs. actual transfer as at 31 March 2014**

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 March 2014

Departments	Opening Bank Balances at 1-Apr-13	Cash Allocation 31-Mar-14	Actual Expenditure 31-Mar-14	Tranfers To Departments 31-Mar-14	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount	%	Amount	%
					Education	-329,109	23,948,402	23,554,577
Health	164,475	13,480,970	13,190,781	13,480,970	290,189	2.2%	-290,189	-2.2%
Social Development	18,978	1,380,779	1,337,915	1,380,779	42,864	3.1%	-42,864	-3.2%
Public Works	107,334	883,061	858,976	883,061	24,085	2.7%	-24,085	-2.8%
Agriculture	76,967	1,573,618	1,531,231	1,573,618	42,387	2.7%	-42,387	-2.8%
Roads & Transport	598,113	3,128,864	2,841,862	3,128,864	287,002	9.2%	-287,002	-10.1%
CoGSTHA	430,499	1,588,993	1,175,176	1,588,993	413,817	26.0%	-413,817	-35.2%
Sport, Arts & Culture	44,794	283,243	258,499	283,243	24,744	8.7%	-24,744	-9.6%
Safety & Security and Liaison	5,631	74,749	70,344	74,749	4,405	5.9%	-4,405	-6.3%
Office of the Premier	46,739	327,608	325,122	327,608	2,486	0.8%	-2,486	-0.8%
Provincial Legislature	3,319	251,783	249,145	251,783	2,638	1.0%	-2,638	-1.1%
Provincial Treasury	108,682	384,708	358,279	384,708	26,429	6.9%	-26,429	-7.4%
Economic Development, Environmental & Tourism	25,184	1,100,147	1,072,438	1,100,147	27,709	2.5%	-27,709	-2.6%
<b>Total</b>	<b>1,301,606</b>	<b>48,406,925</b>	<b>46,824,345</b>	<b>48,383,177</b>	<b>1,582,580</b>	<b>3.3%</b>	<b>-1,558,832</b>	<b>-3.3%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R1.583 billion or 3.3 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.

### 3.3 Month-end Bank Balances

**Table 2: Month-end Provincial Bank Balance – March 2014**

Departments	R'000											
	30-Apr	31-May	30-Jun	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar
Premier	229	11	96	2	59	82	145	166	377	359	476	2,195
Legislature	3,678	-18,586	3,059	6,249	68	217	325	325	117	5,014	-2,074	420
Education	5,428	110	1,433	4,967	6,518	1,610	5,931	8,025	12,665	18,719	2,397	615,023
Agriculture	8,302	-4,969	14,071	1,158	1,577	14,408	22,685	2,290	3,326	22,437	156	53,306
Treasury	41,998	65,666	57,497	421	64,839	33,186	128,993	68	521	316	824	43,731
LEDET	7,158	34,071	6,208	29,743	7,142	11,181	9,105	23,104	1,279	3,401	1,038	34,025
Health	73,094	32,975	1,874	4,151	16,812	455,203	8,636	16,143	2,826	8,572	2,321	196,242
Roads & Transport	113,756	579	7,043	29,380	62,916	59,716	44,473	31,734	15,423	51,231	17,331	323,345
Public Works	22,521	2,664	7,847	5,243	10,577	4,873	3,675	6,276	5,311	18,819	3,093	82,408
Safety, Security & Liaison	4,981	3,549	2,778	867	20	564	95	83	371	370	389	5,344
CoGHSTA	69,493	66,110	44,425	2,107	1,792	33,252	-234	494	231	967	3,076	176,843
Social Development	1,025	7	4,242	866	12,248	8,496	1,625	2,896	745	1,010	609	48,090
Sports	40,471	12	18	53	65	94	126	170	123	714	258	32,062
<b>Sub-Total PMGs</b>	<b>392,134</b>	<b>182,199</b>	<b>150,591</b>	<b>85,207</b>	<b>184,633</b>	<b>622,882</b>	<b>225,580</b>	<b>91,774</b>	<b>43,315</b>	<b>131,929</b>	<b>29,894</b>	<b>1,613,034</b>
Exchequer Account	151,168	164,452	61,691	53,654	42,805.00	54,686	86,442	156,429	44,029	90,141	308,258	1,093,980
<b>Group Balance</b>	<b>543,302</b>	<b>346,651</b>	<b>212,282</b>	<b>138,861</b>	<b>227,438</b>	<b>677,568</b>	<b>312,022</b>	<b>248,203</b>	<b>87,344</b>	<b>222,070</b>	<b>338,152</b>	<b>2,707,014</b>
CPD Investment Account (Reserve Bank)	2,284,878	2,999,850	2,660,233	3,215,558	3,981,447	3,632,892	3,614,648	3,567,312	3,513,962	4,209,375	3,517,456	18,160
<b>Total Available Cash Balance</b>	<b>2,828,180</b>	<b>3,346,501</b>	<b>2,872,515</b>	<b>3,354,419</b>	<b>4,208,885</b>	<b>4,310,460</b>	<b>3,926,670</b>	<b>3,815,515</b>	<b>3,601,306</b>	<b>4,431,445</b>	<b>3,855,608</b>	<b>2,725,174</b>

Revenue Fund closing balance(CPD plus Exchequer Accounts)

Equitable Share	1,782,963	1,864,536	1,510,710	1,735,616	1,238,870	1,681,824	1,620,812	1,761,992	1,803,567	4,006,344	1,008,854	1,112,140
Conditional Grant	653,083	1,299,766	1,211,214	1,533,596	2,785,382	2,005,754	2,080,278	1,961,749	1,754,424	293,172	2,816,860	-
<b>Total</b>	<b>2,436,046</b>	<b>3,164,302</b>	<b>2,721,924</b>	<b>3,269,212</b>	<b>4,024,252</b>	<b>3,687,578</b>	<b>3,701,090</b>	<b>3,723,741</b>	<b>3,557,991</b>	<b>4,299,516</b>	<b>3,825,714</b>	<b>1,112,140</b>

At the end of March 2014 the province had a total favorable bank balance of R2.725 billion comprising R18.160 million in the CPD account and R2.707 billion in the commercial bank accounts (viz. departmental PMG accounts and the Exchequer account).

### 3.4 Interest Performance

**Table 3: Interest Performance: 2013/14 Financial year**

Institution	2013/14												Total
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	
Commercial Bank (FNB)	2,277	1,617	510	-	104	-	-	-	-	-	-	-	4,508
Commercial Bank (SBSA)	-	-	933	1,750	1,498	1,872	1,230	1,461	1,523	1,053	1,339	3,971	16,630
CPD (SA Reserve Bank)	7,937	13,898	11,796	13,863	16,374	15,927	18,237	18,082	15,988	19,022	18,038	18,160	187,322
<b>Total</b>	<b>10,214</b>	<b>15,515</b>	<b>13,239</b>	<b>15,613</b>	<b>17,976</b>	<b>17,799</b>	<b>19,467</b>	<b>19,543</b>	<b>17,511</b>	<b>20,075</b>	<b>19,377</b>	<b>22,131</b>	<b>208,460</b>

INTEREST EARNED : 2012/13 FINANCIAL YEAR  
R'000

Institution	2012/13												Total
	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	
Commercial Bank (FNB)	1,352	1,928	1,542	923	923	1,450	1,290	919	1,768	806	542	2,277	15,720
Commercial Bank (SBSA)	-	-	-	-	-	-	-	-	-	-	-	-	-
CPD (SA Reserve Bank)	3,360	9,939	8,592	7,962	7,962	8,169	9,632	11,096	9,428	14,715	15,828	12,978	119,661
<b>Total</b>	<b>4,712</b>	<b>11,867</b>	<b>10,134</b>	<b>8,885</b>	<b>8,885</b>	<b>9,619</b>	<b>10,922</b>	<b>12,015</b>	<b>11,196</b>	<b>15,521</b>	<b>16,370</b>	<b>15,255</b>	<b>135,381</b>

It is important to note that in public sector, a favorable balance may be translated into inefficient and ineffective planning and poor service delivery, while an overdraft is only allowed in exceptional conditions. Due to the continuous positive cash balances the interest revenue received by the province has grown from R135.381 million in 2012/13 to R208.460 million for 2013/14. Interest earned in the CPD account alone grew from R119.381 million to R187.322 million.

### 4. Provincial overall expenditure as at 31 March 2014

**Table 4: Limpopo Budget and expenditure**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2014	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Education	23 475 305	473 097	23 948 402	23 948 402	23 554 577	23 554 577	98.4%	-	393 825	1.6%
Health	13 076 949	404 021	13 480 970	13 480 970	13 190 781	13 190 781	97.8%	-	290 189	2.2%
Social Development	1 377 843	2 936	1 380 779	1 380 779	1 337 915	1 337 915	96.9%	-	42 864	3.1%
Public Works	877 061	6 000	883 061	883 061	858 976	858 976	97.3%	-	24 085	2.7%
Agriculture	1 525 716	47 902	1 573 618	1 573 618	1 531 231	1 531 231	97.3%	-	42 387	2.7%
Roads And Transport	3 521 882	244 441	3 766 323	3 128 864	2 841 862	2 841 862	90.8%	-	287 002	9.2%
Co-Operative Governance Human Settlement	2 231 625	1 368	2 232 993	1 588 993	1 175 176	1 175 176	74.0%	-	413 817	26.0%
Sport, Art And Culture	266 191	26 019	292 210	283 243	258 499	258 499	91.3%	-	24 744	8.7%
Safety, Security And Liaison	74 749	-	74 749	74 749	70 344	70 344	94.1%	-	4 405	5.9%
Office Of The Premier	322 857	4 751	327 608	327 608	325 121	325 121	99.2%	-	2 487	0.8%
Legislature	225 987	25 796	251 783	251 783	249 145	249 145	99.0%	-	2 638	1.0%
Treasury	384 708	-	384 708	384 708	358 279	358 279	93.1%	-	26 429	6.9%
Economic Development Environment And To	1 073 947	26 200	1 100 147	1 100 147	1 072 438	1 072 438	97.5%	-	27 709	2.5%
<b>Total</b>	<b>48 434 820</b>	<b>1 262 531</b>	<b>49 697 351</b>	<b>48 406 925</b>	<b>46 824 344</b>	<b>46 824 344</b>	<b>96.7%</b>	-	<b>1 582 581</b>	<b>3.3%</b>
<b>Economic classification</b>								<b>Net</b>	<b>1 582 581</b>	
<b>Current payments</b>	<b>41 495 000</b>	<b>748 713</b>	<b>42 243 714</b>	<b>41 664 681</b>	<b>40 751 315</b>	<b>40 751 315</b>	<b>97.8%</b>	-	<b>913 366</b>	<b>2.2%</b>
Compensation of employees	33 877 405	499 221	34 381 105	34 139 373	33 920 861	33 920 861	99.4%	-	218 512	0.6%
Goods and services	7 617 193	249 169	7 866 884	7 524 583	6 830 454	6 830 454	90.8%	-	694 129	9.2%
Interest and rent on land	402	323	725	725	-	-	0.0%	-	725	100.0%
<b>Transfers and subsidies</b>	<b>4 993 528</b>	<b>380 235</b>	<b>5 373 872</b>	<b>4 748 454</b>	<b>4 313 462</b>	<b>4 313 462</b>	<b>90.8%</b>	-	<b>434 992</b>	<b>9.2%</b>
<b>Payments for capital assets</b>	<b>1 946 292</b>	<b>132 383</b>	<b>2 080 565</b>	<b>1 992 432</b>	<b>1 755 559</b>	<b>1 755 559</b>	<b>88.1%</b>	-	<b>236 873</b>	<b>11.9%</b>
<b>Payments for financial assets</b>	<b>-</b>	<b>1 200</b>	<b>1 200</b>	<b>1 358</b>	<b>4 008</b>	<b>4 008</b>	<b>295.1%</b>	<b>-2 650</b>	<b>-</b>	<b>-195.1%</b>
<i>of which: NPNC</i>	<i>12 611 123</i>	<i>624 558</i>	<i>13 235 681</i>	<i>12 275 120</i>	<i>11 147 924</i>	<i>11 147 924</i>	<i>90.8%</i>	-	<i>1 127 196</i>	<i>9.2%</i>
<b>Total</b>	<b>48 434 820</b>	<b>1 262 531</b>	<b>49 697 351</b>	<b>48 406 925</b>	<b>46 824 344</b>	<b>46 824 344</b>	<b>96.7%</b>	<b>-2 650</b>	<b>1 585 231</b>	<b>3.3%</b>
								<b>Net</b>	<b>1 582 581</b>	

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

Overall spending is at R46.8 billion or 96.7 percent of the total available funds of R48.4 billion, the province under spent by R1.6 billion or 3.3 percent. Previous year spending was at R45.7 billion or 95.4 percent of the adjusted budget of R47.9 billion with the total under spending of R2.2 billion or 4.6 percent.

There is a small spending performance improvement of 1.3 percent from 95.4 percent in 2012/13 to 96.7 percent in 2013/14 however this improvement must be qualified as the National Treasury revised the provincial conditional grant budget down by R1.290 billion due to slow spending.

The under spending is realised from the following departments:-

- **Education** – R393.8 million or 1.6 percent. The main contributors to the under spending are programmes 2, 7 and 9 (R278.291 million, R37.254 million and R61.388 million respectively) on goods and services.
- **Health** – under spending of R290.2 million or 2.2 percent due to programme 2, 4, 6 and 8 (R24.829 million, R50.105 million, R27.814 million and R253.194 million respectively) on Compensation of Employees, Goods and Services, Transfers and Subsidies and Payments of Capital Assets
- **Social Development**- R42.9 million or 3.1 percent due to delay in transferring payment to IDT for infrastructure projects.
- **Public works** – under spend by R24.1 million or 2.7 percent. The department did not spend funds allocated during adjustment budget for Immovable Assets.
- **Roads and Transport** - underspend by R287 million or 9.2 percent. The under spending is due to non-filling of funded critical posts on CoE and on Goods and Services as a result of late appointment of road maintenance Professional Service Providers.
- **CoGHSTA** – underspend R413.8 million or 26 percent due to delays in the housing procurement and payment processes – Integrated Human Settlements
- **Sport, Arts and Culture** – R24.7 million or 8.7 percent due to the delay in filling of positions for both conditional grants (Community Library Services and Sport Mass Participation Programme) and the appointment of Infrastructure Manager. The department also underspent on capital projects due to the delay in completion of Library construction and maintenance.
- **Office of the Premier** - under spending of R2.5 million or 0.8 percent



- **Safety and Security** – R4.4 million or 5.9 percent due to unfilled funded vacant positions within the department and not spending earmarked funds for the development and approval of a fire plan.
- **Legislature** – R2.6 million or 1.0 percent
- **Provincial Treasury** – under spending of R26.4 million or 6.9 percent due to unfilled vacant positions, under spending on intervention projects consultant commitments and planned procurement of vehicles and IT equipment.
- **Economic Development** – underspent R27.7 million or 2.5 percent. The main contributors are programmes 1, 2 and 3 (R12.059 million, R8.818 million and R5.477 million respectively) on Compensation of Employees, Goods and Services and Payment of Capital Assets.

#### 4.1 Spending per economic classification

##### 4.1.1 Compensation of Employees budget and expenditure

**Table 5: Compensation of Employees (CoE)**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2014	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
<b>R thousand</b>										
Education	19 315 759	266 480	19 582 239	19 582 239	19 593 429	19 593 429	100.1%	-11 190	–	-0.1%
Health	9 498 261	230 379	9 728 640	9 507 324	9 380 404	9 380 404	98.7%	–	126 920	1.3%
Social Development	664 551	–	664 551	669 551	665 336	665 336	99.4%	–	4 215	0.6%
Public Works	555 976	20 672	576 648	576 648	578 703	578 703	100.4%	-2 055	–	-0.4%
Agriculture	948 291	13 469	961 760	961 760	938 388	938 388	97.6%	–	23 372	2.4%
Roads And Transport	1 003 876	10 000	1 013 876	997 903	963 399	963 399	96.5%	–	34 504	3.5%
Co-Operative Governance Human Settlement	733 258	-20 000	713 258	715 978	698 418	698 418	97.5%	–	17 560	2.5%
Sport,Art And Culture	129 129	-2 900	126 229	119 560	115 773	115 773	96.8%	–	3 787	3.2%
Safety,Security And Liason	53 651	-1 000	52 651	52 122	49 139	49 139	94.3%	–	2 983	5.7%
Office of the Premier	212 435	51	212 486	212 486	210 919	210 919	99.3%	–	1 567	0.7%
Legislature	139 029	-700	138 329	134 509	133 301	133 301	99.1%	–	1 208	0.9%
Treasury	220 974	-14 771	206 203	205 058	202 808	202 808	98.9%	–	2 250	1.1%
Economic Development	402 215	2 020	404 235	404 235	390 844	390 844	96.7%	–	13 391	3.3%
<b>Total</b>	<b>33 877 405</b>	<b>503 700</b>	<b>34 381 105</b>	<b>34 139 373</b>	<b>33 920 861</b>	<b>33 920 861</b>	<b>99.4%</b>	<b>-13 245</b>	<b>231 757</b>	<b>0.6%</b>
								<b>Net</b>	<b>218 512</b>	

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

CoE is at R33.9 billion or 99.4 percent against a total available budget of R34.4 billion, the under spending amounts to R218.5 million.

The following departments overspent their COE budget:-

- **Education** – R11.2 million or 0.1 percent.
- **Public works** – R2 million or 0.4 percent. The department has implemented once-off payments on performance bonuses and pay progressions disputes from 2011/12 and 2012/13 financial years.

The following departments have underspent on their COE budget:-

- **Health** – R126.9 million or 1.3 percent due to the non-filling of critical posts and non-payment of performance bonuses.
- **Social Development** – an under spending of R4. 2 million or 0.6 percent.
- **Agriculture** – R23. 4 million or 2. 4 percent
- **Roads and Transport** – R34. 5 million or 3.5 percent due to the non-filling of the critical posts.
- **CoGHSTA** – R17.6 million or 2.5 percent is due to the non-filling of funded vacant posts.
- **Sport , Arts and Culture** – R3.8 million or 3.2 percent due to the non-filling of positions for both conditional grants (Community Library Services and Sport Mass Participation Programme) and the appointment of the Infrastructure Manager.
- **Safety and Security** – R2.9 million or 5.7 percent due to non-filling of vacant funded posts of Manager HR, Admin Officer District coordination and Messenger/Driver.
- **Provincial Treasury** – R2.2 million or 1.1 percent due to non-filling of vacant positions.
- **Economic Development** – R13.4 million or 3.3 percent due to the non-filling of vacant key positions.

## 4.1.2 Goods and Services

**Table 6: Goods and Services budget and expenditure for the period under review**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2014	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	2 172 294	66 158	2 238 452	2 236 263	1 730 048	1 730 048	77.4%	-	506 215	22.6%
Health	2 654 222	136 741	2 790 963	2 931 657	2 988 108	2 988 108	101.9%	-56 451	-	-1.9%
Social Development	184 632	31 151	215 783	209 559	243 734	243 734	116.3%	-34 175	-	-16.3%
Public Works	212 277	-22 911	189 366	174 536	162 618	162 618	93.2%	-	11 918	6.6%
Agriculture	352 254	2 705	354 959	345 869	322 078	322 078	93.1%	-	23 791	6.9%
Roads And Transport	1 304 317	-33 115	1 271 202	827 333	625 078	625 078	75.6%	-	202 255	24.4%
Co-Operative Governance Human Settlements And	154 475	16 348	170 823	168 285	164 699	164 699	97.9%	-	3 686	2.1%
Sport,Art And Culture	113 689	13 790	127 479	127 152	124 744	124 744	98.1%	-	2 408	1.9%
Safety, Security And Liason	18 524	1 452	19 976	19 919	18 500	18 500	92.9%	-	1 419	7.1%
Office of the Premier	95 605	-1 356	94 249	93 199	92 813	92 813	99.6%	-	386	0.4%
Legislature	31 823	12 344	44 167	46 317	44 268	44 268	95.6%	-	2 049	4.4%
Treasury	157 157	11 789	168 946	169 546	148 021	148 021	87.3%	-	21 525	12.7%
Economic Development	165 924	9 595	175 519	174 948	165 745	165 745	94.7%	-	9 203	5.3%
<b>Total</b>	<b>7 617 193</b>	<b>244 691</b>	<b>7 861 884</b>	<b>7 524 583</b>	<b>6 830 454</b>	<b>6 830 454</b>	<b>90.8%</b>	<b>-90 626</b>	<b>784 755</b>	<b>9.2%</b>
								<b>Net</b>	<b>694 129</b>	

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

Overall spending on Goods and Services is at R6.830 billion or 90.8 percent of the total available budget of R7.524 billion. The province recorded under spending of R694.1 million or 9.2 percent at year end.

Departments contributing to the under spending on Goods & Services are:

- **Education** – the department under spent by R506.2 million or 22.7 percent due to delays in finalizing procurement processes.
- **Public Works** – under spent by R11.9 million or 6.8 percent.
- **Agriculture** – R23.8 million or 6.9 percent
- **Roads and Transport** - the department recorded under spending amounting to R202.2 million or 24.4 percent due to late the appointment of road maintenance Professional Service Providers.
- **Sport, Arts and Culture**- under spent by R2.4 million or 1.9 percent as a result of slow spending on both Library services and Mass Sport Participation Conditional grants.
- **Safety, Security and Liaison** –underspend by R1.4 million or 7.1
- **Legislature** – R2 million or 4.4 percent



- **Provincial Treasury** – under spent by R21.5 million or 12.7 percent due under spending on intervention projects consultant commitments.
- **Economic Development** – R9.2 million or 5.3 percent

The following departments recorded over expenditure:

- **Health** – R56.5 million or 1.9 percent due to payment of accruals.
- **Social Development** – R34.2 million or 16.3 percent

#### 4.1.3 Transfers and subsidies

**Table 7: Transfers and Subsidies and Services per department**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2014	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Education	1 058 416	-1 602	1 056 814	1 059 003	1 087 653	1 087 653	102.7%	-28 650	-	-2.7%
Health	422 423	40 291	462 714	557 454	509 673	509 673	91.4%	-	47 781	8.6%
Social Development	414 820	-9 625	405 195	406 419	374 459	374 459	92.1%	-	31 960	7.9%
Public Works	52 656	3 000	55 656	55 656	49 513	49 513	89.0%	-	6 143	11.0%
Agriculture	158 413	30 906	189 319	200 637	221 104	221 104	110.2%	-20 467	-	-10.2%
Roads And Transport	991 563	281 106	1 272 669	1 178 269	1 175 448	1 175 448	99.8%	-	2 821	0.2%
Co-Operative Governance Human Settlement	1 337 739	2 891	1 340 630	696 410	306 629	306 629	44.0%	-	389 781	56.0%
Sport,Art And Culture	560	8 822	9 382	9 382	4 233	4 233	45.1%	-	5 149	54.9%
Safety,Security And Liason	-	-	-	529	528	528	99.8%	-	1	0.2%
Office of the Premier	8 516	-869	7 647	9 697	9 704	9 704	100.1%	-7	-	-0.1%
Legislature	53 535	14 572	68 107	70 127	70 599	70 599	100.7%	-472	-	-0.7%
Treasury	3 700	-193	3 507	4 052	4 047	4 047	99.9%	-	5	0.1%
Economic Development	491 187	9 045	500 232	500 819	499 872	499 872	99.8%	-	947	0.2%
<b>Total</b>	<b>4 993 528</b>	<b>378 344</b>	<b>5 371 872</b>	<b>4 748 454</b>	<b>4 313 462</b>	<b>4 313 462</b>	<b>90.8%</b>	<b>-49 596</b>	<b>484 588</b>	<b>9.2%</b>
								<b>Net</b>	<b>434 992</b>	

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

The province spent R4.3 billion or 90.8 percent of the total available budget of R4.7 billion on Transfers and subsidies. The following departments recorded overspending:-

- **Education** – overspent by R28.6 million or 2.7 percent due to the payment of the leave gratuities within Programme 2.
- **Agriculture** – overspend by R20. 4 million or 10.2 percent
- **Legislature** – R0.472 million or 0.7 percent

The under spending departments were as follows:

- **Health** – R47.7 million or 8.6 percent due to non-payment of leave gratuities.
- **Social Development**- under spent by R31.9 or 7.9 percent due to delays in the finalization of Municipal bills due to Polokwane and Mopani district.

- **Public Works** - R6.1 million or 11.0 percent
- **Roads and Transport** – R2.8 million or 0.2 percent due to non-compliance by public entities thus causing delay in transferring funds in relation to the 2012/13 projects.
- **CoGHSTA** - under spent by R389.7 million or 56 percent due to delays in the housing procurement and payment processes – Integrated Human Settlements
- **Sport, Arts and Culture** – R5.1 million or 54.9 percent

#### 4.1.3 Payment for Capital Assets

**Table 8: Payment for Capital Assets per department as at 31 March 2014**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Mar 2014	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	928 836	142 061	1 070 897	1 070 897	1 143 447	1 143 447	106.8%	-72 550	–	-6.8%
Health	502 043	-3 390	498 653	484 535	309 032	309 032	63.8%	–	175 503	36.2%
Social Development	113 840	-18 590	95 250	95 250	54 386	54 386	57.1%	–	40 864	42.9%
Public Works	56 152	5 239	61 391	76 221	68 122	68 122	89.4%	–	8 099	10.6%
Agriculture	66 758	822	67 580	65 352	49 523	49 523	75.8%	–	15 829	24.2%
Roads And Transport	222 126	-14 750	207 376	124 159	77 807	77 807	62.7%	–	46 352	37.3%
Co-Operative Governance Human Settlements And	6 153	2 129	8 282	8 320	5 430	5 430	65.3%	–	2 890	34.7%
Sport,Art And Culture	22 813	6 307	29 120	27 149	13 749	13 749	50.6%	–	13 400	49.4%
Safety,Security And Liason	2 574	-452	2 122	2 179	2 177	2 177	99.9%	–	2	0.1%
Office of the Premier	6 301	6 925	13 226	12 226	11 685	11 685	95.6%	–	541	4.4%
Legislature	1 600	-420	1 180	830	977	977	117.7%	-147	–	-17.7%
Treasury	2 877	3 175	6 052	6 052	3 403	3 403	56.2%	–	2 649	43.8%
Economic Development	14 219	5 217	19 436	19 262	15 821	15 821	82.1%	–	3 441	17.9%
<b>Total</b>	<b>1 946 292</b>	<b>134 273</b>	<b>2 080 565</b>	<b>1 992 432</b>	<b>1 755 559</b>	<b>1 755 559</b>	<b>88.1%</b>	<b>-72 697</b>	<b>309 570</b>	<b>11.9%</b>
								<b>Net</b>	<b>236 873</b>	

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

Expenditure on Payment for Capital Assets is at R1.7 billion or 88.1 percent of the total available budget of R2 billion. Overall the Province under spent by R236.8 million or 11.9 percent. The following departments contributed to the underspending:

- **Health** - R175.5 million or 36.2 percent due to delays in appointment of implementing agents after termination of the PMU contract.
- **Social Development** – R40.8 million or 42.9 percent due to infrastructure delays by implementing agent (IDT)
- **Public works** – R8.099 million or 10.6 percent

- **Agriculture** – R15.8 million or 24.2 percent
- **Roads and Transport** – R46.352 million or 37.3 percent. The under spending due to late deliveries of road block trailers and speed measuring equipment.
- **CoGHSTA** – R2.890 million or 34.7 percent
- **Sport, Arts and Culture** – under spent by R13.4 million or 49.4 percent due to delay regarding the building and maintenance of libraries and the purchase of furniture for completed libraries. The two libraries planned for 2013/14 financial year had not started (Phokoane and Nzhelele).
- **Provincial Treasury** – R2.649 million or 43.8 percent due to slow implementation of Disaster Recovery Plan by SITA and planned vehicles not procured.
- **Economic Development** – under spent by R3.4 million or 17.9 percent.

#### **4.2. Conditional Grants spending**

Table below shows expenditure on conditional grants. Spending is very low at R5.5 billion or 85.6 percent of the total adjusted budget of 6.4 billion.

**Table 9: Provincial Conditional Grants performance**

R thousand	Adjusted Budget	Provincial Actual Payments	Actual Payments as a % of main budget
<b>Agriculture</b>	<b>324 862</b>	<b>325 058</b>	<b>100.1%</b>
Comprehensive Agricultural Support Programme Grant	239 978	247 169	103.0%
Ilima/Letsema Projects Grant	43 845	42 353	96.6%
EPWP Incentive allocation	21 477	19 383	90.3%
Land Care Programme Grant	19 562	16 153	82.6%
<b>Sport, Arts and Culture</b>	<b>122 561</b>	<b>104 544</b>	<b>85.3%</b>
Mass Sport and Recreation Programme	63 554	59 618	93.8%
EPWP Incentive allocation	550	483	87.8%
Community Library Services Grant	58 457	44 443	76.0%
<b>Education</b>	<b>2 569 861</b>	<b>2 468 021</b>	<b>96.0%</b>
HIV and Aids (Life Skills Education) Grant	42 022	13 704	32.6%
Further Education and Training Colleges Grant	377 478	389 029	103.1%
National School Nutrition Programme Grant	932 050	872 786	93.6%
Infrastructure Grant	1 150 062	1 147 022	99.7%
Dinaledi School grant	23 312	8 498	36.5%
Social sector EPWP grant	27 768	34 137	122.9%
EPWP Incentive allocation	3 000	-550	-18.3%
Technical Secondary Schools Recapitalisation Grant	14 169	3 395	24.0%
<b>Health</b>	<b>1 837 575</b>	<b>1 501 209</b>	<b>81.7%</b>
Comprehensive HIV and Aids Grant	911 867	836 232	91.7%
Nursing colleges	15 270	6 925	45.4%
Infrastructure Grant	211 961	122 134	57.6%
Health Professions Training and Development Grant	111 145	97 027	87.3%
EPWP Social Sector	20 964	13 649	65.1%
EPWP Incentive grant	3 000	1 824	60.8%
Health insurance grant	10 652	8 857	83.1%
Hospital Revitalisation Grant	234 680	104 081	44.4%
National Tertiary Services Grant	318 036	310 480	97.6%
<b>Co-operate Governance, Human Settlements and Traditional Af</b>	<b>685 110</b>	<b>294 961</b>	<b>43.1%</b>
Disaster : Flood Damage	12 910	3 321	25.7%
Integrated Housing & Human Settlements Development Grant	669 200	291 640	43.6%
EPWP Incentive allocation	3 000	-	0.0%
<b>Public Works</b>	<b>3 219</b>	<b>3 157</b>	<b>98.1%</b>
Devolution of Property Rate Funds Grant	-	-	0.0%
EPWP incentive grant	3 219	3 157	98.1%
<b>Economic Development</b>	<b>550</b>	<b>550</b>	<b>100.0%</b>
EPWP Incentive grant	550	550	100.0%
<b>Social Develoment</b>	<b>8 985</b>	<b>8 915</b>	<b>99.2%</b>
EPWP Incentive grant	8 985	8 915	99.2%
<b>Roads and Transport</b>	<b>873 248</b>	<b>791 862</b>	<b>90.7%</b>
Infrastructure Grant	572 344	502 589	87.8%
EPWP Incentive grant	25 972	14 341	55.2%
Public Transport Operations Grant	274 932	274 932	100.0%
<b>Total</b>	<b>6 425 971</b>	<b>5 498 277</b>	<b>85.6%</b>

#### **4.2.1 Agriculture**

The department has spent R325 million or 100.1 percent of the total adjusted budget of R324.9 million as follows:

**CASP** – spent R247.2 million or 103 percent of the total budget of R239.9 million.

**EPWP incentive** – spent R19.4 million or 90.3 percent – the under spending is due to the delays in the signing of projects agreements and employment contracts on projects.

**Land Care** – spent R16.2 million or 82.6 percent. Low spending is due to delayed delivery of material by the Service providers to be utilized in different projects.

**Letsema** – spent R42.3 million or 96.6 percent due to delays in submission of invoices by service providers and cancellation of orders due to non-delivery of services.

#### **4.2.2 Sport, Arts and Culture**

Overall expenditure is at R104.5 million or 85.3 percent

**Library Services** – spending is at 76.0 percent or R44.4 million. Delay in the appointment of contractors for two libraries planned for the 2013/14. Contractors have been appointed in February 2014.

**Mass Sport Participation** – Spending is at 93.8 percent or R59.6 million of the total budgets of R63.5 million. The slow spending was caused by the lack of contract for the procurement of Apparels and Sporting Attire.

**EPWP Incentive** – Spending is at R0.483 million or 87.8 percent.

#### **4.2.3 Education**

Overall spending by the department is at R2.468 billion or 96.0 percent of the total budget of R2.569 billion.

**HIV/AIDS** – spent R13.7 million or 32.6 percent of the total budget of R42.0 million. Delay in procuring goods and services by the SCM processes.

**Further Education and Training** – spent R389 million or 103.1 percent of the total budget of R377.5 million. Funds allocated for compensation of employees are not sufficient for the financial year. DHET has been informed about the shortfall.

**National School Nutrition** – spent R872.8 million or 93.6 percent of the total budget of R932.0 million.

**Provincial Infrastructure** – spent of R1.147 billion or 99.7 percent of the total budget of R1.150 billion.

**Dinaledi School** – spent R8.5 million or 36.5 percent due to poor procurement processes.

**Technical Secondary School Recap** – spent R3.4 million or 24 percent, due to late submission of invoices by service providers for training and delay in procurement process of machinery and equipment.

**EPWP Social Grant** – spent R34.1 million or 122.9 percent of R27.8 million budget. The over expenditure is as a result of misallocation.

**EPWP Incentive to Provinces** - no spending under the grant due to delay in finalizing the contract with the African Youth Council.

#### **4.2.4 Health**

Overall spending on Conditional Grant is R1. 5 billion or 81.7 percent of the total budget of R1.8 billion.

**HIV and AIDS (91.7%)** - under spending due to:

- Vacant posts not filled
- Data capturers approved for level 4 absorption on 30 Dec 2013, they are currently paid a R2000 monthly stipend 7 deputy managers (PNA8) & 1 State Accountant posts advertised during Nov-Dec 2013.
- Slow-payment of Pharmaceutical supplies
- Drugs supply for December 2013 not paid (R17 million)
- Tests kits invoices not provided

**Social Sector EPWP Social Grant (65.1%)** - the under spending is due to the conditions to spend 65% of the grant on old projects and 35% on new projects.

**National Health Insurance (83.1%)** - the low spending is due to delay on the procurement of the referral system.

**National Tertiary Services Grant (97.6%)** – low spending is due to misallocation.

**Health Professionals Training and Development Grant (87.3%)**.

**Nursing Colleges Grant (45.4 %)** - Nursing colleges PPP project outstanding site information with regard to the zoning, title deeds and land claims resulting in delays in implementation.

**Hospital Revitalization Grant (44.4%)** - Non-appointment of contractors resulted in under spending on both Hospital Revitalization and Health Infrastructure Grants.



#### 4.2.5 CoGHSTA

Overall spending is at R294.9 million or 43.1 percent of the total available budget of R685 million. Spending is mainly on the Integrated Housing & Human Settlements Development Grant. The low spending is due to review of procurement processes of housing grant and delayed payment of contractors.

**Disaster: Flood damage:** spent R3.3 million or 25.7 percent of the total budget of R12.9 million.

**EPWP incentives:** No spending was incurred.

#### 4.2.6 Public Works

**Devolution of Property Rates** The spending is at R2.7 million or 92 percent of the total budget of R3 million.

#### 4.2.7 Economic Development, Environment and Tourism

**EPWP Incentive grant** – Spending is at R550 or 100 percent.

#### 4.2.8 Social Development

Spending is at R8.9 million or 99.2 percent of the total budget of R8.9 million.

#### 4.2.9 Roads and Transport

Overall spending is at R791.9 million or 90.7 percent. Overall spending is low due to delay in appointment of PSP's and lack of clarity on procurement method to be followed.

**Infrastructure grant-** Spending is at R502.6 million or 87.8 percent. Delays in completing designs for the department to advertise bids for Roads Preventative Maintenance, Community Based Programme project and access roads is the cause of under spending. 22 road maintenance projects have been advertised and closed in October 2013 and were evaluated, and awarded within March 2014.

**EPWP grant** – Spending is at R14.3 million or 55.2 percent. The under spending is due to delay in the appointment of beneficiaries as well as the procuring of materials and uniforms to be utilized when performing Community based programme projects.

**Public Transport Operation Grant** – Spending is at R274.9 million or 100 percent of the total adjusted budget of R274.9 million

## 5. Provincial own revenue

**Table 10: Provincial Own Revenue performance**

REVENUE COLLECTION AS AT MARCH 2014										
Departments	Main appropriation	Adjustment budget	Projections to March 2014	Projected outcome	Actual to March 2013	Actual collection as % of the budget	Over / Under Collection	Previous yr Adjusted budget 2012/13	Previous yr Actual to March 2013	Actual collection as % of the budget
Office of the Premier	654	654	654	1 345	1 345	205.7%	691	1 440	1 822	126.5%
Provincial Legislature	257	257	257	176	176	68.5%	-81	374	322	86.1%
Education	44 612	44 612	44 612	40 002	40 002	89.7%	-4 610	43 088	41 844	97.1%
Agriculture	9 316	9 316	9 316	5 036	5 036	54.1%	-4 280	11 351	6 231	54.9%
Provincial Treasury	1 366	137 090	137 090	190 995	190 995	139.3%	53 905	1 431	124 373	8691.3%
Economic Development	60 577	77 506	77 506	97 257	97 257	125.5%	19 751	51 881	50 035	96.4%
Health	120 708	120 708	120 708	109 161	109 161	90.4%	-11 547	116 751	130 619	111.9%
Roads and Transport	356 456	356 456	356 456	345 535	345 535	96.9%	-10 921	292 439	301 569	103.1%
Public Works	28 797	28 797	28 797	27 617	27 617	95.9%	-1 180	23 482	34 600	147.3%
Safety & Security	873	82	82	362	362	441.8%	280	112	349	311.6%
Co-operative governance	2 500	2 500	2 500	4 562	4 562	182.5%	2 062	4 500	6 771	150.5%
Social Development	2 511	2 511	2 511	3 832	3 832	152.6%	1 321	2 391	3 271	136.8%
Sport, Arts & Culture	910	910	910	1 108	1 108	121.8%	198	1 259	1 448	115.0%
<b>Total provincial receipts</b>	<b>629 537</b>	<b>781 399</b>	<b>781 399</b>	<b>826 988</b>	<b>826 988</b>	<b>105.8%</b>	<b>45 589</b>	<b>550 499</b>	<b>703 254</b>	<b>127.7%</b>

### 5.1. The table above reflects Own Provincial Revenue receipts as at 31 March 2014

Original Provincial own revenue target was R629.5 million and increased to R781.4 million. As at 31 March 2014 the Actual Provincial own revenue collection is R827 million or 105.8 percent of the total adjusted provincial budget of R781.4. Overall the province has over collected by R45.6 million or 5.8 percent mainly contributed by Provincial Treasury and Economic development due to more collection of interest received and transfer of own revenue and unspent funds by Public entities respectively.

#### Seven (7) departments collected above their set monthly projections:

##### 5.1.1. Provincial Treasury (Target R137.1 million)

The department collected R190.9 million or 139.3 percent against set target of R137.1 million. Over collection of R53.9 million is due to collection of more interest earned on bank balances than anticipated.

##### 5.1.2 Economic Development (Target R77.5 million)

As at 31 March 2014 the department collected R97.3 million or 125.5 percent compared to revised budget of R77.5 million. The over collection of R19.8 million is due to surrender of unspent and surplus funds by Public Entities as well as transfer of revenue generated by schedule 3C Public entities into the Provincial Revenue Fund.

### **5.1.3. Social Development (Target R2.5 million)**

The department collected R3.8 million or 152.6 percent against the budget of R2.5 million due to more collection of commission on insurance, parking fee as well as increased recovery of previous year's debts.

### **5.1.4. Office of the premier (Target R0.654 million)**

An amount of R1.3 million or 205.7 percent has been collected against budget of R0.654 million. Collection above the target is due to once off recovery of debts and sale of capital assets.

### **5.1.5. Safety, Security and Liaison (Target R0.082 million)**

The department collected R0.362 million or 441.8 percent against budget of R0.082. Over collection is due to more collection of commission on insurance and recovery of debts.

### **5.1.6. Co-operative Governance (Target R2.5 million)**

Collection as at March 2014 is R4.5 million or 182.5 percent against budget of R2.5 million. Over collection is due to transfers received from National Department of Housing as an award for best performing department.

### **5.1.7. Sport, Arts and Culture (Target R0.910 million)**

Actual collection is R1.1 million or 121.8 percent against a budget of R0.910 million. Over collection is mainly due to once off sale of capital assets.

## **Six (6) departments collected below their projections**

### **5.1.8. Provincial Legislature (Target R0.257 million)**

Provincial Legislature actually collected an amount of R0.176 or 68.5 percent compared to a budget of R0.257 million. Under collection is mainly on sale of capital assets.

### **5.1.9. Health (Target R120.7 million)**

The department collected R109.2 million or 90.4 percent compared to budget of R120.7 million. The under collection of R11.5 million is mainly due to slow recovery of patient fee debts (mainly RAF).

### 5.1.10. Roads and Transport (Target R356.5 Million)

The department has collected R345.5 million or 96.9 percent against the budget of R356.5 million. Under collection is due to less collection of traffic fines, implementation of reduced tariffs for operating licenses and non-transfer of motor vehicle licence fees by some municipalities.

### 5.1.11. Education (Target R44.6 Million)

The department collected R40.0 million or 89.7 percent against budget of R44.6 million. Collection is below target mainly because of less collection of commission on insurance and poor recovery debts.

### 5.1.12. Public Works (Target R28.8 million)

The department collected R27.6million or 95.9 percent against a budget of R28.8 million. The collection is below target due to late implementation of PSCB resolution on the collection of rental dwellings.

### 5.1.13. Agriculture (Target R9.3 million)

The department collected R50.0 million or 54.1 percent compared to budget of R9.3 million. The under collection of R4.3 million was mainly due to low sales of capital assets, and agricultural produce.

## 5.2. Own revenue per economic classification

**Table 11: Provincial Own Revenue per economic classification**

REVENUE COLLECTION AS AT MARCH 2014										
Economic Classification	Main appropriation	Adjustment budget	Projections to March 2014	Projected outcome	Actual to March 2013	Actual collection as % of the budget	Over / Under Collection	Previous yr Adjusted budget 2012/13	Previous yr Actual to March 2013	Actual collection as % of the budget
Tax receipts	320 336	325 264	325 264	317 281	317 281	97.5%	-7 983	261 317	280 356	107.3%
Sales of goods and services - non capital assets	218 550	226 211	226 211	207 074	207 074	91.5%	-19 137	205 845	199 716	97.0%
Transfers received from:	-	-	-	2 003	2 003		2 003	-	47	
Fines, penalties and forfeits	47 686	47 748	47 748	42 629	42 629	89.3%	-5 119	39 424	36 924	93.7%
Interest, dividend and rent on	416	135 429	135 429	190 919	190 919	141.0%	55 490	285	123 701	43403.9%
Sales of capital assets	14 077	15 502	15 502	28 370	28 370	183.0%	12 868	16 056	16 050	100.0%
Revenue financial assets	28 472	31 245	31 245	38 713	38 713	123.9%	7 468	27 572	46 460	168.5%
<b>Total departmental receipts</b>	<b>629 537</b>	<b>781 399</b>	<b>781 399</b>	<b>826 988</b>	<b>826 988</b>	<b>105.8%</b>	<b>45 589</b>	<b>550 499</b>	<b>703 254</b>	<b>127.7%</b>

### **5.2.1. Tax receipts (Target R325.3million)**

An amount of R317.3 million or 97.5 percent has been collected against revised budget of R325.3 million. Under-collection of R7.9 million is mainly on motor vehicle license by department of Roads & Transport because of non-transfer of motor vehicle license fees by municipalities.

### **5.2.2. Sale of goods & services non capital assets (Target R226.2 million)**

As at 31 March 2014 collection is R207.1 million or 91.5 percent against revised projections of 226.2 million. Under collection of R19.1 million is mainly on patient fees by the Department of Health.

### **5.2.3. Fines, penalties and forfeits (Target R47.7 million)**

Fines, penalties and forfeits collected R42.6 million or 89.3 percent against projections of R47.7 million. This is mainly due to commission of R7.2 million paid to service provider for collection of outstanding traffic fines by Department of Roads and Transport. The contract is expiring in June 2014.

### **5.2.4. Interest, dividend and rent on land (Target R135.4 million)**

Collection as at 31 March 2014 is R190.7 million or 140.8 percent against revised projections of R134.4 million. Over collection is as a result of more collection of interest on bank balances by Provincial Treasury.

### **5.2.5. Sale of capital assets (Target R15.2 million)**

As at 31 March 2014 the item collected R28.3 million or 183.0 percent against projections of R15.5 million. Collection above projections is due to auction sale of capital assets mainly by Roads and Transport, Education and Health.

### **5.2.6. Financial transactions in assets and liabilities (Target R31.2 million)**

Collection as at 31 March 2014 amounts to R38.7 million or 123.9 percent against projections of R31.2 million. Over collection is due to improved recovery of previous year's debts.

## 6. Infrastructure spending

**Table12: Provincial Budget and Expenditure Comparisons over three Financial Years (2011/12, 2012/13 and 2013/14) as at 31 March 2014**

Infrastructure Expenditure Comparison as at 31 March year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>Education</b>	1 254 303	965 810	1 150 062	1 222 106	568 478	1 133 198	97%	59%	99%
Current	24 805	104 191	225 077	20 982	79 292	47 711	85%	76%	21%
Capital	1 229 498	861 619	924 985	1 201 124	489 186	1 085 487	98%	57%	117%
<b>Agriculture</b>	230 196	183 187	187 558	216 377	104 643	115 280	94%	57%	61%
Current	15 178	6 690	4 856	12 454	418		82%	6%	0%
Capital	215 018	176 507	182 702	203 923	104 225	115 280	95%	59%	63%
<b>Health</b>	1 032 023	1 249 673	641 095	839 235	1 136 447	356 373	81%	91%	56%
Current	102 825	171 144	179 184	75 618	92 793	123 233	74%	54%	69%
Capital	929 198	1 078 529	461 911	763 619	1 043 654	233 140	82%	97%	50%
<b>Roads and Transport</b>	2 316 101	2 415 981	2 425 521	2 104 137	1 653 408	1 330 381	91%	68%	55%
Current	1 243 944	1 057 279	1 339 152	1 083 199	617 083	1 007 441	85%	58%	75%
Capital	1 072 157	1 358 702	1 086 369	1 040 938	1 036 345	322 940	97%	76%	30%
<b>Social Development</b>	87 585	70 266	80 639	85 459	75 315	41 616	98%	107%	52%
Current	9 000	-		87			1%		
Capital	78 585	70 266	80 639	85 372	75 315	41 616	109%	107%	52%
<b>Sports, Arts and Culture</b>	48 996	50 434	26 075	29 933	33 512	13 189	61%	66%	51%
Current	5 000	4 173	2 658	-		2 526	0%	0%	95%
Capital	43 996	46 261	23 417	29 933	33 512	10 663	68%	72%	46%
<b>CoGH STA</b>	1 533 214	1 638 167	697 028	1 263 841	1 315 641	306 629	82%	80%	44%
Current									
Capital	1 533 214	1 638 167	697 028	1 263 841	1 315 641	306 629	82%	80%	44%
<b>LEDET</b>			53 102			20 297			38%
Current			13 598			4 756			35%
Capital			39 508			15 541			39%
<b>Public Works</b>	51 147	55 245	39 101	28 782	18 183	29 464	56%	33%	75%
Current	3 600	4 850	8 449	3 192	3 043	6 271	89%	63%	74%
Capital	47 547	50 395	30 652	25 590	15 140	23 193	54%	30%	78%
<b>TOTAL</b>	<b>6 553 565</b>	<b>6 628 763</b>	<b>5 300 181</b>	<b>5 789 870</b>	<b>4 905 627</b>	<b>3 346 427</b>	<b>88%</b>	<b>74%</b>	<b>63%</b>
Subtotal (Current)	1 404 352	1 348 317	1 772 972	1 175 530	792 609	1 191 938	84%	59%	67%
Subtotal (Capital)	5 149 213	5 280 446	3 527 209	4 614 340	4 113 018	2 154 489	90%	78%	61%

The overall Provincial Infrastructure budgets are reducing year on year and expenditure deteriorates each year. The overall Provincial Infrastructure under expenditure impact on service delivery.



The Provincial Infrastructure Budget is primarily funded by Conditional Grants representing seventy eight percent (78%) of the entire budget. The withholding of R1.290 billion had quite a huge impact on the Provincial Infrastructure Budget.

The Provincial Infrastructure Expenditure shows a decline over the three financial years as at March.

The Provincial Infrastructure Expenditure as at 31 March is recorded as follows:

88% - 2011/12  
74% - 2012/13  
63% - 2013/14

All departments have been poorly spending as at 31 March 2014, except for Education

The departments with the lowest expenditure as at 31 March 2014 are LEDET and CoGHSTA at thirty eight percent (38%) and forty four percent (44%), respectively.

**Table 13: Infrastructure Projected Expenditure Comparisons over three Financial Years (2011/12, 2012/13 and 2013/14) as at 31 Marh 2014.**

Infrastructure Expenditure (Over/Under) Comparison as at 31 March year-on-year												
Department	Budget (R000)			Actual Expenditure (R000)			Projected Expenditure for remainder of FY (R000)			Over/Under Expenditure		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>Education</b>	1 254 300	965 810	1 150 062	1 222 106	568 478	1 133 188	-	-	-	32 197	397 332	16 864
Current	24 805	104 191	225 077	20 982	79 292	47 711	-	-	-	3 823	24 899	177 366
Capital	1 229 495	861 619	924 985	1 201 124	489 186	1 085 487	-	-	-	28 374	372 433	-160 502
<b>Agriculture</b>	200 196	183 187	187 558	216 377	104 643	115 280	-	-	-	13 819	78 544	72 278
Current	15 178	6 680	4 886	12 484	418	-	-	-	-	2 724	6 262	4 886
Capital	215 018	176 507	182 672	203 893	104 225	115 280	-	-	-	11 095	72 282	67 422
<b>Health</b>	1 032 023	1 245 673	641 095	839 235	1 106 447	356 373	-	-	-	192 788	113 226	284 722
Current	102 828	171 144	179 184	78 616	92 793	123 233	-	-	-	27 209	78 351	55 951
Capital	929 195	1 074 529	461 911	760 619	1 013 654	233 140	-	-	-	165 579	34 875	228 771
<b>Roads and Transport</b>	2 316 101	2 347 769	2 425 521	2 104 137	1 653 408	1 330 381	-	-	-	211 964	694 361	1 095 140
Current	1 243 944	1 066 826	1 339 152	1 063 199	617 063	1 007 441	-	-	-	180 745	449 763	331 711
Capital	1 072 157	1 280 943	1 086 369	1 040 938	1 036 345	322 940	-	-	-	31 219	244 598	763 429
<b>Social Development</b>	87 585	70 266	80 639	85 459	75 315	41 616	-	-	-	2 126	-5 049	39 028
Current	9 000	-	-	87	-	-	-	-	-	8 913	-	-
Capital	78 585	70 266	80 639	85 372	75 315	41 616	-	-	-	-6 787	-5 049	39 028
<b>Sport, Arts and Culture</b>	43 996	50 434	26 075	29 933	33 512	13 189	-	-	-	13 853	16 922	12 886
Current	5 000	4 173	2 658	-	-	2 526	-	-	-	5 000	4 173	132
Capital	43 996	46 261	23 417	29 933	33 512	10 663	-	-	-	14 063	12 749	12 754
<b>CoGHSTA</b>	1 533 214	1 638 167	697 028	1 263 841	1 315 641	306 629	-	-	-	269 373	322 526	390 399
Current	-	-	-	-	-	-	-	-	-	-	-	-
Capital	1 533 214	1 638 167	697 028	1 263 841	1 315 641	306 629	-	-	-	269 373	322 526	390 399
<b>LEDET</b>	-	-	53 102	-	-	20 297	-	-	-	-	-	32 805
Current	-	-	13 596	-	-	4 756	-	-	-	-	-	8 840
Capital	-	-	39 506	-	-	15 541	-	-	-	-	-	23 965
<b>Public Works</b>	51 147	55 245	38 101	28 782	18 183	29 464	-	-	-	22 365	37 062	9 637
Current	3 600	4 850	8 449	3 192	3 043	6 271	-	-	-	408	1 807	2 178
Capital	47 547	50 395	30 652	25 590	15 140	23 193	-	-	-	21 957	35 255	7 459
<b>GRAND TOTAL</b>	<b>6 553 565</b>	<b>6 560 551</b>	<b>5 300 181</b>	<b>5 789 870</b>	<b>4 905 627</b>	<b>3 346 427</b>	-	-	-	<b>763 685</b>	<b>1 654 924</b>	<b>1 953 754</b>
<b>Subtotal (Current)</b>	<b>1 404 352</b>	<b>1 357 864</b>	<b>1 772 972</b>	<b>1 175 530</b>	<b>792 609</b>	<b>1 191 938</b>	-	-	-	<b>228 823</b>	<b>585 253</b>	<b>581 034</b>
<b>Subtotal (Capital)</b>	<b>5 149 213</b>	<b>5 202 687</b>	<b>3 527 209</b>	<b>4 614 340</b>	<b>4 113 018</b>	<b>2 154 489</b>	-	-	-	<b>534 862</b>	<b>1 069 671</b>	<b>1 372 720</b>

**Table 14: Infrastructure Under-Over Expenditure comparison as at 31 March year-on-year**

The province had underspent its infrastructure budget for the past three financial years. The major problem is that the under spending does not only happen in a single department, but throughout most departments.

**Limpopo Infrastructure Conditional Grants Expenditure as at 31 March 2014**

Department	Number of Projects	Adjusted Budget (R'000)	Provincial Actual Payments (R'000)	Actual Payments as a % of Budget
<b>Agriculture</b>	<b>179</b>	<b>116 344</b>	<b>76 173</b>	<b>65%</b>
Comprehensive Agricultural Support Programme Grant	179	116 344	76 173	65%
<b>Sport, Arts and Culture</b>	<b>40</b>	<b>26 075</b>	<b>13 189</b>	<b>51%</b>
Community Library Service Grant	40	26 075	13 189	51%
<b>Education</b>	<b>2 226</b>	<b>1 141 531</b>	<b>1 130 778</b>	<b>99%</b>
Education Infrastructure Grant	2 209	1 120 974	1 110 221	99%
FET Colleges	1	326	326	100%
Technical Secondary Schools Recapitalisation Grant	16	20 231	20 231	100%
<b>Health</b>	<b>210</b>	<b>443 935</b>	<b>233 140</b>	<b>53%</b>
Health Facility Revitalisation Grant - HIG Component	75	210 307	122 134	58%
Health Facility Revitalisation Grant - HRG Component	77	218 358	104 081	48%
Health Facility Revitalisation Grant - NCSG Component	58	15 270	6 925	45%
<b>CoGHSTA</b>		<b>697 028</b>	<b>306 629</b>	<b>44%</b>
Integrated Housing & Human Settlements Development Grant		697 028	306 629	44%
<b>Roads and Transport</b>	<b>126</b>	<b>949 075</b>	<b>491 332</b>	<b>52%</b>
Provincial Roads Maintenance Grant	126	949 075	491 332	52%
<b>Total</b>	<b>2 781</b>	<b>3 373 988</b>	<b>2 251 241</b>	<b>67%</b>

Source: IRM March 2014

The overall performance on the conditional grant infrastructure spending is poor for the province at only 67 percent as at 31 March 2014.

The only department that performed well is Education. As these are grants, it is not good for the province given that the failure to spend may result in the withholding and even withdrawal thereby making it difficult for the province to deliver services.

The threat of withholding the grant funding happened in 2013/14, with the departments of Roads and Transport, CoGHSTA and Sport, Arts and Culture being affected. This led to a second adjustment budget being presented and passed by the Legislature during the end of March 2014, days before the end of the financial year.

## 7. Conclusion

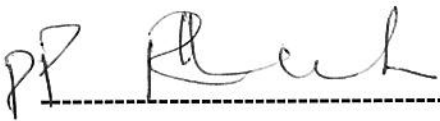
The Province under spends by R1.583 billion or 3.3 percent against the revised budget of R49.697 billion despite the revision of R1.290 billion from the underperforming conditional grants programmes.

Overall conditional grants spending as at end of March 2014 amounts to R5.498 billion or 85.6 percent against the adjusted allocated budget of R6.425 billion.

Overall infrastructure spending was low at only R3.3 billion or 63 percent of the budgeted amount of R5.3 billion

Overall conditional grants infrastructure spending as at end of March 2014 amounts to R2.2 billion or 67 percent against the adjusted allocated budget of R3.3 billion.

The own revenue collected by the Limpopo Province as at end of March 2014 is at R826.9 million, which is 105.8 percent of the target amount of R781.4 million for 2013/14 financial year.



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**Gavin Pratt CA (SA)**  
Head of Department  
Provincial Treasury

24/04/2014

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**Date**