



**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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0001**

## **LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 30 APRIL 2014**

### **1. Purpose**

To provide National Treasury with a report on provincial Revenue and Expenditure as at 30 April 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 April 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 2012 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 2014/15 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 spend. Table 3 below provides cash flow projections, actual expenditure and transfers to departments for the month of April 2014.

**Table 1: Cash allocations vs. actual expenditure vs. actual transfer as at 30 April 2014**

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 30 April 2014

Departments	Opening Bank Balances at 1-Apr-14	Cash Allocation 30-Apr-14	Actual Expenditure 30-Apr-14	Tranfers To Departments 30-Apr-14	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount	%	Amount	%
Education	615,023	2,217,994	1,610,875	1,134,839	607,119	27.4%	476,036	29.6%
Health	196,242	1,249,944	945,171	949,618	304,773	24.4%	-4,447	-0.5%
Social Development	48,090	96,260	66,962	71,130	29,298	30.4%	-4,168	-6.2%
Public Works	82,408	60,551	49,331	49,219	11,220	18.5%	112	0.2%
Agriculture	53,306	134,395	84,093	84,641	50,302	37.4%	-548	-0.7%
Roads & Transport	323,345	361,382	83,132	84,405	278,250	77.0%	-1,273	-1.5%
CoGSTHA	176,843	85,387	63,482	60,562	21,905	25.7%	2,920	4.6%
Sport, Arts & Culture	32,062	33,092	9,875	9,938	23,217	70.2%	-63	-0.6%
Safety & Security and Liaison	5,344	8,959	4,963	4,956	3,996	44.6%	7	0.1%
Office of the Premier	2,195	25,668	22,566	22,484	3,102	12.1%	82	0.4%
Provincial Legislature	420	43,411	22,600	24,186	20,811	47.9%	-1,586	-7.0%
Provincial Treasury	43,731	34,544	19,382	19,272	15,162	43.9%	110	0.6%
Economic Development, Environmental & Tourism	34,025	77,236	74,959	74,513	2,277	2.9%	446	0.6%
<b>Total</b>	<b>1,613,034</b>	<b>4,428,823</b>	<b>3,057,391</b>	<b>2,589,763</b>	<b>1,371,432</b>	<b>31.0%</b>	<b>467,628</b>	<b>15.3%</b>

Summary Per Fund

Equitable Share		3,238,416	3,057,391	1,488,769	181,025	5.6%	1,568,622	51.3%
Conditional Grant		1,190,407	-	1,100,994	1,190,407	100.0%	-1,100,994	#DIV/0!
<b>Total</b>		<b>4,428,823</b>	<b>3,057,391</b>	<b>2,589,763</b>	<b>1,371,432</b>	<b>31.0%</b>	<b>467,628</b>	<b>15.3%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R1.4 billion or 31.0 per cent. It should be clear that the under-spending has nothing to do with availability of cash or Treasury interruptions as Treasury has given cash allocations and processes well upfront.

On the other hand transfers to departments were R467.6 million or 15.3 per cent less than actual expenditure. The reason for transferring less funds than was required is due to the huge opening favourable PMG bank balances at the beginning of the financial year.

### 3.3 Month-end Bank Balances

**Table 2: Month-end Provincial Bank Balance – April 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	2,140											
Legislature	2,895											
Education	57,648											
Agriculture	18,712											
Treasury	20,293											
LEDET	33,460											
Health	324,113											
Roads & Transport	37,184											
Public Works	4,501											
Safety, Security & Liaison	1,384											
CoGHSTA	169,198											
Social Development	10,737											
Sports	2,770											
<b>Sub-Total PMGs</b>	<b>685,035</b>	-	-	-	-	-	-	-	-	-	-	-
Exchequer Account	132,762											
<b>Group Balance</b>	<b>817,797</b>	-	-	-	-	-	-	-	-	-	-	-
CPD Investment Account (Reserve Bank)	3,621,456											
<b>Total Available Cash Balance</b>	<b>4,439,253</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Revenue Fund closing balance(CPD plus Exchequer Accounts)</b>												
Equitable Share	3,101,135	-	-	-	-	-	-	-	-	-	-	-
Conditional Grant	653,083											
<b>Total</b>	<b>3,754,218</b>	-	-	-	-	-	-	-	-	-	-	-

The payments processes put in place are to ensure that all payments to suppliers/payees released as per schedule are effected on the action date of the relevant tapes released. The objective is to enhance cash management and that suppliers receive payments as per the payments stubs. This also assists the province in maintaining smaller cash balances in commercial bank accounts where lower interest is earned and to optimize interest returns in the CPD (Provincial account in South African Reserve Bank) account.

At the end of April 2014 the province had a total favorable bank balance of R4.4 billion comprising R3.6 billion in the CPD account and R817.7 million 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**

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 (FNB)	-												
Commercial Bank (SBSA)	5,264												5,264
CPD (SA Reserve Bank)	12,273												12,273
<b>Total</b>	<b>17,537</b>	-	-	-	-	-	-	-	-	-	-	-	<b>17,537</b>

INTEREST EARNED : 2012/13 FINANCIAL YEAR  
R'000

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												2,277
Commercial Bank (SBSA)	-												-
CPD (SA Reserve Bank)	7,937												7,937
<b>Total</b>	<b>10,214</b>	-	-	-	-	-	-	-	-	-	-	-	<b>10,214</b>

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 grows from R10.2 million in 2013/14 to R17.5 million for 2014/15. Interest earned in the CPD account alone grew from R7.9 million to R12.2 million.

#### 4. Provincial overall expenditure as at 30 April 2014

**Table 4: Limpopo Budget and expenditure**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Apr 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
<b>R thousand</b>										
Education	24 965 895	-	24 965 895	24 965 895	24 965 895	1 610 875	6.5%	-	-	0.0%
Health	14 371 045	-	14 371 045	14 371 045	14 371 045	945 171	6.6%	-	-	0.0%
Social Development	1 468 887	-	1 468 887	1 468 887	1 468 887	66 962	4.6%	-	-	0.0%
Public Works	928 600	-	928 600	928 600	928 600	49 331	5.3%	-	-	0.0%
Agriculture	1 602 228	-	1 602 228	1 602 228	1 602 228	84 093	5.2%	-	-	0.0%
Roads And Transport	3 524 895	-	3 524 895	3 524 895	3 524 895	83 132	2.4%	-	-	0.0%
Co-Operative Governance Human Settlement	2 158 033	-	2 158 033	2 158 033	2 158 033	63 482	2.9%	-	-	0.0%
Sport, Art And Culture	302 358	-	302 358	302 358	302 358	9 875	3.3%	-	-	0.0%
Safety, Security And Liaison	84 402	-	84 402	84 402	84 402	4 963	5.9%	-	-	0.0%
Office Of The Premier	335 616	-	335 616	335 616	335 616	22 566	6.7%	-	-	0.0%
Legislature	248 515	-	248 515	248 515	248 515	22 600	9.1%	-	-	0.0%
Provincial Treasury	357 797	-	357 797	357 797	357 797	19 382	5.4%	-	-	0.0%
Economic Development Environment And To	1 111 277	-	1 111 277	1 111 277	1 111 277	74 959	6.7%	-	-	0.0%
<b>Total</b>	<b>51 459 548</b>	<b>-</b>	<b>51 459 548</b>	<b>51 459 548</b>	<b>51 459 548</b>	<b>3 057 391</b>	<b>5.9%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Economic classification</b>								<b>Net</b>	<b>-</b>	
<b>Current payments</b>	<b>43 744 880</b>	<b>-</b>	<b>43 744 880</b>	<b>43 744 880</b>	<b>43 744 453</b>	<b>2 929 431</b>	<b>6.7%</b>	<b>-</b>	<b>426</b>	<b>0.0%</b>
Compensation of employees	36 111 868	-	36 111 868	36 111 868	36 111 725	2 772 174	7.7%	-	142	0.0%
Goods and services	7 632 607	-	7 632 607	7 632 607	7 632 323	157 257	2.1%	-	284	0.0%
Interest and rent on land	405	-	405	405	405	-	0.0%	-	-	0.0%
<b>Transfers and subsidies</b>	<b>5 488 055</b>	<b>-</b>	<b>5 488 055</b>	<b>5 488 055</b>	<b>5 488 481</b>	<b>126 425</b>	<b>2.3%</b>	<b>-426</b>	<b>-</b>	<b>0.0%</b>
<b>Payments for capital assets</b>	<b>2 226 614</b>	<b>-</b>	<b>2 226 614</b>	<b>2 226 614</b>	<b>2 226 614</b>	<b>1 535</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>of which: NPNC</i>	13 121 067	-	13 121 067	13 121 067	13 121 209	283 682	2.2%	-142	-	0.0%
<b>Total</b>	<b>51 459 548</b>	<b>-</b>	<b>51 459 548</b>	<b>51 459 548</b>	<b>51 459 548</b>	<b>3 057 391</b>	<b>5.9%</b>	<b>-426</b>	<b>426</b>	<b>0.0%</b>
								<b>Net</b>	<b>0</b>	

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

The overall provincial spending for the month of April amounts to R3 billion or 5.9 percent of the total available budget of R51.5 billion while departments projected to spend R3.7 billion or 7.2 percent. Previous year spending was at R3 billion or 6.3 percent of the budget of R47.9 billion. Departments have projected to break-even at the end of the financial year.

The highest expenditure in terms of departments is recorded in Legislature at 9.1 percent, Economic Development and Office of the Premier at 6.7 percent. The lowest spending department is Roads and Transport at 2.4 percent. Most of the expenditure is incurred under Compensation of Employees.

## 4.1. Spending per economic classification

### 4.1.1 Compensation of Employees budget and expenditure

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

Rthousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Apr 2014	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	20 405 986	-	20 405 986	20 405 986	20 405 986	1 596 080	7.8%	-	-	0.0%
Health	10 234 791	-	10 234 791	10 234 791	10 234 790	772 256	7.5%	-	0	0.0%
Social Development	744 526	-	744 526	744 526	744 526	56 989	7.7%	-	-	0.0%
Public Works	615 799	-	615 799	615 799	615 799	46 548	7.6%	-	-	0.0%
Agriculture	1 015 758	-	1 015 758	1 015 758	1 015 758	73 538	7.2%	-	-	0.0%
Roads And Transport	1 078 064	-	1 078 064	1 078 064	1 078 064	74 309	6.9%	-	-	0.0%
Co-Operative Governance Human Settlement	763 429	-	763 429	763 429	763 429	58 060	7.6%	-	-	0.0%
Sport,Art And Culture	135 129	-	135 129	135 129	135 129	9 490	7.0%	-	-	0.0%
Safety,Security And Liason	60 032	-	60 032	60 032	60 039	4 094	6.8%	-7	-	0.0%
Office of the Premier	226 299	-	226 299	226 299	226 299	19 518	8.6%	-	-	0.0%
Legislature	145 674	-	145 674	145 674	145 525	10 677	7.3%	-	149	0.1%
Treasury	234 560	-	234 560	234 560	234 560	17 125	7.3%	-	-	0.0%
Economic Development	451 821	-	451 821	451 821	451 821	33 490	7.4%	-	-	0.0%
<b>Total</b>	<b>36 111 868</b>	<b>-</b>	<b>36 111 868</b>	<b>36 111 868</b>	<b>36 111 725</b>	<b>2 772 174</b>	<b>7.7%</b>	<b>-7</b>	<b>149</b>	<b>0.0%</b>
								<b>Net</b>	<b>142</b>	

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

The overall Compensation of Employees spending is at R2.7 billion or 7.7 percent against the projection of R3 billion or 8.4 percent of total budget of R36.1 billion. The departmental spending pattern is not in line with the projection due to non-payment of salary adjustments and the filling of critical positions.

The highest spending department is Office of the Premier at R19.5 million or 8.6 percent. Provincial Legislature projects an under spending of R0.149 million.

#### 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 30 Apr 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	2 177 001	-	2 177 001	2 177 001	2 177 001	7 630	0.4%	-	-	0.0%
Health	3 134 796	-	3 134 796	3 134 796	3 134 796	99 787	3.2%	-	-	0.0%
Social Development	207 691	-	207 691	207 691	207 691	9 339	4.5%	-	-	0.0%
Public Works	206 410	-	206 410	206 410	206 410	2 466	1.2%	-	-	0.0%
Agriculture	354 008	-	354 008	354 008	354 008	10 570	3.0%	-	-	0.0%
Roads And Transport	779 135	-	779 135	779 135	779 135	4 506	0.6%	-	-	0.0%
Co-Operative Governance Human Settlements And	161 335	-	161 335	161 335	161 335	4 819	3.0%	-	-	0.0%
Sport, Art And Culture	136 034	-	136 034	136 034	136 034	385	0.3%	-	-	0.0%
Safety, Security And Liason	23 114	-	23 114	23 114	23 107	869	3.8%	-	7	0.0%
Office of the Premier	98 305	-	98 305	98 305	98 305	2 898	2.9%	-	-	0.0%
Legislature	39 655	-	39 655	39 655	39 655	471	1.2%	-	-	0.0%
Treasury	117 212	-	117 212	117 212	116 935	1 609	1.4%	-	277	0.2%
Economic Development	197 911	-	197 911	197 911	197 911	11 908	6.0%	-	-	0.0%
<b>Total</b>	<b>7 632 607</b>	<b>-</b>	<b>7 632 607</b>	<b>7 632 607</b>	<b>7 632 323</b>	<b>157 257</b>	<b>2.1%</b>	<b>-</b>	<b>284</b>	<b>0.0%</b>
								<b>Net</b>	<b>284</b>	

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

The overall spending on Goods and Services is at R157.2 million or 2.1 percent against the projection of R377.7 million or 4.9 percent of the total budget of R7.6 billion. The under spending on Goods & Services is due to late uploading of budget. The highest spending department is Economic Development at 6.0 percent. The lowest spending is recorded by Sport and Education at 0.3 and 0.4 percent respectively.

#### 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 30 Apr 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 269 011	-	1 269 011	1 269 011	1 269 011	7 165	0.6%	-	-	0.0%
Health	477 704	-	477 704	477 704	477 704	72 133	15.1%	-0	-	0.0%
Social Development	451 724	-	451 724	451 724	451 724	175	0.0%	-	-	0.0%
Public Works	47 050	-	47 050	47 050	47 050	317	0.7%	-	-	0.0%
Agriculture	159 894	-	159 894	159 894	159 894	-15	0.0%	-	-	0.0%
Roads And Transport	1 324 582	-	1 324 582	1 324 582	1 324 582	4 317	0.3%	-	-	0.0%
Co-Operative Governance Human Settlements	1 230 802	-	1 230 802	1 230 802	1 230 802	603	0.0%	-	-	0.0%
Sport,Art And Culture	5 995	-	5 995	5 995	5 995	-	0.0%	-	-	0.0%
Safety,Security And Liason	-	-	-	-	-	-	-	-	-	-
Office of the Premier	7 269	-	7 269	7 269	7 269	69	0.9%	-	-	0.0%
Legislature	60 556	-	60 556	60 556	60 705	11 452	18.9%	-149	-	-0.2%
Treasury	3 000	-	3 000	3 000	3 277	648	21.6%	-277	-	-9.2%
Economic Development	450 468	-	450 468	450 468	450 468	29 561	6.6%	-	-	0.0%
<b>Total</b>	<b>5 488 055</b>	<b>-</b>	<b>5 488 055</b>	<b>5 488 055</b>	<b>5 488 481</b>	<b>126 425</b>	<b>2.3%</b>	<b>-426</b>	<b>-</b>	<b>0.0%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							<b>Net</b>	<b>-426</b>		

The province spent R126.4 million or 2.3 percent of the total budget of R5.5 billion on Transfers and subsidies against a projection of R138.6 million or 3.4 percent. The highest spending departments are Provincial Treasury, Legislature and Health at 21.6 percent, 18.9 percent and 15.1 percent respectively. The lowest spending departments are Economic Development at 6.6 percent. The remaining departments recorded zero spending.



#### 4.1.3 Payment for Capital Assets

**Table 8: Payment for Capital Assets per department as at 30 April 2014**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 Apr 2014	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 113 897	-	1 113 897	1 113 897	1 113 897	-	0.0%	-	-	0.0%
Health	523 755	-	523 755	523 755	523 755	995	0.2%	-	-	0.0%
Social Development	64 946	-	64 946	64 946	64 946	459	0.7%	-	-	0.0%
Public Works	59 341	-	59 341	59 341	59 341	-	0.0%	-	-	0.0%
Agriculture	72 568	-	72 568	72 568	72 568	-	0.0%	-	-	0.0%
Roads And Transport	343 114	-	343 114	343 114	343 114	-	0.0%	-	-	0.0%
Co-Operative Governance Human Settlements And	2 467	-	2 467	2 467	2 467	-	0.0%	-	-	0.0%
Sport, Art And Culture	25 200	-	25 200	25 200	25 200	-	0.0%	-	-	0.0%
Safety, Security And Liason	1 256	-	1 256	1 256	1 256	-	0.0%	-	-	0.0%
Office of the Premier	3 743	-	3 743	3 743	3 743	81	2.2%	-	-	0.0%
Legislature	2 630	-	2 630	2 630	2 630	-	0.0%	-	-	0.0%
Treasury	3 025	-	3 025	3 025	3 025	-	0.0%	-	-	0.0%
Economic Development	10 672	-	10 672	10 672	10 672	-	0.0%	-	-	0.0%
<b>Total</b>	<b>2 226 614</b>	<b>-</b>	<b>2 226 614</b>	<b>2 226 614</b>	<b>2 226 614</b>	<b>1 535</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
							<b>Net</b>	<b>-</b>	<b>-</b>	

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

The overall expenditure on Payment for Capital Assets is at R1.5 million or 0.1 percent of the total budget of R2.2 billion against the projection of R6.9 million or 0.45 percent. The highest spending department is Office of the Premier at 2.2 percent. The lowest spending departments are Health and Social Development at 0.2 percent and 0.7 percent respectively. The remaining departments recorded zero spending.

## 4.2. Conditional Grants spending

**Table 9: Provincial Conditional Grants performance**

R thousand	Main Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
<b>Agriculture</b>	<b>297 153</b>	<b>4 512</b>	<b>1.5%</b>
Comprehensive Agricultural Support Programme Grant	225 873	4 512	2.0%
Ilima/Letsema Projects Grant	46 062	-	0.0%
EPWP Incentive allocation	15 040	-	0.0%
Land Care Programme Grant	10 178	-	0.0%
<b>Sport, Arts and Culture</b>	<b>142 558</b>	<b>1 259</b>	<b>0.9%</b>
Mass Sport and Recreation Programme	59 446	404	0.7%
EPWP Incentive allocation	2 102	-	0.0%
Community Library Services Grant	81 010	855	1.1%
<b>Education</b>	<b>2 591 846</b>	<b>34 724</b>	<b>1.3%</b>
HIV and Aids (Life Skills Education) Grant	31 085	103	0.3%
Further Education and Training Colleges Grant	404 504	32 509	8.0%
National School Nutrition Programme Grant	991 153	1 875	0.2%
Infrastructure Grant	1 103 048	167	0.0%
Infrastructure Grant (Flood damage)	20 277	-	0.0%
Dinaledi School grant	11 340	-	0.0%
Social sector EPWP grant	13 280	70	0.5%
EPWP Incentive allocation	2 000	-	0.0%
Technical Secondary Schools Recapitalisation Grant	15 159	-	0.0%
<b>Health</b>	<b>1 896 608</b>	<b>40 949</b>	<b>2.2%</b>
Comprehensive HIV and Aids Grant	978 132	27 722	2.8%
Nursing colleges	18 570	-	0.0%
Infrastructure Grant	319 606	753	0.2%
Health Professions Training and Development Grant	116 207	1 491	1.3%
EPWP Social Sector	2 089	44	0.0%
EPWP Incentive grant	2 580	-	0.0%
Health insurance grant	7 000	369	5.3%
Hospital Revitalisation Grant	129 266	199	0.2%
National Tertiary Services Grant	323 158	10 371	3.2%
<b>Co-operate Governance , Human Settlements and Traditional Affairs</b>	<b>1 221 259</b>	<b>-</b>	<b>0.0%</b>
Housing Disaster Management	-	-	0.0%
Disaster : Flood Damage	-	-	0.0%
Integrated Housing & Human Settlements Development Grant	1 195 874	-	0.0%
Human Settlement Development (flood repair)	5 701	-	0.0%
<b>Earmarked additions for the FF mining towns</b>	<b>17 540</b>	<b>-</b>	<b>0.0%</b>
Thabazimbi	7 171	-	0.0%
Greater Tubatse	1 684	-	0.0%
Elias Motsoaledi	3 255	-	0.0%
Lephalale	4 720	-	0.0%
Fetkgomo	710	-	0.0%
Housing Disaster Management	-	-	0.0%
EPWP Incentive allocation	2 144	-	0.0%
<b>Public Works</b>	<b>2 252</b>	<b>-</b>	<b>0.0%</b>
Devolution of Property Rate Funds Grant	-	-	0.0%
EPWP incentive grant	2 252	-	0.0%
<b>Economic Development</b>	<b>2 102</b>	<b>-</b>	<b>0.0%</b>
EPWP Incentive grant	2 102	-	0.0%
<b>Social Development</b>	<b>2 772</b>	<b>-</b>	<b>0.0%</b>
EPWP Incentive grant	2 772	-	0.0%
<b>Roads and Transport</b>	<b>1 423 680</b>	<b>4 037</b>	<b>0.3%</b>
Transport Disaster Management	-	-	0.0%
Infrastructure Grant	1 127 310	5	0.0%
EPWP Incentive grant	291 852	4 032	1.4%
Public Transport Operations Grant	4 518	-	0.0%
<b>Total</b>	<b>7 580 230</b>	<b>85 481</b>	<b>1.1%</b>

The overall expenditure is very low at R85.5 million or 1.1 percent of the total budget of R7.5 billion.

#### **4.2.1 Agriculture**

The department has spent R4.5 million or 1.5 percent of the total budget of R297.1 million.

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

Overall expenditure is at R1.2 million or 0.9 percent. Non filling of vacant posts in both Library and Mass sport participation grants and the delay in the appointment of contractors.

#### **4.2.3 Education**

Overall spending by the department is at R34.7million or 1.3 percent of the total budget of R2.6 billion.

#### **4.2.4 Health**

The overall spending on Conditional Grant is R27.7 million or 2.8 percent of the total budget of R1.8 billion. The highest spending grant is National Health Insurance at R0.369 or 5.3 percent. On average the grant spending in this department is 2.2 percent for the month of April 2014.

#### **4.1.1 Roads and Transport**

Overall spending is at R4.0 million or 0.3 percent. The spending is low due to delay in awarding of bids.

#### **4.1.2 CoGHSTA, Public Works, Economic Development, Environment and Tourism and Social Development** have recorded a zero spending due to amongst others the delay in signing of Service Level Agreements.

## 5. Provincial own revenue

**Table 10: Provincial Own Revenue performance**

Revenue collection as at 30 April 2014							
R thousand	Main appropriation	Projections to April 2014	Projected outcome	Actual to April 2014	collection as % of budget	Over	(Under)
Education	50 704	3 303	50 704	2 668	5.3%		-635
Health	135 572	6 870	135 572	6 034	4.5%		-836
Social Development	2 637	90	2 763	216	8.2%	126	
Public Works	35 698	2 855	35 698	2 250	6.3%		-605
Agriculture	8 497	175	8 497	309	3.6%	134	
Roads and Transport	402 208	18 748	402 208	3 571	0.9%		-15 177
Co-operative governance, Human Resources Development and Social Services	2 925	89	4 479	2 422	82.8%	2 333	
Sport, Arts & Culture	921	31	1 118	234	25.4%	203	
Safety Security & Liaison	77	5	78	6	8.0%	1	
Office of the Premier	658	53	657	52	7.9%		-1
Provincial Legislature	249	9	249	8	3.3%	-1	
Provincial Treasury	143 731	11 949	149 991	18 206	12.7%	6 257	
Economic Development Environmental Affairs and Tourism	84 825	6 171	93 502	604	0.7%		-5 567
<b>Total provincial receipts</b>	<b>868 702</b>	<b>50 348</b>	<b>885 516</b>	<b>36 579</b>	<b>4.2%</b>	<b>9 053</b>	<b>(22 821)</b>
<b>NET</b>							<b>(13 769)</b>

The original Provincial own revenue target is R868.7 million. As at 30 April 2014, an amount of R36.6 million or 4.2 percent has been collected against projection of R50.3 million or 5.8 percent. In overall the province has under collected by R13.7 million which has been mainly contributed by Economic Development, Roads & Transport and Health due to late transfer of revenue collected by public entities and backlog of un-captured receipts (patient fees and motor vehicle licenses). The collection is above that of the previous corresponding period of R31.1 million or 4.0 percent.

### 5.1. Provincial Own revenue per economic classification as at 30 April 2014

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

Tax receipts	373 159	19 147	374 121	2 499	0.7%		-16 648
Sales of goods and services - non capital assets	258 144	15 666	258 670	10 823	4.2%		-4 843
Transfers received from:	-	-	2 000	2 000		2 000	
Fines, penalties and forfeits	50 089	2 244	50 207	875	1.7%		-1 369
Interest, dividend and rent on land	142 741	11 905	150 425	18 359	12.9%	6 454	
Sales of capital assets	13 046	-	13 198	-	0.0%	0	
Revenue financial assets	31 523	1 386	36 894	2 023	6.4%	637	
<b>Total departmental receipts</b>	<b>868 702</b>	<b>50 348</b>	<b>885 516</b>	<b>36 579</b>	<b>4.2%</b>	<b>9 091</b>	<b>(22 859)</b>
<b>NET</b>							<b>(13 769)</b>

#### **5.1.1. Tax receipts (Target R373.2 million)**

An amount of R2.5 million or 0.7 percent has been collected against projections of R19.1 million. The under collection of R16.6 million is mainly on casino taxes and motor vehicle license by departments of Economic Development; and Roads & Transport as a result of late transfer of casino levies by the Gambling board and un-captured receipts on motor vehicle licenses.

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

As at 30 April 2014 collection is R10.8 million or 4.2 percent against projections of R15.7 million. Under collection of R4.8 million is mainly as a result of un-captured patient fee receipts by the Department of Health.

#### **5.1.3. Transfers received (Target R0.0 million)**

An amount of R2 million has been collected by the Department of Cooperative Governance and Human Settlement and Traditional Affairs. This is as a result of erroneous accounting treatment of revenue accrual account. Journal will be past to correct the anomaly.

#### **5.1.4. Fines, penalties and forfeits (Target R50.1 million)**

Fines, penalties and forfeits collected R0.9 million or 1.7 percent against projections of R2.2 million. This is mainly due to backlog of un-captured traffic fines by Department of Roads and Transport.

#### **5.1.5. Interest, dividend and rent on land (Target R142.7 million)**

Collection as at 30 April 2014 is R18.4 million or 12.9 percent against set projections of R11.9 million. Over collection is as a result of more collection of interest earned on bank balances by Provincial Treasury.

#### **5.1.6. Sale of capital assets (Target R13 million)**

No collection is recorded to date. The item is projected to collect from August 2014.

#### **5.1.7. Financial transactions in assets and liabilities (Target R31.5 million)**

Collection as at 30 April 2014 amounts to R2 million or 6.4 percent against projections of R1.4 million. Over collection is due to more recovery of outstanding previous year debts by the department of Health.

## 6. Infrastructure spending

Infrastructure performance is reported through the Infrastructure Reporting Model (IRM). The province experienced challenges with regard to the latest IRM version 7.0 issued by National Treasury to Provinces for implementation in 2014/15 financial year. The National Treasury resolved the issues and re-distributed an updated version of the IRM on 16 May 2014. As a result the provinces were allowed time to import data files and consolidate infrastructure inputs to IYM and submit to National Treasury on 28 May 2014.

## 7. Conclusion

The Province has spent R3.057 billion or 5.9 per cent of the total budget of R51.459 billion. Previous year spending was at R3.052 billion or 6.3 percent of the budget of R47.9 billion. Overall conditional grants spending as at end of April 2014 amounts to R85.5 million or 1.1 percent against the allocated budget of R7.580 billion.

Provincial Treasury has introduced an additional reporting requirement to IYM reporting in order to monitor under performance by departments and isolate conditional grant including provincial earmarked priorities spending in line with business plans.



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



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**Date**