

**LIMPOPO**

**PROVINCIAL GOVERNMENT**

**REPUBLIC OF SOUTH AFRICA**

**PROVINCIAL TREASURY**

**PROVINCIAL 2015/16 THIRD QUARTER  
EXPENDITURE BILATERAL MEETINGS REPORT**

**MARCH 2016**

## Acronyms

❖ AET	- Adult Education and Training
❖ AG	- Auditor General
❖ APP	- Annual Performance Plan
❖ ARV	- Antiretroviral
❖ CASP	- Comprehensive Agricultural Support Programme
❖ CFO	- Chief Financial Officer
❖ CoE	- Compensation of Employees
❖ CPF	- Community Policing Forum
❖ CSF	- Community Safety Forum
❖ DPSA	- Department of Public Service and Administration
❖ DVA	- Domestic Violence Act
❖ EMIS	- Education Management Information System
❖ EPRE	- Estimate of Provincial Revenue and Expenditure
❖ EPRE	- Estimates of Provincial Revenue and Expenditure
❖ EPWP	- Expanded Public Works Programme
❖ GPW	- Government Printer Works
❖ HIV	- Human Immunodeficiency Virus
❖ HR	- Human Resource
❖ HRD	- Human Resource Development
❖ IDT	- Independent Development Trust
❖ IVM	- In Year Monitoring
❖ LEDA	- Limpopo Economic Development Agency
❖ LEDET	- Limpopo Economic Development Environmental and Tourism
❖ LTA	- Limpopo Tourism Agency
❖ LTSM	- Learner Teacher Support Material
❖ MTBPS	- Medium-Term Budget Policy Statement
❖ NSNP	- National School Nutrition Programme
❖ OSD	- Occupation Specific Dispensation
❖ OTP	- Office of the Premier
❖ PES	- Provincial Equitable Share
❖ PMDS	- Performance Management Development System
❖ PMG	- Pay Master General
❖ PRF	- Provincial Revenue Fund
❖ PTOG	- Public Transport Operation Grant
❖ PWC	- Price Waterhouse Coopers
❖ RAL	- Road Agency Limpopo
❖ RDP	- Reconstruction and Development Programme
❖ SCM	- Supply Chain Management
❖ SITA	- State Information Technology Agency
❖ SLA	- Service Level Agreement
❖ SPP	- Strategic Performance Plan
❖ TOR	- Terms of Reference
❖ U-AMMP	- User Asset Management
❖ VIP	- Ventilated Improved Pit

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## 1 INTRODUCTION AND BACKGROUND

This report presents the key resolutions for the 2015/16 third quarter expenditure monitoring meetings which took place between the 03<sup>rd</sup> and 29<sup>th</sup> March 2016. These are normal quarterly bilateral meetings that the Limpopo Provincial Treasury convenes to allow robust discussions with individual Departments around their financial performance to jointly identify weaknesses and generate possible solutions to improve service delivery.

The point of departure for this exercise is the analysis provincial performance based on the provincial third quarter In-year Monitoring (IYM) reports and presentations by various provincial Departments and public entities delivered at the second quarter expenditure monitoring bilateral meetings. Further details could therefore be obtained from these important source documents.

## 2 SUMMARY OF THE PROVINCIAL SPENDING PERFORMANCE

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	25 284 705	-	25 284 705	25 284 705	25 048 500	20 397 852	80.7%	-	236 205	0.9%
Health	14 754 135	647 659	15 401 794	15 401 794	15 606 862	13 087 538	85.0%	-205 068	-	-1.3%
Social Development	1 537 757	71 127	1 608 884	1 608 884	1 608 884	1 241 718	77.2%	-	-	0.0%
Public Works, Roads And Infrastructure	2 749 756	7 180	2 756 936	2 756 936	2 689 785	2 240 365	81.3%	-	67 151	2.4%
Agriculture	1 697 131	-46 530	1 650 601	1 650 601	1 650 601	1 247 804	75.6%	-	-	0.0%
Transport	1 838 898	-100 373	1 738 525	1 738 525	1 747 902	1 388 376	79.9%	-9 377	-	-0.5%
Co-Operative Governance Human Settlements / Sport, Arts And Culture	2 269 327	420 287	2 689 614	2 689 614	2 657 928	1 681 749	62.5%	-	31 686	1.2%
Safety, Security And Liaison	345 324	51 338	396 662	396 662	363 004	285 736	72.0%	-	33 658	8.5%
Office Of The Premier	90 354	-1 617	88 737	88 737	86 492	65 593	73.9%	-	2 245	2.5%
Provincial Legislature	352 150	-1 544	350 606	350 606	350 606	274 604	78.3%	-	-	0.0%
Provincial Treasury	262 688	45 147	307 835	307 835	307 835	255 577	83.0%	-	-	0.0%
Economic Development, Environment And Tour	385 180	-10 852	374 328	374 328	355 707	284 297	75.9%	-	18 621	5.0%
<b>Total</b>	<b>1 160 813</b>	<b>-629</b>	<b>1 160 184</b>	<b>1 160 184</b>	<b>1 155 168</b>	<b>957 917</b>	<b>82.6%</b>	<b>-</b>	<b>5 016</b>	<b>0.4%</b>
<b>Economic classification</b>	<b>52 728 218</b>	<b>1 081 193</b>	<b>53 809 411</b>	<b>53 809 411</b>	<b>53 629 274</b>	<b>43 409 126</b>	<b>80.7%</b>	<b>-214 445</b>	<b>394 682</b>	<b>0.3%</b>
<b>Current payments</b>	<b>45 384 184</b>	<b>-37 862</b>	<b>45 346 322</b>	<b>45 351 814</b>	<b>45 047 791</b>	<b>37 182 175</b>	<b>82.0%</b>	<b>-</b>	<b>304 023</b>	<b>0.7%</b>
Compensation of employees	38 426 999	-246 458	38 180 541	38 180 540	37 801 689	31 284 870	81.9%	-	378 651	1.0%
Goods and services	6 956 769	208 510	7 165 279	7 170 772	7 245 600	5 896 805	82.3%	-74 828	-	-1.0%
Interest and rent on land	416	86	502	502	502	500	99.6%	-	-	0.0%
Transfers and subsidies	5 626 940	855 369	6 482 309	6 479 269	6 582 302	4 809 143	74.2%	-103 033	-	-1.6%
Payments for capital assets	1 717 094	261 291	1 978 385	1 975 933	1 996 408	1 494 505	75.5%	-20 475	-	-1.0%
Payments for financial assets	-	2 395	2 395	2 395	2 773	-76 697	-3202.4%	-378	-	-15.8%
of which: NPNC	12 584 125	1 066 360	13 650 485	13 652 938	13 831 177	10 629 751	77.9%	-178 239	-	-1.3%
<b>Total</b>	<b>52 728 218</b>	<b>1 081 193</b>	<b>53 809 411</b>	<b>53 809 411</b>	<b>53 629 274</b>	<b>43 409 126</b>	<b>80.7%</b>	<b>-123 886</b>	<b>304 023</b>	<b>0.3%</b>
							<b>Net</b>	<b>180 137</b>	<b>180 137</b>	

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

The synopsis of provincial expenditure as at 31 January 2016 is presented hereunder:

- Compensation of Employees (CoE) spent R31.3 billion or 81.9 percent representing R378.8 million or 1.0 percent projected under-spending mainly due to delays in appointments of funded vacant posts and resignations.
- Goods and Services spent R5.9 billion or 82.3 percent with projected overspending of R74.8 million or 1.0 percent of the adjusted budget mainly in the department of Health.
- Transfers and subsidies recorded an expenditure of R4.8 billion or 74.2 percent and projected to overspend by R103.0 million or 1.6 percent due to payments of leave gratuities for unplanned resignations.
- Payment for Capital Assets spent R1.5 billion or 75.5 percent representing a projected overspending of R20.5 million or 1.0 percent mainly in the department of Education.

In overall, the Province is projecting to overspend by R180.1 million.

### 3 SUMMARY OF THE PROVINCIAL OWN REVENUE PERFORMANCE

REVENUE COLLECTION AS AT 31 JANUARY 2016												
Departments (Notes)	Main appropriation	Adjusted Estimates	Projections to January 2016	Projections as % of budget	Actual to January 2016	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 January 2015	Actual collection as % of the budget
Office of the Premier	662	1 272	1 149	90.3%	1 118	87.9%	114	1 232	-31	720	582	80.8%
Provincial Legislature	156	291	252	86.6%	264	90.7%	39	303	12	144	173	120.1%
Education	50 291	50 291	40 856	81.2%	38 440	76.4%	11 851	50 291	-2 416	52 164	32 430	62.2%
Agriculture	7 108	7 835	6 798	86.8%	9 905	126.4%	1 309	11 214	3 107	8 497	4 989	58.7%
Provincial Treasury	151 781	236 815	224 552	94.8%	243 993	103.0%	12 423	256 416	19 441	214 576	249 529	116.3%
Economic Development	131 737	146 376	119 663	81.8%	102 677	70.1%	35 608	138 285	-16 986	139 377	110 858	79.5%
Health	150 131	160 131	120 281	75.1%	113 996	71.2%	46 861	160 857	-6 285	140 850	106 455	75.6%
Transport	423 666	423 666	330 355	78.0%	331 534	78.3%	92 212	423 746	1 179	402 208	324 714	80.7%
Public Works	54 599	164 833	160 058	97.1%	150 915	91.6%	13 918	164 833	-9 143	420 356	373 999	89.0%
Safety & Security	84	270	219	81.1%	220	81.5%	51	271	1	170	116	68.2%
Co-operative Governance	2 663	5 602	4 799	85.7%	5 471	97.7%	693	6 164	672	2 925	2 767	94.6%
Social Development	2 867	3 105	2 603	83.8%	2 150	69.3%	1 301	3 451	-453	5 182	5 017	96.8%
Sport, Arts & Culture	962	1 134	1 075	94.8%	1 469	129.5%	52	1 521	394	1 948	1 558	80.0%
<b>Total provincial receipts</b>	<b>976 707</b>	<b>1 201 621</b>	<b>1 012 660</b>	<b>84.3%</b>	<b>1 002 154</b>	<b>83.4%</b>	<b>216 432</b>	<b>1 218 586</b>	<b>-10 506</b>	<b>1 389 117</b>	<b>1 213 187</b>	<b>87.3%</b>

The 2015/16 Provincial own revenue main appropriation was R976.7 million and was adjusted to R1.201 billion. As at 31 January 2016 provincial own revenue collection is R1.002 billion or 83.4 percent less than a projection of R1.012 billion or 84.3 percent. The overall under collection of R10.5 million is primarily contributed by Economic Development, Environment and Tourism and Public Works, Roads & Infrastructure due to non-accounting of gaming levies and own revenue from entities from Limpopo Gambling Board (LGB), Limpopo Tourism Agency (LTA) and Road Agency Limpopo (RAL) as well as less collection on property rentals. The collection is less than that of the previous corresponding period of R1.213 billion or 87.3 percent.

## 4 DEPARTMENTAL PERFORMANCE

### 4.1 Vote 01: Office of the Premier

- Synopsis of departmental own revenue performance

As at January 2016, the Office collected R1.1 million or 87.9 percent compared to projections of R1.2 million or 90.3 percent. The under collection of R0.031 million is due to less sale of tender documents as well as slow recovery of departmental debts.

Issue	Response	Recommendation / Resolution
<p>1. The Office was requested to provide progress with regard to departmental debts from Sport, Arts and Culture and Education?</p>	<ul style="list-style-type: none"> <li>• Part payment on Interdepartmental debt by the Department of Education was recovered and outstanding still to be received. The department of Sport, Arts and Culture has not yet responded to the request for claim and follow up is being made to recover the debt.</li> </ul>	<ul style="list-style-type: none"> <li>• The office should continue making follow up to recover interdepartmental debt from Education and Sport, Arts &amp; Culture</li> </ul>
<p>2. The office has projected to under collect their revenue annual target, what is the root cause of under collection and what strategy does the department has to ensure attained of revenue target?</p>	<ul style="list-style-type: none"> <li>• The projected under collection is due to possible delay in recovery of interdepartmental debt from Sport, Arts and Culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement Revenue collection strategy to ensure attainment of the annual revenue targets</li> </ul>

- **Synopsis of expenditure performance**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>Rhousands</b>										
Administration	132 557	-3 683	128 874	128 874	128 874	104 066	80,8%	-	-	0,0%
Institutional Development	136 383	-2 907	133 476	133 476	133 476	101 469	76,0%	-	-	0,0%
Policy And Governance	83 210	5 046	88 256	88 256	88 256	69 069	78,3%	-	-	0,0%
<b>Total</b>	<b>352 150</b>	<b>-1 544</b>	<b>350 606</b>	<b>350 606</b>	<b>350 606</b>	<b>274 604</b>	<b>78,3%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>339 696</b>	-	<b>340 910</b>	<b>340 910</b>	<b>340 910</b>	<b>268 329</b>	<b>78,7%</b>	-	-	0,0%
Compensation of employees	256 909	-11 644	245 265	245 265	245 265	199 728	81,4%	-	-	0,0%
Goods and services	82 787	-	95 645	95 645	95 645	68 601	71,7%	-	-	0,0%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 229	-	6 971	6 971	6 971	4 905	70,4%	-	-	0,0%
Payments for financial assets	2 225	-	2 725	2 725	2 725	1 370	50,3%	-	-	0,0%
<i>of which: NPNC</i>	<i>93 016</i>	<i>9 600</i>	<i>102 616</i>	<i>102 616</i>	<i>102 616</i>	<i>73 506</i>	<i>71,6%</i>	<i>-</i>	<i>-</i>	<i>0,0%</i>
<b>Total</b>	<b>352 150</b>	-	<b>350 606</b>	<b>350 606</b>	<b>350 606</b>	<b>274 604</b>	<b>78,3%</b>	<b>-</b>	<b>-</b>	<b>0,0%</b>
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>										
							<b>Net</b>			

- **Matters raised and recommendations**

- **Institutional Support**

Issues	Responses	Resolutions/Recommendations
3. There are some departments that require support at higher level in the filling of critical vacant posts e.g. Social Development.	<ul style="list-style-type: none"> <li>• OTP acceded to the concerns and committed that the department will follow-up on all institutional support matters with the departments.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress to be reported in the next meeting.</li> </ul>
4. There is a serious challenge regarding the delayed of support from SITA to departments which is hampering smooth functioning of departments. Is there any alternative ways from PGITTO to remedy this challenge?	<ul style="list-style-type: none"> <li>• Several letters written to SITA and Minister DPSA on this matter. However, OTP will instruct its Chief Director GITTO to interact with departments to get specific challenges so they can be addressed.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress to be provided in the next meeting.</li> </ul>
5. The OTP was supposed to do an assessment on PEP and departments did not come out clear on funding this project. How is OTP planning to implement this project?	<ul style="list-style-type: none"> <li>• There are challenges around PEP programme in the provinces and OTP will develop an implementation plan to support the implementation of already existing strategy to take monitoring and evaluation to another level.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress to be provided in the next meeting.</li> </ul>

- Intergovernmental Forums

Issues	Responses	Resolutions/Recommendations
1. How do we revive the intergovernmental forums e.g. for proper coordination of support to municipalities, given the audit outcomes, LPT and National Treasury's support programmes and the role of CoGHSTA.	<ul style="list-style-type: none"> <li>• There is a need for a high level strategic partnership between OTP and LPT if we are to turn things around given the concurrent and related responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a need for a strategic direction in allowing CoGHSTA to look at governance issues and Treasury to concentrate on financial management matters.</li> </ul>

- Costs Containment

Issues	Responses	Resolutions/Recommendations
1. Is there a plan to implement any cost containment measures by the Province following the pronouncement by the President and Minister of Finance?	<ul style="list-style-type: none"> <li>• National pronouncements are policy statements and ideally the National Treasury should issue a directive for the implementation of these specific national pronouncements on cost containment measures.</li> </ul>	<ul style="list-style-type: none"> <li>• LPT AND OTP to meet and develop a proposal on reduction of personnel costs in the province in favour of service delivery programmes.</li> </ul>

- Financial Management

Issues	Responses	Resolutions/Recommendations
1. Does the department have procurement plans, operational plans projections and cash flow projections for 2016/17 financial year to avoid March spike.	<ul style="list-style-type: none"> <li>• The draft procurement plans and operational plans are being finalised. However the department will underspend on Goods and Services due to the projects funded during budget adjustment.</li> <li>• The March spike is caused by factors beyond the control of department e.g. delays in the finalisation of SLAs of the buildings the department is renting.</li> </ul>	<ul style="list-style-type: none"> <li>• The office should furnish all these planning instrument to Provincial Treasury.</li> </ul>
2. There is a need to expedite the finalisation of cases of misconduct e.g. irregular expenditure by departments e.g. Education.	<ul style="list-style-type: none"> <li>• Not answered.</li> </ul>	<ul style="list-style-type: none"> <li>• Fast-track the investigation either by outsourcing or getting necessary capacity to handle these cases.</li> </ul>



• Limpopo Development Plan

Issues	Responses	Resolutions/Recommendations
1. What is the progress in the implementation of mitigation factors regarding the reported insufficient capacity to deliver, particularly on LDP targets?	<ul style="list-style-type: none"> <li>There is a budget committee chaired by LPT. Again there is Provincial Development Planning committee that look after all these factors.</li> </ul>	<ul style="list-style-type: none"> <li>The outcomes of all these events should be communicated to Provincial Treasury. Which events? This recommendation is not implementable</li> </ul>
2. Is there any assessment done in terms of the attainment of LDP targets?	<ul style="list-style-type: none"> <li>The assessment of LDP will be done at a special EXCO and HOD meetings to be held in April 2016 and again in an Economic summit pronounced in the SOPA to be held in mid May 2016.</li> <li>The assessment of the LDP will further be illustrated in the mid-term review of the current administration which is due this financial year.</li> </ul>	<ul style="list-style-type: none"> <li>The office should conduct an assessment on progress made in attaining LDP targets. OTP should develop a reporting tool that align LDP targets to the Budget.</li> </ul>
3. Is OTP happy with the budget allocated by the department for the implementation of LDP targets e.g. attainment of 80% pass rate.	<ul style="list-style-type: none"> <li>Not answered.</li> </ul>	<ul style="list-style-type: none"> <li>The office should have strategies presented at clusters on various LPT targets.</li> </ul>

• Infrastructure

Issues	Responses	Resolutions/Recommendations
1. There is no proper process flow of document between internal and external stakeholders and this is causing delays particularly regarding Infrastructure Master Plan.	<ul style="list-style-type: none"> <li>The process flow is being finalised.</li> <li>The concept document and TORs for the appointment of Service provider are at an advanced stage and the plan is to have appointment done by May 2016 and the project (development of Limpopo Infrastructure Plan) by end of March 2017. The challenge was that there were no guidelines from national on how this should be done.</li> </ul>	<ul style="list-style-type: none"> <li>The process flow should be circulated to all participants, particularly the external stakeholders which require government approvals.</li> </ul>



- Matters raised and recommendations
- CoE

Issues	Responses	Recommendations/ Resolutions
<ol style="list-style-type: none"> <li>1. The underspending on the Compensation of Employees we are as a result of the failure by the Legislature to appoint. What?</li> <li>2. What are the main contributors to underspending on Compensation of employees?</li> <li>3. The amendment of the Constituency allowance will that be able to cover for the full financial year 2016/17.</li> </ol>	<ul style="list-style-type: none"> <li>• The institution has 21 vacant position 4 of which have been advertised.</li> <li>• The arrears' for the members will be paid by March.</li> </ul>	<ul style="list-style-type: none"> <li>• The institution should implement its plans accordingly and where changes are necessary LPT should be informed in order to release funds where they can be best employed.</li> </ul>

- Goods and Services

Issues	Responses	Recommendations/ Resolutions
<ol style="list-style-type: none"> <li>1. The spending on Goods and Services is at 77% of the R55.5 million and projecting to overspend by R3.89 million. How possible is that taking into consideration the time we are left with to the end of the year?</li> <li>2. What is the progress regarding maintenance of the legislature and the parliamentary village.</li> </ol>	<ul style="list-style-type: none"> <li>• On goods and service the Institution has indicated that there would be no overspending, even if it can happen it will be on none-cash items which will not amount to more than 2 percent.</li> <li>• The maintenance of the Legislature and the Parliamentary village is being delayed by DPW&amp;I.</li> </ul>	<ul style="list-style-type: none"> <li>• Institution should ensure that its reports are quality assured before submission to Treasury to avoid misrepresentation of the provincial picture.</li> <li>• The Legislature should engage further with DPW&amp;I on maintenance of government buildings, where DPW&amp;I sight capacity challenges, the institution may request the department to transfer its funding and the institution implement the project.</li> </ul>
<ol style="list-style-type: none"> <li>3. What happened to the chamber recording system as there was an allocation to buy the new system? Are you going to bring this as a new item</li> </ol>	<ul style="list-style-type: none"> <li>• The recording machine at the chamber has been out of order for a while and is major capital expenditure. The amount required for the procurement was more than what the Institution had.</li> </ul>	<ul style="list-style-type: none"> <li>• The institution was instructed to go and request quotation for the repairing of the recording system so that the system completes the sentence.</li> <li>• The institution should request funding required for condition assessment</li> </ul>

### 4.3 Vote 3: Education

- Synopsis of departmental own revenue performance  
The Department collected R38.4 million or 76.4 percent compared to projections of R40.9 million or 81.2 percent. The under collection is due to previous year debts and tender documents which collected less than the departmental projections.

Issues	Responses	Recommendations/ Resolutions
<p>1. Poor recovery of staff debts by the department due to inadequate capacitation of the debt unit. What is the progress with regard to capacitation of the unit and measures in place to prevent accumulation of debts for overpayment emanating from delay in termination of employment from PERSAL system?</p>	<ul style="list-style-type: none"> <li>• Positions have been identified and submission has been sent to Provincial Treasury for approval to appoint officials in the debt unit.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen communication system between District and circuit offices and ensure monitoring of termination from PERSAL systems.</li> </ul>
<p>2. The department was commended for closing the college account as per recommendation by Provincial Treasury. The department was requested to provide the amount of revenue paid into the Revenue Fund as a result of closure of college accounts.</p>	<ul style="list-style-type: none"> <li>• Giyani college has transferred R500.000, Shingwedzi R17.000 and Modjadjie R18,448.34</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously monitor revenue collection and transfer of revenue by colleges.</li> </ul>

- Synopsis of expenditure performance

Table : Limpopo: Education as at 31 January 2016

	As per I/M 31 January 2016				As per I/M 31 Dec 2015		Variance between projections and actual spending				
	Main Appropriation	Adjusted Appropriation	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)		Under	% (Over)/ Under of Total Available	Adjusted Projections as at 31 January 2016	% Adjusted Projections as at 31 January 2016
<b>R thousand</b>											
Administration	1 521 972	1 520 856	1 498 276	1 120 884	73.7%	-	48 556	3.2%	1 240 618	81.6%	119 734
Public Ordinary School Education	21 928 114	21 782 630	21 575 725	17 801 122	80.8%	-	268 888	1.2%	18 107 990	83.1%	506 858
Independent Schools Subsidies	118 458	118 458	118 458	96 308	81.3%	-	-	0.0%	93 822	79.2%	-2 486
Public Special School Education	404 615	404 615	401 737	342 058	84.5%	-	2 878	0.7%	344 449	85.1%	2 391
Early Childhood Development	164 826	164 826	160 516	97 036	58.9%	-	6 618	4.0%	113 090	68.6%	16 054
Infrastructure Development	805 128	955 128	1 124 791	846 251	88.6%	-74 212	-	-7.8%	909 620	95.2%	63 369
Examination And Education Related Services	341 592	338 192	365 288	294 193	87.0%	-16 523	-	-4.9%	294 853	87.2%	660
<b>Total</b>	<b>25 284 705</b>	<b>25 284 705</b>	<b>25 244 791</b>	<b>20 397 852</b>	<b>80.7%</b>	<b>-90 735</b>	<b>326 940</b>	<b>0.3%</b>	<b>21 104 432</b>	<b>83.5%</b>	<b>706 580</b>
<b>Economic classification</b>											
<b>Current payments</b>	<b>23 412 795</b>	<b>22 962 738</b>	<b>22 692 246</b>	<b>18 635 417</b>	<b>81.2%</b>	<b>-</b>	<b>371 332</b>	<b>1.6%</b>	<b>18 887 180</b>	<b>82.3%</b>	<b>251 763</b>
Compensation of employees	21 515 773	21 054 513	20 683 181	17 170 333	81.6%	-	371 332	1.8%	17 257 897	82.0%	87 564
Goods and services	1 897 022	1 908 225	2 009 065	1 466 084	76.8%	-	-	0.0%	1 629 283	85.4%	164 199
Interest and rent on land	-	-	-	-	-	-	-	-	-	0.0%	-
Transfers and subsidies	1 085 121	1 406 539	1 462 117	1 037 341	73.8%	-55 578	-	-4.0%	1 337 578	95.1%	300 237
Payments for capital assets	786 789	915 428	1 090 428	804 172	87.8%	-79 549	-	-8.7%	879 674	96.1%	75 502
Payments for financial assets	-	-	-	-79 078	-	-	-	-	-	0.0%	79 078
<b>Total</b>	<b>25 284 705</b>	<b>25 284 705</b>	<b>25 244 791</b>	<b>20 397 852</b>	<b>80.7%</b>	<b>-135 127</b>	<b>371 332</b>	<b>0.3%</b>	<b>21 104 432</b>	<b>83.5%</b>	<b>706 580</b>
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>											
<b>Net</b>											
						<b>236 205</b>					

- Matters raised, responses and recommendations

- Learnership/Internship programme

Issue	Responses	Recommendations / Resolutions
1. Extension of learnership programme to teaching <ul style="list-style-type: none"> <li>- Department was advised to extend learnership programme to teaching at school level.</li> </ul>	<ul style="list-style-type: none"> <li>• It was indicated that there is no surety as to whether this will be possible. However the issue need to be considered. The model for teaching is coming from National and to qualify as a teacher all the teaching requirements are taken into account.</li> </ul>	<ul style="list-style-type: none"> <li>• Reasons for non-spending to be provided in the next coming bilateral meeting.</li> </ul>

Issue	Responses	Recommendations / Resolutions
<p><b>Expenditure on learnership/ internship item</b></p> <p>2. As it was observed that the spending on learnership / internship item is still at nil. The department was requested to provide explanation for non-spending.</p>		

• **Teacher development**

Issue	Responses	Recommendations / Resolutions
<p>1. There was a request of explanation on the low expenditure under Training and Development in Public Ordinary Schools Education programme as this will impact negatively in teaching and learning</p>	<ul style="list-style-type: none"> <li>It was reported that if educators are just being trained and not given support during teaching in class the situation don't change. Therefore in order to get value from the training the department established MASTEC Institution whereby educators are being trained in the Institution and when they go back they again are provided with support in the classroom during teaching. Training is done during school holiday to avoid interruption of teaching.</li> <li>The 2015/16 budget did not provide for educators training activity. Training was only done using MST grant funding.</li> </ul>	<ul style="list-style-type: none"> <li>Department should ensure submission of plan and cash flow projections for the 2016/17 training budget before the 31<sup>st</sup> March 2016.</li> </ul>

• Poor learner performance

Issue	Responses	Recommendations / Resolutions
<p>1. The department was requested to provide root causes for poor learner performance in grade 12 matric results.</p>	<ul style="list-style-type: none"> <li>• The causes were reported as follows:               <ul style="list-style-type: none"> <li>- Subject content knowledge resulted from shortage of educators under scarce skills subjects</li> <li>- High enrolment especially in those scarce skills subjects</li> <li>- High number of progressed learners who are again not well supported.</li> <li>- Assessment practices: More learners were not copying however the department will train educators on management of these practices</li> <li>- Impact on Curriculum coverage resulted from absenteeism of teachers and learners</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Strategy regarding training on management of assessment practices as well as plan on how progressed learners will be supported should be provided</li> </ul>

• Learner attainment strategy

Issue	Responses	Recommendations / Resolutions
<p>1. The department was requested to provide challenges regarding learner attainment strategy</p>	<ul style="list-style-type: none"> <li>• The major challenge reported was low enrolment especially in farm schools. There must be at least 135 learners at school with a teacher learner ratio of 1:35. To resolve this challenge the department is piloting a project of building a one hostel facility school at Waterberg whereby all small farm schools will be merged and learners stay there.</li> </ul>	<p>Action plan relating to Learner attainment strategy document has been forwarded to Provincial Treasury.</p>

- Merging of schools

Issue	Responses	Recommendations / Resolutions
1. The department was requested to provide clarity regarding plan of utilising all redundant schools after merging.	<ul style="list-style-type: none"> <li>• It was highlighted that after merging the schools the buildings are being transferred to the Department of Public Works.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>

- Scholar transport

Issue	Responses	Recommendations / Resolutions
1. The department was requested to provide clarity regarding under achievement as well as how it was managed on provision of scholar transport to 5 schools as 200 schools were targeted and 184 assisted whilst the explanation cover only 1 school instead of 6 schools.	<ul style="list-style-type: none"> <li>• It was highlighted that the 200 target was just anticipation on completion of tender. Currently the department is working on extended tender contract and during this quarter the tender covered 185 schools hence the under achievement was only 1. Five learners have to be transported at R0.70 or 70 cents per day and it was not financial viable to the service provider. The learners were provided with accommodation by the -schools and they are attending school.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>

- School furniture

Issue	Responses	Recommendations / Resolutions
1. School furniture priority was found to be the worst in under spending at 2.2%.	<ul style="list-style-type: none"> <li>• The department indicated that the bid for school furniture has been finalised, deliveries are currently taking place and most furniture were distributed to schools. It is</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>



Issue	Responses	Recommendations / Resolutions
	<p>expected that all invoices will be paid for in the current financial year.</p> <p><b>Challenge</b></p> <ul style="list-style-type: none"> <li>The bid was only concluded during December 2015 after an interdict was made and the process had to re-start, however, the awarded bid is under investigation by O-CPO and the department did receive an instruction not to pay until investigations are complete.</li> </ul>	

- March Spike**

Issue	Responses	Recommendations / Resolutions
<ol style="list-style-type: none"> <li>What lessons learned in order to avoid recurrence of March spike?</li> <li>Are there plans in place to ensure that spending is done in the 1st quarter of the financial year?</li> </ol>	<ul style="list-style-type: none"> <li>In the previous financial year the main reason for March spike was lack of knowledge which resulted to delay in finalisation of bids. This year bids are not going to be advertised one after the other, they will be advertised at once and have different committee sittings. Currently this was found to have been working with the exception of three bids including ECD LTSM bid.</li> <li>The major unavoidable challenge in spending in the 1<sup>st</sup> quarter is the System challenge. The delay in capturing of budget in the system has an impact on issuing orders to suppliers in time</li> </ul>	<ul style="list-style-type: none"> <li>Department to ensure that procurement plan is implemented as planned in order to avoid delay in spending.</li> </ul>

Issue	Responses	Recommendations / Resolutions
	and this will result to delay in making payments in time. Provincial Treasury is requested to assist on this matter.	

• **Rollovers and accruals**

Issue	Responses	Recommendations / Resolutions
<p>1. The department was requested to provide clarity on whether if the rollover amount of R3.104 million has been spent and again if whether all accruals have been paid. If not, further information regarding challenges and corrective measures to avoid postponing of expenditure to the next financial year was also requested.</p>	<ul style="list-style-type: none"> <li>• It was reported that there is no information regarding rollover expenditure and the information will be submitted after the analysis has been done.</li> <li>• Most accruals have been paid, however the department is still busy working on the files of disputed accruals which are under contingent liabilities.</li> <li>• Currently the department planned to ground travelling and ensure that all travelling claims are submitted on Friday the 18th March 2016 so that they get paid on time. In addition all invoices to be received will be captured on the system.</li> </ul>	<ul style="list-style-type: none"> <li>• Department should provide report on outstanding information regarding payments of the rollover amount as well as payments for disputed accruals under contingent liabilities.</li> <li>• Furthermore list and amount of current accruals which will be paid using 2016/17 budget should be reported in the next coming bilateral meeting if any.</li> <li>• Response noted.</li> </ul>

• **Non alignment of budget between the BAS report vs Budget book and IVM**

Issue	Responses	Recommendations / Resolutions
<p>1. There was a challenge that the BAS report reflects budget variances as compared to figures on the budget book and IVM.</p>	<ul style="list-style-type: none"> <li>• Alignment of budget on the system to be done before closure of financial year.</li> </ul>	<ul style="list-style-type: none"> <li>• Department to ensure constant alignment of budget between the BAS report vs Budget book and IVM.</li> </ul>

- Non alignment of expenditure with cash flow projections

Issue	Responses	Recommendations / Resolutions
1. The department was requested to provide plan which will assist in avoiding persistent under expenditure at the end of the financial year. The actual expenditure is significantly below projections.	<ul style="list-style-type: none"> <li>• Previously procurement plan was just done for compliance as it was not aligned with the projections. Plan for the coming financial year is being done taking into account projections, it will also assist in spending early in the 1st quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Department to ensure constant alignment of expenditure with cash flow projections throughout the financial year.</li> </ul>

- SCM challenges

Issue	Responses	Recommendations / Resolutions
1. The department was requested to provide clarity concerning challenges within SCM	<ul style="list-style-type: none"> <li>• The challenges were outlined as timing of bids and cooperation within the team however the department together with PFMA Section 18 Administration are busy addressing that.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>

- Under spending on CoE (Progress on filling of vacant positions)

Issue	Responses	Recommendations / Resolutions
1. There was a concern that CoE under spending is increasing as a result of delay in filling of vacant posts. The department was requested to provide progress regarding filling of those positions.	<ul style="list-style-type: none"> <li>• 279 posts were filled, 84 posts waiting for approval of panel and shortlisted candidates and 553 posts will be filled in 2016/17.</li> <li>• Certain posts to schools have been filled, some not yet advertised due challenges in SCM however the bulk of educators will be reported during end May 2016.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress report regarding filling of outstanding vacant positions to be provided during the bilateral meeting</li> </ul>

- High expenditure on Travelling

Issue	Responses	Recommendations / Resolutions
<p>1. It was highlighted that spending on Travelling as compared to budget is abnormal. The item over spent by R16.2 million as at end January 2016.</p>	<ul style="list-style-type: none"> <li>• The over expenditure is influenced by the following:               <ul style="list-style-type: none"> <li>- travelling to schools in order to provide support</li> <li>- deployment of technology: most of transactions that happened in schools and circuits are captured in the system at Head office.</li> </ul> </li> </ul>	<p>Strategy on how to manage this going forward to be discussed separately.</p>

- Municipalities' rates and taxes debts

Issue	Responses	Recommendations / Resolutions
<p>1. The R50 million additional budget provided during adjustment for Transfers to Municipalities in relation to schools 'rates and taxes was significantly under spent at 8.6%.</p>	<ul style="list-style-type: none"> <li>• Schools are expected to pay rates and taxes using norms and standards transfers. The department only assist when the school failed to make payments and the Municipality wants to cut off services especially during examination periods.</li> <li>• As an intervention schools were advised to prioritise their budgets during planning by considering municipal services payments as a 1st charge, however they are saying the budget is not enough.</li> <li>• The total amount that Municipalities are indicating as a debt equals +-R180 million for property payments of which there is no proof. Some schools were charged irrational and</li> </ul>	<ul style="list-style-type: none"> <li>• Department to provide progress report regarding the outcome of discussion on rates supposed to be charged to no fee schools.</li> </ul>

Issue	Responses	Recommendations / Resolutions
	<ul style="list-style-type: none"> <li>• municipalities are struggling in clearing those accounts.</li> <li>• There are discussions regarding how rates are being charged to no fee schools as these schools are not supposed to be charged at the normal rates.</li> </ul>	

• **Slow spending on Machinery and equipment (Computer equipment)**

Issue	Responses	Recommendations / Resolutions
<p>1. Machinery and Equipment reflects minimal expenditure of 4.3% and the bulk of the under expenditure is under Computer equipment</p>	<ul style="list-style-type: none"> <li>• It was reported that the main challenge is with regard to delays in SITA processes however the whole amount budgeted will be spent. Provincial Treasury was requested to assist by engaging SITA as the spending of most SITA related items are affected.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>

• **Conditional grants**

Issue	Responses	Recommendations / Resolutions
<p>1. In terms of under spending the worst under spending grant is Maths, Science and Technology at 28.8%.</p>	<ul style="list-style-type: none"> <li>• It was confirmed that services have been rendered and invoices have been received. The allocated amount to be spent.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>
<p>2. Clearing of wrong posting for EPWP Social conditional grant which is still outstanding</p>	<ul style="list-style-type: none"> <li>• Relevant officials have been sent to district to deal with that wrong posting. Journals to be passed to address that adjust the expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• Department to ensure that journals are passed before closure of books</li> </ul>

Issue	Responses	Recommendations / Resolutions
3. Late submission of some conditional grants business plans.	<ul style="list-style-type: none"> <li>Number of business plans was signed by the Acting HoD except one for NSNP of which the delays were with regard to the changes under monitoring of schools by Vodacom System. The department will go back and confirm if all have been submitted to Provincial Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>Department to ensure submission of all outstanding business plans.</li> </ul>
4. Non – attendance of conditional grants bilateral meeting by some programme managers.	<ul style="list-style-type: none"> <li>Future meetings will be attended.</li> </ul>	<ul style="list-style-type: none"> <li>Department to ensure that all grants are being represented during conditional grants bilateral meetings.</li> </ul>
5. Appointment of conditional grant coordinator.	<ul style="list-style-type: none"> <li>The former coordinator has been retired and the new one will be appointed.</li> </ul>	<ul style="list-style-type: none"> <li>New grant coordinator to be appointed.</li> </ul>
6. There was a concern that grants programme managers are not being coordinated.		

• **Management of HRM suspense accounts (Creation of debts)**

Issue	Responses	Recommendations / Resolutions
7. The department was requested to provide clarity on the strategy to manage suspense accounts on HRM.	<ul style="list-style-type: none"> <li>The main root cause is the system challenge. In order to resolve this in time there must be deployment of some operations to districts and circuits.</li> <li>E.g. Certain operations happen at school level and finalised at circuit level but not captured at circuit level. Lots of time is being wasted during transportation of documentation to Head office registry and by the time the document reaches to Human resource section for capturing it's already late.</li> </ul>	<ul style="list-style-type: none"> <li>Department to develop a strategy on how documents can reach head office HRM section for capturing in time to avoid increase in debtor's accounts.</li> </ul>

• LTSM

Issue	Responses	Recommendations / Resolutions
<p>1. Non-spending on ECD LTSM. The department was requested to provide clarity on progress as the department targeted to provide 100 Grade R Schools with outdoor equipment.</p>	<ul style="list-style-type: none"> <li>The department had currently not used the normal SCM process as there was a decision to participate in existing contract in one of the departments. The delays were as a result of getting documents late from that other department. The process is at an advance or finalisation stage and we are going to participate in Free State contract to shorten the time.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>
<p>2. LTSM (Public Ordinary Schools)</p> <p>The department was requested to provide status regarding 2015 academic year distribution of text books to schools as well as plan or progress on deliveries and distributing stationery and text books for the 2016 academic year.</p> <p>Furthermore the department was requested to provide clarity on whether if the R24m amount not yet committed will still be spent.</p>	<p><b>Stationery</b></p> <ul style="list-style-type: none"> <li>100% of ordered quantities delivered to schools</li> </ul> <p><b>Textbooks</b></p> <ul style="list-style-type: none"> <li>Grade R Big books, Readers and Posters: 100% delivery. Value of R 1, 7 m</li> <li>Grade 10 Technical subjects: 100% delivery. Value of R 2, 3 m</li> <li>Grade 11 set works / literature: 99.5% delivered. Total order value of R 97, 9 m</li> <li>Top-ups: 94% of 403 847 books ordered.</li> </ul> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>Schools ordering new titles instead of topping up on old titles</li> <li>Delays in delivery by some publishers especially where the</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>

Issue	Responses	Recommendations / Resolutions
	<p>order quantities are low</p> <ul style="list-style-type: none"> <li>Capacity challenges at SAPO which led to delays in delivery to schools.</li> </ul> <p><b>Corrective Measures</b></p> <ul style="list-style-type: none"> <li>Schools are requested to correct orders</li> <li>Departmental vehicles used to augment the vehicle pool of SAPO.</li> <li>It was further reported that the shortages reported by media are not caused by not buying the complete orders requested by schools as all orders are being bought and distributed as made. The shortages that have been reported by the schools are due to learner increases and such top-ups are currently being addressed.</li> <li>In addition there is a retrieval strategy that is being implemented in order to recover LTSM bought previous year.</li> <li>The R24m amount not yet committed will still be spent.</li> </ul>	



• Infrastructure

Issue	Responses	Recommendations / Resolutions
<p>1. LPT indicated that the department needs to have their monthly Departmental Coordinating Committee as per the institutional arrangements in the Limpopo Infrastructure Delivery Management System.</p> <p>2. LPT indicated that the department is not reporting to the Infrastructure Technical Management Committee on the maintenance budget under property payments. It was noted that the item was underspending and it was requested that the Chief Director for Physical resources should start reporting to the ITMC on maintenance.</p> <p>3. The department was requested to highlight issues related to implementing agents who over committed the department and how the issues are being addressed.</p>	<ul style="list-style-type: none"> <li>The department indicated that they were having monthly joint operational meetings with their implementing agents and according to them it serves the same purpose, however considering the terms of reference, they noted that the joint operational doesn't address issues in the Terms of Reference, they would therefore establish the DCC.</li> <li>The department indicated that they have appointed LEDA for maintenance of enviro loo toilets and there was no clarity given with regard to the budget under property payments. They indicated that there was no clear strategy or maintenance plan. It was also indicated that there were severely storm damaged schools due to negligence at first occurrence as they don't have sufficient budget.</li> <li>The department indicated that they are managing their implementing agents and monitoring through the monthly joint operational meetings and there were no issues with regard to over commitments.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> <li>It was noted that the maintenance item under property payments was under spending and it was requested that the Chief Director for Physical resources should start reporting to the ITMC on maintenance.</li> <li>It was recommended that the department should consider appointing on term contracts to address maintenance issues.</li> <li>Response noted.</li> </ul>

- **Special requests**

Issue	Responses	Recommendations / Resolutions
<p>1. The department was reminded to consider submission of the following :</p> <ul style="list-style-type: none"> <li>- Response on IYM analysis report monthly within four working days after receipt of the analysis report from Provincial Treasury</li> <li>- Monthly Plan, i.e. (non-financial) and projections (financials) for all priorities allocated/ earmarked funding               <ul style="list-style-type: none"> <li>• Travelling budget for monitoring priority to be shown separately, indicating schedule/projections per month per official (Curriculum advisors and Circuit managers). Submission due date was before 31 March 2016.</li> </ul> </li> <li>- 2015/16 Submission's covering letter for Amended Adjustment Estimates (overdue)</li> <li>- 2016/17 Submission's covering letter (overdue)</li> <li>- 2016/17 Costing for contractual obligations as per template provided (overdue)</li> </ul>	<ul style="list-style-type: none"> <li>• The department acknowledged the non-submission of the mentioned documents and indicated that all outstanding documents will be submitted.</li> <li>• With regard to management of Travelling budget the department will first discuss the strategy on how this can be managed better and report to Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>• Department to ensure:           <ul style="list-style-type: none"> <li>- That IYM analysis response is submitted monthly within 4 working days after receipt of the analysis report</li> <li>- That all outstanding documents are submitted urgently.</li> <li>• Travelling management strategy to be reported during the 2015/16 4<sup>th</sup> quarter bilateral meeting.</li> </ul> </li> </ul>

#### 4.4 Vote 4: Agriculture

- Synopsis of own revenue performance

The Department collected R9.9 million or 126.4 percent compared to projections of R6.8 million or 86.8 percent. Over collection is due to more sales of cattle grazing to farmers as a result of persistent drought in the province, auction sale of livestock and more recovery of departmental debts.

Issue	Response	Recommendations / Resolutions
<p>1. During the site visit by LPT it was discovered that revenue collected by Tompi Seleka Agricultural College from December 2015 was not transferred into the PMG account of the department in line with the revenue policies. What were the challenges for non-transfer?</p>	<ul style="list-style-type: none"> <li>• The Department has noted the concern for non-transfer and will strengthen monitoring of revenue at all colleges through district offices.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen monitoring and support to the colleges and ensure accounting and transfer of revenue into the Provincial Revenue Fund.</li> </ul>
<p>2. The department was requested to consider recovery of costs like water and electricity consumption in determining the tariffs for kitchen and tuck-shop rentals for implementation in 2016/17.</p>	<ul style="list-style-type: none"> <li>• The department noted the concern and will follow up on the progress. A lot of renovation is taking place across all colleges in accommodation, recreational facilities and learning centres for example.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that recovery of water and electricity costs are considered when determining the tariffs for rental and usage of premises / facilities in the departmental institutions.</li> </ul>
<p>3. The department recorded an abnormal over collection which poses a question on the credibility of the budget.</p>	<ul style="list-style-type: none"> <li>• The over collection was due to once off sale of more livestock than anticipated and sale of foddors to farmers due to emerging drought in the province.</li> </ul>	<ul style="list-style-type: none"> <li>• Take into consideration once off collection to arrive at a credible budget and improve budgeting</li> </ul>

- Synopsis of expenditure performance

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Administration	332 259	13 568	335 827	335 827	335 827	266 390	79.3%	-	-	0.0%
Sustainable Resource Management	93 086	-3 300	89 786	89 786	89 786	68 522	76.3%	-	-	0.0%
Farmer Support And Development	1 048 894	-43 135	1 005 759	1 005 759	1 013 278	744 226	74.0%	-7 519	-	-0.7%
Veterinary Services	47 214	-366	46 848	46 848	46 848	38 336	81.8%	-	5 338	10.3%
Research And Technology Development Se	57 580	-5 863	51 717	51 717	46 379	38 043	73.6%	-	2 181	10.7%
Agricultural Economics Services	24 642	-4 208	20 434	20 434	18 253	13 649	66.8%	-	-	0.0%
Structured Agricultural Education And Traini	97 314	-3 676	93 638	93 638	93 638	73 547	78.5%	-	-	0.0%
Rural Development And Coordination	6 142	450	6 592	6 592	6 592	5 091	77.2%	-	-	0.0%
<b>Total</b>	<b>1 697 131</b>	<b>-46 530</b>	<b>1 650 601</b>	<b>1 650 601</b>	<b>1 650 601</b>	<b>1 247 804</b>	<b>75.6%</b>	<b>-7 519</b>	<b>7 519</b>	<b>0.0%</b>
<b>Economic classification</b>	<b>1 455 009</b>	<b>-47 366</b>	<b>1 407 643</b>	<b>1 407 643</b>	<b>1 408 351</b>	<b>1 099 835</b>	<b>78.1%</b>	<b>-708</b>	<b>-</b>	<b>-0.1%</b>
Current payments	1 076 175	-49 253	1 026 922	1 026 922	1 026 922	835 867	81.4%	-	-	0.0%
Goods and services	378 834	1 887	380 721	380 721	381 429	283 968	69.3%	-708	-	-0.2%
Interest and rent on land	-	-	-	-	-	-	-	-	508	0.3%
Transfers and subsidies	168 468	1 529	169 997	169 997	169 489	103 954	61.2%	-1 800	-	-2.5%
Payments for capital assets	73 654	-2 693	70 961	70 961	72 761	42 383	59.7%	-	2 000	100.0%
Payments for financial assets	-	2 000	2 000	2 000	-	1 632	81.6%	-	-	0.3%
of which: NPNC	547 302	5 416	552 718	552 718	550 918	369 554	66.9%	-	1 800	0.3%
<b>Total</b>	<b>1 697 131</b>	<b>-46 530</b>	<b>1 650 601</b>	<b>1 650 601</b>	<b>1 650 601</b>	<b>1 247 804</b>	<b>75.6%</b>	<b>-2 508</b>	<b>2 508</b>	<b>0.0%</b>

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

Overall expenditure amounts to R1.247 billion which is translated to 75.6 per cent of the adjusted budget of R1.650 billion. Equitable shares has spent R1.063 billion or 81 per cent of the allocated budget of R1.320 billion and Conditional grant with the allocated budget of R330.1 managed to spent R183.8 million or 56 per cent.

- Expenditure per Economic Classification

- Compensation of Employees (CoE)

The adjusted appropriation amounts to R1.026 billion, actual spending amounts to R835.8 million or 81.4 per cent. The item is still under spending after the budget was cut due to delay in filing of vacant post and non-payments of performance bonus for qualifying SMS officials and finalization of OSD's evaluation.

Department projected to break-even on CoE regardless on the current expenditure. A realistic projection should be provided and department should declare a saving under this item.

- **Goods and Services**

Actual expenditure amounts to R263.9 million or 69.3 per cent of the adjusted allocation of R380.7 million. Department has underfunded key accounts e.g. security services, the department is advised to Contain non-core item and fully fund the contractual obligation and consider escalation of prices to avoid litigations and interest charged.

- **Transfers and Subsidies**

The adjusted allocation amounts to R169.9 million, actual expenditure amounts to R103.9 million which translate to 61.2 per cent. Department should accurately fund leave gratuity by considering trends, number of officials at retirement stage and reserve a cushion for natural attrition

The item is under spending on CASP projects due to delay in the procurement process and some of the projects have been cancelled. An amount of R51.0 million or 20 per cent of the CASP, Land Care and Lima/Letsema Grant allocation has been reprioritized for drought relief. The projects concentrate more on emergency feeds (purchases of fodder) and livestock water.

- **Payment of capital assets**

Actual spending on the item amounts to R42.3 million or 59.7 per cent of the adjusted budget of R70.9 million. The budget was reduced due to slow spending projects and some of the projects were cancelled. The department has reprioritized to fund professional fees and projects planning for the 2016/17 financial year under goods and services. Some of the remaining funds will cater for the purchases of computer and security equipment.

Issues	Responses	Resolutions/Recommendations
1. Progress on the issues raised during the previous quarter bilateral was not provided.	<ul style="list-style-type: none"> <li>• The department reported they did not receive the report of the previous meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• To be considered in the next quarter bilateral.</li> </ul>
2. Status on the application of the BAUD system.	<ul style="list-style-type: none"> <li>• The department has commenced with the application of BAUD system wherein it does verification of assets both electronically and manually. LPT is not providing technical support to the department.</li> <li>• The department is still awaiting the delivery of scanners from the suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• LPT to provide technical support to the department for the implementation of the BAUD system.</li> </ul>

Issues	Responses	Resolutions/Recommendations
<p>3. There is inconsistency in implementing departmental plans as in line with the actual achieved.</p>	<ul style="list-style-type: none"> <li>The department reported that it crafts its plans based on previous achievements and current situations. However, there are other external factors that affect the attainment of planned targets, e.g. food security, reaction to drought and other policy changes.</li> </ul>	<ul style="list-style-type: none"> <li>The department is encouraged to strive to attain its planned targets even when there are unforeseen circumstances to avoid audit queries on non-performance.</li> </ul>
<p>4. Progress on the strategy to reduce CoE.</p>	<ul style="list-style-type: none"> <li>A draft strategy was developed and it is currently circulated to Programme managers in the department for inputs. The draft will be shared with LPT. It is projected to be implemented by May 2016.</li> <li>A number of 302 posts have been reduced and this was done according to merits and no service delivery will be compromised.</li> </ul>	<ul style="list-style-type: none"> <li>Draft strategy to be submitted to LPT.</li> </ul>
<p>5. Department project to break-even on CoE regardless of the current under spending due to delay in filling of vacant posts and payments of OSD.</p>	<ul style="list-style-type: none"> <li>Department will indicate projected saving by end of the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>Department should ensure that its reports are quality assured before submission to Treasury to avoid misrepresentation of the provincial picture.</li> </ul>
<p>6. Department sought approval to advertise 105 posts of which 33 posts are anticipated to be filled in the current financial year and 72 posts during 2016/17 financial year. The department indicated on the budget database that 120 posts will be filled each year over the MTEF. Will the department manage to fill all those posts within the CoE ring-fenced amount?</p>	<ul style="list-style-type: none"> <li>As part of the strategy, the department will compromise some of the posts on retirements and reprioritise 120 posts to be filled each year over the MTEF. CoE of the department is fully funded.</li> </ul>	<ul style="list-style-type: none"> <li>The department should ensure that all appointment are within the ring-fenced allocation and consider identifying more savings on CoE to augment other service delivery programmes.</li> </ul>

Issues	Responses	Resolutions/Recommendations
7. What measures does the department have to improve on filling of posts?	<ul style="list-style-type: none"> <li>The department has developed a turnaround time strategy to improve on appointments: during the running of the advert panel members are already appointed, department will do verification in house.</li> </ul>	<ul style="list-style-type: none"> <li>The department is encouraged to comply with its strategy and report progress on filling of posts in every bilateral meeting.</li> </ul>
8. Progress on the approval of the organizational structure.	<ul style="list-style-type: none"> <li>The structure is projected to be finalised by May 2016. The delay was due to the generic structure that comes from DPSA and DAFF.</li> </ul>	<ul style="list-style-type: none"> <li>Department urged to align its structure to DPSA to avoid non-alignment.</li> </ul>
9. In terms of non-response on bids, have the department identified the root causes and a remedial plans going forward?	<ul style="list-style-type: none"> <li>The department is conducting market research on every service they procure. The challenge is that some bidders will under quote while others will inflate their prices and this forces the department to start the process all over again.</li> </ul>	<ul style="list-style-type: none"> <li>A detailed market analysis must be done before issue of bids to avoid these situations.</li> </ul>
10. What measures are in place to avoid March spike?	<ul style="list-style-type: none"> <li>The nature of the department is seasonal, hence spending is also seasonal. Due to the current climax change most of the activities are being delayed. There is more expenditure during this period on purchases of animal feeds and water tanks as a respond to disaster management.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>
11. What is the update on Agri-parks?	<ul style="list-style-type: none"> <li>The activity is co-funded by department of Rural Development and Land Reform. The department is required to provide help with coordination of stakeholder involvement on the ground and report on progress.</li> <li>Some projects were started even before the pronouncement of Agri-parks programmes.</li> </ul>	<ul style="list-style-type: none"> <li>The department to work very closely with municipalities which are the custodians of these development initiatives. The department will be reporting on those projects they are funding.</li> </ul>

Issues	Responses	Resolutions/Recommendations
12. Does the department have budget committee?	<ul style="list-style-type: none"> <li>Department has a DICC in which budget issues are clubbed in that committee. Department is avoiding to have many committees since same programme managers are part of that committee. Revenue matters to be covered as well.</li> </ul>	<ul style="list-style-type: none"> <li>The department to send a schedule of meetings and invite the budget analyst from LPT.</li> </ul>
13. Does the department align its programmes to LDP?	<ul style="list-style-type: none"> <li>The department confirmed that its plans are aligned to LDP and further reported that it has further considered alignment with Agricultural Policy Action Plan at national level, which is a prerequisite for conditional grant business plans approval.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>
14. Funding of Zebediela citrus estate which seem to have collapsed.	<ul style="list-style-type: none"> <li>The managing company was chased by the community and that resulted in litigations and the department is trying to support the communities through technical advices and engagements with communities for the estate to continue.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>
15. GTEC assistance.	<ul style="list-style-type: none"> <li>The department appreciated the support from GTEC and that it is committed to see the actual implementation of such good plans.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>

• **Conditional Grants**

Issues	Responses	Resolutions/Recommendations
1. The department has not fully complied with the submission of conditional grant business plans from the preparation stages.	<ul style="list-style-type: none"> <li>Department acceded to the call and promised to improve moving forward.</li> </ul>	<ul style="list-style-type: none"> <li>The department should ensure the development of indicators before allocations are received to avoid late submission. Please proof read not sure what it means</li> </ul>
2. Completion of business plan for EPWP.	<ul style="list-style-type: none"> <li>Department acceded to the call and promised to improve moving forward.</li> </ul>	<ul style="list-style-type: none"> <li>Department should draft measurable performance indicators and report progress on monthly basis.</li> </ul>



Issues	Responses	Resolutions/Recommendations
<p>3. The revitalisation of small scale irrigation schemes (RESSIS).</p>	<ul style="list-style-type: none"> <li>• These schemes are in communal land and there are groups of farmers. The role of department then is on infrastructure and advise on operating models. The challenge is when the farmers do not agree and start to vandalise these initiatives.</li> <li>• The department has turnaround strategies of partnering farmers though there are few challenges particularly on the proceeds after harvests.</li> <li>• Department provide support to farmers on request. Policy has been amended.</li> </ul>	<ul style="list-style-type: none"> <li>• The department should continue working hard to assist farmers through mobilisation programmes and introducing workable models for those who are interested in these schemes.</li> </ul>
<p>4. CASP: There is a lot of money invested on CASP projects, but what benefits do we have as a Department or province?</p>	<ul style="list-style-type: none"> <li>• The department responded to floods and drought that hit the Province without extra funding and this meant the reprioritisation of CASP and Letsema grants.</li> <li>• As part of drought alleviation, the department reprioritised 20% of the conditional grants as per DAFF. The farmers only contribute R15.00 per each 40 kg bag of fodder.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> <li>• The department should have a strategy to be able to respond to disasters most common to our Province.</li> </ul>
<p>5. During drought period purchases of fodder is very expensive, how do the department manages to procure and plan effectively?</p>		

## 4.5 Vote 5: Limpopo Provincial Treasury

- Synopsis of expenditure performance

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available Funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Administration	160 234	-6 052	154 182	154 182	142 363	116 731	75,7%	-	11 819	7,7%
Sustainable Resource Management	62 326	-8 651	53 675	53 675	49 945	40 002	74,5%	-	3 730	6,9%
Assets And Liabilities Management	79 380	4 519	83 899	83 899	80 827	62 649	74,7%	-	3 072	3,7%
Financial Governance	83 239	-667	82 572	82 572	82 572	64 915	78,6%	-	-	0,0%
<b>Total</b>	<b>386 179</b>	<b>-10 861</b>	<b>374 328</b>	<b>374 328</b>	<b>366 707</b>	<b>284 297</b>	<b>75,9%</b>	<b>-</b>	<b>18 621</b>	<b>5,0%</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>369 308</b>	<b>-9 729</b>	<b>359 579</b>	<b>359 579</b>	<b>341 986</b>	<b>274 249</b>	<b>76,3%</b>	<b>-</b>	<b>17 694</b>	<b>4,9%</b>
Compensation of employees	275 233	-22 006	253 227	253 227	237 897	197 699	78,1%	-	15 330	6,1%
Goods and services	94 075	12 277	106 352	106 352	104 088	76 550	72,0%	-	2 264	2,1%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6 479	-	6 479	6 479	5 879	6 661	87,2%	-	600	9,3%
Payments for capital assets	6 600	1 770	8 270	8 270	7 701	4 266	51,5%	-	669	6,9%
Payments for financial assets	-	-	-	-	142	142	-	-	-	-
of which: NPNC	100 554	12 277	112 831	112 831	110 709	82 343	73,0%	-	2 722	2,4%
<b>Total</b>	<b>382 287</b>	<b>-7 969</b>	<b>374 328</b>	<b>374 328</b>	<b>366 707</b>	<b>284 297</b>	<b>75,9%</b>	<b>-</b>	<b>18 621</b>	<b>5,0%</b>

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

- Synopsis of departmental own revenue performance

The Department collected R243.9 million or 103.0 percent compared to projections of R224.5 million or 94.8 percent. The over collection of R19.4 million or 8.2 percent is due to more interest received on positive bank balances.

Issues	Responses	Resolutions/Recommendations
1. What is the departmental current and future plan for disposing capital assets?	<ul style="list-style-type: none"> <li>The department is not intending to have auction sale this financial year, however they are planning to have one in 2016/17.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that auction sale is done before December of each financial year to ensure timeous accounting of revenue into the PRF.</li> <li>Improve planning and budgeting for disposal of assets</li> </ul>

• **Matters raised and recommendations**

<b>Issues</b>	<b>Responses</b>	<b>Resolutions/Recommendations</b>
<p>1. Under-expenditure in the department is a matter of concern. It was indicated that the main contributing factor was non-filling of posts.</p>	<ul style="list-style-type: none"> <li>• The department acceded to the call, but further highlighted the fact that the department had a lot of efficiencies in various units and this contributed to savings which may be construed as under-expenditure.</li> <li>• HR review process done and the department is working review of turn-around time of filling vacancies and also the review of delegations which is central in finalising appointments.</li> </ul>	<ul style="list-style-type: none"> <li>• The department should speed-up the filling of vacant posts to avoid under-spending in the future.</li> <li>• The department should also identify efficiency gain activities and budget accordingly.</li> </ul>
<p>2. Capacity building of CFO's offices.</p>	<ul style="list-style-type: none"> <li>• LPT is finalising the vetting for the appointments of specialists to assist selected departments.</li> </ul>	<ul style="list-style-type: none"> <li>• The department should develop a model for the capacitation of CFO's offices with a database of skills in the Province.</li> </ul>
<p>3. None implementation of LPT recommendations on support given to departments.</p>	<ul style="list-style-type: none"> <li>• There are problems with departments in terms of responses to presentations and recommendations on support functions to departments.</li> </ul>	<ul style="list-style-type: none"> <li>• The department to ensure that all the recommendations made in support of departments are implemented.</li> <li>• This matter should be elevated to HOD's forum.</li> </ul>
<p>4. There is no proper coordination in issuing Instruction Notes and Treasury approvals to departments.</p>	<ul style="list-style-type: none"> <li>• The department agreed to the call, but further agreed that Instruction Notes should be put on website of the department as well.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a need to centralise the issuing of Instruction Notes and have a proper register for all Treasury approvals.</li> </ul>
<p>5. The planning function has moved to OTP and this gives a challenge when Strategic Plans and APPs of departments are to be aligned to budgets.</p>	<ul style="list-style-type: none"> <li>• LPT should request APPs and Strategic Plans for alignment purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a need to develop a model of collaboration between LPT and OTP on how the two should work together on planning instruments since the two departments have vested interests in the function in relation to their mandates.</li> <li>• There is a need to look into the possibility of including LDP items</li> </ul>

Issues	Responses	Resolutions/Recommendations
<p>6. Staff moral in LPT is a serious concern. This is justified by the staff turn-over.</p>	<ul style="list-style-type: none"> <li>The department acceded to the call. However the department will be doing a survey on staff low morale. Lack of communication was identified as one contributing factor to low morale, hence the department is resuscitating SMS forum meetings and MECs' imbizos.</li> <li>There are strategies in place for staff retention. However, some employees leave due to greener pastures, but others leave due to management and / or leadership styles and this is what the retention strategy is aimed to address.</li> </ul>	<ul style="list-style-type: none"> <li>There is a need for team building in LPT for the department to start working as a unit that as individual employees of Treasury.</li> </ul>
<p>7. Supply Chain Management is still a challenge across the province.</p>	<ul style="list-style-type: none"> <li>It is true that LPT does not have records regarding the commitments in line with the departmental budgets and this is a sign of poor monitoring of departments.</li> </ul>	<ul style="list-style-type: none"> <li>The department should assist departments on procurement related matters which is a challenge in departments e.g. in planning, speeding-up bid processes, filling of vacant posts, and capacity building.</li> <li>LPT has developed a check list on procurement processes for departments to comply with in ensuring that all SCM process are legitimate.</li> </ul>
<p>8. The printing of packs for audit committee meetings in relation to Cost containment.</p>	<ul style="list-style-type: none"> <li>The department acceded to the call and further indicated that it may as well lead to efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>Audit committees' activities must be run on paperless basis to avoid the printing of voluminous papers.</li> </ul>
<p>9. Poor relations with CoGHSTA regarding support to municipalities.</p>	<ul style="list-style-type: none"> <li>There are collaborations between LPT and CoGHSTA and the same understanding has been endorsed at political level.</li> </ul>	<ul style="list-style-type: none"> <li>The two departments should formalise this agreements and ensure that meetings are attended by relevant people with decision making powers at that level.</li> </ul>

#### 4.6 Vote 6: Department of Economic Development, Environment and Tourism

- Synopsis of departmental own revenue performance  
The Department has collected R102.7 million or 70.1 percent against projections of R119.7 million or 81.8 percent. The under collection is mainly attributed to late transfer of revenue collected by Public Entities. Collection is less than that of the previous year corresponding period of R110.8 million or 79.5 percent.

- Synopsis of expenditure performance

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Administration	304 280	-1 815	302 465	302 465	305 465	256 814	84.9%	-3 000	-	-1.0%
Economic Development	440 680	-4 697	435 983	435 983	429 583	354 197	81.2%	-	6 400	1.5%
Environmental Affairs	241 817	-4 066	237 751	237 751	235 906	193 258	81.3%	-	1 845	0.8%
Tourism	174 036	9 949	183 985	183 985	184 214	153 648	83.5%	-229	-	-0.1%
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 160 813</b>	<b>-629</b>	<b>1 160 184</b>	<b>1 160 184</b>	<b>1 155 168</b>	<b>957 917</b>	<b>82.6%</b>	<b>-3 229</b>	<b>8 245</b>	<b>0.4%</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>671 801</b>	<b>-18 323</b>	<b>653 478</b>	<b>653 478</b>	<b>647 786</b>	<b>533 569</b>	<b>81.7%</b>	<b>-</b>	<b>5 692</b>	<b>0.9%</b>
Compensation of employees	477 865	-15 914	461 951	461 951	452 634	374 857	81.1%	-	9 317	2.0%
Goods and services	193 520	-2 395	191 125	191 125	194 750	158 310	82.8%	-3 625	-	-1.9%
Interest and rent on land	416	-14	402	402	402	402	100.0%	-	-	0.0%
Transfers and subsidies	480 664	9 828	490 492	490 492	492 462	414 435	84.5%	-1 970	-	-0.4%
Payments for capital assets	8 348	7 511	15 859	15 859	14 565	9 558	60.3%	-	1 294	8.2%
Payments for financial assets	-	355	355	355	355	355	100.0%	-	-	0.0%
of which: NPNC	674 600	7 774	682 374	682 374	687 969	573 502	84.0%	-5 595	-	-0.8%
<b>Total</b>	<b>1 160 813</b>	<b>-629</b>	<b>1 160 184</b>	<b>1 160 184</b>	<b>1 155 168</b>	<b>957 917</b>	<b>82.6%</b>	<b>-1 970</b>	<b>6 986</b>	<b>0.4%</b>
								<b>Net</b>	<b>5 016</b>	

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

- Matters raised and recommendations

Issues	Responses	Resolutions/Recommendations
1. What is the spending progress regarding the Revenue Enhancement Allocation of R14.9 million to LTA?	<ul style="list-style-type: none"> <li>• As end January 2016 the Entity spent R6.2 million or 41.6 percent of the total budget. The money was mainly used for operational needs of the resorts.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve planning and implementation of Revenue Enhancement Projects</li> <li>• Develop strategies to ensure that the revenue target for the current financial year is attained.</li> </ul>
2. As at the end of January 2016 the department has only collected 70.1 percent which is less than the projection of 81.8 percent. What strategies does the department have in place to ensure that the revenue target for 2015/16 is attained?	<ul style="list-style-type: none"> <li>• The under collection was mainly due to non-transfer of levies and own revenue from Entities and the department will ensure that all the revenue is transferred before end year closure.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that all revenue collected by Public Entities is deposited into the departmental PMG account on or before the 31st March 2016.</li> </ul>
3. LPT is aware that Gambling Board has sought legal opinion regarding the transfer of levies and own revenue into the PRF however would like to advise the Department and Entity that until such time that the matter is resolved with Provincial Treasury the Entity must continue to transfer levies into the PRF.	<ul style="list-style-type: none"> <li>• The Entity has noted the concern and will continue transferring the revenue into the Provincial Revenue Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that Gambling Board transfers all the revenue and levies collected into the PRF.</li> </ul>
4. What is the plan by the Department to dispose game animals?	<ul style="list-style-type: none"> <li>• The Department has noted the concerns by Provincial Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide plans for disposal of biological assets</li> </ul>

- Payment of Capital assets

Issue	Responses	Recommendations / Resolutions
1. Department reported in the previous meeting (2 <sup>nd</sup> quarter) that construction of market stalls will be completed by end of the 3 <sup>rd</sup> quarter.	<ul style="list-style-type: none"> <li>• The projects are at 92% stage and will be completed at the end of financial year.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>
2. Non-payment of performance bonus to qualifying SMS as agreed during CoE bilateral	<ul style="list-style-type: none"> <li>• Payment made</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>

Issue	Responses	Recommendations / Resolutions
3. Non-payment of the environmental officers `s OSD as agreed during CoE bilateral	<ul style="list-style-type: none"> <li>Salary scales has been submitted to DPSA for evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>Progress noted.</li> </ul>
4. Delay in filling of posts	<ul style="list-style-type: none"> <li>The delay is due to the revision of the organisation structure which has to cater for the LWR function shift. Department will speed up the process of filling the advertised posts</li> </ul>	<ul style="list-style-type: none"> <li>Report noted.</li> </ul>

• Goods and Services

Issue	Responses	Recommendations / Resolutions
1. Cost containment measure: the implementation of austerity measures affects all government institution including public entities	None	<ul style="list-style-type: none"> <li>The public entity are obliged implement cost containment measures</li> </ul>

• Transfers and Subsidies

Issue	Responses	Recommendations / Resolutions
1. Department project to transfer 100% by end of the financial. LTA indicate potential to under spend on the earmarked funding for upgrading of infrastructure in the nature reserves, does the department transfer funds to clear its books or is it based on performance.	<ul style="list-style-type: none"> <li>Transfer of funds is done according to performance and the department withhold funds if the entities bank account has a positive balance</li> </ul>	<ul style="list-style-type: none"> <li>Department should provide realistic projection for the remainder of the financial year.</li> </ul>
2. Department indicated that they are implementing austerities measures but no clear indication on which item and what measures are in place to contain those items	None	<ul style="list-style-type: none"> <li>The report on the cost containment to be presented in the next meeting</li> </ul>

• Budget committee

Issue	Responses	Recommendations / Resolutions
<p>1. Department has been requested to provide a schedule of the departmental budget committee and sent an invite to LPT. Does the budget committee exist in the department?</p>	<ul style="list-style-type: none"> <li>Department has a budget committee which is held on quarter basis. LPT will be invited to be part of the committee</li> </ul>	<ul style="list-style-type: none"> <li>Department will sent a schedule and an imitation to LPT</li> </ul>

• Readiness for the 2016/17 financial year

Issue	Responses	Recommendations / Resolutions
<p>1. Handing over of LWR and taking over of incomplete projects</p>	<ul style="list-style-type: none"> <li>LWR will be placed under programme 3(Environmental affairs). Roles and responsibility have been cleared out. The department is ready to implement the function in the 2016/17 financial year. Staff has been placed according to core and admin staff.</li> </ul>	<ul style="list-style-type: none"> <li>Department should conduct a workshop for all nature reserves and resorts employees to align work plans and procedure manuals</li> </ul>
<p>2. How much will be transferred from LTA in terms of CoE and Goods and services.</p>	<p>Not responded</p>	<ul style="list-style-type: none"> <li>Department should provide a breakdown of the budget to be the transferred to the budget</li> </ul>
<p>3. Readiness in terms of additional funding for LDP</p>	<ul style="list-style-type: none"> <li>Department has allocated funds per identified priorities and ready for implementation in the 2016/17 financial year</li> </ul>	<ul style="list-style-type: none"> <li>Department to report separately as part of the IYM on the progress and performance of the earmarked funds</li> </ul>
<p>4. Readiness for the implementation of the R63.6 million earmarked for LWR projects</p>	<ul style="list-style-type: none"> <li>The department has received a handing over from the entity in terms of the status of projects to be continued in the 2016/17 financial year.</li> <li>Allocation for the R63.6 million has been done in terms of what goes to goods and services and capital projects.</li> <li>Table b5 and procurement plan has been completed.</li> </ul>	<ul style="list-style-type: none"> <li>Department to report on the progress of projects on monthly basis.</li> </ul>



• Conditional Grants: EPWP

Issue	Responses	Recommendations / Resolutions
<p>1. Grant has already spent 100% of the allocation by the 3<sup>rd</sup> quarter. The work for the fencing in SONR is incomplete due to insufficient budget, department is advised to complement the conditional grant with funds earmarked for upgrading of infrastructure in the SONR as they serve the same purpose.</p>	<ul style="list-style-type: none"> <li>Department do complement the grant with equitable share earmarked for upgrading of infrastructure in the SONR. The department has expanded the work on the 2016/17 financial year</li> </ul>	<ul style="list-style-type: none"> <li>The department should report as such which might benefit the department will receive more allocation since the grant is based on performance.</li> </ul>

• LEDA

Issue	Responses	Recommendations / Resolutions
<p>1. The entity has been reporting a deficit of R39 million from the 1<sup>st</sup> quarter. How is the entity monitoring the deficit?</p>	<ul style="list-style-type: none"> <li>The reported deficit is based on the current budget hence it remains since the budget has not changed. It is the difference between the actual revenue and actual expenditure.</li> </ul>	<p>The entity should update its report regularly to reflect a true picture of the projected outcome at year-end</p>
<p>2. Clearing of long outstanding debts on loans issued</p>	<ul style="list-style-type: none"> <li>Irrecoverable debts on the loan book will be cleared. Though there are people who takes advantage that we are government owned and chooses not to pay</li> </ul>	<ul style="list-style-type: none"> <li>The entity will clear its balance sheet but will continue to pursue recovery of debts.</li> </ul>
<p>3. LEDA is occupying lot of offices in different locations. Can the entity consolidate and operate from a central office.</p>	<ul style="list-style-type: none"> <li>The office in LebowaKgomo is the head office and others are regional offices.</li> </ul>	<ul style="list-style-type: none"> <li>The entity is encouraged to have as minimal offices as possible to curb expenses on rentals and related administrative costs.</li> </ul>
<p>4. The Entity has rental properties and it is indicated that the one in Seshego is under renovation. Are there any tenants?  <ul style="list-style-type: none"> <li>Is there a marketing strategy on the properties</li> <li>Is the entity moving towards market rate in terms of rental?</li> </ul> </p>	<ul style="list-style-type: none"> <li>Currently there are tenants at the Seshego property.</li> <li>LEDA is in the business of providing rental to low or earning class not operating on commercial rates</li> </ul>	<ul style="list-style-type: none"> <li>Noted</li> </ul>

Issue	Responses	Recommendations / Resolutions
5. In Sekhukhune and Greater Tzaneen Municipalities a development agency has been established. Waterberg also want an agency. Is there any integration of objectives and is there any intervention from LEDA?	<ul style="list-style-type: none"> <li>The entity provides support as an when the development agencies are rolled out.</li> </ul>	<ul style="list-style-type: none"> <li>Noted</li> </ul>

- LGB

Issue	Responses	Recommendations / Resolutions
1. Budgeting for non-cash items.	<ul style="list-style-type: none"> <li>The Entity has budgeted for depreciation in the 2016/17 financial year. The Entity has used the new database for the public Entities which allowance to budget for non-cash items.</li> </ul>	<ul style="list-style-type: none"> <li>Noted</li> </ul>
2. Department should do a benchmark on the national monitoring and compliance tools of the Casino.	<ul style="list-style-type: none"> <li>Benchmark was done and LPT will be updated outside the bilateral.</li> </ul>	<ul style="list-style-type: none"> <li>LGB will update LPT on the monitoring and compliance model for Casinos</li> </ul>

- LTA

Issue	Responses	Recommendations / Resolutions
1. No presentation from the entity.	<ul style="list-style-type: none"> <li>See resolution.</li> </ul>	<ul style="list-style-type: none"> <li>The entity will submit the presentation to LPT after the meeting.</li> </ul>
2. The entity is allocated additional funds for the marketing of the province.	<ul style="list-style-type: none"> <li>As per resolution</li> </ul>	<ul style="list-style-type: none"> <li>The department was requires to give monthly report on the project involved</li> </ul>

#### 4.7 Vote 7: Health

- **Synopsis of departmental own revenue performance**

The Department has collected R113.9 million or 71.2 percent against the projections of R120.2 million or 75.1 percent which resulted in an under collection of R6.3 million or 4.2 percent. The under collection is on patient fees due to late billing of patients and as a result of delays and slow recovery of RAF debts.

Issue	Responses	Recommendations / Resolutions
1. What is the progress in recovering R18 million debt from RAF	<ul style="list-style-type: none"> <li>• RAF is currently experiencing financial difficulties and as result there are likely chances of not receiving the outstanding debt amount.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve planning and continuous monitoring of Implementation for Revenue Enhancement Allocation</li> </ul>
2. The department was unable to spend on the allocated budget of Patient Verification and Electronic Data Interchange Systems due to delayed supply chain process. What are the plans for the department to improve the spending in 2016/17	<ul style="list-style-type: none"> <li>• The department initially wanted to participate on the contract of other Province, however could not succeed as it has expired and that some of the important contractual documents could not be produced. The department has resolved to acquire the systems through open tender.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement strategies to ensure collections targets</li> </ul>
3. What are the departmental strategies to reach the allocated annual target?	<ul style="list-style-type: none"> <li>• There are challenges in some hospital where it was found that patient accounts are not billed and there is no proper monitoring and support.</li> </ul>	<ul style="list-style-type: none"> <li>• Department to find ways of ensuring that the targets are reached as planned.</li> </ul>



Issue	Responses	Recommendations / Resolutions
2. How does the department appoint service provider without capacity? If the department doesn't intervene the challenges in SCM will continue in 2016/17 financial year.		
3. Department had not receive the allocation for EPWP Incentive grant. Was the department reporting on the grant? What is department's plan moving forward?	Not responded to.	The department should respond in writing.

• Infrastructure

Issue	Responses	Recommendations / Resolutions
1. Planning for 2016/17 financial year on infrastructure requires the signed Service Level Agreement (SLA) with the implementation agents, how will this impact on the current projects?	<ul style="list-style-type: none"> <li>Department indicated that the SLA will be signed and commence duty on the 1st April 2016.</li> </ul>	<ul style="list-style-type: none"> <li>PT advised the department to ensure that the implementation agents should commit funds that are available within the budget allocation.</li> </ul>
2. PT had tried to engage the department on the Disaster fund in the 4th quarter.	<ul style="list-style-type: none"> <li>DPWRI had appointed service provider for disaster grant and application of rollover will be send to Provincial Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>NDoH indicated that department needs to spend funds in the 1st and 2nd quarter of the financial year as there are funds available at National Health which can be allocated during the adjustment budget.</li> </ul>
3. The implementing agents did emergency repairs at the beginning of the financial year, how will the department deal with these repairs in 2016/17 financial year.	<ul style="list-style-type: none"> <li>Department indicated that there are certain repairs which are emergency in nature and cannot be avoided.</li> </ul>	

Issue	Responses	Recommendations / Resolutions
<p>4. What is the status of Provincial Academic Hospital is it in the pipeline? How will the Province proceed with it?</p>	<ul style="list-style-type: none"> <li>The Academic Hospital is being discussed at NDoH and the department will keep LPT abreast with the new developments. Land had been identified and Programme Manager at NDoH is requesting a workshop.</li> </ul>	<ul style="list-style-type: none"> <li>Progress in the next meeting.</li> </ul>
<p>5. LPT asked the procurement of infrastructure is it in-house or outsourced to DBSA and IDT.</p>	<ul style="list-style-type: none"> <li>Not responded.</li> </ul>	<ul style="list-style-type: none"> <li>The department will respond in writing.</li> </ul>

• **Non-Financial Information**

Issue	Responses	Recommendations / Resolutions
<p>1. LPT is concern that Programme 2: District Health Services has achieved to meet 33 percent of their targets whilst the programme is projecting to overspend by year end. What is the programme spending on as there are unable to achieve the targets?</p>	<ul style="list-style-type: none"> <li>Department indicated that the targets that are not achieved are not directly linked to the expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted. However, the department is advised to ensure that all set targets are met as planned to avoid this low performance by Programme 2.</li> </ul>
<p>2. LPT indicated that department received additional funding amounting to R320.0 million during the adjustment budget. It was presented that Programme 8: Health Facilities Management could not meet its target as a result of insufficient funds. Did the department amend the business plan and over commitment?</p>	<p>Not responded to.</p>	<ul style="list-style-type: none"> <li>The department will respond in writing.</li> </ul>

- Expenditure

Issue	Responses	Recommendations / Resolutions
<p>1. LPT indicated that there are items of contractual obligations which cause the department to overspend i.e. security services, fleet etc. What controls are in place to ensure that the department remains within the budget? Can the department indicate with additional funds to be given what are the extra services will be provided?</p>	<ul style="list-style-type: none"> <li>• Department responded that Health funding needs an analysis. PT and the department needs a day session to discuss the R2.0 billion additional funding, which indicates that the department has been underfunded in the previous financial year and come up with measures long and short term funding as discussed during 2<sup>nd</sup> quarter bilateral meeting. Department is funding CoE at the expense of goods and services and tries to consider the allocation of non-negotiable first then other items will follow which are not adequately budgeted. Department also emphasized that other provinces are receiving allocation above the baseline.</li> <li>• The department had introduced the budget availability forms to manage the budget. It was also ensured that there is linkage between APP, Operational Plan and Procurement Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• PT advised the department to avoid underspending as rollover will not be approved.</li> <li>• Department was further advised to stop procuring services if funds are not available. PT will monitor the shifting of funds.</li> </ul>
<p>2. LPT asked why the department is having shortages amounting to R40.0 million on bursaries of Health professionals. Why is the department overspending on Non-Profit Institution and Departmental agencies?</p>	<ul style="list-style-type: none"> <li>• The overspending on bursaries is due exchange rates between rand and dollar as the economy is weak, this challenge is being experienced by all Provinces. NDoH is considering managing the bursaries at National, this centralization will assist the provinces.</li> </ul>	<p>Response noted.</p>

• Compensation of Employees

Issue	Responses	Recommendations / Resolutions
<p>1. LPT is concerned with the rate of Health professionals resigning and savings cannot be recognised. What measures will be in place to ensure that CoE doesn't overspend and adding more professionals. There are more vacancies with limited funds.</p>	<ul style="list-style-type: none"> <li>• Department had withdrawn the appointing delegation at Health facilities, but this process needs to be looked at as the department is huge. Appointments are done at Head Office.</li> <li>• Health professionals had resigned in order to cash in on pensions and appointed back as the skills are scarce. Department is encountering challenges on the PMDS whereby unionists are ensuring that all officials qualifies for performance bonus. This matter need to be discussed at Provincial level.</li> </ul>	<ul style="list-style-type: none"> <li>• There should be belt tiding especially on CoE and Goods &amp; Services to curb the expenditure. Limpopo Province is one of the highest ratio in the country on personnel cost.</li> </ul>
<p>2. Department indicated that there is 38 percent vacancy rate and the structure is being reviewed. Which structure is the department implementing approved or new structure?</p>	<ul style="list-style-type: none"> <li>• Department is implementing previously approved structure as the new structure is being discussed by Labour unions.</li> </ul>	<ul style="list-style-type: none"> <li>• The department is advised to speed up the finalization of the structure to avoid filling of vacant posts in the current structure which may have challenges when the new structure is approved. However, the department may precede filling posts that appear in both structures.</li> </ul>
<p>3. Department presented that the housing allowance had not been implemented. When will the department implement the housing allowance?</p>	<ul style="list-style-type: none"> <li>• The housing allowance will be paid in 2016/17 financial year as there are no funds available.</li> </ul>	



• Audit

Issue	Responses	Recommendations / Resolutions
1. LPT wanted an assurance that the department will not overspend.	<ul style="list-style-type: none"> <li>Department had deferred payment of invoices in order to avoid unauthorized expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Department was advised to ensure that funds allocated are spend wisely and limit to cash availability.</li> </ul>
2. Departmental interventions do not have timelines as discussed by the audit committee.	<ul style="list-style-type: none"> <li>Not responded.</li> </ul>	<ul style="list-style-type: none"> <li>The department is advised to always have deadlines on its intervention strategies as recommended by audit committee.</li> </ul>
3. Department obtained unqualified audit opinion for 2014/15 financial year. Is the department going to maintain the opinion?	<ul style="list-style-type: none"> <li>NDoH indicated that there are targeting five unqualified audit opinion for 2015/16 financial year, whereby Limpopo Department of Health is one of the targeted department.</li> <li>The department is committed to improve the audit opinion. The challenge of the department is revenue and the CEO at the hospitals are not willing to assist.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted, but department advised to close all possible loopholes.</li> </ul>

#### 4.8 Vote 08: Transport

- Synopsis of departmental own revenue performance

The Department collected R331.5 million or 78.3 percent against set projections of R330.4 million or 78.0 percent. The over collection of R1.2 million or 0.3 percent is mainly due to improved collection on motor vehicle licenses emanating from the operation of four newly departmental registering authorities collecting both registration fees and licencing of motor vehicle licences. However, receipts amounting to 5.0 million remain un-captured due to the non-availability and slowness of BAS. The department has arranged overtime for staff to manage the backlog.

Issue	Responses	Recommendations / Resolutions
<p>1. The department has not revised the motor vehicle licence fees for 2016/17 due to pending case between National department of Transport and TASIMA. How far is the progress regarding the case?</p>	<ul style="list-style-type: none"> <li>• The department indicated that they have been advised not to interact with TASIMA due to pending case to avoid further complications in handling the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure continuous communication with RTMC regarding the progress of court case</li> </ul>
<p>2. The department has presented that the strategy for withholding face value forms is yielding fruits regarding response by Municipalities in repaying motor vehicle licence debt , however the debt itself is showing an increase from R48 million in 2012/13 to R78 million to date. Why is the debt not reducing?</p>	<ul style="list-style-type: none"> <li>• The strategy is yielding some fruits since there are municipality that have made commitment and already started repaying the debt. However there are Municipalities like Musina, that are reluctant and not complying mainly because of their financial crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with the strategy for withholding face value forms to Municipalities that are not complying with the service level agreements</li> </ul>
<p>3. The department was nearly qualified because of lack of updated asset register for traffic fines. What is the progress in resolving the audit findings?</p>	<ul style="list-style-type: none"> <li>• The department is in the processing of assisting the districts to develop and maintain the Traffic Fines Registers</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen monitoring and support to districts to ensure that traffic fines registers are developed and updated on regular basis</li> </ul>

• Synopsis of expenditure performance

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>Rthous and</b>										
Administration	495 703	-4 432	491 271	491 271	486 565	416 762	84,8%	-	4 706	1,0%
Transport Infrastructure	-	-	-	-	-	-	-	-	-	-
Transport Operations	823 304	-41 881	781 423	781 423	772 960	570 003	72,9%	-	8 463	1,1%
Transport Regulations	519 891	-54 060	465 831	465 831	488 377	401 611	86,2%	-22 546	-	-4,8%
Community Based Programme	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 838 898</b>	<b>-100 373</b>	<b>1 738 525</b>	<b>1 738 525</b>	<b>1 747 902</b>	<b>1 388 376</b>	<b>79,9%</b>	<b>-22 546</b>	<b>13 169</b>	<b>-0,5%</b>
<b>Economic classification</b>										
Current payments	966 762	8 401	975 163	975 163	984 640	827 756	84,9%	-9 377	-	-1,0%
Compensation of employees	748 761	20 581	769 342	769 342	778 719	648 934	84,3%	-9 377	-	-1,2%
Goods and services	218 001	-12 180	205 821	205 821	205 821	178 822	86,9%	-	-	0,0%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	752 395	-30 910	721 485	721 485	721 485	531 660	73,7%	-	-	0,0%
Payments for capital assets	119 741	-77 864	41 877	41 877	41 877	28 960	69,2%	-	-	0,0%
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
of which: NPNC	970 396	-43 090	927 306	927 306	927 306	710 482	76,6%	-	-	0,0%
<b>Total</b>	<b>1 838 898</b>	<b>-100 373</b>	<b>1 738 525</b>	<b>1 738 525</b>	<b>1 747 902</b>	<b>1 388 376</b>	<b>79,9%</b>	<b>-9 377</b>	<b>-</b>	<b>-0,5%</b>

• Matters raised and recommendations

• Compensation of Employees

Issue	Responses	Recommendations/ resolutions
1. Department to contain projected overspending of R12.7 million.	<ul style="list-style-type: none"> <li>Measures to contain pressure are in place but overtime (planned and unplanned e.g. attending to accidents) for revenue capturers and traffic officers is unavoidable.</li> </ul>	<ul style="list-style-type: none"> <li>Department to provide planned/ committed overtime to LPT</li> </ul>
2. No provision of traffic officers graduates in the budget	<ul style="list-style-type: none"> <li>Traffic officers will not be trained due to dilapidated traffic college.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>

• Goods and services

Issue	Responses	Recommendations/ resolutions
1. Inter-departmental claim of R5.7 million roads camps	<ul style="list-style-type: none"> <li>DPWRI resists to pay the claim</li> </ul>	<ul style="list-style-type: none"> <li>Committee to raise issue with DPWRI during Bilateral</li> </ul>
2. High expenditure on legal fees	<ul style="list-style-type: none"> <li>It due to unforeseen high number officials (including 4 chief directors) suspended.</li> </ul>	<ul style="list-style-type: none"> <li>Department to put measures in place to conclude cases in time in order to avoid escalation of costs.</li> </ul>

• **Transfers and subsidies**

Issue	Responses	Recommendations/ resolutions
1. Unacceptable low performance	<ul style="list-style-type: none"> <li>It is due to final annual adjustment of bus subsidy determined by National Department of Transport at 2 per cent whilst the budget was based on 4 per cent increase and bus subsidy claims which are paid a month in arrears.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

• **Payments for capital assets**

Issue	Responses	Recommendations/ resolutions
1. Unacceptable low performance	<ul style="list-style-type: none"> <li>It is due to delay in the remedial construction on the Thohoyandou Taxi Facility and delay in the procurement of bus monitoring system.</li> </ul>	<ul style="list-style-type: none"> <li>Department to ensure that the facility is ready for use during second quarter of 2016/17 financial year as per presentation and fast track procurement of bus monitoring system.</li> </ul>

#### 4.9 Vote 09: Public Works, Roads and Infrastructure

- Synopsis of departmental own revenue performance

The Department collected R150.9 million or 91.6 percent compared to projections of R160.1 million or 97.1 percent. The under collection of R9.1 million is mainly due to partial implementation of PSCBC resolution on rentals and non-transfer of revenue from RAL.

Issue	Responses	Recommendations/ resolutions
1. What is the progress regarding the transfer of rental function to COGHSTA?	<ul style="list-style-type: none"> <li>• Submission will be forwarded to the MEC Provincial Treasury and to EXCO regarding the transfer of rental function to COGHSTA.</li> </ul>	<ul style="list-style-type: none"> <li>• The MEC for LPT advised that no function can be shifted to another department without EXCO approval and the department said that they will send</li> </ul>
2. LPT raised a concern regarding the revenue budget estimates of R25 million determined by RAL in 2016/17 and hence the entity is claiming that the budget is not realistic. What informed the R25 million estimates and what has changed?	<ul style="list-style-type: none"> <li>• According to the report by the transactional advisor only R2 million will be collected.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise the review of rental policy and renewal of lease agreements</li> </ul>
3. It was noted that the department is collecting revenue from commercial tenants with lease agreements that are not renewed. What are the challenges and the plans to ensure that the lease agreements are properly updated?	<ul style="list-style-type: none"> <li>• The Department is currently attending to the challenges and progress report will be provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress to be provided in the next meeting.</li> </ul>

• Synopsis of expenditure performance

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Administration	301 734	2 830	304 564	304 564	297 244	247 607	81,3%	-	7 320	2,4%
Infrastructure Operations	647 601	11 004	658 605	658 605	681 080	576 403	87,5%	-22 475	-	-3,4%
Expanded Public Works Programme	38 094	1 440	39 534	39 534	39 534	32 131	81,3%	-	-	0,0%
Roads Infrastructure	1 762 327	-8 094	1 754 233	1 754 233	1 671 927	1 394 224	78,9%	-	82 306	4,7%
<b>Total</b>	<b>2 749 756</b>	<b>7 180</b>	<b>2 756 936</b>	<b>2 756 936</b>	<b>2 689 795</b>	<b>2 240 365</b>	<b>81,3%</b>	<b>-22 475</b>	<b>89 626</b>	<b>2,4%</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>1 638 060</b>	<b>-145 477</b>	<b>1 492 583</b>	<b>1 492 583</b>	<b>1 451 654</b>	<b>1 196 121</b>	<b>80,1%</b>	<b>-</b>	<b>40 929</b>	<b>2,7%</b>
Compensation of employees	969 610	-5 264	964 346	964 346	923 416	769 572	79,8%	-	40 930	4,2%
Goods and services	668 450	-140 213	528 237	528 237	528 238	426 549	80,7%	-1	-	0,0%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	753 510	141 605	895 115	895 115	909 761	863 668	96,5%	-14 646	-	-1,6%
Payments for capital assets	358 186	11 052	369 238	369 238	328 134	180 360	48,8%	-	41 104	11,1%
Payments for financial assets	-	-	-	-	236	236	100,0%	-236	-	-1,0%
of which: NPNG	1 421 960	1 392	1 423 352	1 423 352	1 438 235	1 290 443	90,7%	-14 893	82 033	2,4%
<b>Total</b>	<b>2 749 756</b>	<b>7 180</b>	<b>2 756 936</b>	<b>2 756 936</b>	<b>2 689 795</b>	<b>2 240 365</b>	<b>81,3%</b>	<b>-14 893</b>	<b>82 033</b>	<b>2,4%</b>
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)										
										<b>Net</b>
										<b>67 151</b>
										<b>Net</b>
										<b>-14 893</b>
										<b>82 033</b>
										<b>2,4%</b>

• Matters Raised and Recommendations

• Compensation of Employees

Issue	Responses	Recommendations/ resolutions
1. Non-inclusion of PERSAL clean-up and costing of COE on the presentation	<ul style="list-style-type: none"> <li>PERSAL clean-up and costing of COE is a challenge due to reconfiguration</li> </ul>	<ul style="list-style-type: none"> <li>Department to provide progress to LPT</li> </ul>
2. Department to project under-spending by R39,9 million	<ul style="list-style-type: none"> <li>It is due to delay in filling vacant positions.</li> </ul>	<ul style="list-style-type: none"> <li>Department develops and implement effective recruitment plan strategy.</li> </ul>

• Payments for capital assets and Goods & Services

Issue	Responses	Recommendations/ resolutions
1. Unacceptable low performance	<ul style="list-style-type: none"> <li>It is due to SCM challenges. SCM has now been split into general purchases and infrastructure procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Two SCMs units should operate immediately because the issue has been indicated severally from long time ago.</li> </ul>
2. Inter-departmental claim of R5,7 million roads camps	<ul style="list-style-type: none"> <li>Valid claim of R1,6 million has been paid.</li> </ul>	<ul style="list-style-type: none"> <li>Matter should be formally finalised and reported to LPT.</li> </ul>
3. March spike projected	<ul style="list-style-type: none"> <li>It is due to claims from DBSA for projects amounting to R200,0 million transferred.</li> </ul>	<ul style="list-style-type: none"> <li>Department to ensure that no prepayments are made to overstate expenditure.</li> </ul>

• **Infrastructure**

<b>Issue</b>	<b>Responses</b>	<b>Recommendations/ resolutions</b>
1. Chief- directors not attending ITMC meetings	<ul style="list-style-type: none"> <li>Chief-directors will in future attend ITMC meetings</li> </ul>	<ul style="list-style-type: none"> <li>Acting HoD to ensure that Chief-directors attend ITMC meetings</li> </ul>
2. Contracts of Hub officials not renewed	<ul style="list-style-type: none"> <li>It is due to lack of clear knowledge on how they were appointed by Intervention Team. Positions are being filled. Chief- director: Construction Management is currently heading the Unit.</li> </ul>	<ul style="list-style-type: none"> <li>Process of filling positions should be expedited and their performances should be reported.</li> </ul>
3. Dilapidated infrastructure due to non-maintenance	<ul style="list-style-type: none"> <li>It is due to SCM challenges. SCM has now been split into general purchases and infrastructure procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Two SCMs should operate immediately because the issue has been indicated severally from long time ago.</li> </ul>
4. Availability of maintenance plans	<ul style="list-style-type: none"> <li>Maintenance plans are available</li> </ul>	<ul style="list-style-type: none"> <li>Department to submit maintenance plans to LPT</li> </ul>
5. Maintenance budget not clearly identifiable	<ul style="list-style-type: none"> <li>Department acknowledged gap</li> </ul>	<ul style="list-style-type: none"> <li>Department to submit breakdown of maintenance budget to LPT</li> </ul>

• **Reconciliation of Department's and Entity's information**

<b>Issue</b>	<b>Responses</b>	<b>Recommendations/ resolutions</b>
1. Non-reconciliation of Department's and Entity's information	<ul style="list-style-type: none"> <li>Department acknowledged gap</li> </ul>	<ul style="list-style-type: none"> <li>Relationship between Department and Entity must be improved and information must be reconciled before being shared with external stakeholders</li> </ul>
2. Departmental performance includes that of the Entity	<ul style="list-style-type: none"> <li>Department acknowledged gap</li> </ul>	<ul style="list-style-type: none"> <li>Department to provide departmental performance excluding that of the Entity</li> </ul>

• **Road Agency Limpopo**

<b>Issue</b>	<b>Responses</b>	<b>Recommendations/ resolutions</b>
1. No clear splitting of expenditure for Disaster, Conditional Grant and Equitable spending on the presentation	<ul style="list-style-type: none"> <li>Entity acknowledged gap.</li> </ul>	<ul style="list-style-type: none"> <li>Entity to provide clear splitting of expenditure for Disaster, Conditional Grant and Equitable spending</li> </ul>

Issue	Responses	Recommendations/ resolutions
2. Unacceptable low performance	<ul style="list-style-type: none"> <li>Some departmental projects were transferred to the Entity late coupled with failure of emerging contractors sub-contracted.</li> </ul>	<ul style="list-style-type: none"> <li>Applications for roll-overs should be submitted through the Department immediately. Failing (defaulting) contractors should be dealt with legally.</li> </ul>
3. Donor funding	<ul style="list-style-type: none"> <li>There are no details of donor funding and the period thereof</li> </ul>	<ul style="list-style-type: none"> <li>Entity to provide details including the periods thereof.</li> </ul>

• **Compensation of Employees**

Issue	Responses	Recommendations/ resolutions
1. How far we are on cost containment, Persal clean up?	<ul style="list-style-type: none"> <li>In the process of cleaning Persal</li> </ul>	<ul style="list-style-type: none"> <li>Department advised to complete the process before the end of the financial year.</li> </ul>

• **Spending**

Issue	Responses	Recommendations/ resolutions
1. The projected spending of department on both equitable share and Conditional Grant. How much are we going to spend in overall?		
2. Transfers and Payments with Transport – This item is duplicated with 2 – Interdepartmental claims	<ul style="list-style-type: none"> <li>The department paid for the legitimate claim. However Mr. Maphiri submitted security claims were not agreed.</li> </ul>	<ul style="list-style-type: none"> <li>The matter to be handle outside of this meeting (HOD Treasury and CFO PWRI)</li> </ul>
3. Section 42 transfers of properties.	<ul style="list-style-type: none"> <li>There has been misunderstanding on when the transfer has to happen, which depts preferred end of 3rd quarter of during 4th quarter. What?</li> <li>The challenge is that the department acquires properties, when they fail to disclose, they point PWRI and a legal custodian of immovable assets.</li> </ul>	<ul style="list-style-type: none"> <li>The matter to be raised further with other colleagues</li> </ul>



• Conditional Grants

Issue	Responses	Recommendations/ resolutions
1. EPWP has not been doing well in the Province and the Economic cluster has taken a decision for a meeting to diagnose challenges.	<ul style="list-style-type: none"> <li>No responses provided.</li> </ul>	<ul style="list-style-type: none"> <li>The department was advised to get Economic cluster resolutions for implementation.</li> </ul>
2. What are the challenges in setting up the procurement for infrastructure?	<ul style="list-style-type: none"> <li>No responses provided.</li> </ul>	<ul style="list-style-type: none"> <li>The department should provide a clear plan to LPT with very clear timelines on this matter.</li> </ul>
3. Progress on general SCM processes (Procurement challenges)	<ul style="list-style-type: none"> <li>No responses provided.</li> </ul>	<ul style="list-style-type: none"> <li>The department should consider SCM capacity building a priority and progress should be provided in the next meeting.</li> </ul>
4. Progress on fire plan for Safety	<ul style="list-style-type: none"> <li>Progress not provided.</li> </ul>	<ul style="list-style-type: none"> <li>Written report to be provided to LPT.</li> </ul>
5. There are structural challenges in RAL pertaining to budget allocation. (Is there a budget committee).	<ul style="list-style-type: none"> <li>The HOD attested to issue.</li> </ul>	<ul style="list-style-type: none"> <li>The department to work with RAL to correct the situation.</li> </ul>
6. Why are Chief Directors not attending ITMC meetings?	<ul style="list-style-type: none"> <li>All Chief Directors in Construction Management must attend ITMC meetings.</li> </ul>	<ul style="list-style-type: none"> <li>All Chief Directors in Construction Management must attend ITMC meetings.</li> </ul>
7. On Cost benefit analysis, when will this project be delivered? Also the condition assessment on buildings (E.g. maintenance of office at Legislature, Safety's fire plan etc.). What budget does the dept has for Legislature? Maintenance plan presented in Audit committee. Why is it now an issue on the implementation phase? 8. What will happen if the departments are not buying the buildings and what are the plans?	<ul style="list-style-type: none"> <li>There are challenges in the department, but the department has some maintenance plans and this was escalated to National department.</li> <li>There are buildings without structural plans and this makes it difficult to plan.</li> <li>Some buildings are aged (30 years old) and difficult to maintain.</li> <li>The HOD also acceded that there is a culture of ill-discipline in the department and this has to be addressed in terms of the law.</li> </ul>	<ul style="list-style-type: none"> <li>The MEC to escalate the matter (poor performance of department) to the MEC of DPWRI).</li> <li>There has to be a three year maintenance plan of all the departments with clear break down.</li> <li>The depts need to buy buildings which are user friendly.</li> </ul>

Issue	Responses	Recommendations/ resolutions
<p>9. Roads classification. Roads transferred to RAL in municipalities. What are the negotiations with municipalities on these areas to avoid conflicts? E.g. municipalities abandoning some infrastructure projects because they now belong to RAL.</p>	<ul style="list-style-type: none"> <li>• RAL has good relations with municipalities and they agree in terms of responsibilities. However, the issue will be taken up with the concerned municipalities</li> </ul>	<ul style="list-style-type: none"> <li>• RAL to provide a plan on how it will spend all the money.</li> </ul>
<p>10. How are we managing the Hub since the other contracts were not renewed, including the hub manager?</p>	<ul style="list-style-type: none"> <li>• The contracts lapsed but the renewal was not going to be legal. Also that the HOD did not have powers to renew. However, some have reapplied.</li> <li>• The Chief Director Construction Management is currently acting as Hub manager.</li> </ul>	<ul style="list-style-type: none"> <li>• The department is advised to have a long-term plan regarding the capacity and management of the Hub.</li> </ul>
<p>11. Projects that RAL has with private sector (PPP).</p>	<ul style="list-style-type: none"> <li>• Projects with private sectors are multi-year projects.</li> </ul>	<ul style="list-style-type: none"> <li>• There should be a plan for every year with clear costs.</li> </ul>

#### 4.10 Vote 10: Safety, Security and Liaison

- Synopsis of own revenue performance

The Department collected R0.220 million or 77.6 percent compared to projections of R0.236 million or 87.4 percent. The under collection is due to poor recovery of previous year debts.

Issue	Response	
<p>1. The department is currently not performing well regarding the recovery of debts. What are the challenges and steps taken to address poor recovery?</p>	<ul style="list-style-type: none"> <li>• 85% of the total debt of the department is for a former employee and the case is referred to office of the State Attorneys at OTP and other debts are being recovered on a monthly basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up on the recovery of debt referred to Office of the State Attorney.</li> </ul>
<p>2. The department is currently under collecting against the projections, what strategies the department has to ensure attainment of the target.</p>	<ul style="list-style-type: none"> <li>• The department is projecting to over collect the target by the end of the financial year.</li> </ul>	



Issue	Responses	Recommendations / Resolutions
<p>2. The department is achieving the targets regardless of its high vacancy rate. Can the department continue to do well without filling the vacant posts?</p>	<ul style="list-style-type: none"> <li>The mandate of the department depends on human effort. Department has a solid team whereby officials are given additional leave days instead of payment, overtime is only paid to low level officials.</li> </ul>	<ul style="list-style-type: none"> <li>Commitment noted.</li> </ul>

- Earmarked Funding

Issue	Responses	Recommendations / Resolutions
<p>1. LPT had additional funds towards the CSF and CPF project. What are differences between YCOP, CSF and CPF?</p>	<ul style="list-style-type: none"> <li>CPF is established by SAPS Act and it's a community structure in policing linked to a particular police station. CSF is linked to municipality where safety issues are being discussed. Department indicated that funding is for training youth on high crime spot areas, paying the sitting allowance of board members for CSF and board members of CPF.</li> <li>Young Civilian on Patrol (YCOP) is a community safety volunteer programme as contemplated by National Development Plan (NDP) vision of 2030. It also give effect to the new pillar of Limpopo Provincial Crime Strategy of Youth Crime Prevention.</li> <li>Based on Limpopo Development Plan (LDP), its department responsibility in building safer communities at schools, clinics and partnering with Department of Social Development in rehabilitating the crime offenders. Police and YCOP will assist to reduce crime at the communities. Funding was received to kick start the YCOP project which can be used at schools, clinics in township for safety.</li> </ul>	<p>Response noted.</p>

• **Fire plan**

Issue	Responses	Recommendations / Resolutions
<p>1. LPT wanted clarity on R0.500 million still to be paid? What is progress on the fire plan? What are plans that the department doesn't incur underspending as the project was transferred to DPWRI?</p>	<ul style="list-style-type: none"> <li>• Department indicated that an amount of R0.500 million was a contract between the department and Engineer to continue to monitor the progress of service provider on the fire plan.</li> </ul>	<ul style="list-style-type: none"> <li>• PT advised the department that the underspending can be explained and cannot cost the clean audit. PT will engage with DPWRI on progress of the fireplan.</li> </ul>
<p>2. PT wanted confirmation if the department will be able to spend allocated funds for fire plan as DPWRI had continued with the project without funding.</p>	<ul style="list-style-type: none"> <li>• The engineer cannot claim these funds until the project is completed and seems as if they will be paid in the 2016/17 financial year.</li> </ul>	

• **Conditional grant**

Issue	Responses	Recommendations / Resolutions
<p>1. Department had spent R1.5 million or 76.0 percent as per IYM. Will the department spend the allocation of R2.1 million?</p>	<ul style="list-style-type: none"> <li>• The department is awaiting final transfer of funds from National Public Works. There were delays in terms of work schedule as the department started late with appointment of contract workers.</li> </ul>	<p>Department should put measures in place to avoid material underspending at year-end.</p>
<p>2. What are reasons for non-allocation of funds in 2016/17 financial year?</p>	<ul style="list-style-type: none"> <li>• Funding of EPWP has its own requirements on the appointment of beneficiaries and the departmental projects are preventing crimes of which the requirement does not fit. The requirements were redesign to fit the EPWP. The budget has serious impact as the grant contributes 18-20 percent of the total departmental budget. Department will continue to pay contract workers as per policy not per</li> </ul>	<p>Department should identify other mechanisms to utilise available funding in government especially considering the needs of the department vs available funding.</p>

Issue	Responses	Recommendations / Resolutions
	grant as it given in the current financial year. Contract workers are paid on PERSAL in order to detect the public servants.	

- **Synopsis of departmental own revenue performance**

The Department collected R0.187 million or 222.8 percent compared to projections of R0.043 million or 51.2 percent. The over collection is due to sale of capital assets through an auction which generated R0.143 million which was not anticipated or budgeted for as well as improved parking fees from officials who relocated from Transport.



#### 4.11 Vote 11: Cooperative Governance, Human Settlements and Traditional Affairs

- Synopsis of departmental own revenue performance

Collection as at 31 January 2016 is R5.5 million or 97.7 percent against set projections of R0.4.8 million or 85.7 percent. The over collection is mainly due to sale of tender documents, commission on insurance and once off settlement of interdepartmental debts from the previous years.

Issue	Responses	Recommendations / Resolutions
1. The department has auction sale on 25 February 2016 and to date the proceeds is not yet accounted for by the department, what are the challenges?	<ul style="list-style-type: none"> <li>• The department already received proceeds amounting to R800 000.00 from the auctioneer and will ensure that the money is accounted for in the General Ledger of the department and subsequent transfer into the Provincial revenue Funds before end year closure.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that proceeds from Sale of Capital Assets are accounted for and Transfer into the Provincial Revenue Fund before end year closure.</li> </ul>

- Synopsis of expenditure performance

	Main Appropriation	Adjustments	Adjusted Appropriation	Available Funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
<b>R thousand</b>										
Administration	286 698	17 338	304 036	304 036	294 866	247 071	81.3%	-	9 170	3.0%
Human Settlements	1 384 643	314 700	1 699 343	1 699 343	1 698 572	951 049	56.0%	-	771	0.0%
Cooperative Governance	248 724	-5 697	243 027	243 027	242 526	196 670	80.9%	-	501	0.2%
Traditional Institutional Development	349 262	93 946	443 208	443 208	421 964	289 959	64.7%	-	21 244	4.6%
<b>Total</b>	<b>2 269 527</b>	<b>420 287</b>	<b>2 689 814</b>	<b>2 689 814</b>	<b>2 657 928</b>	<b>1 681 749</b>	<b>62.5%</b>	<b>-</b>	<b>31 686</b>	<b>1.2%</b>
<b>Economic classification</b>	<b>972 563</b>	<b>35 608</b>	<b>1 008 171</b>	<b>1 008 171</b>	<b>976 065</b>	<b>807 739</b>	<b>80.1%</b>	<b>-</b>	<b>32 106</b>	<b>3.2%</b>
Current payments	809 026	37 075	846 101	846 101	814 415	680 765	80.5%	-	31 686	3.7%
Compensation of employees	163 537	-1 567	161 970	161 970	161 550	128 876	78.3%	-	420	0.3%
Goods and services	-	100	100	100	100	98	98.0%	-	-	0.0%
Interest and rent on land	1 296 509	380 862	1 676 771	1 676 771	1 677 191	871 076	51.9%	-420	-	0.0%
Transfers and subsidises	866	3 817	4 672	4 672	4 672	2 934	62.8%	-	-	0.0%
Payments for capital assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	1 459 446	379 395	1 838 841	1 838 841	1 838 841	998 050	54.3%	-	-	0.0%
of which: NPNC	2 269 927	420 287	2 689 614	2 689 614	2 657 928	1 681 749	62.5%	-420	32 106	1.2%
<b>Total</b>	<b>2 269 927</b>	<b>420 287</b>	<b>2 689 614</b>	<b>2 689 614</b>	<b>2 657 928</b>	<b>1 681 749</b>	<b>62.5%</b>	<b>-420</b>	<b>32 106</b>	<b>1.2%</b>
<b>Net</b>								<b>31 686</b>		

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

- Matters raised and recommendations

- **Traditional Leaders Affairs**

Issue	Responses	Recommendations/ Resolutions
1. What is progress regarding the purchase of Traditional Leaders tools of trade?	<ul style="list-style-type: none"> <li>• 97 vehicles purchased with 187 outstanding but ordered and awaiting invoices.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted. Progress report to be provided in the next meeting.</li> </ul>
2. Did the department make sufficient provision for the appointment of Traditional Leaders 2016/17?	<ul style="list-style-type: none"> <li>• Issue not clarified.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress to be provided in writing.</li> </ul>
3. How far is the progress regarding the appointment of Traditional Leaders?	<ul style="list-style-type: none"> <li>• The Department of CoGTA has issued a moratorium on the appointment of Traditional Leaders, but only dealing with the backlog.</li> </ul>	<ul style="list-style-type: none"> <li>• Department to provide progress in the next meeting.</li> </ul>
4. Were all arrear payments as per gazette paid?	<ul style="list-style-type: none"> <li>• Payment of arrears is to be finalised this month.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>

- **Municipal support**

Issue	Responses	Recommendations/ Resolutions
1. In view of the R204 MIG grant suspension from Vhembe District Municipality, why is this grant not reallocated to performing municipalities within the Province?	<ul style="list-style-type: none"> <li>• The R204 code is to be reallocated to 13 municipalities within the province.</li> </ul>	<ul style="list-style-type: none"> <li>• Response noted.</li> </ul>
2. How does the department support the municipalities, besides grant funding/	<ul style="list-style-type: none"> <li>• The department is profiling municipalities to see what support they need. This is in conjunction with LPT since most of their challenges relate to financial management.</li> </ul>	<ul style="list-style-type: none"> <li>• The department to strengthen its relation with LPT on support to municipalities for both financial and infrastructure management.</li> </ul>
3. The MIG in Vhembe, Mopani and Vhembe to be stopped. Some of the monies could be given to municipalities which are doing much better than districts.	<ul style="list-style-type: none"> <li>• The amount stopped was reallocated to 13 municipalities in the province. The money should be transferred today.</li> </ul>	<ul style="list-style-type: none"> <li>• The department should provide progress in the implementation of these allocations.</li> </ul>

• **Compensation of Employees**

<b>Issue</b>	<b>Responses</b>	<b>Recommendations/ Resolutions</b>
1. Why is compensation of employees spending low in programme 4?	<ul style="list-style-type: none"> <li>Some traditional leaders still not yet paid pending approval from OTP.</li> </ul>	<ul style="list-style-type: none"> <li>The department to expedite the matter with OTP.</li> </ul>
2. CoE is ring-fenced, what is strategy not to over spend in view of the appointments that are being implemented?	<ul style="list-style-type: none"> <li>Issue not clarified.</li> </ul>	<ul style="list-style-type: none"> <li>Progress to be provided in writing.</li> </ul>
3. Non-filling of posts in Traditional Affairs is a challenge. What posts are these? What is the strategy?	<ul style="list-style-type: none"> <li>Not responded satisfactorily.</li> </ul>	<ul style="list-style-type: none"> <li>Progress to be provided in writing.</li> </ul>
4. Dept considering determining CoE on head count. What is the strategy of handling aging personnel who are to exit the system?	<ul style="list-style-type: none"> <li>Not responded satisfactorily</li> </ul>	<ul style="list-style-type: none"> <li>Progress to be provided in writing.</li> </ul>

• **Conditional Grants**

<b>Issue</b>	<b>Responses</b>	<b>Recommendations/ Resolutions</b>
1. Progress on the purchase of land.	<ul style="list-style-type: none"> <li>Land parcels purchased during 2015/16 and the problem is very minimal in the 2016/17 FY. The department has a budget of R20 million for purchase of land.</li> </ul>	<ul style="list-style-type: none"> <li>Department is advised to look continuously look for available parcels of land for future use.</li> </ul>
2. What is the plan in taking over the rectification of houses? Do we have the capacity to deliver and what is the level of quality of those that have been completed? Is the retention of money for in case there is poor performance? What have we done with the non-performers? Where did we go wrong with our evaluation processes? What are the future plans?	<ul style="list-style-type: none"> <li>Department acceded to the poor performance which was largely affected by poor planning and beneficiaries.</li> <li>There is 154 000 backlog. The huge backlog is in Vhembe but more efforts are being dedicated to that district. More houses were built in Polokwane followed by Mopani.</li> </ul>	<ul style="list-style-type: none"> <li>If a service does not perform, it must be withdrawn immediately and the department should have plan B.</li> </ul>
3. Progress in addressing backlog?	<ul style="list-style-type: none"> <li>Beneficiary management has also been a challenge. The MEC gave a ruling that priority should be given to people who are on the system.</li> </ul>	

Issue	Responses	Recommendations/ Resolutions
4. EPWP grant is never reported on IYM and has unrealistic projections	<ul style="list-style-type: none"> <li>Not reported.</li> </ul>	<ul style="list-style-type: none"> <li>Progress in the next meeting.</li> </ul>
5. February IYM shows a projected underspending of R541m.	<ul style="list-style-type: none"> <li>Under spending is to date is projected at R467m. The other funds will be committed for rollover. The roll over will be in the new contracts for the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>We should prepare a motivation and plan B for Incase we do not receive the rollover.</li> </ul>
6. The delays in the appointments of service providers have been a challenge we are not getting this right. What is the strategy moving forward? HDA seem to be not helpful.	<ul style="list-style-type: none"> <li>This has been chronic. The department committed to improve. Finalising the contracts procurement. Appointments to be confirmed during the month of April.</li> <li>HDA did well in assisting dept but they only had challenges in getting contractors on site. Strong communiqué sent to inform them to perform as agreed.</li> <li>HDA has appointed a PMU to assist with contract management, and this will improve performance.</li> </ul>	<ul style="list-style-type: none"> <li>The department should improve its procurement processes and avoid appointments in third quarter.</li> </ul>
7. The department is wasting much resource on rectification.	<ul style="list-style-type: none"> <li>These are block projects which were not enrolled with NHBRC.</li> </ul>	<ul style="list-style-type: none"> <li>The department should ensure that all housing units are enrolled to cater for repairs of defects.</li> </ul>
8. What is the plan for the new allocation and anticipated rollover?	<ul style="list-style-type: none"> <li>Procurement processes are at an advance stage. The department has a panel for adjudicating contracts and appointments will be confirmed in April 2016.</li> </ul>	<ul style="list-style-type: none"> <li>The department should consider finalizing procurement processes before the commencement of financial year for implementation to start beginning of financial year.</li> </ul>
9. A concern with the situation in the municipalities e.g. Vhembe which is having serious leadership (MM) challenges.	<ul style="list-style-type: none"> <li>The legal advice indicated that the decision MEC on concurrent was correct. There is an acting MM and the department will be working closely with his office.</li> </ul>	<ul style="list-style-type: none"> <li>The department to ensure consistency in leadership positions of all municipalities in the province.</li> </ul>
10. CoGHSTA is still the only department still buying newspapers for SMSs.	<ul style="list-style-type: none"> <li>The purchase of newspapers will be suspended immediately.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

Issue	Responses	Recommendations/ Resolutions
<p>11. The department advised to share PA posts than advertising 13 PA posts.</p>	<ul style="list-style-type: none"> <li>• The strategy was to have a team and it finalised the schedules, but the panels have not been comprised given pressures in other areas of service delivery. Most of the panels have been sitting in the previous two weeks.</li> <li>• The department requested to meet its target by April.</li> <li>• The filing of 13 PA posts has been an Executive Management decision.</li> </ul>	<ul style="list-style-type: none"> <li>• The department was instructed to complete the filling of vacancies by end of this March.</li> <li>• The department should consider sharing PAs than to have each SMS having a PA.</li> </ul>
<p>12. Progress on the purchase of cars for traditional leaders?</p>	<ul style="list-style-type: none"> <li>• 97 purchased in December and to date all 187 planned have been procured, but still awaiting for invoices.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted. The department is advised to ensure that all invoices are paid before the end of the financial year.</li> </ul>



- **Matters Raised and Recommendations**

- **Expenditure trends**

The overall spending of the department is R1.241 billion or 77.2 percent, which is below the norm of R1.280 billion or 83.3 percent by R39.0 million or 6.1 per cent. The compensation of employees adjusted budget of the department is R834.6 million. The expenditure recorded as at 31 January 2015 amounts to R690.4 million or 82.7 percent of the compensation of employee's budget. The goods and services adjusted budget is R233.4 million and the expenditure to date amounts to R187.8 million or 80.5 percent. An amount of R347.4 million or 70.0 percent for transfers and subsidies has been spent against the adjusted budget of R496.709 million. The budgeted amount is R44.2 million. The expenditure to date on payments for capital assets amounts to R16.0 million or 36.2 percent.

- **Personnel Matters**

Issue	Responses	Recommendations/ Resolutions
1. What are the challenges around filling of vacant posts e.g. GITO, and posts if finance unit?	<ul style="list-style-type: none"> <li>• Appointment done with the hope that the department will get new people, but only to see promotions and this left more opening in the structure. The department alluded to the fact that it is a new department and still in the process of trying to get its structure completely filled.</li> </ul>	<ul style="list-style-type: none"> <li>• The department is advised to advertise critical posts urgently.</li> <li>• The department to also consider merging posts were possible.</li> </ul>

- **CoE**

Issue	Responses	Recommendations / Resolutions
1. It is projected that the department will overspend its CoE allocation	<ul style="list-style-type: none"> <li>• The department unused amount of R8.5 million which were budgeted for filling advertised posts.</li> </ul>	<ul style="list-style-type: none"> <li>• The Department is of the opinion that they are not going to overspend the budget</li> </ul>
2. Non-appointment of the post for Risk officer	<ul style="list-style-type: none"> <li>• The department is in the process of reprioritising the post to be filled</li> </ul>	
3. Outstanding payments of employees PMDS	<ul style="list-style-type: none"> <li>• The PMS is for SMS and the amount to be paid is less than R1 million</li> </ul>	
4. What are the actual figure of personnel appointed and or transferred in and out of the department since September/	<ul style="list-style-type: none"> <li>• The department did not have figures but committed that figure will be made available to LPT.</li> </ul>	<ul style="list-style-type: none"> <li>• Report to be provided in writing.</li> </ul>

• Goods and services

Issue	Responses	Recommendations / Resolutions
1. Finalisation of the shared services	<ul style="list-style-type: none"> <li>Department is going to have meeting with Health to discuss the matter with the acting HOD.</li> </ul>	<ul style="list-style-type: none"> <li>The department will arrange meeting with Department of Health.</li> </ul>
2. The shared services with departments of Sport, Arts and Culture.	<ul style="list-style-type: none"> <li>The department reported that there are challenges regarding this arrangement despite meetings that were help with LPT. Meetings are on-going to try and resolve this matter.</li> <li>The parking issue is not yet resolved with Department of Sport. There is 160 parking at Olympic Towers and Social Development is only given 23 parking.</li> </ul>	<ul style="list-style-type: none"> <li>The two departments should collaborate on this matter and where possible, LPT should intervene.</li> </ul>

• Transfers and subsidies

Issue	Responses	Recommendations / Resolutions
1. The disbursement of first trench transfer payments to NPOs What about it?	<ul style="list-style-type: none"> <li>At the beginning of the first quarter.</li> </ul>	<ul style="list-style-type: none"> <li>Noted.</li> </ul>
2. NPOs Savings.	<ul style="list-style-type: none"> <li>The Department utilise the realised savings to pay other NPOs that qualifies for funding</li> </ul>	<ul style="list-style-type: none"> <li>Department to re-look at that model to close gaps for disputes.</li> </ul>
3. GTEC will be providing support to provincial departments as from 1 <sup>st</sup> April 2016 and Sport included.	<ul style="list-style-type: none"> <li>The department welcomed GTEC support and Infrastructure Hud with the view that it will resolve long infrastructure challenges facing the department.</li> <li>The department will take a decision on how to engage with the Infrastructure Hub and GTEC since the contract with IDT is coming to an end.</li> </ul>	<ul style="list-style-type: none"> <li>The department advised to collaborate with GTEC for them to make meaningful contribution.</li> </ul>



Issue	Responses	Recommendations / Resolutions
4. What are the challenges around Seshego Treatment center and related projects?	<ul style="list-style-type: none"> <li>The department has been very alert on things they have to pay. They are still waiting for valid invoices from ITD and instructed them to impose penalties to the constructor for damages that adds up to R25 million. The department has approached AG to audit all infrastructure projects.</li> </ul>	<ul style="list-style-type: none"> <li>The department should have a strategy of engaging with Implementing Agencies.</li> </ul>
5. Quarterly tranches v/s monthly transfers to NPOs.	<ul style="list-style-type: none"> <li>The department agreed to the proposal or model proposed by LPT and a meeting was proposed between Mr. Mudogwa of LPT and The CFO to finalise the proposed model.</li> </ul>	<ul style="list-style-type: none"> <li>Report in the next meeting.</li> </ul>

**• Payments for capital Assets**

Issue	Responses	Recommendations / Resolutions
1. Paying the sub-contractors while the main contractor is liquidated for Seshego Treatment building	<ul style="list-style-type: none"> <li>All along the department was insisting on paying project that is not completed. IDT was told by the Department that money is sitting in the project that is not moving.</li> </ul>	<ul style="list-style-type: none"> <li>IDT to be requested to provide detailed report</li> </ul>
2. Confirming the price of the purchased motor vehicles	<ul style="list-style-type: none"> <li>The department was informed that there price changed in the contract that they are using to purchase motor vehicle. The in the process of verifying the matter with National Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>HOD of Provincial Treasury and CFO of department will discuss the matter further.</li> </ul>

**• Conditional Grants**

Issue	Responses	Recommendations / Resolutions
3. EPWP business plan still outstanding.	<ul style="list-style-type: none"> <li>The department committed that the business plan will be forwarded to LPT in due course.</li> </ul>	<ul style="list-style-type: none"> <li>Response noted.</li> </ul>

#### 4.13 Vote 13: Sport, Arts and Culture

- **Synopsis of own revenue performance**

The Department collected R1.5 million or 129.5 percent against set projections of R1.1 million or 94.6 percent. The over-collection is influenced by collection of Entrance Fees of Mapungubwe Arts festival which sold more tickets than anticipated.

Issue	Responses	Recommendations/Resolutions
1. The department indicated that poor collection of fines on lost library books is as result of unreliable inventory list. What is the progress regarding the creation and updating of library books inventory list?	<ul style="list-style-type: none"> <li>• The department is in the process of updating and improving inventory systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Update library books inventory list and ensure collection of penalties on lost books</li> </ul>
2. The department was requested to consider cost recovery when developing Strategy for running Mapungubwe Arts Festival.	<ul style="list-style-type: none"> <li>• The primary objective of Mapungubwe Arts Festival is social cohesion. The revenue maximisation is taken into cognisance at the same time balancing it with the objective of the project.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve planning for Mapungubwe Arts Festival projects</li> </ul>

- **Synopsys of departmental performance**

- **Expenditure trends**

The department reported an expenditure of R285.7 million or 72.0 percent against the adjusted budget of R396.6 million. The Compensation of Employees expenditure is at R119.1 million or 78.6 percent against the adjusted budget of R151.6 million. The goods and services spending of the department is at R135.1 million or 78.4 percent against the adjusted budget of R172.3 million. The expenditure for Transfers and Subsidies at the end of January 2016 is at R7.6 million or 68.2 percent from the adjusted budget of R11.1 million. The lower spending is resulted from late transfer of funds to the Limpopo Sport Council. The department reported an expenditure of R23.8 million or 38.8 percent from the adjusted budget of R61.5 million. Conditional grant overall spending is at 61.8 percent or R123.2 million against the budget of R199.3 million.

- Matters raised and clarification

- CoE

Issue	Responses	Recommendations / Resolutions
1. Non-appointment of the post for Mass participation conditional Grant.	<ul style="list-style-type: none"> <li>• All the conditional grant advertised posts in the department are filled.</li> </ul>	<ul style="list-style-type: none"> <li>• Avoid delays in filling posts</li> </ul>

- Goods and services

Issue	Responses	Recommendations / Resolutions
1. SITA invoices	<ul style="list-style-type: none"> <li>• SITA invoices were followed up, and paid in time</li> </ul>	<ul style="list-style-type: none"> <li>• Department must not wait for invoice to come but must make follow up</li> </ul>
2. Delay in the purchase of Library books	<ul style="list-style-type: none"> <li>• Books were ordered in December 2015 and they are all delivered. The delay was in tendering process because some books were ordered abroad.</li> </ul>	<ul style="list-style-type: none"> <li>• Department must buy books locally to enhance local economic development</li> </ul>
3. Excessive payment to artists during Mapungubwe Arts Festival.	<ul style="list-style-type: none"> <li>• The department has spent R7 million paying artists for Mapungubwe arts festival. The department has paid the artist and T-Music man the way the music industry operates. T- music man are the agency of musicians who play a positive role in negotiating prices</li> </ul>	<ul style="list-style-type: none"> <li>• The department has to start planning and appoint committee, if those are not in action in November 2016 funding for Mapungubwe will not provide.</li> </ul>

- Transfers and subsidies

Issue	Responses	Recommendations / Resolutions
1. Late transfer of funds to Limpopo Sport Academy	<ul style="list-style-type: none"> <li>2. The department delays payments to Limpopo Sports Academy verifying the reports. Currently the agency is paid 100%.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding must be transferred in time.</li> </ul>

- **Payments for capital Assets**

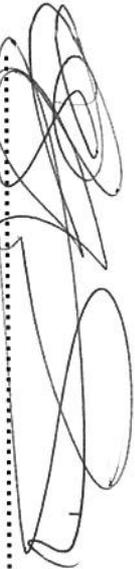
Issue	Responses	Recommendations / Resolutions
1. Penalties to service providers for non-performance	<ul style="list-style-type: none"> <li>• The department noted the advice of imposing penalties to service providers who renders poor service.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress report in meetings.</li> </ul>
2. Modular Libraries	<ul style="list-style-type: none"> <li>• Out of the nine modular libraries, the department paid invoices for 6 libraries. The challenge is that in some areas especially in Vhembe district, there is no running water and electricity hence the libraries were not delivered.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>
3. Utilising the services of GTEC	<ul style="list-style-type: none"> <li>• The HOD of provincial Treasury has signed memorandum of understanding with National Treasury that the department will be using the services of GTEC in 2016/17 financial year.</li> </ul>	<ul style="list-style-type: none"> <li>• The department have appointed the Director and Deputy Director of infrastructure as per advice of GTEC</li> </ul>

- **Conditional Grant**

Issue	Responses	Recommendations / Resolutions
1. Readiness of the department in terms of receiving roll-over	<ul style="list-style-type: none"> <li>• The roll-over amount is utilised, the outstanding part is for retention</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>
2. Land dispute at Waterberg District	<ul style="list-style-type: none"> <li>• The land dispute at Waterberg has been resolved</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>
3. Establishment of the government forums	<ul style="list-style-type: none"> <li>• The Provincial Treasury has provided workshop to the Department regarding land and site issues, hence the politics of municipal instability is the cause.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress noted.</li> </ul>

## 5 OVERAL RECOMMENDATIONS

- 5.1. Departments encouraged to be ready for closure of books as we are approaching end of financial year.
- 5.2. The Provincial Treasury must closely monitor departments on all areas of concern raised in this meeting in ensuring that all is in order for 2015 – 2016 year ending.
- 5.3. Infrastructure team within the Provincial Treasury will work closely with all Departments that are experiencing capacity problem in order to improve the spending rate on the infrastructure related conditional grants and planning on infrastructure programmes.
- 5.4. Departments and public entities should implement resolutions of the bilateral meetings accordingly and engage Provincial Treasury for clarity and support where necessary.



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