

Vote 1

The Presidency

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	499 675	489 775	(9 900)	-
of which:				
Current payments	485 764	473 377	(12 387)	-
Transfers and subsidies	34	2 396	-	2 362
Payments for capital assets	13 877	14 002	-	125
Direct charge against the National Revenue Fund	6 035	6 035	-	-
Executive authority	Director-General in the Presidency			
Accounting officer	Chief Operations Officer in the Presidency			
Website address	www.thepresidency.gov.za			

Vote purpose

Facilitate a common programme towards the achievement of the electoral mandate and the enhanced integrity of the state through considered planning, coordination, oversight, mobilisation and support.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of convened Cabinet committee meetings supported per year	Executive Support	Outcome 12: An efficient, effective and development oriented public service	118	58	-
Number of convened forum of South African directors general meetings supported per year	Executive Support		74	33	-

Mid-year progress

The Presidency is on track to meet its annual targets. In order to enable the Executive to foster better policy coherence and strategic alignment and greater shared accountability regarding the implementation of the strategic agenda of government, by the end of the first half of 2016/17, the secretariat of the forum of South African directors general had convened 33 meetings, against the annual target of 74.

The Cabinet secretariat continues to provide support to Cabinet. The number of Cabinet committee meetings supported was 58 against an annual estimate of 118 supported meetings. Several of the planned meetings had to be postponed on account of the 2016 local government elections held in August 2016.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	453 351	–	2 100	8 766	(10 000)	–	866	454 217
Executive Support	46 324	–	–	(8 766)	(2 000)	–	(10 766)	35 558
Subtotal	499 675	–	2 100	–	(12 000)	–	(9 900)	489 775
Direct charge against the National Revenue Fund	6 035	–	–	–	–	–	–	6 035
Salary of the President	3 274	–	–	–	–	–	–	3 274
Salary of the Deputy President	2 761	–	–	–	–	–	–	2 761
Total	505 710	–	2 100	–	(12 000)	–	(9 900)	495 810
Economic classification								
Current payments	491 799	–	2 100	(2 487)	(12 000)	–	(12 387)	479 412
Compensation of employees	328 996	–	–	(2 362)	(12 000)	–	(14 362)	314 634
Goods and services	162 803	–	2 100	(125)	–	–	1 975	164 778
Transfers and subsidies	34	–	–	2 362	–	–	2 362	2 396
Departmental agencies and accounts	34	–	–	–	–	–	–	34
Households	–	–	–	2 362	–	–	2 362	2 362
Payments for capital assets	13 877	–	–	125	–	–	125	14 002
Machinery and equipment	13 877	–	–	125	–	–	125	14 002
Total	505 710	–	2 100	–	(12 000)	–	(9 900)	495 810

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management	335 240	–	2 100	9 035	(7 438)	–	3 697	338 937
Support Services to President	66 040	–	–	(100)	(1 848)	–	(1 948)	64 092
Support Services to Deputy President	52 071	–	–	(169)	(714)	–	(883)	51 188
Total	453 351	–	2 100	8 766	(10 000)	–	866	454 217
Economic classification								
Current payments	440 576	–	2 100	6 858	(10 000)	–	(1 042)	439 534
Compensation of employees	303 743	–	–	(1 783)	(10 000)	–	(11 783)	291 960
Goods and services	136 833	–	2 100	8 641	–	–	10 741	147 574
Transfers and subsidies	34	–	–	1 783	–	–	1 783	1 817
Departmental agencies and accounts	34	–	–	–	–	–	–	34
Households	–	–	–	1 783	–	–	1 783	1 783
Payments for capital assets	12 741	–	–	125	–	–	125	12 866
Machinery and equipment	12 741	–	–	125	–	–	125	12 866
Total	453 351	–	2 100	8 766	(10 000)	–	866	454 217

Programme 2: Executive Support

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Cabinet Services	46 324	–	–	(8 766)	(2 000)	–	(10 766)	35 558
Total	46 324	–	–	(8 766)	(2 000)	–	(10 766)	35 558
Economic classification								
Current payments	45 188	–	–	(9 345)	(2 000)	–	(11 345)	33 843
Compensation of employees	19 218	–	–	(579)	(2 000)	–	(2 579)	16 639
Goods and services	25 970	–	–	(8 766)	–	–	(8 766)	17 204
Transfers and subsidies	–	–	–	579	–	–	579	579
Households	–	–	–	579	–	–	579	579
Payments for capital assets	1 136	–	–	–	–	–	–	1 136
Machinery and equipment	1 136	–	–	–	–	–	–	1 136
Total	46 324	–	–	(8 766)	(2 000)	–	(10 766)	35 558

Details of adjustments to the Estimates of National Expenditure 2016

Unforeseeable and unavoidable expenditure – R2.100 million

Programme 1: Administration

An additional R2.100 million has been allocated for increased legal fees and related costs.

Virements and shifts within votes

Programmes					
1. Administration					
2. Executive Support					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1			Programme 1		
Goods and services	Reclassification of funds incorrectly classified as renting, hiring and operating payments in the 2016 ENE	(125)	Machinery and equipment	Correct classification of item as payments for finance assets and to provide for an increase in subscription fees	125
Compensation of employees	Vacant posts ¹	(1 783)	Households	Leave gratuities and severance package settlement	1 783
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2			Programme 1		
Goods and services	Reallocation of funds from computer services due to delays in the implementation of the e-Cabinet document management and distribution system ¹	(8 766)	Goods and services	Implementation of the planned upgrade and reconfiguration of the electromagnetic capacity data storage device system ¹	8 766
Compensation of employees	Vacant posts ¹	(579)	Programme 2		579
			Households	Leave gratuities	579
Shifts within the programme as a percentage of the programme budget		1.2%			
Virements to other programmes as a percentage of the programme budget		18.9% ²			
Total		(11 253)	11 253		

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

Declared unspent funds – R12 million

R12 million in unspent funds has been declared on compensation of employees due to vacancies that cannot be filled, in order to achieve the approved compensation of employees spending ceiling.

Programme 1: Administration

R10 million

Programme 2: Executive Support

R2 million

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
R thousand										
Administration	443 661	199 426	45.0	446 212	100.6	454 217	91.6	229 596	50.5	
Executive Support	32 268	9 850	30.5	20 525	63.6	35 558	7.2	9 645	27.1	
Subtotal	475 929	209 276	44.0	466 737	98.1	489 775	98.8	239 241	48.8	
Direct charge against the National Revenue Fund	5 726	2 809	49.1	5 620	98.1	6 035	1.2	2 917	48.3	
Salary of the president	3 109	1 508	48.5	2 885	92.8	3 274	0.7	1 559	47.6	
Salary of the deputy president	2 617	1 301	49.7	2 735	104.5	2 761	0.6	1 358	49.2	
Total	481 655	212 085	44.0	472 357	98.1	495 810	100.0	242 158	48.8	
Economic classification										
Current payments	465 531	207 082	44.5	431 372	92.7	479 412	96.7	234 083	48.8	
Compensation of employees	301 829	149 336	49.5	295 098	97.8	314 634	63.5	152 867	48.6	
Goods and services	163 702	57 746	35.3	136 274	83.2	164 778	33.2	81 171	49.3	
Interest and rent on land	–	–	–	–	–	–	–	45	–	
Transfers and subsidies	876	838	95.7	1 056	120.5	2 396	0.5	2 442	101.9	
Provinces and municipalities	2	2	100.0	4	200.0	–	–	–	–	
Departmental agencies and accounts	50	–	–	3	6.0	34	–	–	–	
Households	824	836	101.5	1 049	127.3	2 362	0.5	2 442	103.4	
Payments for capital assets	15 248	4 165	27.3	38 793	254.4	14 002	2.8	5 633	40.2	
Machinery and equipment	15 185	4 165	27.4	38 793	255.5	14 002	2.8	5 633	40.2	
Software and other intangible assets	63	–	–	–	–	–	–	–	–	
Payments for financial assets	–	–	–	1 136	–	–	–	–	–	
Total	481 655	212 085	44.0	472 357	98.1	495 810	100.0	242 158	48.8	

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 98.1 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R242.2 million, or 48.8 per cent of the adjusted appropriation of R495.8 million for the year. In comparison, mid-year expenditure in 2015/16 was R212.1 million, or 44 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R30.1 million, or 14.2 per cent. This was mainly due to improved internal systems resulting in the processing of more foreign travel invoices and claims for payment than in the previous year. The increase is also attributable to higher legal costs than in the previous year.

Departmental receipts

	2015/16 Audited outcome					2016/17 Actual receipts				
	Adjusted estimate	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
R thousand										
Departmental receipts	2 972	2 618	88.1	2 924	98.4	452	1 069	100.0	593	55.5
Sales of goods and services produced by department	371	182	49.1	355	95.7	367	357	33.4	174	48.7
Transfers received	–	–	–	–	–	–	244	22.8	–	–
Interest, dividends and rent on land	106	53	50.0	107	100.9	10	11	1.0	5	45.5
Sales of capital assets	495	495	100.0	495	100.0	–	150	14.0	107	71.3
Transactions in financial assets and liabilities	2 000	1 888	94.4	1 967	98.4	75	307	28.7	307	100.0
Total	2 972	2 618	88.1	2 924	98.4	452	1 069	100.0	593	55.5

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R593 000, or 55.5 per cent of the adjusted revenue estimate of R1.1 million for the year. In comparison, mid-year revenue in 2015/16 was R2.6 million, or 88.1 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 decreased by R2 million, or 77.3 per cent. The higher revenue in 2015/16 was because of a once-off cost recovery of R2 million.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	-	-	-	1 783	-	-	1 783	1 783
Employee social benefits	-	-	-	1 783	-	-	1 783	1 783
Executive Support								
Households								
Social benefits								
Current	-	-	-	579	-	-	579	579
Employee social benefits	-	-	-	579	-	-	579	579

