

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 2142 [NW2485E]

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Mr M Swart (DA) to ask the Minister of Finance:

Whether the National Treasury has conducted any studies to ensure that departments have the necessary capacity to spend funds allocated to them with regard to the (a) large amount of funds that have been rolled over from the 2010-11 financial year by government departments and (b) Treasury's agreement to redistribute these funds in the current financial year; if not, why not; if so, (i) when was this study conducted and (ii) what are the main (aa) findings and (bb) recommendations?

NW2485E

REPLY

A central study, focusing on the capacity within departments to spend funds culminating in a report produced with recommendations, has not been conducted by the National Treasury.

The reason for this relates to the nature of the budget process. The budget process engages closely with the capacity of government departments to spend their allocations. Analyses based on detailed engagements with departments inform all funding recommendations. These analyses take into account the unique circumstances facing each department at the various stages of the year. A key aspect of this is assessing whether a department has the capacity to spend the funds that it requests. Departmental requests for funding are not recommended for approval when, amongst other factors, the finding is that a department is unable to demonstrate its ability to spend the funds requested effectively and efficiently.