

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 1748 [NW2139E]
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1748. Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether any provincial departments of Social Development returned any money to Treasury due to it not being spent in the (a) 2009-10, (b) 2010-11 and (c) 2011-12 financial years; if not, what is the position in this regard; if so, (i) how much money by each province, (ii) in each financial year and (iii) what were the reasons for the return of the money in each case;
- (2) whether he intends to take steps to ensure that provincial departments of Social Development re-prioritise their spending in order to reallocate unspent money; if not, why not; if so, what are the relevant details?

NW2139E

REPLY:

1 No unspent funds were returned by provincial Social Development departments to the National Treasury. The only funds that would be returned if unspent would be conditional grant funds as stipulated in the annual Division of Revenue Act. Currently the only conditional grant that applies to Social Development is the Expanded Public Works Programme grant for the social sector. For the years being queried, the response is as follows:

- a. 2009-10 - No funds were returned as the grant did not exist.

- b. 2010-11 – Out of a budget of R56.6 million, R54.9 million or 96.9 per cent of the budget was spent. Unspent funds were not returned to the National Revenue fund as they were committed to be spent. The funds were consequently rolled over to the 2011-12 financial year
- c. 2011-12 –Out of a budget of R206.1 million, R176.2 million or 85.5 per cent was spent. Spending and rollovers of unspent funds are in the process of being finalized for inclusion in the adjusted estimates.

2. Provincial departments of Social Development are accountable to their Provincial Legislatures, the Provincial Executives as well as the Provincial Treasuries according to the PFMA in terms of budgets and spending. National Treasury can, through the National Government, advise provinces on how to allocate funds and implement projects. As it relates to non-conditional grant spending, the provincial departments of social development have full discretion on how to spend funds. The provincial legislature, which approves the budget, should monitor to ensure that the department spends in terms of its budget and strategic plans. However, National Treasury on an on-going basis engages with provinces to ensure that budgets are aligned with priorities of both national and provincial government and where necessary, funds are re-prioritised to accelerate service delivery. With respect to the conditional grant, there is a business planning and performance reporting process established in terms of the Division of Revenue Act. This is designed to ensure that funds are utilised for the purpose for which it has been intended.