

TREASURY

Adjusted budget summary

		2014/15		
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	357 797	364 215	-	6 418
<i>of which:</i>				
Current payments	351 772	354 088	-	2 316
Transfers and Subsidies	3 000	4 757	-	1 757
Payments for Capital Assets	3 025	5 370	-	2 345
Payments for Financial Assets	-	-	-	-
Direct charge against the Provincial Revenue Fun	1 735	1 735	-	-
Executive authority	MEC for Provincial Treasury			
Accounting officer	Deputy Director General			

Aim

To strive towards being the best provincial fundraiser, allocator, monitor, manager and evaluator of public finance for socio-economic development in South Africa

2014 Adjusted Estimates of Provincial Expenditure

Table 5.1: Adjusted estimates

		2014/15								
		Adjustments appropriation								
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
Programme										
1. Administration	133 966	-	-	(1 127)	-	-	4 708	3 581	137 547	
2. Sustainable Resource Management	50 242	-	-	-	-	-	(2 431)	(2 431)	47 811	
3. Asset and Liabilities Management	75 182	-	-	1 127	-	-	(3 559)	(2 432)	72 750	
4. Financial Governance	96 672	6 418	-	-	-	-	1 282	7 700	104 372	
Subtotal	356 062	6 418	-	-	-	-	-	6 418	362 480	
Direct charge against the Provincial Revenue Fund										
Statutory	1 735							-	1 735	
Subtotal	357 797	6 418	-	-	-	-	-	6 418	364 215	
Economic classification.										
Current Payments	351 772	6 418	-	(1 127)	-	-	(2 975)	2 316	354 088	
Compensation of employees	229 247	-	-	-	-	-	(2 000)	(2 000)	227 247	
Goods and services	122 525	6 418	-	(1 127)	-	-	(975)	4 316	126 841	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfer and subsidies to:	3 000	-	-	-	-	-	1 757	1 757	4 757	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Universities and technikons	-	-	-	-	-	-	-	-	-	
Public corporations & private enterprises	701	-	-	-	-	-	(701)	(701)	-	
Non-profit making institutions	-	-	-	-	-	-	-	-	-	
Households	2 299	-	-	-	-	-	2 458	2 458	4 757	
Payment for capital assets	3 025	-	-	1 127	-	-	1 218	2 345	5 370	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	3 025	-	-	1 127	-	-	1 218	2 345	5 370	
Biological assets	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	357 797	6 418	-	-	-	-	-	6 418	364 215	

Programme 1: Administration

Table 5.1.1: Adjusted estimates

Administration		2014/15							
		Adjustments appropriation							
	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand									
Subprogramme									
1. Office of the MEC	5 612	-	-	-	-	-	(1 088)	(1 088)	4 524
2. Management Services	3 914	-	-	-	-	-	2 007	2 007	5 921
3. Corporate Services	83 908	-	-	-	-	-	9 600	9 600	93 508
4. Financial Management (Office of CFO)	42 267	-	-	(1 127)	-	-	(5 811)	(6 938)	35 329
Total	135 701	-	-	(1 127)	-	-	4 708	3 581	139 282
Economic classification.									
Current Payments	130 301	-	-	(1 127)	-	-	2 968	1 841	132 142
Compensation of employees	75 657	-	-	-	-	-	4 359	4 359	80 016
Goods and services	54 644	-	-	(1 127)	-	-	(1 391)	(2 518)	52 126
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies to:	3 000	-	-	-	-	-	61	61	3 061
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	701	-	-	-	-	-	(701)	(701)	-
Non-profit making institutions	-	-	-	-	-	-	-	-	-
Households	2 299	-	-	-	-	-	762	762	3 061
Payment for capital assets	2 400	-	-	-	-	-	1 679	1 679	4 079
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 400	-	-	-	-	-	1 679	1 679	4 079
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	135 701	-	-	(1 127)	-	-	4 708	3 581	139 282

- An amount of R3.581 million has been allocated to this programme to fund filling of vacant posts and the purchase of Office Furniture and Computers for all new appointments in the department amongst others Chief Operations Officer (COO) and Senior General Managers to support provincial departments.

Programme 2: Sustainable Resource Management

Table 5.1.2: Adjusted estimates

Sustainable Resource Management								
2014/15								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	
Subprogramme								
1. Programme Support (Office of the SGM)	1 650	-	-	-	-	-	(169)	1 481
2. Economic Analysis	2 303	-	-	-	-	-	(90)	2 213
3. Fiscal Policy	12 865	-	-	-	-	-	446	13 311
4. Budget Management	5 468	-	-	-	-	-	(1 401)	4 067
5. Public Finance	8 046	-	-	-	-	-	466	8 512
6. Intergovernmental Relations	19 910	-	-	-	-	-	(1 683)	18 227
Total	50 242	-	-	-	-	-	(2 431)	47 811
Economic classification.								
Current Payments	49 923	-	-	-	-	-	(2 112)	47 811
Compensation of employees	42 840	-	-	-	-	-	-	42 840
Goods and services	7 083	-	-	-	-	-	(2 112)	4 971
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Payment for capital assets	319	-	-	-	-	-	(319)	-
Building and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	319	-	-	-	-	-	(319)	-
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	50 242	-	-	-	-	-	(2 431)	47 811

- An amount of R2.431 million has been reprioritised within the department to fund other needy areas.

Programme 3: Asset and Liabilities Management

Table 5.1.3: Adjusted estimates

Asset and Liabilities Management								
2014/15								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	
Subprogramme								
1. Programme Support	1 602	-	-	-	-	-	(52)	1 550
2. Asset Management	12 345	-	-	1 127	-	-	(1 441)	12 031
3. Liabilities Management	11 993	-	-	-	-	-	(2 990)	9 003
4. Supply Chain Management	24 055	-	-	-	-	-	(176)	23 879
5. Support and Interlinked Financial Systems	25 187	-	-	-	-	-	1 100	26 287
Total	75 182	-	-	1 127	-	-	(3 559)	72 750
Economic classification.								
Current Payments	75 018	-	-	-	-	-	(5 219)	69 799
Compensation of employees	49 054	-	-	-	-	-	(2 514)	46 540
Goods and services	25 964	-	-	-	-	-	(2 705)	23 259
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	-	-	-	-	-	-	1 660	1 660
Provinces and municipalities	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	1 660	1 660
Payment for capital assets	164	-	-	1 127	-	-	-	1 291
Building and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	164	-	-	1 127	-	-	-	1 291
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	75 182	-	-	1 127	-	-	(3 559)	72 750

- In this programme, an amount of R2.432 million has also been reprioritised within the departments to offset underfunded items.

Programme 4: Financial Governance

Table 5.1.4: Adjusted estimates

Financial Governance		2014/15							Adjusted appropriation
		Adjustments appropriation						Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments		
Subprogramme									
1. Programme Support	24 600	6 418	-	-	-	-	2 455	8 873	33 473
2. Accounting Services	61 763	-	-	-	-	-	3 016	3 016	64 779
3. Risk Management	10 309	-	-	-	-	-	(4 189)	(4 189)	6 120
Total	96 672	6 418	-	-	-	-	1 282	7 700	104 372
Economic classification.									
Current Payments	96 530	6 418	-	-	-	-	1 388	7 806	104 336
Compensation of employees	61 696	-	-	-	-	-	(3 845)	(3 845)	57 851
Goods and services	34 834	6 418	-	-	-	-	5 233	11 651	46 485
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies to:	-	-	-	-	-	-	36	36	36
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	36	36	36
Payment for capital assets	142	-	-	-	-	-	(142)	(142)	-
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	142	-	-	-	-	-	(142)	(142)	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	96 672	6 418	-	-	-	-	1 282	7 700	104 372

Included in the adjusted budget amount for this branch is the R6.418 million roll over amount that has been allocated to this programme to finance recovery projects still in progress in the province.

Details of adjustments to Estimates of Provincial Expenditure and Revenue 2014:

Roll-overs

An amount of R6.418 million was rolled over to fund recovery projects not yet finalised.

Virements and Shifting

5.2: Virements and shifts

Programmes					
1. Administration					
2. Sustainable Resource Management					
3. Asset and Liabilities Management					
FROM			TO		
Programme and economic classification	Motivation	R thousand	Programme and economic classification	Motivation	R thousand
Programme 1		(1 127)	Programme 3		1 127
Goods and services	It was incorrectly budgeted under items less than R5000 for the purchase of scanners	(1 127)	Machinery & Equipment	Funds will be utilised for the purchase of scanners	1 127
Virements to other programmes as a percentage of the programme budget		1,50%			
Total		(1 127)			1 127

Other adjustments – R14.862 million

Administration

An amount of R3.581 million has been allocated to this programme to fund filling of vacant posts and the purchase of office furniture and computers for all new appointments in the department amongst others COO and Senior General Managers.

Sustainable Resource

An amount of R2.431 million has been reprioritised within the department to fund other needy areas.

Assets, Liabilities & SCM

In this programme, an amount of R2.432 million has also been reprioritised within the departments to offset the pressures.

Financial Governance

Included in the adjusted budget amount for this branch is the R6.418 million roll over amount that has been allocated to this programme to finance recovery projects still in progress in the province.

2013/14 Expenditure and 2014/15 Preliminary Expenditure

Tabel 5.3: Expenditure trends

	2013/14				2014/15		
	Expenditure outcome				Preliminary outcome		
R thousand	Adjusted appropriation	Apr 2013-Sept 2013	Apr 13-Sept 13 % of adjusted appropriation	Apr 13 - Mar 14 - % of adjusted estimate	Adjusted appropriation	Apr 2013-Sept 2013	Apr 13-Sept 13 % of adjusted appropriation
Programme							
1. Administration	128 831	56 762	44.1%	121 672	139 282	62 822	45.1%
2. Sustainable Resource Management	44 537	21 204	47.6%	42 624	47 811	21 786	45.6%
3. Asset and Liabilities Management	68 040	28 278	41.6%	66 880	72 750	32 475	44.6%
4. Financial Governance	143 300	58 326	40.7%	127 358	104 372	39 324	37.7%
Total	384 708	164 570	42.8%	358 534	364 215	156 407	42.9%
Economic classification							
Current payments	374 604	162 283	43.3%	350 274	354 088	153 098	43.2%
Compensation of employees	205 058	103 797	50.6%	202 834	227 247	111 633	49.1%
Goods and services	169 546	58 486	34.5%	147 438	126 841	41 465	32.7%
Interest and rent on land	-	-	-	2	-	-	-
Transfer and subsidies to:	4 052	1 576	38.9%	3 887	4 757	2 672	56.2%
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Universities and technicians	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-
Households	4 052	1 576	38.9%	3 887	4 757	2 672	56.2%
Payments for capital assets	6 052	711	11.7%	4 308	5 370	637	11.9%
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipments	3 665	711	19.4%	4 308	5 370	637	11.9%
Biological assets	2 387	-	0.0%	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Payments for financial assets				65	-		
Total	384 708	164 570	42.8%	358 534	364 215	156 407	42.9%

Main expenditure trends for the first six months of 2014/15

- Expenditure as at 30 September 2014/15 amounted to R156.407 million which is 44 percent of the main appropriation of R357.797 million and that is equivalent to 44 percent expenditure for the first six months of 2013/14 adjusted appropriation of R384.708 million.
- The main cost drivers were Compensation of employees at R111.633 million, Goods & Services which include Audit fees, Lease of office buildings and equipment, telephones and Stationery amounts to R41.465 million, Transfers and Subsidies which comprise of bursaries for external students together with leave gratuities amounts to R2.672 million, Payments for Capital Assets amounting to R0.637 million was for the purchase of office furniture and computers.

Departmental receipts

Table 5.4: Receipts

Table 5.4: Receipts									
	2013/14 Audited outcome				2014/15 Actual receipts				
	Adjusted estimate	Apr 13 - Sept 13	Apr 13- Sept 13 % of adjusted estimate	Apr 13 - Mar 14	Apr 13- Mar 14 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 14 - Sept 14 % of adjusted estimate	
R thousand									
Tax receipts									
Sales of goods and services	840	418	49,8%	630	75,0%	886	517	202	39,1%
Transfers received				3	0,0%				
Fines, penalties and forfeits									
Interest, dividends and rent on land	135 000	7 208	5,3%	189 347	140,3%	142 442	213 792	141 515	66,2%
Sales of capital assets									
Financial transactions in assets and liabilities	1 250	969	77,5%	1 016	81,3%	403	267	129	48,3%
Total departmental receipts	137 090	8 595	6,3%	190 996	139,3%	143 731	214 576	141 846	66,1%

- Interest earned on the Intergovernmental Cash Coordination account and the Paymaster General account makes up the bulk of the department's own revenue. The other revenue is generated through commission on insurance, sale of tender documents and parking fees.
- The revenue adjusted budget is increasing by R70.8million or 49.3 percent due current trend and anticipated collection of interest derived from favourable bank balances.

Summary of changes to Transfers and Subsidies per programme

Table 5.5: Summary of changes to transfers and subsidies per programme.

R thousand	Main appropriation	2014/15 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	
1. Administration								
Public corporations & private enterprises	701	-	-	-	-	-	(701)	-
Households	2 299	-	-	-	-	-	762	3 061
3. Assets, Liabilities & SCM								
Households	-	-	-	-	-	-	1 660	1 660
4. Financial Governance								
Households	-	-	-	-	-	-	36	36
	3 000	-	-	-	-	-	1 757	4 757