

Office of the Premier

Adjusted Budget Summary

Table 1.1: Adjustment Budget Summary

2014/15			
R thousand	Main appropriation	Adjusted appropriation	(Decrease) / Increase
Amount to be appropriated	173 394	194 799	21 405
<i>of which</i>			
Current payments	153 522	173 126	19 604
Transfers and subsidies	18 168	18 190	22
Payments for capital assets	1 704	3 483	1 779
Payments for financial assets			
Direct Charge against the Provincial Fund			
Executing authority	Premier of the Northern Cape		
Accounting officer	Director General : Office of the Premier		
Website Address	www.northern-cape.gov.za		

Aim

The aim of the department is to provide strategic leadership, direction and coordinated planning, monitoring and evaluation of developmental programmes to improve the quality of life for all

Adjusted Estimates of Provincial Expenditure 2014

Table 1.2: Adjusted Estimate of Provincial Expenditure

2014/15								
Programme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Administration	76 718	4 096		(250)		9 542	13 388	90 106
Institutional Development	64 116	650				5 986	6 636	70 752
Policy and Governance	32 560	1 131		250			1 381	33 941
Total	173 394	5 877				15 528	21 405	194 799
Economic classification								
Current payments	153 522	4 746		(670)		15 528	19 604	173 126
Compensation of employees	109 275			(19)			(19)	109 256
Goods and services	44 247	4 746		(651)		15 528	19 623	63 870
Interest and rent on land								
Transfers and subsidies to:	18 168			22			22	18 190
Provinces and municipalities								
Departmental agencies and	327			3			3	330
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	17 841			19			19	17 841
Households								19
Payments for capital assets	1 704	1 131		648			1 779	3 483
Buildings and other fixed structures								
Machinery and equipment	1 104	1 131		648			1 779	2 883
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible	600							600
Payments for financial assets								
Total	173 394	5 877		-		15 528	21 405	194 799

Rollover-R5.877 million

The department has been allocated an amount of R5.877 million relating to the rollovers.

Other adjustments- R15.528 million

A total additional amount of R15.528 million was allocated to the Office of the Premier to defray excess expenditure that was not anticipated at the time of the tabling of the main budget. The details are provided in each programme.

Programme 1: Administration

Table 1.2.1: Programme 1: Administration

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Premier Support	13 781					4 164	4 164	17 945
Executive Council Support	7 703			(730)			(730)	6 973
Director General Support	24 136	4 096		(1 050)		5 378	8 424	32 560
Financial Management	31 098			1 530			1 530	32 628
Total	76 718	4 096		(250)		9 542	13 388	90 106
Economic classification								
Current payments	76 110	4 096		(897)		9 542	12 741	88 851
Compensation of employees	43 022			(19)			(19)	43 003
Goods and services	33 088	4 096		(878)		9 542	12 760	45 848
Interest and rent on land								
Transfers and subsidies to:	3			19			19	22
Provinces and municipalities								
Departmental agencies and	3							3
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households				19			19	19
Payments for capital assets	605			628			628	1 233
Buildings and other fixed structures								
Machinery and equipment	605			628			628	1 233
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible								
Payments for financial assets								
Total	76 718	4 096		(250)		9 542	13 388	90 106

Details of adjustments to Estimates of Provincial Expenditure 2014

Rollover - R4.096 million

An amount of R4.096 million was approved as a roll overs from the previous financial year to fund the Building wraps used to communicate government work and services to the citizens, the 20 year review of the progress government made since 1994 and the procurement of furniture for the relocation from Templar to JW Sauer building.

Other Adjustments - R9.542 million

An amount of R3.735 million is allocated as additional for the Provincial Wide Communication Strategy; R5.378 million is allocated for the Provincial Human Capital Development and R0.429 million for Donor Funds from Commercial Institutions.

Virements / Shifts - R0.897 million

An amount of R0.019 million is moved from compensation of employees to transfers and subsidies in order to defray excess expenditure on households which came about as a result of leave gratuities paid for a deceased official and an employee who resigned. The amount is budgeted for under compensation of employees.

An amount of R0.878 million is shifted from goods and services of which R0.628 million is moved to machinery and equipment in order to realign the budget in line with the changes in the classification of expenditure relating to the leases of vehicles and the procurement of furniture for the relocation to the JW Sauer building as per Standard Chart of Accounts (SCOA) as well as an amount of R0.250 million is moved to programme 3: Goods and Services in order to defray excess expenditure on the item.

Programme 2: Institutional Development

Table 1.2.2: Programme 2: Institutional Development

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Strategic Human Resources	40 627							40 627
Information Communication	10 620	650		1 030			1 680	12 300
Legal Services	5 537							5 537
Communication Services	4 048			(1 030)		5 986	4 956	9 004
Programme Support	3 284							3 284
Total	64 116	650				5 986	6 636	70 752
Economic classification								
Current payments	48 888	650		(23)		5 986	6 613	55 501
Compensation of employees	40 883							40 883
Goods and services	8 005	650		(23)		5 986	6 613	14 618
Interest and rent on land								
Transfers and subsidies to:	14 129			3			3	14 132
Provinces and municipalities								
Departmental agencies and	324			3			3	327
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	13 805							13 805
Households								
Payments for capital assets	1 099			20			20	1 119
Buildings and other fixed structures								
Machinery and equipment	499			20			20	519
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible	600							600
Payments for financial assets								
Total	64 116	650	-	-		5 986	6 636	70 752

Details of adjustments to Estimates of Provincial Expenditure 2014

Rollover - R0.650 million

An amount of R0.650 million is approved as a roll over from the previous financial year for the renewal of the Symantec licence for the Provincial Government.

Other Adjustment - R5.986 million

An amount of R5.986 million is allocated for the implementation of the Provincial Media Communication strategy.

Virements / Shifts - R0.023 million

An amount of R0.023 million is moved from goods and services in order to correct the transfer to PSETA as well as to defray excess expenditure on machinery and equipment, transfers and subsidies and payments for capital assets are increased with R0.003 million and R0.020 million respectively.

Programme 3: Policy and Governance

Table 1.2.3: Programme 3: Policy and Governance

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Special Programmes	14 555			(611)			(611)	13 944
Intergovernmental Relations	2 306			(1 115)			(1 115)	1 191
Provincial Policy Management	12 646			4 008			4 008	16 654
Programme Support	3 053	1 131		(2 032)			(901)	2 152
Total	32 560	1 131		250			1 381	33 941
Economic classification		Additional appropriation						
Current payments	28 524			250			250	28 774
Compensation of employees	25 370							25 370
Goods and services	3 154			250			250	3 404
Interest and rent on land								
Transfers and subsidies to:	4 036							4 036
Provinces and municipalities								
Departmental agencies and								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	4 036							4 036
Households								
Payments for capital assets		1 131					1 131	1 131
Buildings and other fixed structures								
Machinery and equipment		1 131					1 131	1 131
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible								
Payments for financial assets								
Total	32 560	1 131		250			1 381	33 941

Details of adjustments to Estimates of Provincial Expenditure 2014

Rollover - R1.131 million

An amount of R1.131 million is approved as a roll over from the previous financial year to fund the acquisition of the Capital Assets.

Virements / Shifts - R0.250 million

Goods and services is increased with an amount of R0.250 million from programme 1 in order to defray excess expenditure in this programme.

Virements and Shifts

Table 1.3: Virements and shifts within a department

FROM			TO		
Programme by Economic classification	R thousand	Motivation	Programme by Economic classification	R thousand	Motivation
Programme 1:	(897)		Programme 1:	647	
Current payments	(897)		Current payments	-	
Goods and services	(878)	Decreased goods and services by R878 000 and increase machinery and equipment in programme 1 by R628 000 and increase goods and services in programme 3 by R250 000 to off-set expenditure.	Goods and services	-	
Compensation of employees	(19)	Decrease compensation of employees by an amount of R19 000 and increase transfer payment (Households) in programme 1 by R19 000 to off-set excess expenditure	Compensation of employees		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies	19	Increase transfer payments by R 19 000 relating to severance package (leave gratuity) paid out to a deceased and resigned employee.
Payment for capital assets			Payment for capital assets	628	Increase machinery and equipment with an amount of R628 000 of which R617 000 relates to relocation costs and R11 000 relates to the procurement of computer equipment.
Percentage of programme budget	-1%		Percentage of programme budget	1%	
Programme 2:	(23)		Programme 2:	23	
Current payments	(23)		Current payments	-	
Goods and services	(23)	Decrease goods and services by an amount of R23 000 of which R3 000 relates to transfers and subsidies and R20 000 relates to machinery and equipment to off-set excess expenditure in programme 2.	Goods and services		
Transfers and Subsidies			Transfers and Subsidies	3	Increase transfer payments by R3 000 relating to PSETA
Payment for capital assets			Payment for capital assets	20	Increase machinery and equipment with an amount of R20 000 to off-set excess expenditure by decreasing goods and services in programme 2 by same amount as the capital budget is centralised under programme 2.
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	0%		Percentage of programme budget	0%	
Programme 3:	-		Programme 3:	250	
Current payments	-		Current payments	250	
Goods and services	-		Goods and services	250	Increase goods and services by R250 000 and decrease goods and services in programme 1 by the same amount to off-set excess expenditure in programme 3.
Percentage of programme budget	0%		Percentage of programme budget	1%	
Total for Vote	(920)		Total for Vote	920	

Expenditure for 2013/14 and preliminary expenditure for 2014/15

Table 1.4: Expenditure for 2013/14 and preliminary expenditure for 2014/15

Programme	2013/14					2014/15			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 2013 - Sep 2013	Apr 2013 - Sep 2013 - percentage of adjusted appropriation	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014 - percentage of adjusted appropriation	Adjusted appropriation	Apr 2014 - Sep 2014	Apr 2014 - Sep 2014 - percentage of adjusted appropriation	% change in Expenditure 2013/14 - 2014/15 Apr - Sep
Administration	79 138	39 685	50%	79 663	101%	90 106	50 017	56%	26%
Institutional Development	72 650	24 939	34%	71 526	98%	70 752	26 931	38%	8%
Policy & Governance	35 384	13 163	37%	28 931	82%	33 941	15 496	46%	18%
Total	187 172	77 787	42%	180 120	96%	194 799	92 444	47%	19%
Economic classification									
Current payments	167 716	75 838	45%	159 440	95%	173 126	89 927	52%	19%
Compensation of employees	102 463	46 081	45%	92 992	91%	109 256	53 355	49%	16%
Goods and services	65 253	29 757	46%	66 448	102%	63 870	36 572	57%	23%
Interest and rent on land									
Transfers and subsidies to:	17 903	1 230	7%	18 071	101%	18 190	4	0%	-100%
Provinces and municipalities									
Departmental agencies and accounts	3	3	100%	3	100%	330			
Universities and technikons	306			306	100%				
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	17 452	1 085	6%	17 452	100%	17 841			
Households	142	142	100%	310	218%	19	4	21%	
Payments for capital assets	1 553	719	46%	2 454	158%	3 483	2 513	72%	250%
Buildings and other fixed structures									
Machinery and equipment	966	717	74%	2 435	252%	2 883	2 483	86%	246%
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	587	2		19		600	30		
Payments for capital assets				155					
Total	187 172	77 787	42%	180 120	96%	194 799	92 444	47%	19%

Main expenditure trends for the first half of 2014/15

Expenditure in the first six months of 2014/15 amounted to R92.444 million or 47 per cent of the adjusted appropriation of R194.799 million compared to R77.787 million or 42 per cent for the same period in the previous financial year.

The main reason for the changes in expenditure in all programmes is as a result of the following:

Programme 1

Increase in expenditure is attributed to accruals & commitments relating to the 2013/14 financial year that were paid in the current financial year.

Programme 2

The percentage change in expenditure in relation to the 2013/14 is attributed to accruals.

Programme 3

Increase in expenditure is attributed to the procurement of the Capital Assets.

Economic Classification

Current payments

The increase in expenditure compared to the same period last year, is attributed to the filling of critical posts as well as the payment of accruals from the 2013/14 financial year.

Transfer payments

The slow spending percentage change in expenditure in relation to the 2013/14 is attributed to the transfer payment which will only be effected during the third and fourth quarter of the financial year. The severance package (leave gratuity) was paid out to a deceased employee and one employee that resigned.

Payments for capital assets

The percentage change in relation to the 2013/14 financial year is as a result of the procurement of the Capital Assets as a result of the relocation to the JW Sauer building.

Departmental receipts

Table 1.5: Departmental Receipts

R thousand	2013/14					2014/15			
	Adjusted appropriation	Receipts Outcome				Preliminary Receipts			
		Apr 2013 - Sep 2014	Apr 2013 - Sep 2013 - percentage of adjusted estimate	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014 - percentage of adjusted estimate	Budget estimate	Adjusted estimate	Apr 2014- Sep 2014	Apr 2014 - Sep 2014 - percentage of adjusted estimate
Departmental Receipts	200	40	20%	336	168%	162	162	426	263%
Tax receipts									
Sales of goods and services other than capital assets	110	40	36%	88	80%	72	72	43	60%
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets				200				125	
Financial transactions in assets and liabilities	90	-		48	53%	90	90	258	287%
Total	200	40	20%	336	168%	162	162	426	263%

Main departmental revenue trends for the first half of 2014/15

The Office of the Premier (OTP) is not a dedicated revenue collecting department. However, the revenue collected relates to PERSAL related items such as insurance commissions and garnishees. Furthermore OTP over collected for the period ending 31 September 2014 which was attributable to abnormal & non-recurring sale of two (2) bakkies, commission for sales of goods and services produced by the department and the previous year's receipts, e.g. leave over granted, tax debt and salary overpayments.

Changes to transfers and subsidies, and conditional grants

Table 1.6: Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Other adjustments	Total adjustment appropriation	
Programme number, name							
Economic sphere							
Current	18 168			22		22	18 190
Provinces and municipalities							
Departmental agencies and accounts	327			3		3	330
Universities and technikons							
Foreign governments and international organisations							
Public corporations and private enterprises							
Non-profit institutions	17 841					-	17 841
Households				19		19	19
Economic sphere							
Capital							
Provinces and municipalities							
Departmental agencies and accounts							
Universities and technikons							
Foreign governments and international organisations							
Public corporations and private enterprises							
Non-profit institutions							
Households							
Total	18 168			22		22	18 190