

Vote 8

Provincial Treasury

Adjusted Budget Summary

Table 8.1: Adjustment Budget Summary

2014/15			
R thousand	Main appropriation	Adjusted appropriation	(Decrease) / Increase
Amount to be appropriated	202 393	210 062	7 669
<i>of which</i>			-
Current payments	198 302	202 383	4 081
Transfers and subsidies	634	692	58
Payments for capital assets	3 457	6 987	3 530
Payments for financial assets		-	-
Direct Charge against the Provincial Fund			
Executing authority	MEC for Finance, Economic Affairs and Tourism		
Accounting officer	Deputy Director-General of Provincial Treasury		
Website Address	www.ncpt.gov.za		

Aim

To render timeous and responsive service delivery to clients through the promotion of efficient, effective and transparent economic use of provincial resources and ensuring the alignment of strategic plans and budgets to the Provincial Growth and Development Strategies.

Changes to programme purposes, objective and measures

There were no changes to programme purposes, objectives and measures.

Adjusted Estimates of Provincial Expenditure 2014

Table 8.2: 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	69 915	36		2 900		1 049	3 985	73 900
Sustainable Resource Management	39 225	34			(3 500)	494	(2 972)	36 253
Asset and Liabilities Management	48 338	5 509				447	5 956	54 294
Financial Governance	20 238	693		(300)			393	20 631
Provincial Internal Audit	24 677	2 907		(2 600)			307	24 984
Total	202 393	9 179			(3 500)	1 990	7 669	210 062
Economic classification								
Current payments	198 302	8 529		(2 868)	(3 500)	1 920	4 081	202 383
Compensation of employees	140 766			(3 642)	(3 500)	1 871	(5 271)	135 495
Goods and services	57 522	8 529		774		49	9 352	66 874
Interest and rent on land	14							14
Transfers and subsidies	634			58			58	692
Provinces and municipalities								
Departmental agencies and accounts	8							8
Universities and technikons	376							376
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	50							50
Households	200	-		58			58	258
Payments for capital assets	3 457	650		2 810		70	3 530	6 987
Buildings and other fixed structures								
Machinery and equipment	3 419	461		2 746		70	3 277	6 696
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets	38	189		64			253	291
Payments for financial assets								
Total	202 393	9 179			(3 500)	1 990	7 669	210 062

The main appropriation has been increased with a net additional amount of R7.669 million. The increase includes the following:

- Approved rollovers amounting to R9.179 million;
- An amount of R1.990 million for the filling of critical posts including those required for the Health Intervention Turn-Around Strategy; and
- Reduction of R3.500 million from the Sustainable Resource Management: Municipal Finance sub- programme. This amount relates to capacitation of district offices which will assist municipalities. This funding will be utilized in the next financial year.

Programme 1: Administration

Table 8.2.1: 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								
Office of the MEC	8 982			1 200			1 200	10 182
Management Services	4 389							4 389
Corporate Services	19 946			(2 544)		1 049	(1 495)	18 451
Financial Management (CFO)	18 217	36		-			36	18 253
Security and Records Management	18 381			4 244			4 244	22 625
Total	69 915	36		2 900		1 049	3 985	73 900
Economic classification								
Current payments	68 597			875		979	1 854	70 451
Compensation of employees	40 159			300		930	1 230	41 389
Goods and services	28 438			575		49	624	29 062
Interest and rent on land	-							
Transfers and subsidies total:	634			36			36	670
Provinces and municipalities								
Departmental agencies and accounts	8							8
Universities and technikons	376							376
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	50							50
Households	200			36			36	236
Payments for capital assets	684	36		1 989		70	2 095	2 779
Buildings and other fixed structures								
Machinery and equipment	674	36		1 989		70	2 095	2 769
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets	10							10
Payments for financial assets	-						-	-
Total	69 915	36		2 900		1 049	3 985	73 900

Roll-over

An amount of R0.036 million has been approved as a roll over relating to computer equipment procured in the 2013/14.

Virements and shifts

A total of R2.900 million was shifted from programme 4: Financial Governance and programme 5: Internal Audit to programme 1: Administration in order to defray over-expenditure on goods and services and capital payment which emanated from contractual obligations. Furthermore an amount of R2.544 million was reprioritized from Corporate Services to Security and Records Management to defray over-expenditure on goods and services relating to contractual obligations.

Other Adjustment

An additional amount of R1.049 million was allocated relating to the filling critical posts in corporate services.

Programme 2: Sustainable Resources Management

Table 8.2.2: Programme 2: Sustainable Resource Management

Table 6.2.2: Programme 2: Sustainable Resource Management				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								
Programme Support	1 569			188		494	682	2 251
Economic Analyses	5 474							5 474
Fiscal Policy	5 292							5 292
Budget Management	8 661	34					34	8 695
Municipal Finance	18 229			(188)	(3 500)		(3 688)	14 541
Total	39 225	34			(3 500)	494	(2 972)	36 253
Economic classification								
Current payments	38 321			(17)	(3 500)	494	(3 023)	35 298
Compensation of employees	33 263				(3 500)	494	(3 006)	30 257
Goods and services	5 058			(17)			(17)	5 041
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households								
Payments for capital assets	904	34	-	17	-	-	51	955
Buildings and other fixed structures								
Machinery and equipment	904	34					34	938
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets				17			17	17
Payments for financial assets	-						-	-
Total	39 225	34	-	-	(3 500)	494	(2 972)	36 253

Roll – over

An amount of R0.034 million has been approved as a roll over relating to computer equipment procured in the 2013/14.

Virements and shifts

An amount of R0.188 million has been reprioritized from municipal finance to programme support to defray excess expenditure.

Other Adjustment

The programme's total budget was reduced by R3.500 million within the Municipal Finance sub-programme. This reduction is due to the fact that posts earmarked for capacity building within the districts were provided for the full year and will only be filled in the fourth quarter, thus the underspending; the funds will be allocated in the 2015 MTEF.

An additional allocation of R0.494 million has been allocated for the appointment of an expert who will assist in the Health Intervention Turn-Around Strategy.

Programme 3: Assets and Liabilities

Table 8.2.3: Programme 3: Asset and Liabilities Management

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								
Programme Support	1 782							1 782
Asset Management	8 478			(560)			(560)	7 918
Support and Interlinked Financial Systems	28 600	5 509					5 509	34 109
Public Private Partnership	5 257			560			560	5 817
Banking and Cash Flow Management	4 221					447	447	4 668
Total	48 338	5 509				447	5 956	54 294
Economic classification								
Current payments	47 694	5 320		(476)		447	5 291	52 985
Compensation of employees	31 074			(560)		447	(113)	30 961
Goods and services	16 606	5 320		84			5 404	22 010
Interest and rent on land	14						-	14
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households								
Payments for capital assets	644	189		476			665	1 309
Buildings and other fixed structures	-							
Machinery and equipment	616			412			412	1 028
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets	28	189		64			253	281
Payments for financial assets								
Total	48 338	5 509				447	5 956	54 294

Roll-over

A total of R5.509 million was approved in relation to the Biometric Access Control System and the Biometric Aided Head Count Projects. The funding was allocated to ensure the continuation of the projects.

Virements and shifts

An amount of R0.560 million has been reprioritized from asset management to defray excess expenditure on Private Public Partnership.

Other Adjustment

An additional amount of R0.447 million was allocated for the appointment of critical posts in the Cash-flow Management unit. These additional posts will ensure that effective systems within the unit are maintained and enhanced which will improve the financial position of the province.

Programme 4: Financial Governance

Table 8.2.4: Programme 4: Financial 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								
Programme Support	1 766			(133)			(133)	1 633
Accounting Services	8 136	43		(300)			(257)	7 879
Norms and Standards	5 191	620					620	5 811
Risk Management	5 145	30		133			163	5 308
Total	20 238	693		(300)			393	20 631
Economic classification								
Current payments	19 893	620		(628)			(8)	19 885
Compensation of employees	15 367			(782)			(782)	14 585
Goods and services	4 526	620		154			774	5 300
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households								
Payments for capital assets	345	73		328			401	746
Buildings and other fixed structures							-	-
Machinery and equipment	345	73		328			401	746
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	20 238	693	-	(300)	-	-	393	20 631

Roll-over

An amount of R0.693 million has been approved as a roll-over of which R0.620 million relates to the continuation of the AAT programme which was initiated by provincial treasury in effort to improve the financial management skills of employees within the province. Furthermore an amount of R0.073 million has been approved relating to computer equipment procured in the 2013/14 financial year.

Virements and shifts

A total of R0.300 million was shifted through from Accounting Services to Security and Records Management in programme 1: Administration to defray over-expenditure.

Programme 5: Provincial Internal Audit

Table 8.2.5: Programme 5: Provincial Internal Audit

2014/15								
Subprogramme	Main appropriation	Adjustment appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustment appropriation	
R thousand								
Programme Support	3 558							3 558
Internal Audit(DPW)	4 754	782					782	5 536
Internal Audit (Education)	4 600	383					383	4 983
Internal Audit (Health)	6 119	760		(1 000)			(240)	5 879
Internal Audit (Sector Departments)	5 646	982		(1 600)			(618)	5 028
Total	24 677	2 907		(2 600)			307	24 984
Economic classification								
Current payments	23 797	2 589		(2 622)			(33)	23 764
Compensation of employees	20 903			(2 600)			(2 600)	18 303
Goods and services	2 894	2 589		(22)			2 567	5 461
Interest and rent on land								
Transfers and subsidies				22			22	22
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households				22			22	22
Payments for capital assets	880	318					318	1 198
Buildings and other fixed structures								
Machinery and equipment	880	318					318	1 198
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets	-							
Total	24 677	2 907	-	(2 600)	-	-	307	24 984

Roll – over

An amount of R2.589 was approved for the continuation of the service provider contracts. The service providers provide internal audit service to five departments. Their contract will end in the current financial year after which the internal unit will be responsible for servicing the departments. Furthermore an amount of R0.318 million has been approved and allocated relating to computer equipment procured in the 2013/14 financial year.

Virements and shifts

A total of R2.600 million was shifted through from the Health and Sector clusters to programme 1: Administration to defray over-expenditure relating to contractual obligations.

Virements and shifts

Table 8.3: Virements and shifts within a department

FROM			TO		
Programme / Economic classification	R thousand	Motivation	Programme / Economic classification	R thousand	Motivation
Programme 4: Financial Governance	(300)		Programme 1:	300	
Current payments			Current payments	-	
Compensation of employees	(300)	Saving on personnel due to late appointments	Compensation of employees	300	
Goods and services			Goods and services		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets		
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	1%		Percentage of programme budget	0%	
Programme 5: Internal Audit	(2 600)		Programme 1:	2 600	
Current payments			Current payments	1 400	
Compensation of employees	(2 600)	Saving on personnel due to late appointments	Compensation of employees		
Goods and services			Goods and services	1 400	To defray over-expenditure on contractual obligations
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets	1 200	To defray over-expenditure on contractual obligations
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	-11%		Percentage of programme budget	4%	
Programme 1: Administration	(825)		Programme 1: Administration	825	
Current payments			Current payments	-	
Compensation of employees			Compensation of employees		
Goods and services			Goods and services		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies	36	To defray over-expenditure on transfers to households: leave gradually
Payment for capital assets			Payment for capital assets	789	To defray over-expenditure on finance leases
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	1%		Percentage of programme budget	1%	
Programme 2: Sustainable Resource Management	(17)		Programme 2: Sustainable Resource Management	17	
Current payments			Current payments	-	
Compensation of employees			Compensation of employees		
Goods and services			Goods and services		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets	17	To defray over-expenditure on finance leases
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	0%		Percentage of programme budget	0%	
Programme 3: Asset and Liabilities	(476)		Programme 3: Asset and Liabilities	476	
Current payments			Current payments	-	
Compensation of employees			Compensation of employees		
Goods and services			Goods and services		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets	476	To defray over-expenditure on capital payments
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	1%		Percentage of programme budget	1%	
Programme 4: Financial Governance	(724)		Programme 4: Financial Governance	724	
Current payments			Current payments	396	
Compensation of employees	(560)		Compensation of employees		
Goods and services	(164)	Savings on good and services	Goods and services	396	To defray over-expenditure on goods and services
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets	328	To defray over-expenditure on capital payments
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	4%		Percentage of programme budget	4%	
Programme 5: Provincial Internal Audit	(22)		Programme 5: Provincial Internal Audit	22	
Current payments			Current payments	-	
Compensation of employees			Compensation of employees		
Goods and services			Goods and services		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies	22	To off-set expenditure as a results of leave gradually
Payment for capital assets			Payment for capital assets		
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	0%		Percentage of programme budget	0%	
Total for Vote	(2 622)		Total for Vote	2 622	

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

Table 8.4: 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
Administration	70 504	35 884	51%	69 785	99%	73 900	31 178	42%	-13%
Sustainable Resource Management	36 668	14 409	39%	30 766	84%	36 253	14 567	40%	1%
Asset and Liabilities Management	53 578	25 510	48%	44 393	83%	54 294	16 560	31%	-35%
Financial Governance	43 347	10 658	25%	20 373	47%	20 631	7 751	38%	-27%
Provincial Internal Audit	20 347	6 626	33%	14 972	74%	24 984	9 343	37%	41%
Total	224 444	93 087	41%	180 289	80%	210 062	79 399	38%	-15%
Economic classification									
Current payments	212 067	83 104	39%	172 516	81%	202 383	77 842	38%	-6%
Compensation of employees	120 246	55 269	46%	113 216	94%	135 495	59 934	44%	8%
Goods and services	91 741	27 828	30%	59 266	65%	66 874	17 900	27%	-36%
Interest and rent on land	80	7	9%	34	43%	14	8		14%
Transfers and subsidies to:	301	115	38%	216	72%	692	264	38%	130%
Provinces and municipalities								0%	
Departmental agencies and accounts		5		8		8	5		
Universities and technikons	101					376			
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	-	10		10		50	14	28%	40%
Households	200	100	50%	198	99%	258	245	95%	145%
Payments for capital assets	12 076	9 868	82%	7 460	62%	6 987	1 293	19%	-87%
Buildings and other fixed structures									
Machinery and equipment	8 654	6 459	75%	4 701	54%	6 696	1 216	18%	-81%
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	3 422	3 409	100%	2 759	81%	291	77	26%	
Payments for capital assets				97					
Total	224 444	93 087	41%	180 289	80%	210 062	79 399	38%	-15%

Selected expenditure trends for the first half of 2014/15

Total expenditure as at 30 September 2014 amounted to R79.399 million or 38 per cent of the total adjusted budget of R210.062 million when compared to 41 per cent in 2013/14 financial year. The main reason for the slow spending is due to the Biometric Aided Head Count which was only completed in October 2014 and the delays in the appointment of internal audit staff members.

Programme 1: Administration

Expenditure in programme 1 amounts to R31.178 million or 42 per cent of the adjusted appropriation of R73.900 million as compared to R35.884 million or 51 per cent of R70.504 million in 2013/14.

Programme 2: Sustainable Resource Management

Expenditure in programme 2 amounts to R14.567 million or 40 per cent of the adjusted appropriation of R36.253 million as compared to R14.409 million or 39 per cent of R36.688 million in 2013/14.

Programme 3: Asset and Liabilities Management

Expenditure in programme 3 amounts to R16.560 million or 31 per cent of the adjusted appropriation of R54.294 million as compared to R25.510 million or 48 per cent of R53.578 million in 2013/14.

Programme 4: Financial Governance

Expenditure in programme 4 amounts to R7.751 million or 38 per cent of the adjusted appropriation of R20.631 million as compared to R10.658 million or 25 per cent of R43.347 million in 2013/14.

Programme 5: Internal Audit

Expenditure in programme 5 amounts to R9.343 million or 37 per cent of the adjusted appropriation of R24.984 million as compared to R6.626 million or 33 per cent of R20.347 million in 2013/14.

Departmental receipts

Table 8.5: Departmental Receipts

R thousand	Adjusted appropriation	2013/14				2014/15			
		Receipts Outcome				Preliminary Receipts			
		Apr 2013 - Sep 2013	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	888	21 755	2450%	38 170	4298%	848	848	17 920	2113%
Tax receipts									
Sales of goods and services other than capital assets	108	47	44%	96	89%	114	114	54	47%
Transfers received			0%		0%				0%
Fines, penalties and forfeits			0%		0%				0%
Interest, dividends and rent on land	620	21 611	3486%	37 975	6125%	654	654	17 866	2732%
Sales of capital assets	150	97	65%	-	0%	70	70	-	0%
Financial transactions in assets and liabilities	10	-	0%	99	990%	10	10	-	0%
Total	888	21 755	2450%	38 170	4298%	848	848	17 920	2113%

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

Total receipts as at the end of September 2014 were recorded at R17.920 million or 2113 per cent as compared to the R21.755 million or 2450 per cent in the 2013/14 financial year. The primary reason for the variance is a result of department interests amounting to R8 million which was only paid over in October 2014.

Changes to transfers and subsidies

Table 8.6: Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement	Other adjustments	Total adjustment appropriation	
Programme number, name							
Economic sphere							
Current	634	-	-	36	-	58	692
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	8	-	-	-	-	-	8
Universities and technikons	376	-	-	-	-	-	376
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	50	-	-	-	-	-	50
Households	200	-	-	36	-	58	258
Total	634	-	-	36	-	58	692

Virements and shifts

An amount of R0.036 million was shifted from goods and services to increase households within programme 1 to defray over expenditure on this item.