

**VOTE 01**

**OFFICE OF THE PREMIER**

## OFFICE OF THE PREMIER

## Adjusted budget summary

R thousand	Main Appropriation	Adjusted Appropriation	2014/15	
			Decrease	Increase
Amount to be appropriated	757 447	756 685	-147 258	146 496
Of which				
Current payments	561 219	413 961	-147 258	
Transfers and subsidies	187 260	193 372		6 112
Payments for capital assets	8 968	149 352		140 384
Direct Charge against the Provincial Revenue Fund				
Executive authority	Premier of North West Province			
Accounting officer	Director General of the Office of the Premier			

## Aim of the Department

To provide leadership for integrated, coordinated and efficient service delivery that enhances sustainable growth and development for the people and the province.

## Programmes

1. Administration
2. Institutional Development
3. Policy and Governance

## SUMMARY OF RECEIPTS

ITEM	R' 000
<b>ROLLOVERS</b>	<b>1 132</b>
Transfers to Households - Bursaries	1 132
<b>OTHER ADDITIONAL FUNDING</b>	
None	
<b>LESS DEDUCTION</b>	<b>-1 894</b>
Goods and services	-1 894
<b>TOTAL</b>	<b>-762</b>

## Changes to programme purposes, objectives and measures

None

## Mid-year performance status

Indicators	Programme	Outcome to which it contributes	Annual performance		
As published in the 2014 EPRE	Programme linked to the indicators	Outcome the indicators is linked to	Projected for 2014/15 as published in the 2014 EPRE	Achieved in the first six months of 2014/15 (April to September)	Changed target for 2014/15
Establish appropriately skilled, sufficiently motivated and healthy Human Resource Base and provide effective and efficient strategic Leadership within the province In the discipline of Human Resource Management	Programme 2	Outcome 12	81	87	N/A
Monitor Compliance to National ICT Frameworks ( COBIT, ITIL and Provincial Information Society & Development Plan	Programme 2	Outcome 12	33	25	N/A
Provide Strategic Leadership on Communication in the Province	Programme 2	Outcome 12	17	14	N/A
Co-operative governance at international and national level and with civil society	Programme 3	Outcome 12	18	7	N/A
The Monitoring and Evaluation of Provincial performances and Provincial government performances	Programme 3	Outcome 12	70	42	N/A
To provide overall logistical, administrative and strategic support to the Planning Commission	Programme 3	Outcome 12	39	22	N/A

## Details of adjustments to 2014 Estimates of Provincial Expenditure:

Departmental summary of 2014 Adjustment Estimates of Provincial Expenditure according to programmes

Departmental summary of 2014/15 adjustment estimates of Provincial Expenditure according to programmes									
Programme	Main Appropriation	2014/15 Adjustments appropriation						Adjusted Appropriation	
		Rollovers	Unforeseeable / unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments		Total adjustments appropriation
R thousand									
Administration	227 344			23 500				23 500	250 844
Institutional Development	202 904	1 132		-19 500			-1 894	-20 262	182 642
Policy and Governance	327 199			-4 000				-4 000	323 199
Subtotal	757 447	1 132					-1 894	-762	756 685
Direct charge against the Provincial Revenue Fund									
Total	757 447	1 132					-1 894	-762	756 685
Economic Classification									
Current payments	561 219			-145 364			-1 894	-147 258	413 961
Compensation of employees	176 341			68 353				68 353	244 694
Goods and services	384 878			-213 717			-1 894	-215 611	169 267
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	187 260	1 132		4 980				6 112	193 372
Provinces and municipalities									
Departmental agencies and accounts	183 162			3 500				3 500	186 662
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international									
Non-profit institutions	840								840
Households	3 258	1 132		1 480				2 612	5 870
Payments for capital assets	8 968			140 384				140 384	149 352
Buildings and Other fixed structures				140 000				140 000	140 000
Buildings									
Other fixed structures				140 000				140 000	140 000
Machinery and equipment	8 968			384				384	9 352
Transport assets									
Other Machinery and equipment	8 968			384				384	9 352
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total	757 447	1 132					-1 894	-762	756 685

*2014/15 Adjusted Estimates of Provincial Revenue and Expenditure*

**Programme summary of estimates according to subprogrammes**

Programme 1 : Administration		2014/15							
R thousand	Main Appropriation	Adjustments appropriation						Adjusted Appropriation	
		Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments		Total adjustments appropriation
Premier Support	194 010			1 337				1 337	195 347
Executive Council Support	5 310			-10				-10	5 300
Director-General Support	7 831			21 500				21 500	29 331
Financial Management	20 193			673				673	20 866
<b>Subtotal</b>	<b>227 344</b>			<b>23 500</b>				<b>23 500</b>	<b>250 844</b>
<b>Direct charge against the Provincial Revenue Fund</b>									
Statutory payment									
<b>Total</b>	<b>227 344</b>			<b>23 500</b>				<b>23 500</b>	<b>250 844</b>
<b>Economic Classification</b>									
<b>Current payments</b>	<b>207 511</b>			<b>-120 578</b>				<b>-120 578</b>	<b>86 933</b>
Compensation of employees	30 747			22 000				22 000	52 747
Goods and services	176 764			-142 578				-142 578	34 186
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies</b>	<b>19 310</b>			<b>4 000</b>				<b>4 000</b>	<b>23 310</b>
Provinces and municipalities									
Departmental agencies and accounts	17 020			3 500				3 500	20 520
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	2 290			500				500	2 790
<b>Payments for capital assets</b>	<b>523</b>			<b>140 078</b>				<b>140 078</b>	<b>140 601</b>
Buildings and Other fixed structures				140 000				140 000	140 000
Buildings									
Other fixed structures				140 000				140 000	140 000
Machinery and equipment	523			78				78	601
Transport assets									
Other Machinery and equipment	523			78				78	601
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
<b>Total</b>	<b>227 344</b>			<b>23 500</b>				<b>23 500</b>	<b>250 844</b>

## Programme summary of estimates according to subprogrammes

Programme 2 : Institutional Development		2014/15							
	Main Appropriation	Adjustments appropriation						Adjusted Appropriation	
		Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments		Total adjustments appropriation
R thousand									
Strategic Human Resources	49 524	1 132		-5 890				-4 758	44 766
Information CommunicationTechnology	89 253			-7 000			-1 894	-8 894	80 359
Legal Services	18 066			-4 500				-4 500	13 566
Communication Services	36 959			-5 060				-5 060	31 899
Programme Support	9 102			2 950				2 950	12 052
Subtotal	202 904	1 132		-19 500			-1 894	-20 262	182 642
Direct charge against the Provincial Revenue Fund									
Statutory payment									
Total	202 904	1 132		-19 500			-1 894	-20 262	182 642
Economic Classification									
Current payments	194 346			-20 142			-1 894	-22 036	172 310
Compensation of employees	108 232			-18 910				-18 910	89 322
Goods and services	86 114			-1 232			-1 894	-3 126	82 988
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	968	1 132		500				1 632	2 600
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	968	1 132		500				1 632	2 600
Payments for capital assets	7 590			142				142	7 732
Buildings and Other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	7 590			142				142	7 732
Transport assets									
Other Machinery and equipment	7 590			142				142	7 732
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total	202 904	1 132		-19 500			-1 894	-20 262	182 642

## Programme summary of estimates according to subprogrammes

Programme 3 : Policy and Governance		2014/15						
Main Appropriation	R thousand	Adjustments appropriation						Adjusted Appropriation
		Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation
Special Programmes								
Inter-Governmental Relations	6 183			-10				-10
Provincial Policy Management	312 467			-3 970				-3 970
Premier's Priority Programmes	5 862			-20				-20
Programme Support	2 687							
<b>Subtotal</b>	<b>327 199</b>			<b>-4 000</b>				<b>-4 000</b>
<b>Direct charge against the Provincial Revenue Fund</b>								
Statutory payment								
<b>Total</b>	<b>327 199</b>			<b>-4 000</b>				<b>-4 000</b>
<b>Economic Classification</b>	<b>159 362</b>			<b>-4 644</b>				<b>-4 644</b>
<b>Current payments</b>	<b>159 362</b>			<b>-4 644</b>				<b>-4 644</b>
Compensation of employees	37 362			65 263				65 263
Goods and services	122 000			-69 907				-69 907
Interest and rent on land								
Financial transactions in assets and liabilities								
<b>Transfers and subsidies</b>	<b>166 982</b>			<b>480</b>				<b>480</b>
Provinces and municipalities								
Departmental agencies and accounts	166 142							166 142
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international								
Non-profit institutions	840							840
Households				480				480
<b>Payments for capital assets</b>	<b>855</b>			<b>164</b>				<b>164</b>
Buildings and Other fixed structures								
Buildings								
Other fixed structures								
Machinery and equipment	855			164				164
Transport assets								
Other Machinery and equipment	855			164				164
Biological assets								
Software and Other intangible assets								
Land and subsoil assets								
Heritage assets								
Specialised military assets								
<b>Total</b>	<b>327 199</b>			<b>-4 000</b>				<b>-4 000</b>

**Roll-overs**

An amount of R1.132 million was approved as a roll-over from the 2013/14 financial year in respect of Transfers to households – Bursaries for bursary commitments not paid by the end of the 2013/14 financial year.

**Unforeseeable and unavoidable expenditure**

None

## Summary of Virements

### Virements and shifts Table

#### Programmes

Administration  
Institutional Development  
Policy and Governance

From			To		
Programme by Economic Classification	Motivation	R thousand	Programme by Economic Classification	Motivation	R thousand
<b>Programme 1: Administration</b>		(142 578)	<b>Programme 1: Administration</b>		<b>142 578</b>
Goods and services	Re-classification of earmarked funds	(140 000)	Capital assets - Other fixed structures	Re-classification of earmarked funds	140 000
Goods and services	reprioritised funds from catering to augment the pressure on compensation of employees	(500)	Transfers to households	Fund shortfall on employee social benefits	500
Goods and services	reprioritised funds from travel and subsistence to fund the projected shortfall on operational expenses of the North West Provincial Council on Aids	(2 000)	Transfers and subsidies	Fund shortfall on operational expenses of the North West Provincial Council on Aids	2 000
Goods and services	Anticipated savings on Minor assets	(78)	Capital assets - Computer equipment	Funding for purchase of computer equipment	78
Shift within the programme as a percentage of the programme budget		-62.7%			
<b>Virements of othe programme as a percentage of the programme budget</b>		<b>0.0%</b>			
<b>Programme 2: Institutional Development</b>		(21 052)	<b>Programme 2: Institutional Development</b>		<b>910.00</b>
Compensation of employees	employess budget w ith actual expenditure and avail funds for employee wellnes programmes (0,5% of Compensation of	(910)	Goods and services	Avail funds for employee wellnes programmes (0,5% of Compensation of employees budget)	910
Compensation of employees	To align Compensation of employess budget w ith actual expenditure	(18 000)	<b>Programme 1: Administration</b>		<b>19 500</b>
Goods and services	Anticipated savings on Travel and subsistence	(1 500)	Compensation of employees	To align Compensation budget w ith actual expenditure	18 000
Goods and services	Anticipated savings on Minor assets	(142)	Transfers and subsidies	Fund shortfall on operational expenses of the North West Provincial Council on Aids	1 500
Goods and services	Anticipated savings on catering	(500)	<b>Programme 2: Institutional Development</b>		<b>642</b>
Shift within the programme as a percentage of the programme budget		0.3%	Capital assets - Computer equipment	Funding for purchase of computer equipment	142
<b>Virements of other programme as a percentage of the programme budget</b>		<b>9.6%</b>	Transfers to households	Fund shortfall on employee social benefits	500
<b>Programme 3: Policy and Governance</b>		(73 907)	<b>Programme 3: Policy and Governance</b>		<b>69 907</b>
Goods and services	Re-classification of funds for Community Development Workers	(69 907)	Compensation of employees	Re-classification of funds for Community Development Workers	69 263
			Transfers to households	Re-classification of funds for Community Development Workers and additional funds for employee social benefits	480
			Capital assets - Machinery and equipment	Re-classification of funds for Community Development Workers	164
			<b>Programme 1: Administration</b>		<b>4 000</b>
Compensation of employees	To align Compensation of employess budget w ith actual expenditure	(4 000)	Compensation of employees	To align Compensation budget w ith actual expenditure	4 000
Shift within the programme as a percentage of the programme budget		21.4%			
<b>Virements of othe programme as a percentage of the</b>		<b>1.2%</b>			

1. Programme 2 shifted an amount of R19.5 million or 9.6 per cent to augment the budget pressures on programme 1. Any virements above 8 per cent requires the approval of the Legislature.



**Other adjustments**

None

**Expenditure already announced in the main Budget Speech of the Premier but not allocated at that stage**

None

**Adjustments due to significant and unforeseeable economic and financial events**

None

**Use of funds in emergency situations in terms of section 25 of the PFMA**

None

**Self-financing expenditure**

None

**Funds shifted between votes following a transfer of a function**

None

**Funds shifted within a vote to follow function shift within the same vote:**

None

**Declared savings**

None

Gifts, donations and sponsorships

None

**Amounts surrendered**

**Programme 2: Institutional Development**

An amount of R1.894 million was surrendered from goods and services due to the anticipated under spending in the Information Technology unit due to delays in the finalisation of certain maintenance contracts. The budget reduction of R1.894 million is in line with the adjustment budget reduction.

**Amounts forming a direct charge against the National Revenue Fund**

None

## Main expenditure trends for the first half of 2014/15

### Expenditure and preliminary expenditure:

Programme	2013/14					2014/15			
	Audited outcome					Preliminary expenditure			
	Adjusted appropriation	Apr 13-Sep 13		Apr 13-Mar 14		Adjusted appropriation	Adjusted appropriation total (%)	Apr 14-Sep 14	
		Apr 13 Sep 13	% of Adjusted appropriation	Apr 13 Mar 14	% of Adjusted appropriation			Apr 14 Sep 14	% of Adjusted appropriation
<b>R thousand</b>									
Administration	69 459	35 086	50.5%	62 590	90.1%	250 844	33.2%	45 502	18.1%
Institutional Development	219 265	83 371	38.0%	210 442	96.0%	182 642	24.1%	99 060	54.2%
Policy and Governance	71 020	29 166	41.1%	81 096	114.2%	323 199	42.7%	150 602	46.6%
<b>Subtotal</b>	<b>359 744</b>	<b>147 623</b>	<b>41.0%</b>	<b>354 128</b>	<b>98.4%</b>	<b>756 685</b>	<b>100.0%</b>	<b>295 164</b>	<b>39.0%</b>
Direct charge against the Provincial Revenue Fund									
<b>Total</b>	<b>359 744</b>	<b>147 623</b>	<b>41.0%</b>	<b>354 128</b>	<b>98.4%</b>	<b>756 685</b>	<b>100.0%</b>	<b>295 164</b>	<b>39.0%</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>316 123</b>	<b>131 587</b>	<b>41.6%</b>	<b>291 275</b>	<b>92.1%</b>	<b>413 961</b>	<b>54.7%</b>	<b>192 016</b>	<b>46.4%</b>
Compensation of employees	158 507	75 857	47.9%	153 271	96.7%	244 694	32.3%	118 199	48.3%
Goods and services	157 616	55 730	35.4%	138 004	87.6%	169 267	22.4%	73 817	43.6%
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies</b>	<b>37 067</b>	<b>14 673</b>	<b>80.2%</b>	<b>57 419</b>	<b>154.9%</b>	<b>193 372</b>	<b>25.6%</b>	<b>100 711</b>	<b>52.1%</b>
Provinces and municipalities									
Departmental agencies and accounts	18 903	9 322	49.3%	18 685	98.8%	186 662	24.7%	95 365	51.1%
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Nonprofit institutions	840			840	100.0%	840	0.1%		
Households	17 324	5 351	30.9%	37 894	218.7%	5 870	0.8%	5 346	91.1%
<b>Payments for capital assets</b>	<b>6 554</b>	<b>1 363</b>	<b>20.8%</b>	<b>5 434</b>	<b>82.9%</b>	<b>149 352</b>	<b>19.7%</b>	<b>2 437</b>	<b>1.6%</b>
Buildings and Other fixed structures						140 000	18.5%		
Machinery and equipment	6 554	1 363	20.8%	5 434	82.9%	9 352	1.2%	2 437	26.1%
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
<b>Total</b>	<b>359 744</b>	<b>147 623</b>	<b>41.0%</b>	<b>354 128</b>	<b>98.4%</b>	<b>756 685</b>	<b>100.0%</b>	<b>295 164</b>	<b>39.0%</b>

### Programme 1: Administration

Spending as at the end of September is at 18.1 per cent against the adjusted appropriation of R250.844 million. The slow spending is mainly due the allocations of R157 million as earmarked, to date as at September expenditure has not been incurred yet. The earmarked funds are in respect of the Mahikeng Repositioning, Rebranding and Renewal Programme, Bokone Bophirima Soccer Cup Challenge and Call Centre.

### Programme 2: Institutional Development

Spending as at the end of September is at 54.2 per cent against the adjusted appropriation of R182.642 million. The accelerated spending is mainly due to unforeseen high expenditure on departmental and provincial events. A re-prioritisation of departmental and provincial events coupled with anticipated under-expenditure in other categories of goods and services will be utilised to cover the shortfall on the budget for events management. It is anticipated that the situation will normalise by the end of the financial year.

### Programme 3: Policy and Governance

Spending as at the end of September is at 46.6 per cent against the adjusted appropriation of R323.199 million. The slow spending of is mainly due to allocation of R10 million for Strategic

Infrastructure Projects Management and the additional earmarked allocation of R5 million each for Youth Enterprise Support and the Youth Centre.

It is anticipated that the full implementation of the above mentioned projects will take place during the current financial year. The Office of the Premier is in the process of engaging service providers in this regard and it is therefore anticipated that there will be a major improvement in spending for the remainder of the year.

### Current Payments

Expenditure as at end September 2014 is at 46.4 per cent against the adjusted appropriation of R413.961 million, with compensation spending being on track at 48.3 per cent while spending on goods and services is a 43.6 per cent. Slow spending is mainly due to the slow spending on the earmarked fund.

### Transfer and subsidies

Transfer at September is at 52.1 per cent against the adjusted appropriation of R193.372 million.

### Payments for Capital Assets

Expenditure as at end September 2014 is at 1.6 per cent against the adjusted appropriation of R149.352 million. The slow spending is mainly due to R140 million earmarked allocation under building and other fixed structure for the Mahikeng Repositioning, Rebranding and Renewal Programme.

### Departmental receipts

Departmental Receipts										
2013/14 Audited outcome						2014/15 Actual Receipts				
	Adjusted appropriation	Apr 13-Sep 13		Apr 13-Mar 14		Budget estimate	Adjusted estimate	Adjusted receipts estimate/Total (%)	Apr 14-Sep 14	
		Apr 13 Sep 13	% of Adjusted appropriation	Apr 13 Mar 14	% of Adjusted appropriation				Apr 14 Sep 14	% of Adjusted appropriation
<b>R thousand</b>										
<b>Departmental receipts</b>	<b>440</b>	<b>350</b>	<b>79.5%</b>	<b>1 569</b>	<b>356.6%</b>	<b>250</b>	<b>548</b>	<b>100%</b>	<b>415</b>	<b>75.7%</b>
Tax receipts										
Sales of goods and services Other than capital assets	180	65	36.1%	142	78.9%	220	179	33%	71	39.7%
Transfers received										
Fines, penalties and forfeits										
Interests, dividends and rend on land										
Sales and capital assets and liabilities										
Financial transactions in assets and liabilities	260	285	109.6%	1 427	548.8%	30	369	67%	344	93.2%
<b>Extraordinary receipts</b>										
<b>Total</b>	<b>440</b>	<b>350</b>	<b>79.5%</b>	<b>1 569</b>	<b>356.6%</b>	<b>250</b>	<b>548</b>	<b>100%</b>	<b>415</b>	<b>75.7%</b>

Office of the Premier does not operate in a revenue generating environment. Revenue collected under the item sale of goods and services is mainly from sale of tender documents, replacement of lost security cards and commission earned on garnishee orders

As at the end of September 2014 the department collected 75.7 per cent or R415 000 against the adjusted estimate of R250 000 with financial transactions in assets and liabilities being the largest contributor to the revenue collected.

**Changes to transfers and subsidies, including conditional grants**

None

Table B.5(a): Office of The Premier - Payments of infrastructure by category

Table D.2(a): Status of the Premier's Payments of Infrastructure by category												
No.	Project Name	Municipality Name	Type of Infrastructure		Project Duration		Source of funding	Budget Programme Name	Targeted number of jobs for 2013/14	Total project cost	Expenditure to date from previous years	Adjusted Budget  2014/15 R'000
			School - primary, secondary, specialised, admin block, water, sanitation, fencing, etc.	Units (i.e. Number of classrooms or facilities or square meters)	Date: Start	Date: Finish						
1. New and replacement assets												
1												
Total New and replacement assets												
2. Upgrades and additions												
1	Redesign of Mmabatho Stadium	Mahikeng Local Municipality	Upgrade of asset		01/10/2014	30/08/2015	Equitable share	Administration		10 000	-	10 000
2	Convention Centre extension	Mahikeng Local Municipality	Extension of asset		01/10/2014	30/01/2016	Equitable share	Administration		3 000	-	3 000
3	Upgrade of road infrastructure	Mahikeng Local Municipality	Upgrade of asset		01/10/2014	31/03/2015	Equitable share	Administration		72 000	-	72 000
5	Upgrade of Bop Rhino Studio	Mahikeng Local Municipality	Upgrade of asset		01/11/2014	31/03/2015	Equitable share	Administration		10 000	-	10 000
7	Mahikeng beautification	Mahikeng Local Municipality	Upgrade of asset		01/11/2014	31/03/2015	Equitable share	Administration		10 000	-	10 000
8	Upgrade of Call centre	Mahikeng Local Municipality	Upgrade of asset		01/11/2014	31/03/2015	Equitable share	Administration		10 000		10 000
Total Upgrades and additions										115 000		115 000
3. Rehabilitation, renovations and refurbishment												
1	Security checkpoints/traffic control	Mahikeng Local Municipality	Maintain security checkpoints		01/11/2014	31/03/2015	Equitable share	Administration		10 000	-	10 000
2	Garona beautification	Mahikeng Local Municipality	Rehabilitate office buildings		01/11/2014	31/03/2015	Equitable share	Administration		15 000	-	15 000
Total Rehabilitation, renovations and refurbishment										25 000		25 000
4. Maintenance and repairs												
Total Maintenance and repair												
5. Infrastructure transfers - current												
Total Infrastructure transfers - current												
6. Infrastructure transfers - capital												
Total Infrastructure transfers - capital												
Total Department Infrastructure										140 000		140 000

