

## Vote 2

## Free State Provincial Legislature

## Adjusted budget summary

R thousand	2016/17				
	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
<b>Total amount to be appropriated</b>	<b>228 232</b>		<b>228 232</b>	<b>(1 890)</b>	<b>1 890</b>
<i>of which economic classification:</i>					
Current payments	166 055		<b>165 769</b>	(286)	
Transfers and subsidies	60 350		<b>58 746</b>	(1 604)	
Payments for capital assets	1 827		<b>3 717</b>		1 890
Payments for financial assets					
<i>of which source of funding:</i>	<b>228 232</b>		<b>228 232</b>	<b>(1 890)</b>	<b>1 890</b>
Equitable Share					
Conditional Grants					
Earmarked funds					
Provincial Receipts					
<b>Direct charge against the Provincial Revenue Fund</b>					
<b>Amount not to be appropriated - Aid Assistance</b>					
<b>Executive Authority: Hon M.G. Qabathe</b>	<b>Speaker to Free State Legislature</b>				
<b>Accounting Officer: Adv. T. S. Mokoena</b>	<b>Secretary to the: Free State Legislature</b>				
<b>Website address</b>	<b><a href="http://www.fls.gov.za">www.fls.gov.za</a></b>				

## Aim

To provide funding for the legislative and institutional support services required by the Legislature to fulfil its constitutional functions.

The Adjustment Budget gives expression to the speakers' vision of being an activist Legislature that Champions Democracy. This vision of the Free State Legislature is in line with its mandate as derived from the Constitution of the Republic of South Africa (Act 108 of 1996).

## Changes to programme purposes, objectives and measures

There were no changes to the programmes purposes, objective and measures. The Free State Legislature has thus not experienced or changed any indicators in the financial year 2016/17.

## Vote 2 – Free State Legislature

2016 Adjusted Estimates of Provincial Revenue & Expenditure

**Table X1: Adjusted Estimates**

**Table 2.1(a): Adjusted Estimates per programme**

		2016/17							
Programme	R'thousand	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
				Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
1. Administration		108 825				(919)		(919)	107 906
2. Facilities & Benefits for Members		60 967				919		919	61 886
3. Parliamentary Services		34 011							34 011
<b>Subtotal</b>		<b>203 803</b>							<b>203 803</b>
<b>Direct charge against the Provincial Revenue Fund</b>									
Memebrs remuneration		24 429							24 429
<b>Total</b>		<b>228 232</b>							<b>228 232</b>

### Economic classification

**Table 2.1(b): Adjusted Estimates by economic classification**

Economic classification	R'thousand	Main appropriation	Special appropriation	Adjustments Appropriation				Total adjustment appropriation	Adjusted appropriation
				Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Current payments</b>		<b>165 105</b>				<b>(286)</b>		<b>(286)</b>	<b>164 819</b>
Compensation of employees		116 809				(1 521)		(1 521)	115 288
Goods and Services		48 296				1 235		1 235	49 531
Interest and rent on land									
<b>Transfers and subsidies to</b>		<b>61 300</b>				<b>(1 604)</b>		<b>(1 604)</b>	<b>59 696</b>
Provinces and municipalities									
Departmental agencies and accounts		57 706				396		396	58 102
Universities and technikons		13							13
Non-profit institutions		200							200
Households		3 381				(2 000)		(2 000)	1 381
<b>Payments for capital assets</b>		<b>1 827</b>				<b>1 890</b>		<b>1 890</b>	<b>3 717</b>
Buildings and other fixed structures		-							
Machinery and equipment		1 690				1 890		1 890	3 580
Software and other intangible assets		137							137
Heritage assets									
<b>Payments for financial assets</b>									
<b>Total</b>		<b>228 232</b>							<b>228 232</b>

## Vote 2 – Free State Legislature

2016 Adjusted Estimates of Provincial Revenue & Expenditure

### Programme 1: Administration

Table 2.1.1: Adjusted Estimates

2016/17									
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
Office of the Speaker	18 108					(372)		(372)	17 736
Office of the Secretary	31 638					(151)		(151)	31 487
Financial Management	37 456					(396)		(396)	37 060
Corporate Services	21 623								21 623
<b>Total</b>	<b>108 825</b>					<b>(919)</b>		<b>(919)</b>	<b>107 906</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>103 424</b>					<b>(549)</b>		<b>(549)</b>	<b>102 875</b>
Compensation of employees	62 180					(2 026)		(2 026)	60 154
Goods and Services	41 244					1 477		1 477	42 721
Interest and rent on land									
<b>Transfers and subsidies to</b>	<b>3 594</b>					<b>(2 000)</b>		<b>(2 000)</b>	<b>1 594</b>
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons	13								13
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions	200								200
Households	3 381					(2 000)		(2 000)	1 381
<b>Payments for capital assets</b>	<b>1 807</b>					<b>1 630</b>		<b>1 630</b>	<b>3 437</b>
Buildings and other fixed structures									
Machinery and equipment	1 670					1 630		1 630	3 300
Cultivated assets									
Software and other intangible assets	137								137
Land and subsoil assets									
Heritage assets									
<b>Payments for financial assets</b>									
<b>Total</b>	<b>108 825</b>					<b>(919)</b>		<b>(919)</b>	<b>107 906</b>

### Direct charges

Table 2.1.4: Adjusted Estimates

2016/17									
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand									
Direct Charges	24 429								24 429
<b>Total</b>	<b>24 429</b>								<b>24 429</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>24 429</b>								<b>24 429</b>
Compensation of employees	24 429								24 429
Interest and rent on land									
<b>Total</b>	<b>24 429</b>								<b>24 429</b>

## Vote 2 – Free State Legislature

2016 Adjusted Estimates of Provincial Revenue & Expenditure

### Programme 2: Facilities and benefits for Memembrs

Table 2.1.2: Adjusted Estimates

		2016/17						
Subprogramme		Adjustment appropriation						
R'thousand	Main appropriation	Special appropriation	Unforeseeable /unavoidable Roll-overs	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustment appropriation	Adjusted appropriation
1. Facilities and Benefits to Members	3 261			523			523	3 784
2. Political Support Services	57 706			396			396	58 102
<b>Total</b>	<b>60 967</b>			<b>919</b>			<b>919</b>	<b>61 886</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>3 261</b>			<b>523</b>			<b>523</b>	<b>3 784</b>
Compensation of employees								
Goods and Services	3 261			523			523	3 784
Interest and rent on land								
<b>Transfers and subsidies to</b>	<b>57 706</b>			<b>396</b>			<b>396</b>	<b>58 102</b>
Provinces and municipalities								
Departmental agencies and accounts	57 706			396			396	58 102
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
<b>Payments for financial assets</b>								
<b>Total</b>	<b>60 967</b>			<b>919</b>			<b>919</b>	<b>61 886</b>

**Programme 3: Parliamentary Services**

Table 2.1.3: Adjusted Estimates

		2016/17						
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand			Roll-overs					
1. Procedural Services	29 725				(23)		(23)	29 702
2. Legal Services	4 286				23		23	4 309
<b>Total</b>	<b>34 011</b>							<b>34 011</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>33 991</b>				(260)		(260)	<b>33 731</b>
Compensation of employees	30 200				505		505	30 705
Goods and Services	3 791				(765)		(765)	3 026
Interest and rent on land								
<b>Transfers and subsidies to</b>								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>	<b>20</b>				<b>260</b>		<b>260</b>	<b>280</b>
Buildings and other fixed structures								
Machinery and equipment	20				260		260	280
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
<b>Payments for financial assets</b>								
<b>Total</b>	<b>34 011</b>							<b>34 011</b>

**Details of adjustments to Estimates of Provincial Revenue & Expenditure 2016****Virements and shifts**

## Programme 1: Administration

An amount of **R1.630 million** was shifted within Financial Management from compensation of employees to machinery and equipment for the purposes of purchasing VIP vehicles for the Speaker and Deputy Speaker; as both these have reached the maximum set limit of kilometres in terms of the Fleet Management Policy.

An amount of **R396 000** was shifted from Financial Management to programme 2: Facilities and Benefits to Members for the purposes of political party funding.

## Vote 2 – Free State Legislature

### 2016 Adjusted Estimates of Provincial Revenue & Expenditure

An amount of **R523 000** was shifted from the Secretary's Office and the Office of the Speaker to programme 2: Facilities and benefits to members, for the purposes of ensuring that the members have sufficient funding for travelling and subsistence expenses towards constituency related obligations.

An amount of **R2.000 million** was shifted within the Office of the Speaker from households to goods & services, for the purposes of correcting the allocation of the APAC budget.

#### Programme 3: Parliamentary Services

An amount of **R765 000** was shifted within Procedural Services from goods & services to compensation of employees for the purposes of honouring an award from the CCMA and to machinery & equipment for the purposes of purchasing interpreting equipment for the Hansard Directorate.

### Details on virements and shifts within a department

Table 2.2: Details on virements and shifts

Programmes					
1. Administration					
2. Facilities & Benefits for Members					
3. Parliamentary Services					
4. Direct charges					
FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		(396)	Programme 2		396
Compensation of employees	posts were not filled	(396)	Departmental agencies and accounts	For the purposes of Political Party Funding	396
Programme 1		(1 630)	Programme 1		1 630
Compensation of employees	posts were not filled	(1 630)	Machinery & Equipment	For shortfall for VIP vehicles & Fleet	1 630
Percentage of programme budget		1%			
Programme 1		(523)	Programme 2		523
Goods and services	For Purchase of Interpretation Equipment & implementation of the Awards from the CCMA	(523)	Goods and services	For the shortage in the Travel & Subsistence budget for Members	523
Programme 1		(2 000)	Programme 2		2 000
Households	For correction of Budget Allocations	(2 000)	Goods and services	For correction of Budget Allocations	2 000
Percentage of programme budget		%			
Programme 3		(765)	Programme 2		765
			Compensation of employees	For the implementation of the awards from the CCMA	505
Goods and services	For Purchase of Interpretation Equipment & implementation of the Awards from the CCMA	(765)	Machinery & Equipment	For the purchase of interpretation equipment	260
Percentage of programme budget		%			
<b>Total</b>		<b>(5 314)</b>	<b>5 314</b>		

## Vote 2 – Free State Legislature

### 2016 Adjusted Estimates of Provincial Revenue & Expenditure

#### Expenditure outcome for 2015/16 and actual expenditure for 2016/17

##### Expenditure trends

Table 2.3: Expenditure trends

R thousand	2015/16					2016/17			
	Audited outcome					Actual expenditure			
	Adjusted appropriation	Apr 2015 - Sep 2015	Apr 2015 - Sep 2015 (% of adjusted appropriation)	Apr 2015 - Mar 2016	Apr 2015 - Mar 2016 (% of adjusted appropriation)	Adjusted appropriation	Adjusted appropriation /Total (%)	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 (% of adjusted appropriation)
<b>Programmes</b>									
1. Administration	113 282	46 260	40.8%	92 911	82.0%	107 906	47.3%	47 874	44.4%
2. Facilities & Benefits for Members	45 384	32 016	70.5%	63 209	139.3%	61 886	27.1%	29 472	47.6%
3. Parliamentary Services	32 035	14 352	44.8%	29 261	91.3%	34 011	14.9%	15 368	45.2%
4. Direct charges	23 437	11 007	47.0%	22 758	97.1%	24 429	10.7%	11 379	46.6%
<b>Subtotal</b>	<b>214 138</b>	<b>103 635</b>	<b>48.4%</b>	<b>208 139</b>	<b>97.2%</b>	<b>228 232</b>	<b>100.0%</b>	<b>104 093</b>	<b>45.6%</b>
<b>Direct charge against the Provincial Revenue Fund</b>									
<b>Total</b>	<b>214 138</b>	<b>103 635</b>	<b>48.4%</b>	<b>208 139</b>	<b>97.2%</b>	<b>228 232</b>	<b>100.0%</b>	<b>104 093</b>	<b>45.6%</b>
<b>Economic Classification</b>									
<b>Current payments</b>	<b>156 160</b>	<b>71 857</b>	<b>46.0%</b>	<b>145 384</b>	<b>93.1%</b>	<b>164 819</b>	<b>72.2%</b>	<b>76 094</b>	<b>46.2%</b>
Compensation of employees	100 438	48 108	47.9%	100 155	99.7%	115 288	50.5%	53 725	46.6%
Goods and services	55 722	23 749	42.6%	45 229	81.2%	49 531	21.7%	22 369	45.2%
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>44 070</b>	<b>30 789</b>	<b>69.9%</b>	<b>60 956</b>	<b>138.3%</b>	<b>59 696</b>	<b>26.2%</b>	<b>27 710</b>	<b>46.4%</b>
Provinces and municipalities									
Departmental agencies and accounts	42 517	30 372	71.4%	59 586	140.1%	58 102	25.5%	27 260	46.9%
Universities and technikons	13					13			
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions	240	1		1		200	0.1%	60	30.0%
Households	1 300	416	32.0%	1 369	105.3%	1 381	0.6%	390	28.2%
<b>Payments for capital assets</b>	<b>13 908</b>	<b>989</b>	<b>7.1%</b>	<b>1 772</b>	<b>12.7%</b>	<b>3 717</b>	<b>1.6%</b>	<b>289</b>	<b>7.8%</b>
Buildings and other fixed structures									
Machinery and equipment	13 779	989	7.2%	1 689	12.3%	3 580	1.6%	245	6.8%
Cultivated assets									
Software and other intangible assets	129			83	64.3%	137	0.1%	44	32.1%
Land and subsoil assets									
Heritage assets									
<b>Payments for financial assets</b>				<b>27</b>					
<b>Total</b>	<b>214 138</b>	<b>103 635</b>	<b>48.4%</b>	<b>208 139</b>	<b>97.2%</b>	<b>228 232</b>	<b>100.0%</b>	<b>104 093</b>	<b>45.6%</b>

#### Expenditure trends for the first half of the 2016/17

Expenditure in the first half of 2016/17 is recorded at R104.093 million which is 45.6 percent against the adjusted appropriation. When comparing this to the last financial year's expenditure which was recorded at 48.4 percent; the expenditure is more or less the same. This means that expenditure is in line with the plans and has reached a trend.

#### Programme 1: Administration

Expenditure for programme 1 is at 44.4 percent, this is however in line with the cash flows of the Legislature. This is slightly more than the expenditure of 40.8 percent incurred in 2015/16, and is an indication of improvement in financial performance against the set targets.

## Vote 2 – Free State Legislature

### 2016 Adjusted Estimates of Provincial Revenue & Expenditure

#### Programme 2: Facilities and Benefits for Members

Expenditure is at 47.6 percent, this has is incurred in line with the policy for political party funding and therefore expenditure shall remain within the appropriated budget. This year's expenditure however looks less when compared to the expenditure recorded last year. The reason is that the Legislature received full funding this financial year as opposed to the past financial year.

#### Programme 3: Parliamentary Services

The spending of 45.2 percent is in line with the budget objectives of this programme and cash flows. There is no underspending anticipated.

### Departmental receipts

Table 2.4: Departmental receipts

	2015/16 Audited outcome					2016/17 Actual receipts				
	Adjusted estimate	Apr 2015 - Sep 2015	Apr 2015 - Sep 2015 (% of adjusted appropriation)	Apr 2014 - Mar 2015	Apr 2015 - Mar 2015 (% of adjusted estimate)	Budget estimate	Adjusted estimate	Adjusted receipts estimate /Total (%)	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 (% of adjusted appropriation)
R thousand										
<b>Departmental receipts</b>	1 050	795	75.7%	1 508	143.6%	1 326	610	100.0%	249	40.8%
Tax receipts										
Sales of goods and services other than capital receipts	50	42	84.0%	171	342.0%	80	90	14.8%	59	65.6%
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land	700	528	75.4%	1 246	178.0%	1 246	520	85.2%	190	36.5%
Sales of capital assets	300	225	75.0%	91	30.3%					
Financial transactions in assets and liabilities										
<b>Provincial Revenue Fund receipts (non-departmental receipts)</b>										
Restructuring proceeds from SASRIA										
Structured levy account from SARB										
<b>Total departmental receipts</b>	1 050	795	75.7%	1 508	143.6%	1 326	610	100.0%	249	40.8%

### Revenue trends for the first half of 2016/17

The Financial Management of Parliament and Provincial Legislatures ACT, 2009 requires that the Legislature must specify its expected revenue. The Legislature is not a revenue generating institution, but generates income from sources such as interest on investments, sale of goods other than capital receipts.

Collected revenue is R0.249 million that is at 41 per cent against anticipated revenue of R0.610 million. This is based on the Interest on investments received of R0.190 million, sale of capital assets revenue of R0.059 million

Revenue collected to date is less than that of the past financial year as contained in Table 2.4. However, revenue received from interest depends on the investments therefore cannot project more as cash flows depend on the plans of the Legislature.



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

Table 2.5: Summary of changes to transfers and subsidies per programme

		2016/17						
R thousand	Main appropriation	Special appropriation	Adjustment appropriation			Total adjustments appropriation	Adjusted appropriation	
			Roll-overs	Unforeseeable /unavoidable	Virement and shifts			Declared unspent funds
<b>1. Administration</b>	<b>3 594</b>				<b>(2 000)</b>	<b>(2 000)</b>	<b>1 594</b>	
<b>Economic sphere</b>								
<b>Current/Capital</b>								
Economic classification item								
Universities and technikons	13						13	
Non-profit institutions	200						200	
Households	3 381			<b>(2 000)</b>		<b>(2 000)</b>	<b>1 381</b>	
<b>2. Facilities &amp; Benefits for Members</b>	<b>57 706</b>				<b>396</b>	<b>396</b>	<b>58 102</b>	
<b>Economic sphere</b>								
<b>Current/Capital</b>								
Economic classification item								
Department Agencies	57 706			<b>396</b>		<b>396</b>	<b>58 102</b>	
<b>3. Parliamentary Services</b>								
<b>Economic sphere</b>								
<b>Current/Capital</b>								
Economic classification item								
Item name								
<b>Total transfers and subsidies</b>	<b>61 300</b>				<b>(1 604)</b>	<b>(1 604)</b>	<b>59 696</b>	