



treasury

Department of  
Treasury  
FREE STATE PROVINCE

ANNEXURE A

**Provincial Treasury**  
**Guidelines**

**Preparation of Adjusted Estimates of  
Provincial Revenue  
and Expenditure  
2013**

# 1. INTRODUCTION

The aim of the Adjusted Estimates Provincial Revenue & Expenditure (AEPRE) is:

- To provide detailed information on revised spending projections and revised performance projections for the current financial year, as provided for in section 30 of the Public Finance Management Act 1 of 1999 (PFMA);
- To provide mid-year actual expenditure and performance achievements; and
- To relate this information to the information published in the 2013 Estimates of Provincial Revenue and Expenditure (EPRE).

The format for the 2013 AEPRE publication is similar to previous years and the link with the 2013 EPRE chapters will continue to be maintained in:

- Selected performance indicators as published in the 2013 EPRE with actual achievements up to September 2013; and
- Changes in estimated departmental receipts and actual mid-year departmental receipts.

## 2. IMPORTANT TO NOTE FOR THE 2013 AEPR&E

### 2.1 EPRE database

The database was provided to departments.

### 2.2 AEPRE chapters' contents

#### 2.2.1 General

Section 4 of this guideline provides details of how chapters should be written. A separate template for compiling the AEPR&E chapter is provided. Departments should use the formatting style contained in the separate template in order to compile their chapters.

#### 2.2.2 Performance information

Performance indicators should be reported on against the targets reflected in the 2013 APP. Indicators and targets should be revised only if the outputs will be affected by an adjustment to the budget or a change in the budget programme structure.

#### 2.2.3 Technical assistance

For department specific queries, contact Budget Analyst responsible for your department.

### 3. HOW TO WRITE THE AEPRE CHAPTER

Use the instructions below to compile the department's AEPRE

#### **Numbers style**

**Use a full stop to** separate a number from the decimal numbers denoting the fraction of the number. Provide three numbers after the decimal point, unless any of these are zero. **Use a space** to separate thousands.

Example: R75 000 (75 thousand rand) but R10.2 billion (10 billion and 200 million rand)

The AEPRE format is attached as **Annexure A below**

**ANNEXURE A: (Template to be used when completing the Adjusted Estimates 2013)**

**Vote #**

**Department of [Insert department name]**

**Adjusted budget summary**

R thousand	2013/14			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	-	-	-	-
<b>of which:</b>				
Current payments				-
Transfers and subsidies				-
Payments for capital assets				-
Payments for financial assets				-
<b>Revenue Fund</b>	-	-	-	-
<b>Executive Authority</b>	MEC for			
<b>Accounting Officer</b>	Director General :			
<b>Website address</b>	www.			

**Aim**

[Insert aim of the department] [As stated in the Estimate of Provincial Revenue & Expenditure]

**Changes to programme purposes, objectives and measures**

Changes to programme purposes, objectives and measures are published in the Adjustment Estimates of Provincial Revenue & Expenditure (AEPRE) to maintain the link between the departments' Strategic and Annual Performance Plan, the voted budget and the adjusted budget.

The following are changes allowed in the AEPRE process: roll-over of funds, virements, unforeseeable and unavoidable expenditure, use of funds emergency situations in terms of section 16 of the PFMA, funds shifted within votes to follow a transfer of function and money already announced by the MEC of Finance in the main Budget.

To complete this section, follow the instruction below for **each** programme on the vote:

Programme [insert programme number]: [insert programme name]

**Changed purpose:** [insert new purpose]

**Changed objectives and measures:** [insert new objectives and measures]

[Insert explanation for changes]

## Adjusted Estimates of Provincial Revenue & Expenditure 2013

The main appropriation shows the total amount appropriated per programme in the Appropriation Act (2013)

The additional appropriation consists of the following variety of categories:

- **Roll-overs** are funds appropriated in 2012/13 but not spent and re-appropriated in 2013/14;
- **Unforeseeable and unavoidable expenditure** is expenditure that could not be anticipated at the time of finalising the inputs for the 2013 Estimate of Provincial Revenue & Expenditure for the main budget;
- **Virements and Shifts**
- **Virements** is the concept of utilising savings or underspending from amounts appropriated under one main division towards the defrayment of excess expenditure under another main division within the same vote; and
- **Shifts** is the concept of utilising savings or underspending towards the defrayment of excess expenditure within a main division between different segments (subprogramme and economic classification) of the main division. Shifts include the reallocation of funds incorrectly allocated during the 2013 Estimate of Provincial Revenue & Expenditure process.
- **A function shift is** funds shifted between or within votes to follow the transfer of functions.
- **Other adjustments** include: expenditure already announced in the budget speech of the Minister of Finance but not allocated at that stage; adjustments due to significant and unforeseeable economic and financial events; use of funds in emergency situations; declared savings and; self-financing expenditure, which refers to expenditure financed from unforeseen revenue paid into the Provincial Revenue Fund.
- **The total additional appropriation** is the sum of all the additional funds to be appropriated.
- **The adjusted appropriation** is the total adjusted funds to be appropriated

Table x1: Adjusted Estimates

Programme	2013/14						
	Main appropriation	Adjustments				Appropriation	
R'thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared savings	Total adjustment appropriation	Adjusted appropriation
1.Programme name							
2.Programme name							
3.Programme name							
<b>Subtotal</b>	-	-	-	-	-	-	-
Direct charge against the Provincial Revenue Fund							
Item							
<b>Total</b>	-	-	-	-	-	-	-

## Economic classification

Programme	2013/14						
	Main appropriation	Adjustments			Appropriation		Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared savings	Total adjustment appropriation	
R'thousand							
<b>Economic classification</b>							
<b>Current payments</b>	-	-	-	-	-	-	-
Compensation of employees							
Goods and Services							
Interest and rent on land							
<b>Transfers and subsidies to;</b>	-	-	-	-	-	-	-
Provinces and municipalities							
Departmental agencies and account							
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							
Specialised military assets							
<b>Payments for financial assets</b>							
<b>Total</b>	-	-	-	-	-	-	-

## Programme 1: Administration

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments					Total adjustment appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared savings			
1. Office of the MEC								
2. Corporate Services								
3. Subprogramme name								
<b>Total</b>	-	-	-	-	-	-	-	-
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees								
Goods and Services								
Interest and rent on land								
<b>Transfers and subsidies to;</b>								
Provinces and municipalities								
Departmental agencies and account								
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								
Specialised military assets								
<b>Payments for financial assets</b>								
<b>Total</b>	-	-	-	-	-	-	-	-

### Details of adjustments to Estimates of Provincial Revenue & Expenditure 2013

Explanations are provided of the amounts reflected as adjusted appropriations.

#### Roll-overs – [write full amount: R00.000 million]

- For each programme, explain what the roll-over of funds will be used for.
- There is no need to explain why the roll-over of funds were approved.

Programme 1: Administration

.....

Programme 2:

.....

**Unforeseeable and unavoidable expenditure – [write full amount: R00.000 million]**

- For each programme, explain what the unforeseeable and unavoidable expenditure will be used for.

Programme 1: Administration

.....

Programme 2:

.....

Programme 3:

.....

**Virements and shifts**

{Consists of savings generated under one main division/ subdivision /economic classification of a vote being used to defray excess expenditure under another main division /subdivision /economic classification of the same vote}

In this table adjusted expenditure is set out in accordance with the categories of expenditure specified in section 30(2) of the PFMA by programme and economic classification.

**Table X2: Details on virements and shifts within a department**

<b>Programmes Summary</b>					
1.Administration					
2.Programme name					
3.Programme name					
<b>FROM:</b>			<b>TO:</b>		
<b>Programme by Economic classification</b>	<b>Motivation</b>	<b>R' thousand</b>	<b>Programme by Economic classification</b>	<b>Motivation</b>	<b>R' thousand</b>
Programme 1		(2 000)	Programme 1		500
<b>Compensation of employees</b>	Non-critical posts at head office were not filled	(2 000)	<b>Goods and services Machinery and equipment</b>	For shortfall, For office equipment such as photocopiesrs	500
<b>Percentage of programme budget</b>		<b>1%</b>			
Programme 2			Programme 2		1 500
<b>Machinery and equipment</b>	Funds earmarked for new passport system were reclassified		Goods and services	For shortfall	1 500
			Programme 3		-
			Deartmental agencies and accounts	Government printing works for new passport system	
<b>Percentage of programme budget</b>		<b>%</b>			
Programme 3			Programme 2		-
software and other intangible assets	Earmarked for HANIS smart ID card was reclassified		<b>Good and services</b>	HANIS Smart ID card	
<b>Percentage of programme budget</b>		<b>%</b>			
<b>Total</b>		<b>(2 000)</b>	<b>2 000</b>		

**Other adjustments – [write full amount: R00.000 million]**

**Expenditure already announced in the budget speech of the MEC for Finance but not allocated at that stage**

Programme [insert programme number]: [insert programme name]

Additional funding of R00.000 million has been allocated to cover costs related to [explain what the funds will be used for].

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

Programme [insert programme number]: [insert programme name]

Additional funding of R00.000 million has been allocated to cover costs related to [insert expenditure category], R00.000 million for [insert expenditure category], etc.

**Use of funds in emergency situations in terms of section 16 of the PFMA**

Programme [insert programme number]: [insert programme name]

Paragraph (P)

**Self-financing expenditure**

Programme [insert programme number]: [insert programme name]

Paragraph (P)

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

Funds shifted between votes or to follow the transfer of functions in terms of section 42 of the PFMA and Treasury Regulation 6.5

Programme [insert programme number]: [insert programme name]

R00.000 million will be transferred to the Department of [insert department name] for [explain what the funds will be used for]. Or

R00.000 million will be received from the Department of [insert department name] for [explain what the funds will be used for].

**Funds shifted within a vote to follow a functions shift within the same vote**

Programme [insert programme number]: [insert programme name]

R00.000 million will be shifted to programme [insert programme number] following the shift of the [insert name of function, e.g. monitoring, research, IT, etc.] function. Or R00.000 million will be received from programme [insert other programme number] following the shift of the [insert name of function, e.g. monitoring, research, IT, etc.] function.

**Gifts, donations and sponsorships – R00.000 million**

The department will make a donation of R00.000 million to [insert name of institution] for [insert what donation will be used for].

**Declared savings**

Programme [insert programme number]: [insert programme name]

Savings of R00.000 million due to [insert reason for saving] have been declared.

**Amounts forming a direct charge against the Provincial Revenue Fund – (R00.000 million)****Roll-over of funds**

R00.000 million has been rolled over for [insert what the roll-over will be used for].

**Unforeseen/unavoidable expenditure**

R00.000 million has been allocated to [insert what the funds have been allocated to]. [Insert a sentence on how the expenditure links to policy and performance].

**Virements**

A saving of R00.000 million has been used to cover expenditure on [insert what the expenditure was on] because [insert why budgeted funds were insufficient].

**Other adjustments**

Expenditure already announced in the budget speech of the MEC for Finance but not allocated at that stage.

Additional funding of R00.000 million has been allocated to cover costs related to [explain what the funds will be used for].

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

Additional funding of R00.000 million has been allocated to cover costs related to [insert expenditure category], R00.000 million for [insert expenditure category], etc.

**Funds shifted within a vote**

R00.000 million will be shifted from programme [insert programme number] following the shift of the [insert name of function, e.g. monitoring, research, IT, etc.] function.

**Use of funds in emergency situations in terms of section 16 of the PFMA**

R00.000 million will be used for [insert what the funds will be used for]. [Insert a sentence on how the expenditure links to policy and performance]

**Declared savings**

Savings of R00.000 million due to [insert reason for saving] have been declared.

## Expenditure 2012/13 and preliminary expenditure 2013/14

Table X.3 Expenditure trends

R thousand	2012/13					2013/14		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2012 - Sep 2012	% adjusted appropriation	Apr 2012 - Mar 2013	% adjusted appropriation	Adjusted appropriation	Apr 2013 - Sep 2013	% of adjusted appropriation
1. Programme								
2. Programme name								
3. Programme name								
4. Programme name								
<b>Subtotal</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
<b>Direct charge against the Provincial Revenue Fund</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
<b>Total</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
<b>Current payments</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
Compensation of employees								
Goods and services								
Interest and rent on land								
<b>Transfers and subsidies</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations & private enterprises								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!
Buildings and other fixed structures								
Machinery and equipment								
Specialised military assets								
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
<b>Payments for financial assets</b>								
<b>Total</b>	-	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!

### Main expenditure trends for the first half of the 2013/14 financial year

(An explanation is given for significant changes in expenditure compared to the 2012/13 financial year.

Utilising the information in the above table, departments needs to compose a paragraph on the expenditure trend, explaining significant increases or decreases in expenditure for April – September in terms of programmes and economic classification)

Example: Expenditure in the first six months of 2013/14 amounted to R.....or ..... per cent of the adjusted appropriation of.....million for .....

The main decreases/increases related to.....

**Programme:** [insert programme number]: [insert programme name]

**Programme:** [insert programme number]: [insert programme name]

**Programme:** [insert programme number]: [insert programme name]

An analysis must also be made in terms of economic classification. i.e.

- **Current Payments**
- **Transfers and subsidies**
- **Payments for capital assets**

## Departmental receipts

Table X.4 Expenditure trends

		2012/13				2013/14			
		Audited outcome				Actual receipts			
R thousand	Adjusted estimate	Apr 2012 - Sep 2012	Apr 2012 - Sep 2012 % adjusted appropriation	Apr 2012 - Mar 2013	Apr 2012- Mar 2013 % adjusted estimate	Budget estimate	Adjusted estimate	Apr 2013 - Sep 2013	Apr 2013 - Sep 2013 % of adjusted estimate
Departmental receipts	.	.	#DIV/0!	.	#DIV/0!	.	.	.	#DIV/0!
Tax receipts									
Sales of goods and services other than									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Provincial Revenue Fund receipts (non-departmental receipts)	.	.	#DIV/0!	.	#DIV/0!	.	.	.	#DIV/0!
Restructuring proceeds from SASRIA									
Structured levy account from SARB									
<b>Total</b>	.	.	#DIV/0!	.	#DIV/0!	.	.	.	#DIV/0!

## Main departmental revenue trends for the first half of 2013/14

A paragraph on deviations from the information published in the 2013 EPRE will be compiled from the information captured in the receipts database.

## Changes to transfers and subsidies, including conditional grants

Table X.5: Summary of changes to transfers and subsidies per programme

2013/14							
R thousand	Main appropriation	Adjustment appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement and shifts	Other adjustments		
<b>1. Programme number. name</b>	-						-
<b>Economic sphere</b>							-
<b>Current</b>							-
Economic classification item							-
Item name							-
<b>2. Programme number. name</b>	-						-
<b>Economic sphere</b>							-
<b>Capital</b>							-
Economic classification item							-
							-
							-
<b>Total transfers and subsidies</b>	-	-	-	-	-	-	-

Table X.6: Summary of changes to conditional grants :Provinces

2013/14							
R thousand	Main appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Other adjustments		
<b>1. Programme name</b>							-
Name of conditional grant							-
Name of conditional grant							-
Name of conditional grant							-
Name of conditional grant							-
<b>2. Programme name</b>							-
Name of conditional grant							-
Name of conditional grant							-
Name of conditional grant							-
Name of conditional grant							-
<b>Total conditional grant: Province</b>	-	-	-	-	-	-	-

## Revised Infrastructure project list

The table below should cater for amendments on infrastructure projects (including those on retention) for the current financial year as well as projects which were not included/ were omitted in the Estimate of Provincial Revenue and Expenditure for 2013/14.

Table x.7 Revised infrastructure project list

No.	Project name	Municipality	Region/district	Source of funding	Project description	Project duration		Programme	Date Captured on IRM	Total project cost	Expenditure to date from previous years	Professional fees budget	Const/maint budget	Total budget 2013/14 (TO)	Total budget 2013/14 (FROM)	Captured on EPR&E Yes/ No	EPWP Yes/No
						Date: Start	Date: Finish										
<b>1. New and replacement assets (R thousand)</b>																	
1	Qwaqwa project	Maluti a Phofung	Thabo Mofutsanyana	Equitable share	Library	2010/04	2012/07	3	2010/04	4000	1000	200	800	2000		No	Yes
2																	
3																	
<b>Total New replacement assets</b>																	
<b>2. Maintenance and repairs (R thousand)</b>																	
1																	
2																	
3																	
<b>Total Maintenance and repairs</b>																	
<b>3. Upgrades and additions (R thousand)</b>																	
1	Botshabelo project	Mangaung	Motheo	Equitable share	Library	2008/04	2010/06	3	2008/04	5 000	3 000		1 000	3 000	(2 000)	Yes	Yes
2																	
3																	
<b>Total Upgrades and additions</b>																	
<b>4. Rehabilitation, renovations and refurbishments (R thousand)</b>																	
1																	
2																	
3																	
4																	
5																	
<b>Total rehabilitation, renovations and refurbishments</b>																	

**Note 1: if you took money from the current project to the new one – indicate money from with minus (-) and money to with plus (+) i.e. {shifting between projects}**

**Note 2:** *If funds are being reprioritised from voted funds towards infrastructure, that must be indicated and the total funding should be specified as a note below the table. i.e. {Narration must be provided}.*

The table below illustrates the summary of infrastructure adjustment according to infrastructure categories.

**Table X.8: Summary of Adjusted Infrastructure Appropriated**

Infrastructure	Main Appropriation 2013/14	Increase/ Decrease	Adjusted Appropriation 2013/14
<b>New infrastructure assets</b>			
<b>Existing infrastructure assets</b>			
Maintenance and repair	Upgrading and additions		
Upgrading and additions	Rehabilitation, renovations and refurbishment		
Rehabilitation and refurbishment	Maintenance and repair		
<b>Infrastructure transfers</b>			
Current			
Capital			
<i>Capital infrastructure</i>			
<i>Current infrastructure</i>			

**ANNEXURE B (Format for the preparation of the Adjusted Appropriation Bill, attached as excel document)**