

Vote 1

Office of the Premier

Adjusted budget Summary

R thousand	2019/20			
	Main appropriation	Special appropriation	Adjusted appropriation	Increase
Total amount to be appropriated	625 682		655 762	30 080
<i>of which economic classification:</i>				
Current payments	350 629		362 301	11 672
Transfers and subsidies	271 863		290 357	18 494
Payments for capital assets	3 190		3 104	(86)
Payments for financial assets				
<i>of which source of funding:</i>				
Equitable Share	217 021		227 101	10 080
Conditional Grants				
Earmarked funds	360 946		380 946	20 000
Provincial Receipts	47 715		47 715	
Direct charge against the Provincial Revenue Fund	625 682		655 762	30 080
Amount not to be appropriated - Aid Assistance	1 692		7 007	5 315

Executive Authority	MEC for Office of the Premier
Accounting Officer	Director General: Office of the Premier
Website address	www.premier.fs.gov.za

Vote Purpose

To enable the Premier to fulfil constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.

Changes to programme purposes, objectives and measures

None

Adjusted Estimates of Provincial Revenue & Expenditure 2019

Table 1.1(a): Adjusted Estimates per programme

2019/20									
Programme	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Roll-overs		
R'thousand									
1. Administration	71 828			438		1 500		1 938	73 766
2. Institutional Development	372 895			190		22 101		22 291	395 186
3. Policy and Governance	55 936			(3 750)		2 000		(1 750)	54 186
4. Provincial M&E Branch	125 023			3 122		4 479		7 601	132 624
Total	625 682					30 080		30 080	655 762

Table 1.1(b): Adjusted Estimates by economic classification

2019/20									
Economic classification	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Roll-overs		
R'thousand									
Current payments	350 629			(408)		12 080		11 672	362 301
Compensation of employees	305 300								305 300
Goods and Services	45 329			(408)		12 080		11 672	57 001
Interest and rent on land									
Transfers and subsidies	271 863			494		18 000		18 494	290 357
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions	271 212			(271 212)				(271 212)	
Public corporations and private enterprises									
Non-profit institutions									
Households	651			271 706		18 000		289 706	290 357
Payments for capital assets	3 190			(86)				(86)	3 104
Buildings and other fixed structures									
Machinery and equipment	2 868			236				236	3 104
Heritage assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	322			(322)				(322)	
Payments for financial assets									
Total	625 682					30 080		30 080	655 762

Programme 1: Administration

Table 1.1.1: Adjusted Estimates

		2019/20					
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation			Total adjustment appropriation	Adjusted appropriation
			Unforeseeable /unavoidable Roll-overs	Virements and shifts	Declared unspent funds		
R'thousand							
1. Premier Support	16 420			40		40	16 460
2. Executive Council Support	3 845						3 845
3. Director General	15 174			(78)	980	902	16 076
4. Financial Management	36 389			476	520	996	37 385
Total	71 828			438	1 500	1 938	73 766
Economic classification							
Current payments	70 958			(140)	1 500	1 360	72 318
Compensation of employees	54 870						54 870
Goods and Services	16 088			(140)	1 500	1 360	17 448
Interest and rent on land							
Transfers and subsidies	40			274		274	314
Provinces and municipalities							
Departmental agencies and accounts							
Higher education institutions							
Public corporations and private enterprises							
Non-profit institutions							
Households	40			274		274	314
Payments for capital assets	830			304		304	1 134
Buildings and other fixed structures							
Machinery and equipment	830			304		304	1 134
Heritage assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
Payments for financial assets							
Total	71 828			438	1 500	1 938	73 766

Programme 2: Institutional Development

Table 1.1.2: Adjusted Estimates

2019/20									
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									
1. Strategic Human Resource Management	326 185				488		18 411	18 899	345 084
2. Information Communication Technology	15 235				(322)		1 050	728	15 963
3. Legal Services	9 420								9 420
4. Communication Services	22 055				24		2 640	2 664	24 719
Total	372 895				190		22 101	22 291	395 186
Economic classification									
Current payments	99 624				(73)		4 101	4 028	103 652
Compensation of employees	80 941								80 941
Goods and Services	18 683				(73)		4 101	4 028	22 711
Interest and rent on land									
Transfers and subsidies	271 212				512		18 000	18 512	289 724
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions	271 212				(271 212)			(271 212)	
Public corporations and private enterprises									
Non-profit institutions									
Households					271 724		18 000	289 724	289 724
Payments for capital assets	2 059				(249)			(249)	1 810
Buildings and other fixed structures									
Machinery and equipment	1 737				73			73	1 810
Heritage assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	322				(322)			(322)	
Payments for financial assets									
Total	372 895				190		22 101	22 291	395 186

Programme 3: Policy and Governance

Table 1.1.3: Adjusted Estimates

		2019/20						
Subprogramme	R'thousand	Main appropriation	Special appropriation	Adjustment appropriation			Total adjustment appropriation	Adjusted appropriation
				Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds		
1. Special Programmes		24 970			(292)		(292)	24 678
2. Intergovernmental Relations		11 433			(24)	2 000	1 976	13 409
3. Provincial Policy Management		19 533			(3 434)		(3 434)	16 099
4. Subprogramme name								
Total		55 936			(3 750)	2 000	(1 750)	54 186
Economic classification								
Current payments		55 331			(3 317)	2 000	(1 317)	54 014
Compensation of employees		46 170			(3 122)		(3 122)	43 048
Goods and Services		9 161			(195)	2 000	1 805	10 966
Interest and rent on land								
Transfers and subsidies		464			(292)		(292)	172
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Public corporations and private enterprises								
Non-profit institutions								
Households		464			(292)		(292)	172
Payments for capital assets		141			(141)		(141)	
Buildings and other fixed structures								
Machinery and equipment		141			(141)		(141)	
Heritage assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total		55 936			(3 750)	2 000	(1 750)	54 186

Programme 4: Provincial Monitoring & Evaluation Branch

Table 1.1.4: Adjusted Estimates

2019/20								
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. Public Sector Monitoring and Evaluation	8 397			483		310	793	9 190
2. Monitoring and Evaluation Programme	7 383			1 726		250	1 976	9 359
3. Provincial Intervention	109 243			913		3 919	4 832	114 075
Total	125 023			3 122		4 479	7 601	132 624
Economic classification								
Current payments	124 716			3 122		4 479	7 601	132 317
Compensation of employees	123 319			3 122			3 122	126 441
Goods and Services	1 397					4 479	4 479	5 876
Interest and rent on land								
Transfers and subsidies	147							147
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Public corporations and private enterprises								
Non-profit institutions								
Households	147							147
Payments for capital assets	160							160
Buildings and other fixed structures								
Machinery and equipment	160							160
Heritage assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	125 023			3 122		4 479	7 601	132 624

Details of adjustments to Estimates of Provincial Revenue & Expenditure 2019

Special appropriation

None

Rollovers

None

Unforeseeable and unavoidable expenditure

None

Virements and shifts

Programme 1

An amount of R0.140 million was shifted from Goods and service in Programme 1 to finance Transfers and subsidies within the same programme

An amount of R0.234 million was shifted from Capital assets to finance expenditure incurred in financial management objective for procured capital assets.

A total amount of R0.032 million was shifted from Transfers and subsidies to finance Transfers and subsidies in Premier Support objective.

Programme 2

A total amount of R0.102 million was reprioritized from Software and other intangible assets as a virement to Programme 1 Transfers and subsidies.

A total amount of R0.220 million was reprioritized from Software and other intangible assets to Programme 2 Transfers and subsidies.

A shift amounting to R0.073 million was reprioritized from Goods and services to Capital assets for the procurement of assets within the same programme.

An amount of R 271.212 million was reclassified from Higher education to other households.

Programme 3

A virement of R3.122 million from Compensation of employees was reprioritized to Compensation of employees Programme 4 to finance the shortfall.

A virement of R0.195 million, R0.141 million and R0.292 million from Goods and services, Capital assets and Transfers & subsidies was reprioritised to finance capital assets expenditure incurred in Programme 1 and Transfers & subsidies expenditure incurred in Programme 2 amounting to R0.336 million and R0.292 million respectively.

Details on virements and shifts

Table 1.2: Details on virements and shifts

Programmes		R'thousand	Programmes		R'thousand
1. Administration		(406)	1. Administration		844
2. Institutional Development		(271 607)	2. Institutional Development		271 797
3. Policy and Governance		(3 750)	3. Policy and Governance		
4. Provincial M&E Branch			4. Provincial M&E Branch		3 122
Total		(275 763)			275 763
FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		(406)	Programme 1		844
Goods and services	To finance Households for Premier Support objective	(140)	Transfers and subsidies	To finance Households for Premier Support objective	274
Machinery and equipment	A shift was done to finance capital assets for Financial Management objective	(234)	Machinery and equipment	To finance capital assets in Financial Management objective and Director general objective	570
Transfers and subsidies	To finance shortfall in Households for Premier Support Objective	(8)			
Transfers and subsidies	To finance Households for Premier	(24)			
Percentage of programme budget		0%			
Programme 2		(271 607)	Programme 2		271 797
software and other intangible assets	The amount is reprioritized for Households incurred in Programme 1 as a virement	(102)	Transfers and subsidies	A shortfall was experienced due to resignations	512
software and other intangible assets	The amount is reprioritized for Households incurred in Programme 2	(220)	Machinery and equipment	For the procurement of Assets	73
Goods and Services	A shift was done to purchase assets	(73)			
Transfer and subsidies	Align the budget with the spending of the fund from Higher Education Institution	(271 212)	Transfer and subsidies	Align the budget with the spending of the fund to House hold : Bursaries (Non-Employees)	271 212
Percentage of programme budget		98%			
Programme 3		(3 750)	Programme 3		-
Compensation of employees	A Virement was done to finance a shortfall in Programme 4	(3 122)			
Goods and Services	A Virement was done to finance Capital assets expenditure incurred in Programme 1 Financial Management objective	(195)			
Machinery and equipment	A Virement was done to finance Capital assets expenditure incurred in Programme 1 Financial Management objective	(141)			
Transfers and subsidies	A Virement was done to finance Households for Programme 2	(292)			
Percentage of programme budget		1.36%			
Programme 4			Programme 4		3 122
			Compensation of employees	For shortfall of personnel costs for Monitoring and Evaluation Programme objective	1 726
			Compensation of employees	For shortfall of personnel costs for Public Sector Performance Monitoring and Evaluation Objective	483
			Compensation of employees	For shortfall of personnel costs for	913
Percentage of programme budget		0.00%			
Total		(275 763)			275 763

Declared unspent funds

None

Other adjustments – (R30.080 million)

The department received an additional amount of **R18 million** towards Provincial Bursaries, **R10.080 million** was received to address operational costs pressures experienced in the Office of the Premier and **R2 million** was received to address the financial pressure on the Goods and services Budget of Community Development Workers (CDW.).

Funds shifted between votes following a transfer of a function

None

Funds shifted within a vote following a transfer of a function/within a vote following function shift.

None

Appropriation of expenditure earmarked in the 2019 Budget speech for future allocation

None

Adjustment due to significant and unforeseeable economic and financial events

None

Use of funds in emergency situations

None

Self-financing expenditure

None

Gifts, donations and sponsorship

None

Direct charges against the Provincial Revenue Fund

None

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Table 1.3: Expenditure trends

R thousand	2018/19					2019/20			
	Audited outcome					Actual expenditure			
	Adjusted appropriation	Apr 2018 - Sep 2018	Apr 2018 - Sep 2018 (% of adjusted appropriation)	Apr 2018 - Mar 2019	Apr 2018 - Mar 2019 (% of adjusted appropriation)	Adjusted appropriation	Adjusted appropriation /Total (%)	Apr 2019 - Sep 2019	Apr 2019 - Sep 2019 (% of adjusted appropriation)
Programmes									
1. Administration	74 192	40 427	54.5%	74 724	100.7%	73 766	11.2%	36 660	49.7%
2. Institutional Development	436 859	344 481	78.9%	464 884	106.4%	395 186	60.3%	254 842	64.5%
3. Policy and Governance	65 968	60 837	92.2%	169 475	256.9%	54 186	8.3%	92 564	170.8%
4. Provincial M&E Branch	128 481	66 424	51.7%	130 204	101.3%	132 624	20.2%	71 398	53.8%
Subtotal	705 500	512 169	72.6%	839 287	119.0%	655 762	100.0%	455 464	69.5%
Direct charge against the Provincial Revenue Fund									
Total	705 500	512 169	72.6%	839 287	119.0%	655 762	100.0%	455 464	69.5%
Economic Classification									
Current payments	370 469	230 137	62.1%	476 841	128.7%	362 301	55.2%	244 578	67.5%
Compensation of employees	291 397	149 119	51.2%	292 231	100.3%	305 300	46.6%	149 897	49.1%
Goods and services	79 072	81 018	102.5%	184 610	233.5%	57 001	8.7%	94 681	166.1%
Interest and rent on land									
Transfers and subsidies	331 561	280 649	84.6%	358 566	108.1%	290 357	44.3%	209 621	72.2%
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions	328 446	278 065	84.7%	355 449	108.2%				
Public corporations and private enterprises									
Non-profit institutions									
Households	3 115	2 584	83.0%	3 117	100.1%	290 357	44.3%	209 621	72.2%
Payments for capital assets	3 454	1 383	40.0%	3 880	112.3%	3 104	0.5%	1 265	40.8%
Buildings and other fixed structures									
Machinery and equipment	3 454	1 383	40.0%	3 880	112.3%	3 104	0.5%	1 265	40.8%
Heritage assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	16								
Total	705 500	512 169	72.6%	839 287	119.0%	655 762	100.0%	455 464	69.5%

Expenditure trends for the first six months of the 2019/20

Expenditure in the first six months of 2019/20 amounted to **R455.464 million** or **69.5 percent** of the adjusted appropriation of **R655.762 million**.

Programme 1: Administration

The expenditure trend in the first six months of the 2019/20 financial year is R36.660 million or 49.7 percent of the adjusted appropriation of R73.766 million. In comparison with the 2018/19 financial year, the expenditure is lower by 6.3 percent.

Programme 2: Institutional Development

The expenditure trend in the first six months of the 2019/20 financial year is at 64.5 percent, which is 16.6 percent lower compared to the expenditure of the same period in 2018/19 financial year.

Programme 3: Policy and Governance

The expenditure trend in the first six months of 2019/20 financial year is at 170.8 percent which is 81 percent higher in comparison with the same period in 2018/19. Programme performed above the norm due to accruals from the previous financial year which was paid in the current financial year and reduction of current baseline on goods and services budget.

Programme 4: Monitoring and Evaluation

The expenditure trend in the first six months of the 2019/20 financial year is at 53.8 percent, which is 0.8 percent lower compared to the expenditure of the same period in 2018/19 financial year.

Economic classification:

Current payments

The expenditure trend in the first six months of the 2019/20 financial year is 67.5 percent higher by 1.9 percent in comparison with the same period of the 2018/19 financial year. This is due to accruals from the previous financial year which was paid in the current financial year.

Transfers and subsidies

The transfer payments are 72.2 percent in the 2019/20 financial year, 12.5 percent lower in comparison with the same period for 2018/19 financial year.

Payments for capital assets

The expenditure on capital assets is at 40.8 percent in 2019/20 financial year, 1.5 percent lower in comparison with the same period in 2018/19.

Departmental receipts

Table 1.4: Departmental receipts

R thousand	2018/19					2019/20				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 2018 - Sep 2018	Apr 2018 - Sep 2018 (% of adjusted appropriation)	Apr 2018 - Mar 2019	Apr 2018 - Mar 2019 (% of adjusted appropriation)	Budget estimate	Adjusted estimate	Adjusted receipts estimate /Total (%)	Apr 2019 - Sep 2019	Apr 2019 - Sep 2019 (% of adjusted appropriation)
Departmental receipts	4 668	2 641	56.6%	5 782	123.9%	4 456	4 680	100.0%	2 493	53.3%
Tax receipts										
Sales of goods and services other than capital receipts	4 622	2 600	56.3%	5 737	124.1%	4 446	4 603	98.4%	2 423	52.6%
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land										
Sales of capital assets	3						3	0.1%	4	133.3%
Financial transactions in assets and liabilities	43	41	95.3%	45	104.7%	10	74	1.6%	66	89.2%
Total departmental receipts	4 668	2 641	56.6%	5 782	123.9%	4 456	4 680	100.0%	2 493	53.3%

Revenue trends for the first six months of 2019/20

Request for information: Access to information Act (over-collect)

- The over-collection is due to the unexpected requests from outside parties for State Reports and other information.

Commission from Insurance and Garnishees (over-collect)

- The over-collection is due to the fluctuations in the number of insurance premiums processed through Persal. The number of policy premiums processed by the Department varies from month to month, as officials increase or cancel their Insurance policies.

Provincial Gazette (over-collect)

- Increase in notices placed by Private Companies.
- Increase in Gazettes subscriptions.

Tender Bulletin (over-collect)

- Successful re-introduction of Tender Bulletin Subscription service.
- A large number of Special (double tariff) and Same Day Publications (triple tariff).

Sale of scrap (under-collect)

- The under-collection is due to officials not collecting their new handsets, and therefore not purchasing their old handsets.
- The majority of renewals occur in 2nd half of financial year.

Financial transactions in assets and liabilities (over-collect)

- The over-collection is due to the recovery of debts taken on for the loss of official assets by officials.

Recover of previous years' expenditure (over-collect)

The over-collection is due to:

- The recovery of costs of R0.017 million from other departments, relating to courses attended by their officials. The manuals used were purchased in a previous financial year.
- The recovery of R 0.030 million relating to a cancelled claim which was paid by the Dept of Education. The claim was originally disputed, and no update was received before Financial Year End closure.

Changes to transfers and subsidies, including Conditional grants and Earmarked funding

Table 1.5: Summary of changes to transfers and subsidies per programme

		2019/20							
		Adjustment appropriation							
R thousand	Main appropriation	Special appropriation	Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustment appropriation	Adjusted appropriation
1. Administration	40				274			274	314
Transfers and subsidies									
Current									
House holds									
H/H Empl Social Benefit- leave gratuity	40				274			274	314
2. Institutional Development					512		18 000	18 512	18 512
Transfers and subsidies									
Current									
Higher Education Institution									
House holds									
house hold: Bursaries (Non-Employees)									
Leave gratuity: social benefits					512		18 000	18 512	18 512
3. Policy and Governance	464				(292)			(292)	172
Transfers and subsidies									
Current									
House holds									
Other house hold						172		172	172
Leave gratuity: social benefits	464				(464)			(464)	
4. Monitoring and Evaluation	1								1
Transfers and subsidies									
Current									
House holds									
Other house hold									
Leave gratuity: social benefits	1								1
Total transfers and subsidies	505				494		18 000	18 494	18 999

Changes to Provincial Earmarked Funds

Table 1.6(b): Summary of changes to provincial earmarked funds

2019/20									
R thousand	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
2. Institutional Development	271 212						18 000	18 000	289 212
Transfer and Subsidies									
Current									
Provincial Bursaries Fund									
H/H Bursaries (Non-employees)					271 212		18 000	289 212	289 212
Higher Education Institution	271 212				(271 212)			(271 212)	
4. Monitoring and Evaluation	84 808						2 000	2 000	86 808
Economic sphere									
Current/Capital									
Community Development Workers									
Compensation of employees	83 507								83 507
Goods and services	1 000						2 000	2 000	3 000
Households	146								146
Machinery and Equipment	155								155
Total earmarked funds	356 020						20 000	20 000	376 020

Table 1.7: Summary of changes to aid assistance/ Donor

2019/20									
R thousand	Main appropriation	Special appropriation	Adjustment appropriation					Total adjustment appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
1. Administration							5 315	5 315	7 007
Economic sphere									
Current									
Aid assistance/ donor									
Training and Development	1 692						5 315	5 315	7 007
Total aid assistance							5 315	5 315	7 007

Revised Infrastructure project list

None