

## Free State Provincial Legislature

### Adjusted budget summary

R thousand	2019/20				
	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
<b>Total amount to be appropriated</b>	<b>266 242</b>		<b>274 774</b>	<b>(2 363)</b>	<b>10 895</b>
<i>of which economic classification:</i>					
Current payments	201 017		198 654	(2 363)	
Transfers and subsidies	62 765		65 983		3 218
Payments for capital assets	2 460		10 137		7 677
Payments for financial assets					
<i>of which source of funding:</i>					
Equitable Share	239 381		247 913		8 532
Conditional Grants					
Earmarked funds					
Provincial Receipts	26 861		26 861		
<b>Direct charge against the Provincial Revenue Fund</b>	<b>266 242</b>		<b>274 774</b>		<b>8 532</b>

Executive Authority	Speaker of the Free State Legislature
Accounting Officer	Secretary of the Free State Legislature
Website address	<a href="http://www.fsl.gov.za">www.fsl.gov.za</a>

### Vote Purpose

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). The aim is to provide funding for the legislative and institutional support services required by the Legislature to fulfil its constitutional function.

### Changes to programme purposes, objectives and measures

There were no changes to the programmes purposes, objective and measures. The FSL has thus not experienced or changed any indicators in the financial year 2019/20.

## Adjusted Estimates of Provincial Revenue & Expenditure 2019/20

Table 2.1(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		
R'thousand			Roll-overs					
1.Administration	135 337			1 399		3 527	4 926	140 263
2. Facilities & Benefits for Members	66 008			466		3 435	3 901	69 909
Parliamentary Services	40 633			(1 865)		47	(1 818)	38 815
<b>Subtotal</b>	<b>241 978</b>					<b>7 009</b>	<b>7 009</b>	<b>248 987</b>
<b>Direct charge against the Provincial Revenue Fund</b>								
Members Remuneration	24 264					1 523	1 523	25 787
<b>Total</b>	<b>266 242</b>					<b>8 532</b>	<b>8 532</b>	<b>274 774</b>

## Economic classification

Table 2.1(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		
R'thousand			Roll-overs					
<b>Current payments</b>	<b>201 017</b>			(5 960)		3 597	(2 363)	<b>198 654</b>
Compensation of employees	138 946					2 930	2 930	141 876
Goods and Services	62 071			(5 960)		667	(5 293)	56 778
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>62 765</b>			(217)		3 435	3 218	<b>65 983</b>
Provinces and municipalities								
Departmental agencies and accounts	62 208					3 435	3 435	65 643
Higher education institutions	16			(16)			(16)	
Non-profit institutions	201			(201)			(201)	
Households	340							340
<b>Payments for capital assets</b>	<b>2 460</b>			6 177		1 500	7 677	<b>10 137</b>
Buildings and other fixed structures								
Machinery and equipment	2 193			6 177		1 500	7 677	9 870
Software and other intangible assets	267							267
<b>Payments for financial assets</b>								
<b>Total</b>	<b>266 242</b>					<b>8 532</b>	<b>8 532</b>	<b>274 774</b>

## Programme 1: Administration

Table 2.1.1: 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	Roll-overs		
R'thousand									
1. Office of the Speaker	17 305			33		(689)	(656)	16 649	
2. Office of the Secretary	43 690			(241)		514	273	43 963	
3. Financial Management	43 898			813		1 171	1 984	45 882	
4. Corporate Services	30 444			794		2 531	3 325	33 769	
<b>Total</b>	<b>135 337</b>			<b>1 399</b>		<b>3 527</b>	<b>4 926</b>	<b>140 263</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>132 460</b>			<b>(4 556)</b>		<b>2 027</b>	<b>(2 529)</b>	<b>129 931</b>	
Compensation of employees	78 925					1 360	1 360	80 285	
Goods and Services	53 535			(4 556)		667	(3 889)	49 646	
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>557</b>			<b>(217)</b>			<b>(217)</b>	<b>340</b>	
Provinces and municipalities									
Higher education institutions	16			(16)			(16)		
Non-profit institutions	201			(201)			(201)		
Households	340							340	
<b>Payments for capital assets</b>	<b>2 320</b>			<b>6 172</b>		<b>1 500</b>	<b>7 672</b>	<b>9 992</b>	
Buildings and other fixed structures									
Machinery and equipment	2 053			6 172		1 500	7 672	9 725	
Software and other intangible assets	267							267	
<b>Payments for financial assets</b>									
<b>Total</b>	<b>135 337</b>			<b>1 399</b>		<b>3 527</b>	<b>4 926</b>	<b>140 263</b>	

## Direct charges

Table 2.1.4: 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	Roll-overs		
R'thousand									
1. Direct Charges	24 264					1 523	1 523	25 787	
<b>Total</b>	<b>24 264</b>					<b>1 523</b>	<b>1 523</b>	<b>25 787</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>24 264</b>					<b>1 523</b>	<b>1 523</b>	<b>25 787</b>	
Compensation of employees	24 264					1 523	1 523	25 787	
Interest and rent on land									
<b>Total</b>	<b>24 264</b>					<b>1 523</b>	<b>1 523</b>	<b>25 787</b>	

## Programme 2: Facilities for Members & Political Parties

Table 2.1.2: 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	Other adjustments		
R'thousand								
1. Facilities & Benefits to Members	3 800			466			466	4 266
2. Political Support Services	62 208					3 435	3 435	65 643
<b>Total</b>	<b>66 008</b>			<b>466</b>		<b>3 435</b>	<b>3 901</b>	<b>69 909</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>3 800</b>			<b>466</b>			<b>466</b>	<b>4 266</b>
Compensation of employees								
Goods and Services	3 800			466			466	4 266
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>62 208</b>					<b>3 435</b>	<b>3 435</b>	<b>65 643</b>
Provinces and municipalities								
Departmental agencies and accounts	62 208					3 435	3 435	65 643
Households								
<b>Total</b>	<b>66 008</b>			<b>466</b>		<b>3 435</b>	<b>3 901</b>	<b>69 909</b>

## Programme 3: Parliamentary Services

Table 2.1.3: Adjusted Estimates

2019/20								
Subprogramme	Main appropriation	Special appropriation	Adjustment appropriation				Total adjustment appropriation	Adjusted appropriation
			Unforeseeable Roll-overs /unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R'thousand								
1. Procedural Services	37 605			(2 369)			(2 369)	35 236
2. Legal Services	3 028			504		47	551	3 579
<b>Total</b>	<b>40 633</b>			<b>(1 865)</b>		<b>47</b>	<b>(1 818)</b>	<b>38 815</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>40 493</b>			<b>(1 870)</b>		<b>47</b>	<b>(1 823)</b>	<b>38 670</b>
Compensation of employees	35 757					47	47	35 804
Goods and Services	4 736			(1 870)			(1 870)	2 866
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Households								
<b>Payments for capital assets</b>	<b>140</b>			<b>5</b>			<b>5</b>	<b>145</b>
Buildings and other fixed structures								
Machinery and equipment	140			5			5	145
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total</b>	<b>40 633</b>			<b>(1 865)</b>		<b>47</b>	<b>(1 818)</b>	<b>38 815</b>

## Details of adjustments to Estimates of Provincial Revenue & Expenditure 2019

### Virements and shifts

#### Details on virements and shifts within a department

Table 2.2: Details on virements and shifts

Programmes	R'thousand	Programmes	R'thousand		
1. Administration	(6 172)	1. Administration	6 172		
2. Facilities & Benefits for Members	(466)	2. Facilities & Benefits for Members	466		
3. Parliamentary Services	(5)	3. Parliamentary Services	5		
<b>Total</b>	<b>(6 643)</b>		<b>6 643</b>		
<b>FROM:</b>		<b>TO:</b>			
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		(6 172)	Programme 1		6 172
Goods and Services	to Capital Assets as the funds we granted for the modernization of Raadsaal	(4 556)	Payments of Capital Assets	for Modernization of the Raadsaal and purchase of network switches	6 172
Transfer and Subsidies	to Goods and Services due to budget shortfall	(217)			
Programme 3	from Goods and Services	(1 399)			
Percentage of programme budget		%			%
Programme 3		(466)	Programme 2		466
Goods and Services	from Travel and Subsidies on Programme 3 to cover the budget shortfall on Facilities and Benefits	(466)	Goods and Services	Travel and Subsidies members travel for Political Party constituency purposes	466
Programme 3		(5)	Programme 3		5
Goods and Services	Goods and Services to Capital for procurement of Laptop/Computer	(5)	Payments of Capital Assets	minor shortage for purchase of laptop for Director Legislator and Oversight	5
Percentage of programme budget		%			%
<b>Total</b>		<b>(6 643)</b>			<b>6 643</b>

## **Virements and Shifts**

### **Programme 1: Administration**

The shifts of R4.556 million from the Goods & Services to Capital Assets is for the purposes of correcting the initial economic classification and R0.217 million [from Transfer and Subsidies as part of reprioritisation. The breakdown to where the funds are moved to, is as follows: R5.100 million from Goods & Services to Capital in Corporate Services for the modernization of the Raadsaal and R0.535 million to Institutional Support for computer equipment intended for network switches configurations. The other reprioritisation was for accommodating expenditure for the purchase of security computer equipment, computer equipment and tools of trade. The shifts to Capital Assets in Institutional Support is for purchase of the network switches and Raadsaal modernization.

### **Programme 2: Facilities & benefits**

An amount of R0.466 million was shifted/virement from Programme 3 to Goods and services to relief budget pressure on Travel and Subsistence for Members.

### **Programme 3: Parliamentary Services**

A total virement of R1.865 million to programme1: Administration and programme 2: Facilities & benefits. The amount was shifted/virement from Goods and Services to Goods and Services Programme 2 and Programme 1. Programme 1 to Goods and Services to defray costs of Fixed Capital for purchased network switches.

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

### Expenditure trends

Table 2.3: 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)
<b>Programmes</b>									
1. Administration	120 998	55 669	46.0%	122 659	101.4%	140 263	51.0%	58 571	41.8%
2. Facilities & Benefits for Members	67 329	24 626	36.6%	66 405	98.6%	69 909	25.4%	24 045	34.4%
Parliamentary Services	38 793	17 261	44.5%	38 023	98.0%	38 815	14.1%	16 694	43.0%
<b>Subtotal</b>	<b>227 120</b>	<b>97 556</b>	<b>43.0%</b>	<b>227 087</b>	<b>100.0%</b>	<b>248 987</b>	<b>90.6%</b>	<b>99 310</b>	<b>39.9%</b>
<b>Direct charge against the Provincial Revenue Fund</b>	<b>25 998</b>	<b>11 954</b>	<b>46.0%</b>	<b>24 357</b>	<b>93.7%</b>	<b>25 787</b>	<b>9.4%</b>	<b>13 708</b>	<b>53.2%</b>
Members Remunation	25 998	11 954	46.0%	24 357	93.7%	25 787	9.4%	13 708	53.2%
<b>Total</b>	<b>253 118</b>	<b>109 510</b>	<b>43.3%</b>	<b>251 444</b>	<b>99.3%</b>	<b>274 774</b>	<b>100.0%</b>	<b>113 018</b>	<b>41.1%</b>
<b>Economic Classification</b>									
<b>Current payments</b>	<b>187 244</b>	<b>86 041</b>	<b>46.0%</b>	<b>187 428</b>	<b>100.1%</b>	<b>198 654</b>	<b>72.3%</b>	<b>90 146</b>	<b>45.4%</b>
Compensation of employees	133 855	59 732	44.6%	129 862	97.0%	141 876	51.6%	65 573	46.2%
Goods and services	53 389	26 309	49.3%	57 563	107.8%	56 778	20.7%	24 573	43.3%
Interest and rent on land				3					
<b>Transfers and subsidies</b>	<b>64 340</b>	<b>23 344</b>	<b>36.3%</b>	<b>63 197</b>	<b>98.2%</b>	<b>65 983</b>	<b>24.0%</b>	<b>21 786</b>	<b>33.0%</b>
Provinces and municipalities									
Departmental agencies and accounts	63 895	23 233	36.4%	62 748	98.2%	65 643	23.9%	21 544	32.8%
Higher education institutions	15								
Households	430	111	25.8%	449	104.4%	340	0.1%	242	71.2%
<b>Payments for capital assets</b>	<b>1 534</b>	<b>125</b>	<b>8.1%</b>	<b>811</b>	<b>52.9%</b>	<b>10 137</b>	<b>3.7%</b>	<b>1 086</b>	<b>10.7%</b>
Buildings and other fixed structures									
Machinery and equipment	1 388	80	5.8%	755	54.4%	9 870	3.6%	1 079	10.9%
Software and other intangible assets	146	45	30.8%	56	38.4%	267	0.1%	7	2.6%
<b>Payments for financial assets</b>				<b>8</b>					
<b>Total</b>	<b>253 118</b>	<b>109 510</b>	<b>43.3%</b>	<b>251 444</b>	<b>99.3%</b>	<b>274 774</b>	<b>100.0%</b>	<b>113 018</b>	<b>41.1%</b>

### Expenditure trends for the first half of the 2019/20

Expenditure in the first half of 2019/20 is recorded at R113.018 million which is 42.4 percent against the adjusted appropriation. When comparing this to the last financial year expenditure, which was recorded at 43.3 percent; the expenditure has decreased. The reason for the decrease in expenditure compared to previous year is due to the late agreement of salary increment. Once the salary increment is implemented in November 2019, expenditure is expected to be in line with the planned activities.

#### Programme 1: Administration

Expenditure for programme 1 is at 43 percent, this is however in line with the cash flows of the Legislature. This is slightly less than the expenditure of 45 percent incurred in 2019/20, this is due

to the delay in appointments and the fact that the salary increment agreement was only concluded in October 2019 and will be implemented in November 2019.

### Programme 2: Facilities and Benefits for Members

Expenditure is at 36 percent, this has is incurred in line with the policy for political party funding and therefore expenditure shall remain within the adjusted appropriated budget.

### Programme 3: Parliamentary Services

The expenditure is at a lower percent of 41 percent compared to last year's percentage of 46 percent, major factors contributing to the above are the delays in appointment of vacant funded positions as well as late salary increment agreement which will only be implemented in November 2019.

## Departmental receipts

Table 2.4: Departmental receipts

	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)
R thousand										
<b>Departmental receipts</b>	<b>1 040</b>	<b>341</b>	<b>32.8%</b>	<b>1 998</b>	<b>192.1%</b>	<b>1 040</b>	<b>1 040</b>	<b>100.0%</b>	<b>701</b>	<b>67.4%</b>
Tax receipts										
Sales of goods and services other than capital receipts	100	40	40.0%	814	814.0%	100	100	9.6%	255	255.0%
Transfers received				10						
Fines, penalties and forfeits										
Interest, dividends and rent on land	940	301	32.0%	1 174	124.9%	940	940	90.4%	446	47.4%
Financial transactions in assets and liabilities										
<b>Total departmental receipts</b>	<b>1 040</b>	<b>341</b>	<b>32.8%</b>	<b>1 998</b>	<b>192.1%</b>	<b>1 040</b>	<b>1 040</b>	<b>100.0%</b>	<b>701</b>	<b>67.4%</b>

## Revenue trends for the first half of 2019/20

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.

Legislatures own revenue is R0.701 million that is at 67.4 percent against the anticipated revenue of R1.040 million. This is based on the Interest on investments received of R0.446 million, sale of capital assets revenue of R0.255 million. Of the sale of goods & services.

Revenue collected to date is more when comparing it to that of the past financial year as recorded 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

		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		
<b>1. Administration</b>	<b>557</b>				(217)		(217)	<b>340</b>
<b>Current</b>								
<b>Higher Education</b>								
<b>Universities and Technikons</b>								
Universities and Technikons	16				(16)		(16)	
<b>Non Profit Institution</b>								
NPO'S	201				(201)		(201)	
<b>Households</b>								
H/H Empl Social Benefit- Cash Res	340							340
<b>2. Facilities &amp; Benefits for Members</b>	<b>62 208</b>					3 435	3 435	<b>65 643</b>
<b>Current</b>								
<b>Departmental Agencies &amp; Accounts</b>								
Political Party Funding	62 208					3 435	3 435	65 643
<b>Total transfers and subsidies</b>	<b>62 765</b>				(217)	3 435	3 218	<b>65 983</b>