

PRESENTATION TO THE PORTFOLIO COMMITTEE ON WOMEN – ALLOCATION OF FUNDING FOR THE DEPARTMENT OF WOMEN IN THE PRESIDENCY

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Presentation outline

- Background
- The evolution of the funding allocation for the Department of Women, Children and People with Disabilities
- The 2014 NMOS (New Budget Allocation for the Department of Women)
- 2016 MTEF allocation for the Department of Women
- The Department of Women's Administration Programme

Background

- The creation of the new Ministry of Women, Children and People with Disabilities was announced by President Jacob Zuma in May 2009, to promote equity and access to development opportunities for the vulnerable groups in the South African Society
- The functions relating to gender, disability and children were prior to this announcement housed and budgeted for in the various subprogrammes within the Vote of The Presidency.
- These functions, together with the related funding of R15.8 m in 2010/11, R18.1 m in 2011/12 and R16.9 m in 2012/13, were shifted from the Vote of the Presidency to the Vote of the Department of Women, Children and People with Disabilities (DWCPD) in 2010/11, as the new Ministry became operational.
- The oversight function over the Commission for Gender Equality was also shifted from the Department of Justice and Constitutional Development to the new DWCPD. The related budget for the commission was R51 m in 2010/11, R54 m in 2011/12 and R56.7 m in 2012/13

Background

- The new department was also allocated additional funding of R30 m, R35 m and R40 m over the 2010 MTEF period for ICT, personnel and capital expenditure, as the department became fully operational
- This brought the total budget allocation in the department to R97.8 m in 2010/11, R108.3 m in 2011/12 and R114.6 m in 2012/13
- Following the establishment of the department, its budget increased by inflation annually. The department also received additional funding in other years for capacity building
- In May 2014, the President announced the transfer of functions related to children and people with disabilities from the DWCPD to the Department of Social Development (DSD). The transfer of these functions were effected during the 2014 Adjusted Estimates of National
- Funds related to these functions were transferred to the DSD and the budget allocation for the Department of Women decreased from R218.5 million in 2014/15 to R184.8 million in 2014/15. The allocation for the Department of Women was adjusted in a similar fashion over the 2015 MTEF period

The evolution of the funding allocation for the Department of Women, Children and People with Disabilities

“000”	2010/11	2011/12	2012/13	2013/14	2014/15
Original Allocation	66 838	108 268	129 508	195 464	218 530
Less Budget cuts	-	325	1 209	-	
Additional funding	30 952	10 000	43 892	2 848	
Other Adjustments (AENE)	8 400	25 204	20 658	-	
Less Function shifts	-	-	-	-	33 766
Total allocation	106 190	143 147	192 849	198 312	184 764
Actual Expenditure	109 918	165 861	179 889	187 449	181 538
(Over)/Underspending	(3 728)	(22 714)	12 960	10 863	3 226

The evolution of the funding allocation for the Department of Women, Children and People with Disabilities

- The slide above demonstrates how funding for the Vote of DWCPD has been progressing since its establishment. It is evident in the table above, that the department received additional funding, both through the MTEC processes and the adjusted budget process, which significantly increased the budget allocation for the department between 2010/11 and 2011/12
- The additional funding was mainly used to capacitate the department's financial management and the human resource management units to improve internal controls, as well as better management of the department's financial resources, following the negative audit findings and the unauthorised expenditure in 2010/11 and 2011/12, respectively
- The slide above, also demonstrates how the department's financial management improved in 2012/13 – **NO UNAUTHORISED EXPENDITURE**
- However, the department started underspending against its budget allocation, from that year onwards, particularly due to vacancies in the Administration programme

The 2014 NMOS (New Budget Allocation for the Department of Women)

	NMOS Year	2015 MTEF period		
	2014/15	2015/16	2016/17	2017/18
	R'000	R'000	R'000	R'000
Main appropriation for the Department of Women, Children and People with Disabilities	218 530	226 168	237 473	255 391
Total budget transferred to the Department of Social Development	-33 766	-39 166	-41 215	-43 487
Of which:				
<i>Corporate Services</i>	-3 851	-7 716	-8 102	-8 507
<i>Children's Rights and Responsibilities</i>	-11 550	-13 681	-14 404	-15 210
<i>Rights of People with Disabilities</i>	-18 365	-17 769	-18 709	-19 770
New allocation for the Department of Women	184 764	187 002	196 258	211 904
Of which:				
<i>Administration</i>	82 584	80 451	86 224	91 119
<i>Distributed across new programmes</i>	102 180	106 551	110 034	120 785

- The new budget allocation for the department include transfers of R67.2 m in 2014/15, R67.7 m in 2015/16, R69.9 m in 2016/17 and R78.3 m in 2017/18, to the Commission for Gender Equality
- The operational budget in the department is R117.6 m in 2014/15, R119.3 m in 2015/16, R126.4 m in 2016/17 and R133.6 m

2016 MTEF allocation for the Department of Women

2016 MTEF allocation for the Department of Women

	2016/17	2017/18	2018/19
	R' 000	R' 000	R' 000
2015 MTEF Allocations	196 258	211 904	224 196
Baseline increases	1 014	3 392	5 294
<i>Compensation of employees: 2015 public sector wage settlement</i>	<i>1 014</i>	<i>3 392</i>	<i>5 294</i>
Baseline reductions	(385)	(7 856)	(12 614)
<i>Goods and services: Cost containment measures</i>	<i>(385)</i>	<i>(1 204)</i>	<i>(1 583)</i>
<i>Compensation of employees reduction</i>	<i>-</i>	<i>(6 652)</i>	<i>(11 031)</i>
2016 MTEF ALLOCATIONS (Included in the 2016 ENE)	196 887	207 440	216 876
Per programme			
<i>Administration</i>	<i>89 357</i>	<i>87 357</i>	<i>90 544</i>
<i>Social Transformation and Economic Empowerment Policy, Stakeholder Coordination and Knowledge Management</i>	<i>84 402</i>	<i>98 880</i>	<i>104 419</i>
	<i>23 128</i>	<i>21 203</i>	<i>21 913</i>
Programme Total	196 887	207 440	216 876

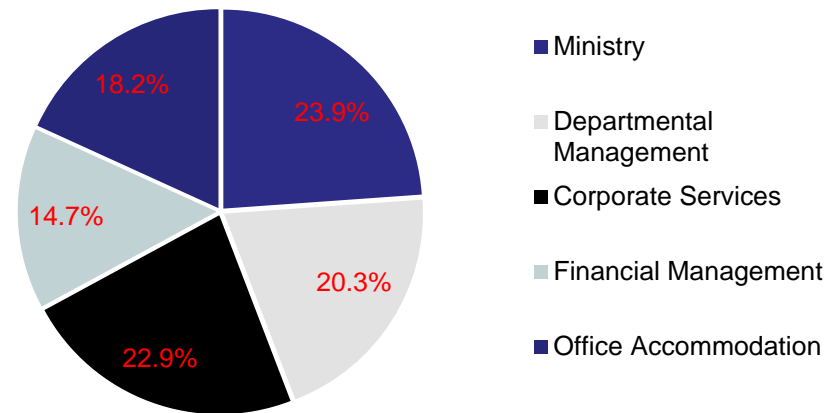
- The total budget in the table above includes transfers to the Commission for Gender Equality (R69.9 m in 2016/17, R78.3 m in 2017/18 and R82.8 3 in 2018/19)
- The total operational budget in the department is R127 m in 2016/17, R129.1 m in 2017/18 and R134.1 in 2018/19, about 70% of which is allocated towards Admin

The Department of Women's Administration Programme – 2016 MTEF Allocation...

The Department of Women's Administration Programme - 2016 MTEF period

	2016/17	2017/18	2018/19
Subprogrammes	R' 000	R' 000	R' 000
Ministry	19 674	20 844	23 288
Departmental Management	20 162	17 216	16 842
Corporate Services	20 216	20 743	20 313
Financial Management	14 026	12 345	12 952
Office Accommodation	15 279	16 209	17 149
Total Subprogrammes	89 357	87 357	90 544
Economic Classification			
Compensation of Employees	51 363	50 214	51 556
Goods and Services	35 353	34 375	36 060
Transfers and Subsidies	2	2	2
Payments for Capital Assets	2 639	2 766	2 926
Total Economic Classification	89 357	87 357	90 544
Grand Total	89 357	87 357	90 544

Subprogrammes as a % of the total Admin Programme



The Department of Women's Administration Programme – 2016 MTEF Allocation

- The slide above illustrates the distribution of the budget allocation in the Department of Women's Administration Programme
- Corporate Services, Ministry, Management (Includes the Office of the DG, Strategic Management, Internal Operations Efficiency, Communications and Internal Audit units) and the Financial Management subprogrammes are the main drivers of the programme's expenditure
- These subprogrammes are supported by a funded establishment of 31 posts in the Corporate Services unit, 13 in the Ministry, 22 in the Departmental Management unit (two of which are reported to be additional), and 15 in Financial Management unit
- **Important to note** – The size of the Ministry subprogramme and the two additional funded positions in the Office of the DG (1 DDG level and 1 Director level)

Conclusion...

- Considering the points in the slides above, the department should consider reducing the size of the Ministry, and reprioritising the two additional posts in the Office of the DG to its core programmes
- The National Treasury will engage with the both the Department of Women and the Department of Public Service and Administration to discuss the acceptable size of the Administration programme for a department of the size of the Department of Women
- The segregation of duties and the implications thereof, particularly in the Financial Management, Supply Chain Management and Human Resources functions, will be taken into consideration when engaging on the acceptable size of the Administration programme for the Department of Women

THANK YOU