

FREE STATE PROVINCE
PUBLIC WORKS, ROADS AND TRANSPORT



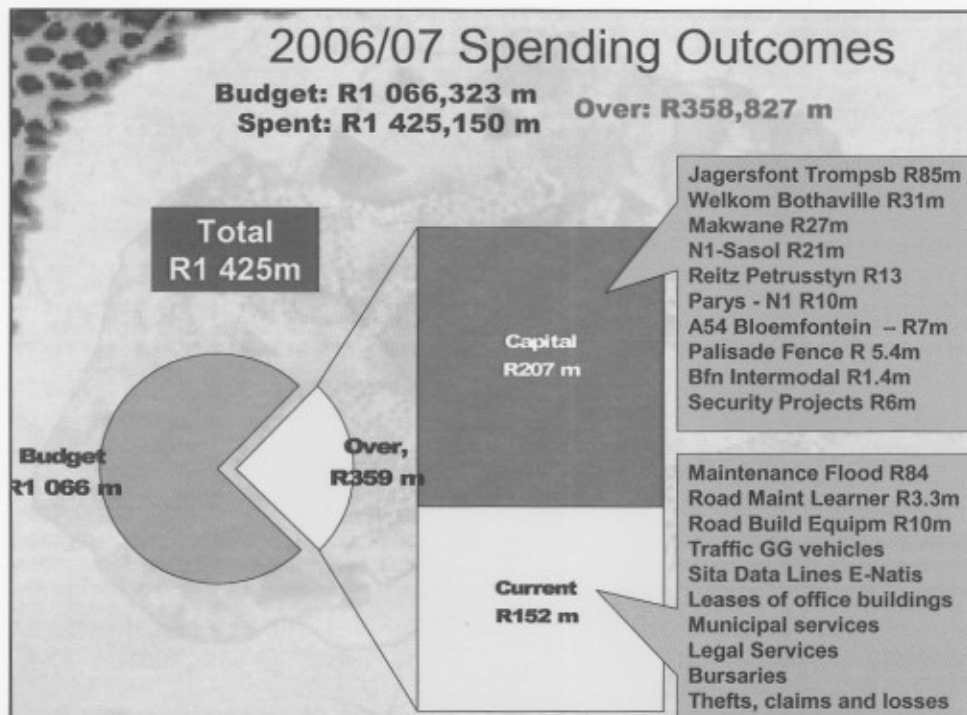
**SELECT COMMITTEE ON FINANCE
PUBLIC HEARING ON 1st AND 2nd
QUARTER BUDGET REPORT**

**CONDITIONAL GRANTS AND
CAPITAL EXPENDITURE**

7 November 2007

CONTENTS

- Outcomes of the audited 1st & 2nd quarter provincial budget report of 06/07 and plans to address the shortcomings
- Data on trends in allocations, transfers and actual expenditure of conditional grants and capital expenditure
- Assessment of department's monitoring capacity for 2007/08. Over/under expenditure and capacity constraints the impacted on these.
- Whether monthly reports are received from receiving departments what does the department do in order to ensure compliance.



OVERSPENDING AS FIRST CHARGE IN 2007/08

- Cannot afford to repay the total R359 million in 2007/08
- Treasury did not fund the over expenditure
- Request to repay R180 m in 2007/08 and remainder in 2008/09
- Delay projects
- No new projects
- Cut on learnerships
- Delay payment in March 2008

**Departmental expenditure
end of Sep 07 50% of time**

R (million)	Admin	Works	Roads	Trans port	Traffic	EPWP	TOTAL
Budget	93	362	928	39	155	13	1590
Spent Till Sept 07	43	203	385	15	77	2	726
Total First Charge	18	27	286	14	13	1	359
Total Taken	61	230	671	29	90	3	1085
% of budget taken	66%	64%	72%	74%	58%	23%	68%
Remaining for 6 months	32	132	257	10	65	10	505

Constraints to delay expenditure

- Projects were awarded early in the year
- Expensive to stop projects after site handover
- Previous expansion of internal and external capacity must now be reversed
- Negative impact on NYS, learnerships and bursaries

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Monthly reports

- Regular financial and infrastructure reports
- Problems with completeness of EPWP reporting is corrected
- Regular reporting meetings with client departments
- Participation in IDIP process

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THANK YOU

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