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DEPARTMENT OF EDUCATION NORTH WEST

OBAMA signature

NCOP MEETING 19 JANUARY 2006

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: Acting SG, H.M Mweli

3RD QUARTER PROVINCIAL BUDGET REPORT 2005/6

- The following table indicates the expenditure & allocation for the financial years 2004/5 & 2005/6.

3rd Quarter Expenditure

CATEGORY	Budget		Expenditure		Balance		% Spent	
	2004/5	2005/6	2004/5	2005/6	2004/5	2005/6	2004/5	2005/6
	R'000	R'000	R'000	R'000	R'000	R'000	%	%
A. Conditional Grants	205,748	250,023	140,936	164,096	64,812	85,927	68.5%	65.6%
HIV/AIDS	10,469	13,256	2,668	5,926	7,801	7,330	25.5%	44.7%
ECD	4,954	0	2,087	0	2,867	0	42.1%	
Infrastructure	117,924	141,897	91,486	99,262	26,438	42,635	77.6%	70.0%
School Nutrition Programme	72,401	94,870	44,695	58,908	27,706	35,962	61.7%	62.1%
B. Capital Expenditure	204,714	269,886	135,641	184,905	69,073	84,981	66.3%	68.5%
C. Infrastructure	173,924	211,806	129,179	165,781	44,745	46,025	74.3%	78.3%

1. 3rd Quarter Report on Conditional Grants

- From the allocated funds of Conditional grants, the Department spent 65.6% by the end of the 3rd Quarter.

REASONS FOR UNDER EXPENDITURE	REMEDIAL MEASURES
Postponement of HIV/AIDS activities to the next quarter. E.g delivery of Learner Support Material on Life Skills.	All activities postponed will be completed by mid Feb'06 and it is anticipated that allocated funds will be expended by end of Mar'06.

1. 3rd Quarter Report on Conditional Grants Cont...

REASONS FOR UNDERSPENDING	REMEDIAL MEASURES
The additional allocation (R17m) on NSNP from National was given in Nov'05.	A Business plan and action plan have been submitted National Department of Education. An action plan is attached.
Closure of farm schools which were budgeted for.	To feed learners (Grade 1 to 7) in all targeted primary schools for 5 days instead of 4 from Jan'06.
Schools that were budgeted for but never fed because it is not profitable due to the decline in the no. of learners in those schools and some service providers secure employment somewhere else.	There is a plan to identify possible service providers for replacement.
Acquisition of vehicles (R2.2m) for monitoring purposes.	Business plan submitted in Nov'05 and awaiting National Department of Education's approval.

CONDITIONAL GRANT TABLE

GRANT ALLOCATION					
Name of Grant	Main Budget R'000	Rollovers R'000	Virements R'000	Additional Allocations R'000	Total Additional R'000
HIV/AIDS	10,444	2,812			2,812
Infrastructure	127,391	14,506			14,506
School Nutrition Programme	79,357	15,513		17,321	32,834
TOTAL	217,192	32,831	0	17,321	50,152

Note:

HIV/AIDS :R 2,812,000 (Rollover) Unspent conditional grant for the previous year.

Infrastructure :R 14,506,000 (Rollover) Unspent conditional grant due to delay in completion of the projects.

CONDITIONAL GRANT TABLE 2

SPENDING PATTERN

Name of Grant	Adjusted Budget R'000	Amount Spent R'000	Amount Available R'000	% Spent	% Available	% Under/Over Expenditure	Under/(Over) Expenditure Amounts
HIV/AIDS	13,256	5,926	7,330	44.7%	55.3%	30.3%	4,016
Infrastructre	141,897	99,262	42,635	70.0%	30.0%	5.0%	7,161
School Nutrition Programme	94,870	58,908	35,962	62.2%	37.9%	17.2%	12,245
TOTAL	267,344	164,096	103,248	61.4%	38.6%	13.6%	36,412

School Nutrition Programme: R 8, 251,000 (Rollover) Unspent conditional grant due to constant change of service providers.

School Nutrition Programme : R 7,262,00 (Rollover) Transfer from Health Department due to increased number of learners to be fed.

School Nutrition Programme : R 17,321,000 (Additional Allocation) Transfer from National Government.

2. 3rd Quarter Report on Capital Expenditure

- The expenditure spending on Capital is at 68.5% as at the end of the 3rd quarter.

REASONS FOR UNDER EXPENDITURE	REMEDIAL MEASURES
We had problems with the advertised tender and had to subsequently resolve this through engaging with computer manufacturers. Orders are currently with service providers.	The roll out of computers is set to start on Monday 23 January 'till 28 February 2006.

2. 3rd Quarter Report on Capital Expenditure Cont...

REASONS FOR UNDER EXPENDITURE	REMEDIAL MEASURES
The revised budget plan of the centres for rural development project (donation) was approved in Dec'05.	Plan to purchase 21 vehicles and 14 computers for 14 centres by the end of Feb'06.

CAPITAL EXPENDITURE TABLE

CAPITAL ALLOCATION					
Classification	Main Budget R'000	Rollovers R'000	Virements R'000	Additional Allocations R'000	Total Additional R'000
Machinery and Equipments	25,100		4,300		4,300
Land and Buildings				28,680	28,680
Other Fixed Structures	167,391	44,415			44,415
TOTAL	192,491	44,415	4,300	28,680	77,395

Note:

Land & Buildings :R 13,680,000 (Additional Allocation) Received from the Department of Finance and Economic Development for the purchase of Teemane Building.

Land & Buildings :R 15,000,000 (Additional Allocation) The Royal Netherlands Embassy donation

CAPITAL EXPENDITURE TABLE 2

SPENDING PATTERN

Classification	Adjusted Budget R'000	Amount Spent R'000	Amount Available R'000	% Spent	% Available	% Under/ (Over)- Expenditure	Under/ (Over)- Expenditure Amounts
Machinery and Equipments	29,400	5,416	23,984	18.4%	81.6%	56.6%	16,634
Land and Buildings	28,680	13,680	15,000	47.7%	52.3%	27.3%	7,830
Other Fixed Structures	211,806	165,781	46,025	78.3%	21.7%	-3.3%	-6,927
TOTAL	269,886	184,877	85,009	68.5%	31.5%	6.5%	17,538

3rd Quarter Report on Infrastructure

- The Department spent 78.3% by the end of the 3rd Quarter.
- The spending pattern on infrastructure projects is on track and all projects will be completed on time.

INFRASTRUCTURE EXPENDITURE TABLE

INFRASTRUCTURE ALLOCATION					
Purpose	Main Budget R'000	Rollovers R'000	Virements R'000	Additional Allocations R'000	Total Additional R'000
School Building Programme (Sanitation)	40,000	29,909			29,909
Education Infrastructure-Grant	127,391	14,506			14,506
TOTAL	167,391	44,415	0	0	44,415

Note:

School Building Programme :R29,909 (Rollover) Unspent due to projects which were not completed during 2004/05 and will be expended by end of the financial year.

Education Infrastructure :R14,506 (Rollover) Unspent conditional grant due to delay in completion of projects.

INFRASTRUCTURE EXPENDITURE

TABLE 2

SPENDING PATTERN

Purpose	Adjusted Budget R'000	Amount Spent R'000	Amount Available R'000	% Spent	% Available	% Under/Over Expenditure	Under/Over Expenditure Amounts
School Building Programme (Sanitation)	69,909	66,553	3,356	95.2%	4.8%	-20.2%	-14,121
Education Infrastructure (Grant)	141,897	99,262	42,42635	70.0%	30.0%	5.0%	7,161
TOTAL	211,806	165,815	45,991	78.3%	21.7%	-3.3%	-6,961

**DEPARTMENT OF EDUCATION
NORTH WEST**

THANK YOU