

**MPUMALANGA PROVINCE
DEPARTMENT OF PUBLIC WORKS**

PUBLIC HEARINGS ON CONDITIONAL GRANTS AND CAPITAL
EXPENDITURE

23 May 2007

Department of Education (Conditional grant)

	Budget R mil	Actual expenditure R mil	Variance R mil	Percentage spent
2004/2005	102	31	71	30%
2005/2006	114	26	88	23%
2006/2007	181	121	60	67%

Department of Education (Capital Expenditure)

	Budget R mil	Actual expenditure R mil	Variance R mil	Percentage spent
2004/2005	116	99	17	85%
2005/2006	133	90	43	68%
2006/2007	165	179	-14	108%

PAYMENTS PROCESSED

- The Department has processed payment invoices amounting to R309 million to the Department of Education for both conditional grant and capital expenditure.
- The total amount paid by the end of the 2006/2007 financial year is R301 million.

Department of Health and Social Services (Infrastructure grant)

	Budget R mil	Actual expenditure R mil	Variance R mil	Percentage spent
2004/2005	41	52	-11	127%
2005/2006	55	53	2	96%
2006/2007	47	47	0	100%

Department of Health and Social Services (Revitalization Grant)

	Budget R mil	Actual expenditure R mil	Variance R mil	Percentage spent
2004/2005	68	26	42	38%
2005/2006	93	74	19	80%
2006/2007	73	73	0	100%

Department of Health and Social Services (Capital Expenditure)

	Budget R mil	Actual expenditure R mil	Variance R mil	Percentage spent
2004/2005	39	26	13	67%
2005/2006	59	59	0	100%
2006/2007	43	58	-15	135%

PAYMENTS PROCESSED

- The Department has processed payment invoices amounting to R180 million to the Department of Health and Social Services for both conditional grant, revitalization grant and capital expenditure.
- The total amount paid by the end of the 2006/2007 financial year is R178 million.

REPORTING COMPLIANCE

- The Department is submitting progress reports on infrastructure projects to the Client Departments on a monthly basis.
- The Department has acquired a web-base reporting system that will assist the Client Departments to access information on an adhoc basis in-line with the current monthly report and Infrastructure Reporting and Monitoring (IRM).

Capacity Constraints

Challenges

- Late submission of Infrastructure plan.
- Late payments to both Consultants and Contractors.

Proposed Remedial Action

- Implementation of IDIP and solicit support from provincial treasury.
- Encourage Client Departments to pay Consultants and Contractors on time as per the PFMA

Capacity Constraints

Challenges

- Lack of technical staff (Failing to attract appropriate skilled professionals).

Proposed Remedial Action

- Review the structures and the remuneration packages.
- Implementation of retention strategy.