

(Expenditure outcome Department)

COGTA		Available funds (inc roll-overs)(R'000)	Total Expenditure (R'000)	Deviation	Prelim. Expenditure Outcome
1. Administration		197 922	75 310	122 612	38.1%
2. Policy, Research and Knowledge Mang Support		48 168	13 430	34 738	27.9%
3. Governance and Intergovernmental Relations		43 959 712	18 565 527	25 394 185	42.2%
4. National Disaster Management Centre		78 576	39 795	38 781	50.6%
5. Traditional Affairs		74 077	24 009	50 068	32.4%
<b>Total</b>		<b>44 358 455</b>	<b>18 718 071</b>	<b>25 640 384</b>	<b>42.2%</b>
<b>Current expenditure</b>		<b>661 318</b>	<b>290 532</b>	<b>370 786</b>	<b>1</b>
Of which:					
Compensation of employees		227 490	82 129	145 361	36.1%
Goods and Services		433 828	208 403	225 425	48.0%
Transfers and subsidies		43 893 769	18 426 659	25 467 110	<b>2</b>
Of which:					
Provincial and Local Government & other transfers		43 805 452	18 383 212	25 422 240	42.0%
South African Local Government Association		24 625	12 313	12 312	50.0%
Municipal Demarcation Board		37 187	17 582	19 605	47.3%
South African Cities Network		5 104	2 552	2 552	50.0%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities		21 401	11 000	10 401	51.4%
Payments for capital assets		18 032	880	17 152	4.9%
<b>Total</b>		<b>44 573 119</b>	<b>18 718 071</b>	<b>25 855 048</b>	<b>42.0%</b>



The purpose of the presentation is to outline the expenditure trends for the first six months of the 2010/11 financial year

# EXPENDITURE OUTCOMES

Exp 30 Sep 2010






Department of Cooperative Governance  
REPUBLIC OF SOUTH AFRICA

DCOG		Available funds inc roll-over (R'000)	Total Expenditure (R'000)	Projected outcome (R'000)	Prelim. Expenditure Outcome
1. Administration		188 131	75 310	95 946	27.4%
2. Policy, Research and Knowledge Mang Support		53 054	13 430	25 859	92.5%
3. Governance and Intergovernmental Relations		44 079 837	18 565 527	19 441 823	4.7%
4. National Disaster Management Centre		78 576	39 795	20 276	-49.0%
5. Traditional Affairs		70 863	24 009	38 081	58.6%
<b>Total</b>		<b>44 470 461</b>	<b>18 718 071</b>	<b>19 621 985</b>	<b>4.8%</b>
<b>Current expenditure</b>		<b>655 038</b>	<b>290 532</b>	<b>338 534</b>	<b>16.5%</b>
<i>Of which:</i>					
Compensation of employees		241 929	82 129	113 700	38.4%
Goods and Services		413 109	208 403	224 834	7.9%
Transfers and subsidies		43 797 456	18 426 659	19 276 057	5%
<i>Of which:</i>					
Provincial and Local Government & other transfers		43 709 139	18 383 212	19 232 908	4.6%
South African Local Government Association		24 625	12 313	12 313	0.0%
Municipal Demarcation Board		37 187	17 582	17 582	0.0%
South African Cities Network		5 104	2 552	2 552	0.0%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities		21 401	11 000	10 702	-2.7%
Payments for capital assets		17 967	880	7 394	740.2%

## Program expenditure Trends



- The lower spending within Program 2: Policy, Research and Management Support are related to slow spending within newly created sub-programs like Knowledge Management as they are still being established and also the vacancies within the Program. We also received roll-over funds for the new computer services within the Department of Traditional Affairs to the value of R2.4 million which is not yet spent.
- The low spending of 5% within Payments for Capital Transfers is due to the delay for the procurement of office furniture for the new Department of Traditional Affairs.

Compare Actuals for 2009/10 vs 2010/11


PROGRAMME	Sep Exp 2009 (R'000)	Allocation 2009/10 (R'000)	% 2009/10	Total Actual (R'000) 2010/11	% 2010/11
1 Administration	82,445	154,933	53%	188,131	40%
2 Policy, Research and Knowledge Mang	21,846	82,029	27%	13,430	25%
Support					
3 Governance and Intergovernmental Relations	15,153,131	35,217,858	43%	44,079,837	42%
4 National Disaster Management Centre	21,395	95,923	22%	39,795	51%
5 Traditional Affairs	30,871	56,496	55%	24,009	34%
Grand Total	15,309,688	35,607,039	43%	44,470,461	42%
Economic Classification					
Current expenditure	184,266	382,407	48%	290,532	44%
Compensation of employees	81,334	195,917	42%	82,129	34%
Goods and Services	102,847	186,490	55%	208,334	50%
Financial Transactions in assets & liabilities	85			69	
Transfer and subsidies to Current Transfer	10,164,303	24,131,571	42%	13,397,733	43%
Transfer and subsidies to Capital Transfer	4,956,287	11,084,860	45%	5,028,926	40%
Total Current and Capital Transfer	15,120,590	35,216,431	43%	18,426,659	42%
Payments for capital assets	4,832	8,201	59%	880	5%
Total	4,832	8,201	59%	880	5%
Grand Total	15,309,688	35,607,039	43%	44,470,461	42%



## Expenditure vs projection


- Administration**  
 The expenditure within program 1 has an under-spending. The under-spending is mainly due to vacancies within the Program and the delay on procuring the office furniture for the new Department of Traditional Affairs.
- Policy, Research and Knowledge Management Support**  
 The expenditure within program 2 has an under-spending. The under-spending is mainly due to vacancies within the Program. The vacant positions for senior management staff have been advertised and HR is busy with the interviews and appointments and also the newly created Sub Program Knowledge Management that is still been established. We also received roll-over funds for the new computer services within the Department of Traditional Affairs to the value of R2.4 million which is not yet spent.
- Governance and Intergovernmental Relations**  
 The expenditure within program 3 is in line with the cash flow projection.
- National Disaster Management Centre**  
 Program 4 shows an over expenditure of 49 per cent and this is due to 2010 FIFA World Cup disaster project expenditure payment incurred in the previous financial year but paid in the current financial years. This has been addressed after National Treasury approved the roll-over funds.
- Traditional Affairs**  
 The under-spending on this program is due to the restructuring of this program which is changing to a full department. The new vacant posts have been advertised in August 2010.





### Details of adjustments to Estimates of National Expenditure 2010

- Roll-overs – R430,851 million
- Programme 2: Governance and Intergovernmental Relations  
R2 978 million has been rolled over for computer software and hardware
- Programme 3: Governance and Intergovernmental Relations  
R390,86 million has been rolled over on the local government equitable share grant that was withheld from municipalities in 2009/10. The funds will only be released to municipalities if the receiving officers can prove that the unspent allocation was committed to identifiable projects.
- Programme 4: National Disaster Management Centre  
R37,013 million has been rolled over for 2010 FIFA World Cup projects: equipment for the nerve centre (R1,68 million); IT systems and infrastructure for the command and control system (R12,95 million); the construction of the command centre (R6,521 million); virtual private network servers (R1,144 million); wide area network installation (R1,119 million); and vehicles with special disaster management equipment (13,599 million).
- Unforeseeable and unavoidable expenditure – R214,4 million
- Programme 4: National Disaster Management Centre  
An additional R214,4 million is allocated for the repair of roads and infrastructure damaged by floods in KwaZulu-Natal in November 2009.



### Expenditure Trends

- The adjusted appropriation for 2009/10 reflects an expenditure of 98 per cent at the end of the financial year. Expenditure in the first six months of 2010/11 was R18,718 billion or 42 per cent of the adjusted appropriation of R44,5 billion for the whole year. In comparison, mid-year expenditure in 2009/10 was 15,3 billion or 41 per cent against its adjusted appropriation.
- Therefore, the expenditure in the first six months of 2010/11 has increased by R3,408 billion (R18,718 b – R15,309 b) or 22 per cent compared to the expenditure of 2009/10 in the first six months
- The main expenditure increases compared to 2009/10 are mainly due to Provincial and Local government transfers.

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**DEPARTMENT OF COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS  
PROJECTIONS AND ACTUAL CHARTS  
1 APRIL 10 – 31 March 2011**



COGTA		Available funds (R'000)	Total Expenditure (R'000)	Deviation (R'000)	Prelim. Expenditure Outcome
<b>Transfers and subsidies</b>					
South African Local Government Association	24 625	12 313	12 312	19 605	50.0%
Municipal Demarcation Board	37 187	17 582	17 582	19 605	47.3%
South African Cities Network	5 104	2 552	2 552	2 552	50.0%
the Rights of Cultural, Religious and Linguistic	21 401	11 000	11 000	10 401	51.4%
Community Work Programme	490 325	94 423	395 902	395 902	19.3%
UCTGA	4 000	1 990	2 010	2 010	49.8%
Local Government Equitable Share	30 167 706	12 904 081	17 263 625	17 263 625	42.8%
Municipal Infrastructure Grant	12 528 864	5 028 926	7 499 958	7 499 958	40.1%
Municipal Systems Improvement Programme Grant	212 000	210 450	1 550	1 550	99.3%
<b>Total</b>	<b>43 491 232</b>	<b>18 283 317</b>	<b>25 207 916</b>		<b>42.0%</b>

Farmarked funds





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**THANK YOU**

DEPARTMENT OF COOPERATIVE GOVERNANCE

