

**BUDGET AND EXPENDITURE REPORT FOR THE DEPARTMENT
OF MILITARY VETERANS: VOTE 22**

FOR

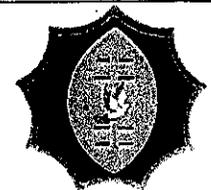
**PRESENTATION TO THE PORTFOLIO COMMITTEE FOR DEFENCE
AND MILITARY VETERANS**



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2



SCOPE

- Purpose
- 2013/14 first quarter budget and expenditure report (deviation) as at 30 June 2013
- 2013/14 budget and expenditure report as at 30 June 2013
- Explanation of 2013/14 first quarter budget and expenditure report as at 30 June 2013.

PURPOSE

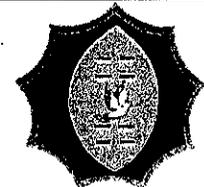
- The purpose of this report is to present first quarter budget and expenditure report as at 30 June 2013 to the Portfolio Committee for Defence and Military Veterans: Vote 22.
- To request support from the Portfolio Committee for Defence and Military Veterans to support DMV in overcoming the challenges and obstacles highlighted in this presentation, to enable DMV to render effective and efficient services to military veterans in line with its mandates and responsibilities



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2013/14 DMV FIRST QUARTER BUDGET & EXPENDITURE REPORT (DEVIATIONS)

DEVIATIONS BETWEEN THE APPROVED CASH FLOW DRAW AND ACTUAL SPENDING AS AT 30 JUNE 2013

Per GFS Economic Classification	Approved Cash Flow as at 30 June 2013	Actual Exp as at 30 June 2013	Amounts of deviations R'000	Percentage spent	Reasons for deviations and future plan of action	DEVIATIONS BETWEEN THE APPROVED CASH FLOW DRAW AND ACTUAL SPENDING AS AT 30 JUNE 2013				
						R'000	R'000	%		
Compensation of Employees	15 080	5 481	9 599	36%	The low spending is mainly due to the fact that DOD paid salaries for all DMV staff members in April 2013 as funds were transferred late in May 2013 from DOD to DMV. DOD was informed to submit salary claim to DMV for reimbursement of salaries expenditure incurred in April 2013. Filling of posts is also in progress to ensure that capacity is built up to deliver on the mandates and responsibilities of DMV.					
Goods and Services	19 006	5 422	13 584	29%	The low spending is mainly due to the fact that refurbishment works for the new building did not commence in the first quarter and DPW has not yet forwarded the bills for property management services as initially anticipated. The billing from SITA for information technology systems (BAS, Peral and LOGIS) which are being operated by DMV and the hosting fee has not yet been received for payment as initially anticipated. The low spending was also mainly resulting from the postponement of the military veterans honouring function which was initially planned to take place on 16 June 2013.					
Transfers and Subsidies	0	0	0	0	None					
Payments for Capital Assets	1 000	386	614	39%	The low spending is mainly due to the fact that furniture and computers are normally purchased for staff members who actually assumed duties in DMV. The filling of posts will be fast-tracked for these funds to be spent in providing personnel with the required resources for them to operate productively.					
Total	35 086	11 289	23 797	32%						



2013/14 DMV BUDGET & EXPENDITURE REPORT

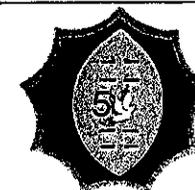
BUDGET AND EXPENDITURE REPORT PER PROGRAMME AS AT 30 JUNE 2013					
Per Programme	Original Allocated budget 2013/14	Actual Expenditure as at 30 June 2013	Projected expenditure 01 July 2013 to 31 March 2014	Total annual projected expenditure	Variance
	R'000	R'000	R'000	R'000	R'000
Administration Programme	139 469	4 980	134 489	139 469	0
Socio-Economic Support Services Programme	135 504	1 974	133 530	135 504	0
Empowerment and Stakeholder Management Programme	76 458	4 335	72 123	76 458	0
Total	351 431	11 289	340 142	351 431	0



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2013/14 DMV BUDGET AND EXPENDITURE REPORT

OVERALL BUDGET AND EXPENDITURE REPORT PER GFS ECONOMIC CLASSIFICATION AS AT 30 JUNE 2013

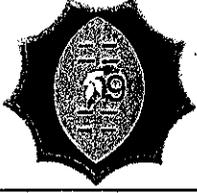
	Actual	Projected	Total annual projected expenditure (under or over- variance)	Per GFS Economic Classification	R'000	Compensation of Employees	Goods and Services	Transfers and Subsidies	Payments for Capital Assets	Total
	Expenditure as at 30 June 2013	expenditure 01 July 2013 to 31 March 2014	projected expenditure	Budget 2013/14	R'000	80 603	260 828	0	10 000	351 431
	5 481	75 122	80 603	80 603	R'000	0	260 828	0	10 000	351 431
	5 422	255 406	260 828	260 828	R'000	0	260 828	0	10 000	351 431
	386	9 614	10 000	10 000	R'000	0	0	0	10 000	11 289
	11 289	340 142	351 431	351 431	R'000	0	0	0	0	0

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EXPLANATION OF 2013/14 FIRST QUARTER BUDGET AND EXPENDITURE REPORT

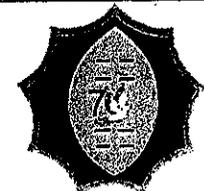
- The Department of Military Veterans (DMV) had an actual expenditure of RM11,289 (32%) against the Cash Flow Draw of RM35, 086 as at 30 June 2013.
- It should be noted that funds were transferred late from the 03 May 2013 from the Department of Defence, hence no operational activities took place in the month of April 2013. The DOD had to pay salaries for DMV staff members in April 2013.
- DMV was appropriated a total of R351, 4 million in 2013/14 financial year which was allocated into RM139,5 under the Programme Administration; RM135,5 under the Programme Socio-Economic Support Services and RM76, 5 under the Programme Empowerment and Stakeholder Management. These funds were appropriated as transfer payment under the budget of the Department of Defence in terms of the ministerial decision which was made.
- DMV has the Basic Accounting System, Persal System and LOGIS supported by appropriate policies, procedures, delegations and capacity which are being used to process payments in 2013/14 financial year. DMV is not projecting over-expenditure in the 2013/14 financial year.



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EXPLANATION OF 2013/14 FIRST QUARTER BUDGET AND EXPENDITURE REPORT

- The low spending under compensation of employees is mainly due to the fact that DOD paid salaries for all DMV staff members in April 2013 as funds were transferred late in May 2013 from DOD to DMV.
- DOD was informed to submit salary claim to DMV for reimbursement of salaries expenditure incurred in April 2013. Filling of posts is also in progress to ensure that capacity is built up to deliver on the mandates and responsibilities of DMV.

- The low spending under goods & services is mainly due to the fact that refurbishment work for the new building did not commence in the first quarter and DPW has not yet forwarded the bills for property management services for payment as initially anticipated.

- The billing from SITA for information technology systems (BAS, Peral and LOGIS) which are being operated by DMV and the hosting fee has not yet been received for payment as initially anticipated.

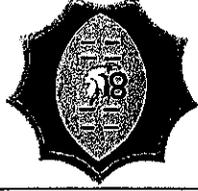
- The low spending was also mainly resulting from the postponement of the military veterans honouring function which was initially planned to take place

on the 16 June 2013.

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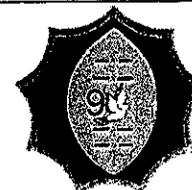
EXPLANATION OF 2013/14 FIRST QUARTER BUDGET AND EXPENDITURE REPORT

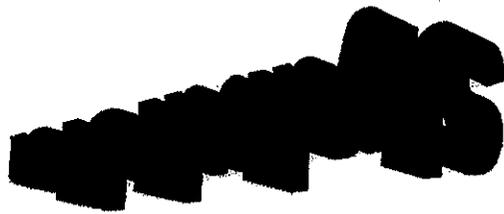
- The low spending under payment for capital assets is mainly due to the fact that furniture and computers are normally purchased for staff members who actually assumed duties in DMV.
- The filling of posts will be fast-tracked for these funds to be spent in providing personnel with the required resources for them to operate productively.
- The bulk buying of furniture will take place a month before the occupation of the new building which is currently in the process of refurbishment, (anticipated to be October 2013 to prepare for occupation in November 2013).
- DMV is currently working with DPW to prepare for the roll-out of the remaining infrastructure projects such as acquisition of the provincial offices spaces, health & wellness centres, establishment of the Tomb of an Unknown Soldier, infrastructure upgrade at the Centre for Advanced Training (CAT) and lastly the development of Head Stones for Military Veterans Graves.



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Questions?

Thank You