



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Enquiries:** George Tembo

**Tel:** 012- 315 5514

**Fax:** 012- 315 5522

**E-mail:**george.tembo@treasury .gov.za

### **TO: STANDING COMMITTEE ON PUBLIC ACCOUNTS**

#### **VOTE 8: DEPARTMENT OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES (DWCPD) - REPORT ON THE UNAUTHORISED EXPENDITURE INCURRED BY THE DWCPD FOR THE 2010/11 FINANCIAL YEAR.**

#### **PURPOSE**

1. To brief the Standing Committee on Public Accounts (SCOPA) on the unauthorised expenditure incurred by the Department of Women, Children and People with Disabilities (DWCPD) for the 2010/11 financial year.
2. To provide the SCOPA with the National Treasury's recommendation on the matter.

#### **BACKGROUND / DISCUSSION**

3. The DWCPD had a budget of R106.192 million for the 2010/11 financial year, and as at the end of March 2011, the department had overspent its budget by 4 per cent or R3.729 million. According to the department, the overspending was mainly attributable to telecommunications and travel and accommodation costs.
4. Treasury Regulation 9.1.1 requires accounting officers to exercise all reasonable care to prevent and detect unauthorised expenditure, and Treasury Regulation 9.1.2 requires that such expenditure must be reported in monthly reports as stipulated by section 40(4)(b) of the PFMA. Due to capacity constraints in the department, reporting of expenditure has been a challenge. The National Treasury was only able to access the department's expenditure from November 2010; that is, after financial systems had been put in place, as from then onwards the department's expenditure has been reflected on Vulindlela.

Table 1: DWCPD expenditure as at the March 2010/11

<b>Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Under/ (Over) Expenditure</b>	<b>Under/ (Over) Expenditure as a % of Final Appropriation</b>
<b>R'000</b>				
Administration	28 627	37 457	-8 830	-31%
Women Empowerment & Gender Equality	60 429	60 816	-387	-1%
Children's Rights & Responsibilities	8 568	8 735	-167	-2%
Rights of People with Disabilities	8 568	2 910	5 656	66%
<b>Total</b>	<b>106 192</b>	<b>109918</b>	<b>-3728</b>	<b>-4%</b>

5. Table 1 above, illustrates that the bulk of the overspending is under programme 1: *Administration*. The programme overspent by R8.830 million or 31 per cent of its final appropriation. The overspending was as a result of mandatory overseas trips by the minister and her delegation as well as payments to stakeholders that were not initially provided for. Overspending in programme 2 and 3 was due to the hosting of National Days which the department had not budgeted for. The function of hosting National Days was shifted from the Department of Arts and Culture (DOA&C) to the DWCPD. The DWCPD was under the impression that funds allocated to this function would also be shifted but this did not happen. The DOA&C did not have a special allocation for National Days but used its baseline to fund this function, and it is for this reason that the DOA&C did not shift funds to the DWCPD. The DWCPD also had to cover costs for the delegation that attended the United Nations Commission on the status of Women conference which had not been sufficiently budgeted for.
6. As the National Treasury we do not condone what the department did. We strongly believe that the overspending could have been avoided. Some of the expenditure could have been deferred for expenditure to remain within the available funds. Accordingly, it is our recommendation that the unauthorised expenditure should be financed through the DWCPD's budget for 2012/13.

### Recommendation

7. In line with the provision of section 34(2) of the PFMA, we recommend that the amount of R3.729 million in unauthorised expenditure be financed through a reduction in the 2012/13 budget for the DWCPD by R3.729 million.



George Tembo  
**DIRECTOR: GOVERNANCE AND ADMINISTRATION**  
Date: 30/01/2012

Recommended/~~Not recommended~~



Gillian Wilson  
**CHIEF DIRECTOR: ADMINISTRATIVE SERVICES**  
Date: 1/2/2012

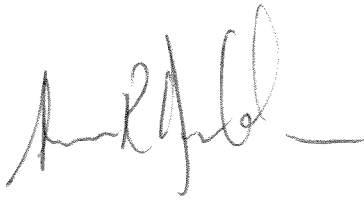
Recommended/~~Not recommended~~



Matthew Simmonds  
**DEPUTY DIRECTOR-GENERAL: BUDGET OFFICE**

Date: 03/02/12.

Approved/~~Not approved~~



Andrew Donaldson  
**DEPUTY DIRECTOR-GENERAL: PUBLIC FINANCE**

Date 7/2/12