



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

PART B

3RD QUARTER 2015/16 EXPENDITURE REPORT

BY

CFO



A. SUMMARY OF THE NATIONAL STATE OF EXPENDITURE FOR THE YEAR TO DATE: 31 DECEMBER 2015

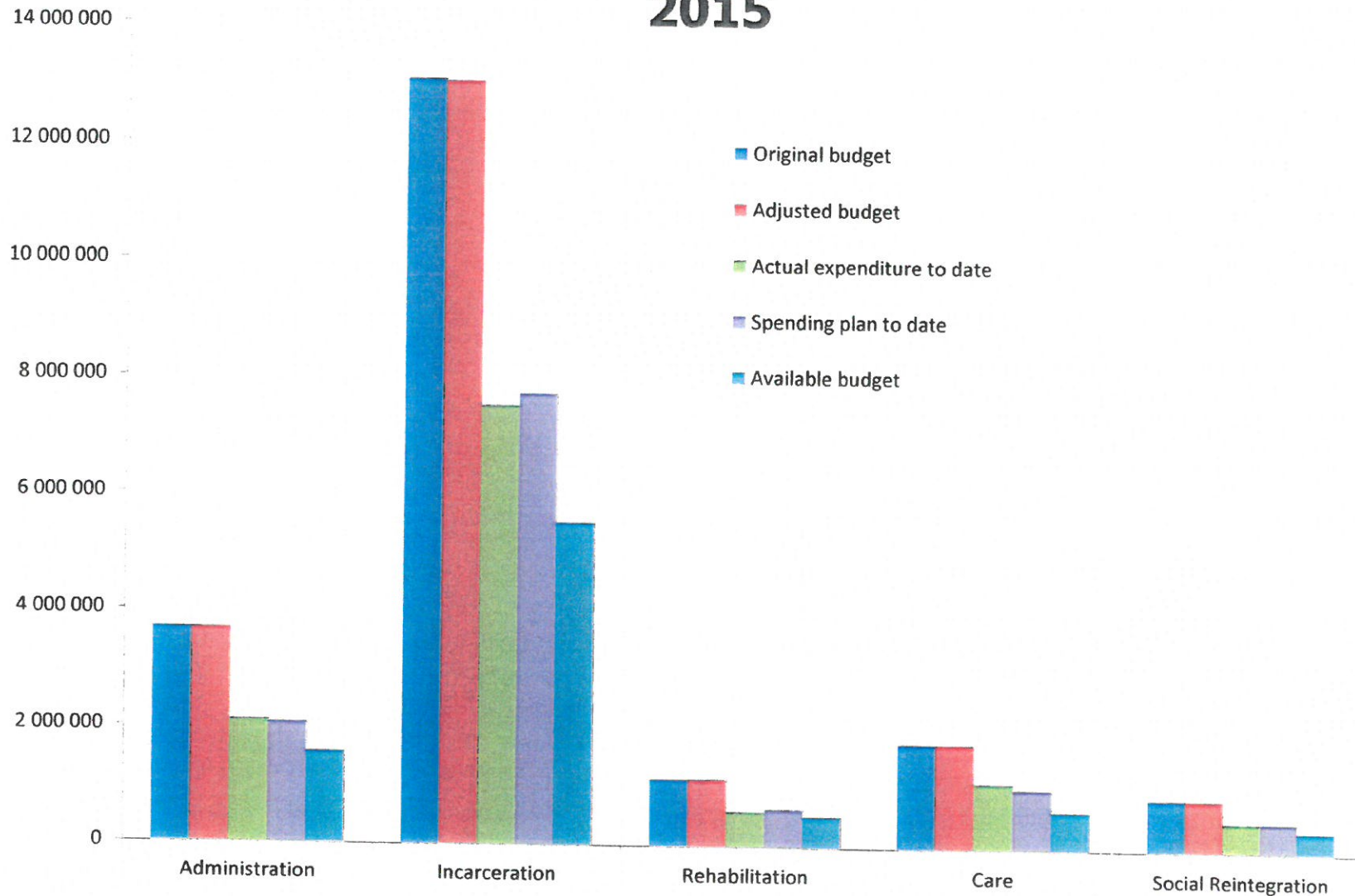
	R'000
Adjusted Budget	20 588 554
Less: Expenditure	15 273 076
Available budget	5 315 478

Percentage spent	74.18%
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B. SUMMARY OF THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE : 31 DECEMBER 2015

Programme	Adjusted budget R'000	Actual expenditure to date R'000	Percentage actual expenditure	Original Spending plan to date R'000	Difference between spending plan and actual expenditure R'000	Percentage spending plan	Available budget R'000
Administration	3 694 515	2 823 286	76.42%	2 693 294	(129 992)	72.90%	871 229
Incarceration	13 051 518	9 494 850	72.75%	9 737 608	242 758	74.61%	3 556 668
Rehabilitation	1 155 293	810 742	70.18%	841 120	30 378	72.81%	344 551
Care	1 796 262	1 475 161	82.12%	1 335 759	(139 402)	74.36%	321 101
Social Reintegration	890 966	669 037	75.09%	672 106	3 069	75.44%	221 929
Total	20 588 554	15 273 076	74.18%	15 279 887	6 811	74.22%	5 315 478

B. SUMMARY OF THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE : 31 DECEMBER 2015



B. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE: 31 DECEMBER 2015

- The year-to-date expenditure of the Department as at 31 December 2015 was R15,273 billion (74.18%) against the spending plan of R15,280 billion (74.22%) resulting in a R7 million underspending of the original budget.
- The spending plan included in this analysis is aligned to the original spending plan as approved at the beginning of the financial year. The revised spending plan after funds were shifted as per the Adjusted Estimates of National Expenditure (AENE) has not been approved as the Adjustments Appropriation Act still needs to be passed.
- Factors that contributed to the under-/ overspending per Programme are as follows:



B. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE: 31 DECEMBER 2015

- **Programme: Administration.** The actual spending of R2, 823 billion (76.42%) against the spending plan of R2,693 billion (72.90%) resulting in R130 million overspending. The overspending on goods and services is mainly on item: Fleet Services due to high costs of vehicle repairs caused by ageing vehicles in the regions. The actual spending on Fleet Services is R123 million against the spending plan of R70 million resulting to an overspending of R53 million. The slow clearing of internal charges on the following inventory items also contributed to the underspending, Consumable supplies where the actual spending is R43 million against the spending plan of R15 million (overspending of R28 million) ; Farming supplies where the actual spending is R35 million against the spending plan of zero (overspending of R35 million); Material and supplies where the actual spending is R28 million against the spending plan of R1 million (overspending of R27 million). The other contributing factor is transfers and subsidies items for Households, for payment of leave gratuities and Public Corporation and Private Enterprise for legal claims against the state where the actual spending is R20.5 million against the spending plan of R1.8 million (overspending of R18.7 million) .

B. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE:31 DECEMBER 2015

- **Programme: Incarceration.** The actual spending of R9,495 billion (72.75%) against the spending plan of R9,738 billion (74,61%) resulting in an underspending of R243 million is mainly on Compensation of Employees due to funded vacancies. PERSAL reported a funded permanent establishment of 28 825, of which 26 649 are funded filled posts, 85 posts are filled additional to the funded establishment, mostly on entry level, resulting in a total PERSAL head count of 26 734 , but leaving 2 176 vacant funded posts (7.5%).

B. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE:31 DECEMBER 2015

- **Programme: Rehabilitation.** The actual spending of R811 million (70.18%) against the spending plan of R841 million (72.81%) resulting in an underspending of R30 million is mainly on goods and services for consumable supplies and clothing materials and accessories due to the delays in the delivery of inventory materials for inmates. PERSAL reported a funded permanent establishment of 2 260, of which 2 116 are funded filled posts, 42 posts are filled additional to the funded establishment, mostly on entry level, resulting in a total PERSAL head count of 2 158, but leaving 144 vacant funded posts (6.37%). On Payments for Capital Assets under Machinery and Equipment the underspending is due to delays in the procurement of farming and workshop equipment in various regions.



B. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER PROGRAMME FOR THE YEAR TO DATE:31 DECEMBER 2015

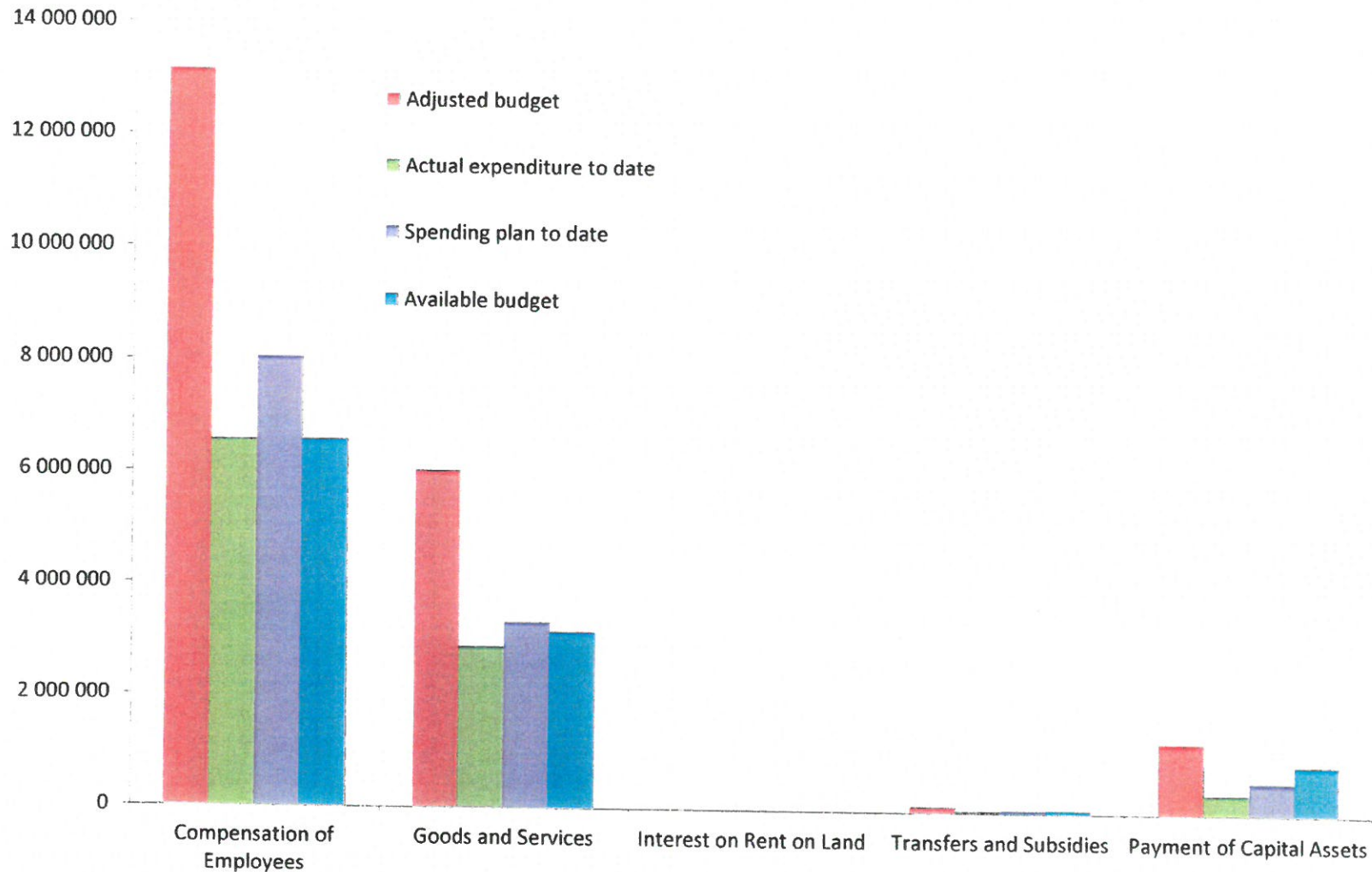
- **Programme: Care.** The actual spending of R1,475 billion (82.12%) against the spending plan of R1,336 billion (74.36%) resulting in an overspending of R139,4 million is mainly on Goods and Services on ongoing and support services for Nutritional Services at Free State and Northern Cape. The projected overspending is ascribed to utilization of outsourced nutritional services in respect of Groenpunt and Bizza Makhathe where kitchen infrastructure i.e. boilers are undergoing repairs and maintenance as well as an increase in food prices. The shortfall was funded in the 1st quarter of 2015/16 financial year.

- **Programme Social Reintegration.** The actual spending of R669 million (75.09%) against the spending plan of R672 million (75.44%) resulting in an underspending of R3 million is on Compensation of Employees due to vacancy rate. PERSAL reported a funded permanent establishment of 2 153, of which 2 025 are funded filled posts, 14 posts are filled additional to the funded establishment, mostly on entry level, resulting in a total PERSAL head count of 2 039, but leaving 128 vacant funded posts (5,9%).

C. SUMMARY OF THE NATIONAL STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION FOR THE YEAR TO DATE: 31 DECEMBER 2015

GFS Classification	Adjusted budget R'000	Actual expenditure to date R'000	Percentage actual expenditure	Spending plan to date R'000	Difference between spending plan and actual expenditure	Percentage spending plan	Available budget R'000
Compensation of Employees	13 155 094	9 809 138	74.57%	10 362 593	553 455	78.77%	3 345 956
Goods and Services	6 037 405	4 559 361	75.52%	4 076 184	(483 177)	67.52%	1 478 044
Interest on Rent on Land	0	48	0.00%	0	(48)	0.00%	-48
Transfers and Subsidies	121 443	82 398	67.85%	92 232	9 834	75.95%	39 045
Payment of Capital Assets	1 274 612	822 131	64.50%	748 878	(73 253)	58.75%	452 481
Total	20 588 554	15 273 076	74.18%	15 279 887	6 811	74.22%	5 315 478

C. SUMMARY OF THE NATIONAL STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION FOR THE YEAR TO DATE:31 DECEMBER 2015



C. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION FOR THE YEAR TO DATE: 31 DECEMBER 2015

- **Compensation of Employees.** The actual spending of R9,809 billion (74.57%) against the spending plan of R10,363 billion (78.77%) resulting in an underspending of R554 million is mainly due to vacant funded posts, PERSAL reported a funded permanent establishment of 42 006, of which 38 513 are funded filled posts, 295 posts are filled additional to the funded establishment, mostly on entry level, resulting in a total PERSAL head count of 38 808, but leaving 3 493 vacant funded posts (8,32%).

- **Goods & Services.** The actual spending of R4,559 billion (75.52%) against the spending plan of R4,076 billion (67.52%) resulting in an overspending of R 483 million is on Goods and Services mainly on fleet services due to higher number of vehicles repairs and maintenance due to aging fleet. The other reason for overspending is on farming supplies due to drought and as result there is high demand for animal food in agricultural facilities than anticipated in the original spending plan.



C. ANALYSIS ON THE NATIONAL STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION FOR THE YEAR TO DATE:31 DECEMBER 2015

- Interest and Rent on Land.** There was an expenditure of R48 thousand incurred against a zero budget and that is due to interest paid on arrears salary. This will be remedied during the 2015/16 final virement exercise.

- Transfers and Subsidies.** The actual spending of R82 million (67.85%) against the spending plan of R92 million (75.95%) resulting in an underspending of R10 million is due to higher than anticipated payments of leave gratuity for service terminations.

- Payments for Capital Assets.** The actual spending of R822,1 million (64.50%) against the spending plan of R749 million (58.75%) resulting in an overspending of R73 million is mainly on Payments for Capital Assets under Buildings and other fixed structures for payment of infrastructure capital projects that were higher than the projected spending plan.



THANK YOU

**STRIVING FOR A SOUTH AFRICA IN WHICH
PEOPLE ARE AND FEEL SAFE**