



**sport & recreation**

**Department:**

**Sport and Recreation South Africa  
REPUBLIC OF SOUTH AFRICA**

**PRESENTATION TO THE SPORT AND  
RECREATION PORTFOLIO COMMITTEE ON  
FINANCIAL PERFORMANCE**

**QUARTER 1 OF THE 2016/17 FINANCIAL YEAR**



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REPUBLIC OF SOUTH AFRICA

# BUDGET AND EXPENDITURE ANALYSIS AS AT 30 June 2016

## 1. EXECUTIVE SUMMARY

The departmental financial performance as at 30 June 2016 are as follows:

- The **overall departmental expenditure** is at **R192 million** which represent **19%** of the total budget allocation out of a total budget of **R1,028 billion**. There is a **6%** under spending in terms of arithmetic forecast of **25%** as its equivalent to three months. The department will increase its spending patterns as the financial year progresses.
- Spending on **Compensation of Employees** is at **23%** totalling **R25 million** out of a budget of **R108.5 million**. The **2%** under spending due to vacant posts of e.g. Director: School Sport which the Department is in the process of filling. Other vacancies for junior and lower levels posts also contributed to the under spending. The department is in a process of filling all critical vacant posts before the end of the current financial year.
- Expenditure on **Goods and Services** is at **19%** totalling **R31.6 million** out of a budget of **R167.9 million**. This is 6% less than the acceptable arithmetic forecast of **25%**. The expenditure is expected to increase in the second and third quarter when most of the departmental projects are rolled out.



**BUDGET EXPENDITURE ANALYSIS AS AT  
30 June 2016**

- **Transfer Payments’** spending is at **18% totalling R134.9 million** out of a budget of **R749.8 million**, The acceptable arithmetic forecast of **25%**. The expenditure is expected to increase in the next quarter as the allocation for provinces is scheduled at 15% for this quarter (Q1), 35% in the second and third quarters and 15% in the last quarter.

**NB:** *Two provinces i.e. Limpopo and North West were penalised 5% on the first tranche due to the two Provinces non-compliance.*

- **Payment for Capital Assets** expenditure is at **17%** totalling **R366 000.00** out of a budget of **R2.1 million**. Expenditure is expected to increase once the invoices for computers are received and payment effected by SCM



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**EXPENDITURE vs BUDGET PER ECONOMIC  
CLASSIFICATION AS AT 30 June 2016**

**2. OVER ALL DEPARTMENTAL SUMMARY**

<b>Economic Classification</b>	<b>Budget</b>	<b>Expenditure Available</b>	<b>Budget</b>	<b>Exp in %</b>
<b>Current Payments</b>	<b>276,590</b>	<b>56,659</b>	<b>219,931</b>	<b>20%</b>
Compensation of Employees	108,596	25,023	83,573	23%
Goods and Services	167,994	31,636	136,358	19%
<b>Transfers and Subsidies/Provinces</b>	<b>749,843</b>	<b>134,984</b>	<b>614,859</b>	<b>18%</b>
Provinces	555,708	89,335	466,373	16%
Public Entities	33,012	10,948	22,064	33%
Federations	161,123	34,254	126,869	21%
Households	-	447	(447)	
<b>Capital Assets</b>	<b>2,167</b>	<b>366</b>	<b>1,801</b>	<b>17%</b>
<b>TOTAL</b>	<b>1,028,600</b>	<b>192,009</b>	<b>836,591</b>	<b>19%</b>



**EXPENDITURE vs BUDGET PER ECONOMIC CLASSIFICATION AS AT 30 June 2016**

**3. PROGRAMME 1 - ADMINISTRATION**

Economic Classification Administration	Budget	Expenditure	Available Budget	Budget	Exp in %
<b>Current Payments</b>	<b>132,612</b>	<b>32,262</b>	<b>100,350</b>	<b>24%</b>	
Compensation of Employees	77,174	18,418	58,756	24%	
Goods and Services	55,438	13,844	41,594	25%	
<b>Transfers and Subsidies</b>	<b>83</b>	<b>61</b>	<b>22</b>	<b>73%</b>	
Departmental Agencies and Acc	83	-	83	-	
Households	-	61	(61)	-	
<b>Capital Assets</b>	<b>2,167</b>	<b>156</b>	<b>1,863</b>	<b>7%</b>	
Machinery and Equipment	2,167	156	1,863	7%	

- Over expenditure on **Transfers and Subsidies** is at R61 000.00 which represent the 73% of the total budget, this is due to leave gratuity payments to former employees.



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## EXPENDITURE vs BUDGET PER ECONOMIC CLASSIFICATION AS AT 30 June 2016

### 4. PROGRAMME 2 – ACTIVE NATION

Economic Classification Active Nation	Budget	Expenditure Available	Budget	Exp in %
<b>Current Payments</b>	<b>54,519</b>	<b>12,482</b>	<b>42,037</b>	<b>23%</b>
Compensation of Employees	11,651	2,041	9,610	18%
Goods and Services	42,868	10,441	32,427	24%
<b>Transfers and Subsidies</b>	<b>594,216</b>	<b>108,589</b>	<b>485,627</b>	<b>18%</b>
Provinces and Municipalities	555,708	89,335	466,373	16%
Households	-	-	-	-
Non-Profit Institutions	38,508	19,254	19,254	50%

- o Expenditure on Transfers and Subsidies is at **R108 million** which represent **19%** of the budget. This is less than the normal rate of **25%**. Transfers to Provinces is at 16% for the 1st quarter of which 99.9% is paid. Two provinces; Limpopo (R551 000.00 and North West (R330 000.00) respectively were penalised 5% of their first tranche for non compliance, this also contributed in the programme under spending.
- o The Under spending in compensation is due to vacant post that are currently being filled, e.g. Director school sport.



**EXPENDITURE vs BUDGET PER ECONOMIC  
CLASSIFICATION AS AT 30 June 2016**

**5. PROGRAMME 3 – WINNING NATION**

Economic Classification	Budget	Expenditure	Available	
			Budget	Exp in %
<b>Winning Nation</b>				
<b>Current Payments</b>	<b>59,907</b>	<b>1,382</b>	<b>58,525</b>	<b>2%</b>
Compensation of Employees	4,380	689	3,691	16%
Goods and Services	55,527	693	54,834	1%
<b>Transfers and Subsidies</b>	<b>31,242</b>	<b>11,334</b>	<b>19,908</b>	<b>36%</b>
Departmental Agencies and Acc	21,896	10,948	10,948	50%
Households	-	386	(386)	-100%
Non-Profit Institutions	9,346	-	9,346	0%

- The total spending rate is at **14%**, under spending by **11%**. Under spending on Compensation of Employees is mainly due to unfilled vacancies. Goods and Services expenditure is expected to increase in quarter two and three when most of departmental projects are rolled out.



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## EXPENDITURE vs BUDGET PER ECONOMIC CLASSIFICATION AS AT 30 June 2016

### 6. PROGRAMME 4 – SPORT SUPPORT

Economic Classification Sport Support	Budget	Expenditure	Available Budget	Exp in %
<b>Current Payments</b>	<b>13,270</b>	<b>6,815</b>	<b>6,455</b>	<b>51%</b>
Compensation of Employees	7,543	3,324	4,219	44%
Goods and Services	5,727	3,491	2,236	61%
<b>Transfers and Subsidies</b>	<b>124,302</b>	<b>15,000</b>	<b>109,302</b>	<b>12%</b>
Departmental Agencies and Acc	11,033	-	11,033	0%
Non-Profit Institutions	113,269	15,000	98,269	13%

The spending rate on Transfers and Subsidies is at **R15 million** which represent **12%** of the **budget**, this is less than the normal spending rate of **25%** equivalent to 3 months. Transfer payment are scheduled 1<sup>st</sup> tranche on the 2<sup>nd</sup> quarter.





**EXPENDITURE vs BUDGET PER ECONOMIC CLASSIFICATION AS AT 30 June 2016**

## 7. PROGRAMME 5 – INFRASTRUCTURE SUPPORT

Economic Classification	Budget	Expenditure Available	Budget	Exp in %
Infrastructure Support				
Current Payments	16,282	3,718	12,564	23%
Compensation of Employees	7,848	551	7,297	7%
Goods and Services	8,434	3,167	5,267	38%

- The Programme spent **R3.7 million** out of budget of **R16.2 million** which represent a rate of **23%** for the period of three months which is less than nominal rate of **25%** by **2%**.
- The Under spending in Compensation of Employees is due to vacant post that are still to be filled e.g. Chief director and Director infrastructure.



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THANK YOU