

Finance Bill 2016

Standing Committee on Appropriations



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Components of a finance bill

Public Finance Management Act (Act 1 of 1999) (PFMA), section 34(1), states that unauthorised expenditure does not become a charge against a Revenue Fund except when:

- (a) The expenditure is an overspending of a vote and Parliament or a provincial legislature, as may be appropriate, approves, as a direct charge against the relevant Revenue Fund, an additional amount for that vote which covers the overspending; or
- (b) The expenditure is unauthorised for another reason and Parliament or a provincial legislature, as may be appropriate, authorises the expenditure as a direct charge against the relevant Revenue Fund. [Previously surrendered funds are reinstated]

PFMA section 34(2), states that

If Parliament or a provincial legislature does not approve, an additional amount to cover overspending, in terms of subsection 34(1)(a) then that amount becomes a charge against the funds allocated to the vote for the next or future financial years.

Components of a finance bill

- Unauthorised expenditure contravenes both the Constitution of the Republic of South Africa (Act 108 of 1996) and the PFMA and can only become a charge against the National Revenue Fund if authorised by Parliament.
- The National Assembly's Committee on Public Accounts has the authority to recommend to the National Assembly that cases of unauthorised expenditure be:
 - Approved as a charge against the budget of the respective department, while appropriated steps to recover monies may still be in progress;
 - Approved as an additional charge against the National Revenue Fund; or
 - Not approved, and where necessary, direct that follow-up investigations be conducted.

Schedule 1 of the Finance Bill: Unauthorised expenditure referred to in section 34(1)(a) of the PFMA

**SCHEDULE 1: Unauthorised expenditure referred to in section 34(1)(a) of the Public Finance Management Act, 1999:
An additional amount is appropriated as a direct charge against the National Revenue Fund to cover the overspending of the vote appropriation**

Amount Unauthorised (R) Column 1	Committee on Public Accounts Report Reference Column 2	Financial Year Column 3	Vote Title Column 4
53 002 000.00	COPA 2016 1st report	2005/06	Home Affairs
687 304 271.57	1st report	2010/11	Home Affairs
160 394 000.00	1st report	2012/13	Home Affairs
345 804 818.56	3th report	2008/09	Transport
263 320 277.91	3th report	2009/10	Transport
1 509 825 368.04			

Schedule 2 of the Finance Bill: Unauthorised expenditure referred to in section 34(1)(b) of the PFMA

SCHEDULE 2: Unauthorised expenditure referred to in section 34(1)(b) of the Public Finance Management Act, 1999: Funds surrendered by the vote in respect of the listed unauthorised expenditure will be refunded, as a direct charge against the National Revenue Fund in favour of the vote

Amount Unauthorised (R) Column 1	Committee on Public Accounts Report Reference Column 2	Financial Year Column 3	Vote Title Column 4
	COPA 2015		
46 881 000.00	1st report	2005/06	Home Affairs
140 640 282.92	1st report	2012/13	Home Affairs
3 782 000.00	2nd report	2005/06	Water and Sanitation
844 979 607.76	3th report	2008/09	Transport
362 394 100.24	3th report	2009/10	Transport
1 398 676 990.92			

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Unauthorised expenditure included in Finance Bill, 2016		<i>Rand</i>
Schedule 1	Unauthorised expenditure referred to in section 34(1)(a) of the Public Finance Management Act, 1999: An additional amount is appropriated as a direct charge against the National Revenue Fund to cover the overspending of the vote appropriation	1 509 825 368.04
Schedule 2	Unauthorised expenditure referred to in section 34(1)(b) of the Public Finance Management Act, 1999: Funds surrendered by the vote in respect of the listed unauthorised expenditure will be refunded, as a direct charge against the National Revenue Fund in favour of the vote	1 398 676 990.92
TOTAL		2 908 502 358.96
<i>Of which:</i>		
ADDITIONAL FINANCIAL IMPLICATIONS TO THE STATE		1 509 825 368.04
<i>The Bill proposes, as a direct charge against the National Revenue Fund, an additional allocation to votes that previously overspent their annual appropriation.</i>		