



Education – Conditional Grant

- The department receives 3 conditional grants from the National DoE:
- FET Recapitalisation Grant
 - The total allocation of R115.5 million has been transferred to the FET colleges;
 - Actual exp. by colleges is at 52.5%;
 - Indication from FETs is that the balance is committed.
- HIV and AIDS
 - Relatively low level of spending at 68.2% of budget, leaving balance of R11.2m;
 - Spending delayed due to strike action and resultant recovery plan (time normally allocated for HIV and AIDS life skills training was used to “catch up” on time lost during strike action).
- National School Nutrition Grant
 - Expenditure at 79.2%, leaving balance of R63.8 million;
 - Affected by strike action;
 - Under-expenditure mainly i.r.o March invoices that were not processed by 31 March 2008.



Health - Conditional Grants

- Department receives 5 conditional grants from the National DoH:
- Expenditure is on or close to target for the following grants:-
 - Comprehensive HIV and AIDS – 100% of budget;
 - Health Professional Training and Development – 99.4% of budget;
 - National Tertiary Services grant – 100% of budget.
- Forensic Pathology Services
 - Low spending at 54.1% of budget;
 - Five of the SAPS precincts were not suitable for take over and the department now has to build new mortuaries rather than adapting SAPS facilities;
 - E.g. The Alex Road SAPS was not suitable. Department was then unable to find suitable land for construction. This has now been resolved and construction due to start in 2008/09. Similarly for Greytown, Dundee, Park Rynie and Madadeni;
 - Tender process was delayed due to all tenderers not complying with procurement requirements resulting in re-tenders.
 - Fast-track programme by department will need to be reviewed as it has not had the desired effect.



Health – Conditional Grant (cont.)

- Hospital Revitalisation Grant
 - 92% of adjusted budget spent;
 - Some reasons for improved expenditure:
 - Appointment of dedicated manager and team for the Revite grant;
 - Improved scheduling of projects and management of implementation problems.
 - Status of projects:
 - Lower Umfolozi and Ngwelezane has purchased all its IT equipment (fast tracked). The projects consist of many small projects which are at various stages of completion;
 - King George V – This also consists of many smaller projects at various stages of completion;
 - Madadeni and Edendale – Master plan being prepared (pre-design stage);
 - Pixley Ka Seme – Preliminary design stage;



Health – Conditional Grant (cont.)

– Status of projects (Continued):

- Dr John Dube – at preliminary investigation stage (Environmental Impact Study);
- Hlabisa Hospital – Phase 1 is 100% complete; Phase 2 is at design stage (consultants fast tracked);
- Rietvlei – Phase 1 and 2 are 100% complete, Phase 3 (design stage) is almost complete;
- King Edward VIII – Still awaiting National DoH approval of project.



Housing – Conditional Grant

- Bulk of the departmental budget relates to the Integrated Housing and Human Settlement Development Grant;
- Expenditure at 100% of budget.



Arts, Culture & Tourism – Cond. Gra

- Community library services grant
 - Expenditure at 100.1% of budget;
 - R8.7 million spent in first 3 quarters, and R million spent in last quarter;
 - Initial delays in the following:
 - Finalisation and approval of business plan,
 - Appointment of project manager for IT portion c project, and
 - Procurement of various equipment for the librar



Sport & Recreation – Conditional Grant

- Mass Sport & Recreation
 - Expenditure at 97.3% of budget;
 - Indications from department are that expenditure will be journalised and that the actual expenditure on the conditional grant will be 100%;
 - Implementation went well despite some delays during the first quarter of the year;
 - Grant consists of 3 elements: Community Mass Participation, School Sport Mass Participation and Legacy;
 - One of key projects for legacy is the setting up of clubs. A total of 80 clubs were established in 2007/08;
 - Mass Sport and Recreation conditional grant was used to mobilise communities by providing mass participation programmes. 40 activity clubs were established, and part of the grant was used for the payment and training of volunteers;



Monitoring Mechanisms

- KZN Treasury closely monitors and evaluates expenditure of provincial departments through:
 - Monthly IYM reports; and
 - Quarterly meetings between Head of Treasury, Senior Provincial and National Treasury Officials and Departments (HOD, CFO and Senior line function officials).
- The main objective of quarterly meetings is to:
 - Monitor performance; and
 - Identify possible areas of risk.
- Quarterly reports submitted to:
 - Provincial Cabinet;
 - KZN Portfolio Committee on Finance and Economic Development; and
 - National Treasury.



Conclusion

- Capex expenditure
 - Continues with the “Hockey stick” trend– low in first quarter peaking during 4th quarter;
 - Good year-on-year growth of R715 milbn which suggests that provincial infrastructure planning and implementation is improving; and
 - Need to further improve so that expenditure commences during the 1st quarter already.
- Conditional grants
 - Continued poor expenditure on Agriculture grants and Health (Forensic Pathology Services). KZN Treasury will take specific steps to help departments improve on the performance of these grants to ensure they improve and that service delivery is not compromised; and
 - Any roll-over requests from these departments with regard to these grants will have to be well motivated with specific action plan and timeframes.