

SELECT COM. ON FINANCES 080902

DEPARTMENT OF EDUCATION



CAPITAL EXPENDITURE REPORT

AUGUST 2008

Targets to end March 2009

- Eradicate 50 schools with mud structures.
- Emergency repairs to 115 disaster schools.
- Emergency classrooms to 45 schools.
- Complete 37 projects from the previous years.
- Fencing to improve security at 200 schools.
- Maintain pit latrines in 250 schools.
- Maintenance to 200 schools with solar systems.
- Minor repairs to section 20 & 21 schools.
- 100 new ECD centres to quintile 1 schools.
- Alleviate shortage of office space @Head Office.
- Mobile offices to 04 district offices.
- Urgent repairs in FET colleges & special schools.

Expenditure to Date

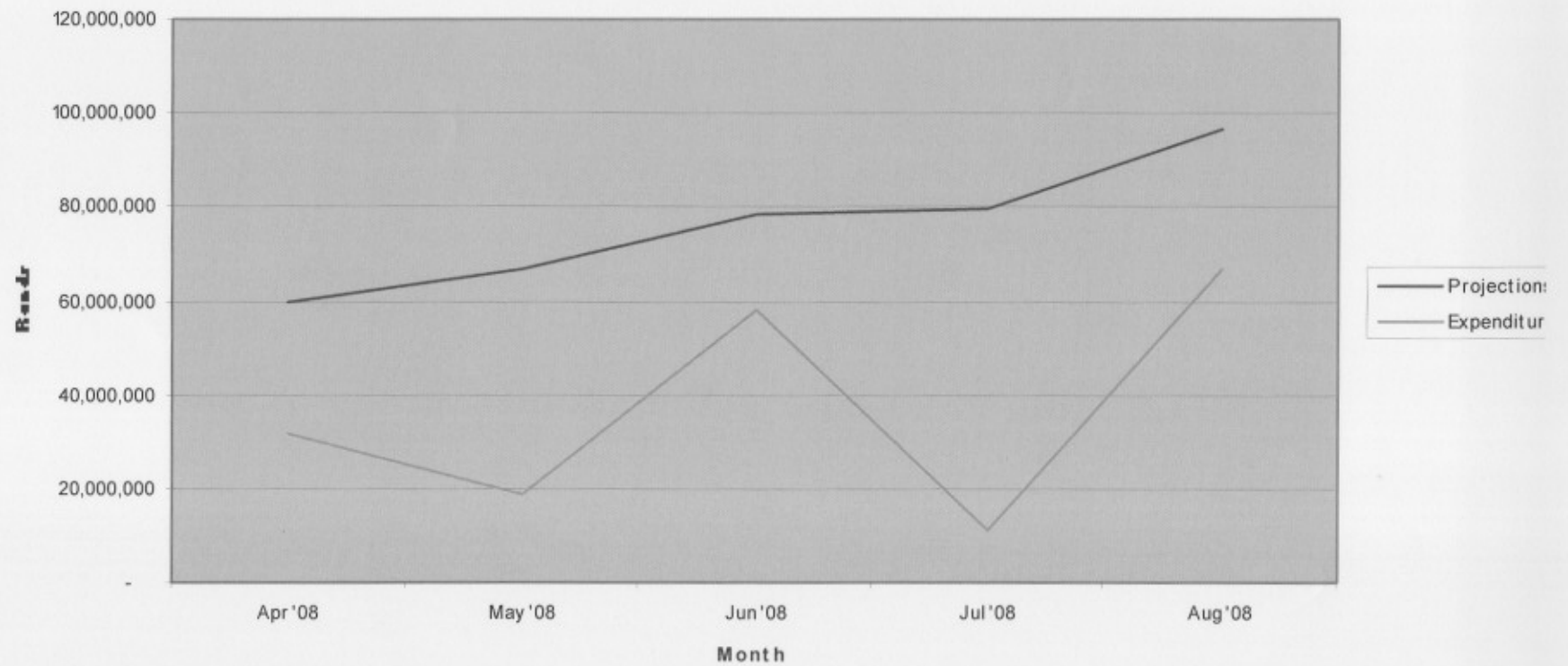
Programme	Allocated Budget	Expenditure	% Spent
PROG 1	43,000,000	17,390,026	40.4 %
PROG 2	321,854,000	78,761,579	24.5 %
PI Grant	132,432,000	11,761,336	8.9 %
PROG 4	188,500,000	48,179,331	25.6 %
PROG 5	86,500,000	18,860,475	21.8 %
PROG 7	50,000,000	10,676,979	21.4 %
PROG 8	42,500,000	3,187,349	7.5 %
Maintenance	163,145,000	11,673,490	7.1 %
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	R1,027,931,000	R200,490,566	19.5 %

Grant Expenditure

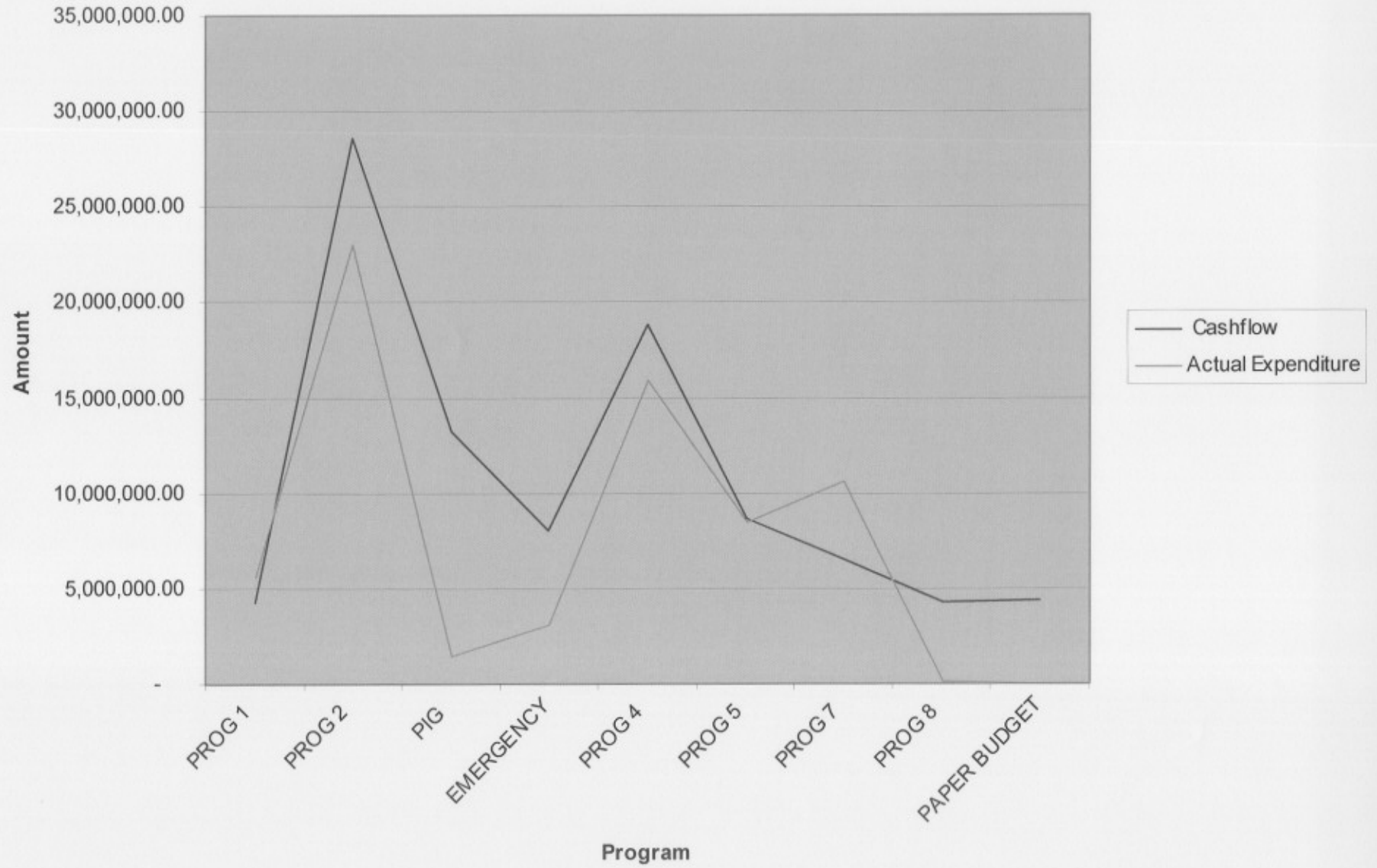
Projects	Contract Amount	Expenditure 2007/08	Expenditure 2008/09	Balance of commitment
28 Schools	49,899m	15,076m	5,686m	29,137m

Monthly Expenditure

Projections vs Actual Expenditure



Cashflow vs Expenditure



Transfers to Implementing Agents

DATE	AMOUNT	
25 April 2008	34,000,000.00	IDT
14 May 2008	13,000,000.00	COEGA
19 June 2008	4,000,000.00	AMATOLA
Total	51,000,000.00	

Reasons for Underspending

- Late submission of reconciliations for transfer payments by IAs.
- No invoices from Amatola in May, June & July.
- R43m invoices from IDT arrived after the end of July.
- R10m invoices from Coega received after the end of July.
- July expenditure was mainly DPW invoices and professional fees.
- Late submission of invoices by implementing agents.
- Delays in issuing of works orders by the system.
- Late completion of 2008/09 project list.
- Allocation of projects to IAs was finalised in February 2008.
- Assessment of new projects only started in March 2008.
- 80% of 2008/09 new projects are at tender evaluation stage.
- Construction of new projects scheduled to start in September.

Capacity to Monitor

- Capacity gaps have been identified.
- 3 Deputy Directors have been appointed.
- Detailed capacity building plan has been developed.
- Technical Task Team has been appointed on a one-year contract.
- The programme has been streamlined into 3 operational areas:
 - Infrastructure planning & coordination.
 - Infrastructure programme delivery.
 - Financial planning and expenditure control.
- 7 additional posts for Assistant Directors have been advertised.
- Appointment of new Programme Implementation Managers to be finalised by 13 September 2008.