



PRESENTATION TO THE
PORTFOLIO COMMITTEE ON
DEFENCE AND MILITARY
VETERANS

DEPARTMENT OF DEFENCE:
3rd QUARTER
FINANCIAL PERFORMANCE:
FINANCIAL YEAR 2011/12

ADJUSTED ESTIMATES OF NATIONAL EXPENDITURE (AENE): 2011

Sn	Item	Requested	Received	Deviation
	a	b	c	d
		Rm	Rm	Rm
1	<u>Unforeseeable and Unavoidable</u>			
	i. OP COPPER	170,971	81,4	(89,5)
	ii. OP CORONA	81,4	81.4	0
	iii. Defence Force Service Commission	59,2	0	(59,2)
		30,3	0	(30,3)
2	<u>Self-Financing</u>			
	i. SDA	62,7	62,7	0
	ii. GDA	54,1	54,1	0
		8,6	8,6	0
3	<u>Unforeseeable Economic Events -</u>			
	Salary Increase Additional 1,3%.	342,9	200,0	(142,9)
4	<u>Total Adjustments</u>	576,5	344,1	(232,4)
5	<p><u>Other</u> - The Warburg Dillon Read Planning Module used for the management of the SDPs and controlled by NT were reduced by RM600 in the current financial year due to delays. It is to be noted that the outer years will be adjusted to revised cash flow requirements.</p>			

FY 2011/12: EXPENDITURE COMPARISON: PER PROGRAMME AS AT 31 DECEMBER 2011

Programme	2010/11		2011/12			
	Adjusted Expenditure outcome appropriaation	Apr 10 - Dec 10	% of adjusted appropriaation	Adjusted Preliminary expenditure appropriaation	Apr 11 - Dec 11	% of adjusted appropriaation
RM						
Administration	3 417.2	2 396.8	70.1	3 718.4	2 800.1	75.3
Force Employment	2 282.2	1 622.1	71.1	2 332.0	1 655.5	71.0
Landward Defence	9 009.6	7 329.5	81.4	11 328.6	7 990.2	70.5
Air Defence	5 536.4	3 331.7	60.2	6 355.8	4 547.5	71.5
Maritime Defence	2 358.3	1 636.1	69.4	2 564.7	1 839.9	71.7
Military Health Support	3 049.6	2 192.9	71.9	3 244.3	2 304.5	71.0
Defence Intelligence	656.6	416.7	63.5	661.6	547.3	82.7
General Support	4 132.6	2 642.5	63.9	4 143.7	2 827.9	68.2
Total	30 442.5	21 568.3	70.8	34 349.1	24 512.9	71.4

Note: SANDF salary increases not yet implemented.

FY 2011/12: COMPARISON: REVENUE AS AT 31 DECEMBER 2011

RM	Adjusted estimate	Audited outcome		Budget estimate	Actual receipts	
		2010/11	2011/12		2010/11	2011/12
		Apr 10 - % of adjusted Dec 10 estimate	% of adjusted estimate		Apr 10 - % of adjusted Dec 10 estimate	% of adjusted estimate
Tax receipts	-	-	-	-	-	-
Sales of goods and services	203.5	67.9	314.5	282.3	249.9	88.5
Other than capital assets	299.5					
Transfers received	195.7	161.9	82.7	172.4	172.0	239.6
Fines, penalties and forfeits	3.6	2.8	77.8	3.8	11.8	8.8
Interest, dividends and rent on land	2.5	1.9	76.0	2.6	2.6	1.6
Sales of capital assets	52.7	34.8	66.0	55.3	28.5	-
Financial transactions in assets and liabilities	348.5	128.2	36.8	255.0	66.0	13.9
TOTAL RECEIPTS	902.5	533.1	59.1	803.6	563.2	513.8
						91.2

PROGRESS REPORT: ASSET MANAGEMENT

Ser

Commitment

Progress

1 The process and procedures to review the financial statements and performance information are being amended to ensure that material misstatements are timely identified and corrected prior to submission the AOSA for audit.

Process and procedures to internally review the financial statements are currently in the approval process.

2 Asset management plan. Training to be conducted to ensure that all role players are familiar with the financial reporting framework, DOD policy and other regulatory and compliance requirements. Deadline date 31 March 2012

On the job training is provided to personnel from Services/Divisions involved in Asset Management on a day-to-day basis. Formal training is in the process to be arranged for SA Army OCs and RSMS. Formal training will be executed after end of 2011/2012 financial year.

Ser **Commitment**

Progress

5 Asset Management Interventions. A request has been submitted to National Treasury for extension of the period for disclosure of assets at R1 to 31 March 2007.

No response yet received from National Treasury. Achievement of this target date is dependent on the availability of the Accountant General.

6 Management of Leases. Services and Divisions will on a monthly basis submit to C Log (Asset Management directorate) their lease returns which they would have reviewed and signed off for completeness and accuracy.

A workshop was conducted where the lease champions from the Services were present and the requirements for disclosure purposes were made to the team.



Discussions

Thank You