

Department of Energy

QUARTERLY FINANCIAL PERFORMANCE PRESENTATION

(4th Quarter ending 31 March 2012)

*Presented by: Ms Yvonne Chetty
Chief Financial Officer*

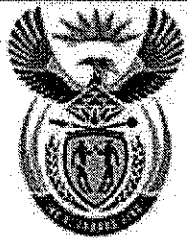


energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

PRESENTATION LAYOUT

- 4th Quarter Performance for 2011/12 – overview
- 4th Quarter Performance for 2011/12 – by Programme
- 4th Quarter Transfer Payment Schedule
- Budget Composition per Programme for MTEF period



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

4th QUARTER FINANCIAL PERFORMANCE FOR 2011/12

Overview – Economic Classifications

Vote 29: Energy	11/12 Total Budget R'000	YTD Actual R'000	YTD Var R'000	YTD Var %	% of Total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
Total Energy	6,200,909	6,174,262	26,647	0.43%	99.57%	70.6%
Compensation of Employees	184,869	184,837	32	0.02%	99.98%	74.9%
Goods & Services	164,877	156,337	8,540	5.18%	94.82%	72.9%
Financial Transactions Assets & Liabilities	61	59	2	3.28%	96.72%	0.0%
Transfers & Subsidies	5,841,947	5,829,000	12,947	0.22%	99.78%	70.4%
Payments for Capital Assets	9,155	4,029	5,126	55.99%	44.01%	39.6%



4th QUARTER FINANCIAL PERFORMANCE FOR 2011/12

- The Department commenced the 2011/12 financial year with a budget allocation of R6,089.9 million
- An additional allocation of R111 million increased the above to an adjusted total of R6,200.9 million
- The additional allocation was made up as follows:
 - From the 2010/11 financial year, a roll over total of R88.2 million
 - For unforeseen and unavoidable expenditure, R21.2 million
 - For higher personnel remuneration than originally catered for in the original allocation, R1.6 million
- By the end of the financial year, the Department had disbursed a total of R6,174.3 million which is equivalent to 99.6% of its total adjusted appropriation



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

4th QUARTER FINANCIAL PERFORMANCE FOR 2011/12

- Although the Department ended the financial year with a balance of R26.6 million or 0.4%, the entire amount had already been committed by the Department as at 31 March 2012
- The actual payments could not take place by 31 March 2012 due to processing time frames, e.g. delays related to foreign payments and work still being in progress
- The Department submitted a rollover request to the National Treasury for approval to have the above balance available in the 2012/13 financial year to off set the 2011/12 expenditure, some of these expenses have been paid at the beginning of the 2012/13 financial year



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

ROLL OVER SUBMISSION 2011/12

Vote 29: Energy	Remaining Balance R'000	Rollover Requested R'000	Diff R'000	COMMENT
Total Energy	26,647	26,835	(188)	
Compensation of Employees	32	0	32	
Goods & Services	8,540	8,087	453	The difference is due to exchange rate differences :-this diff will off set the diff in CAPEX
Financial Transactions Assets & Liabilities	2	0	2	
Transfers & Subsidies	12,947	12,758	189	Unspent earmarked funding for Households :-this diff to off set the diff in CAPEX
Payments for Capital Assets	5,126	5,990	(864)	Due to the exact value of work to prepare the new office accommodation building for occupation



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

ROLL OVER SUBMISSION -Overview

- The Department requested a total of R26.8 million

Payment for Capital Assets

- The remaining balance was R5.1 million
- The request submitted amounted to R6 million for the following
 - ICT relocation contracts R5.3 million
 - Internal Audit software package R671 thousand

Goods & services

- R8.5 million remained at the end of the 2011/12 financial year
- The outstanding payments were all related to International membership fees which were processed by the Department before year end but remained under commitments due to NT and Reserve Bank's foreign payment processes
- The total of outstanding payments amounted to R8.1 million, a large portion, R5 million was a to the International Atomic Energy Agency (IAEA)



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

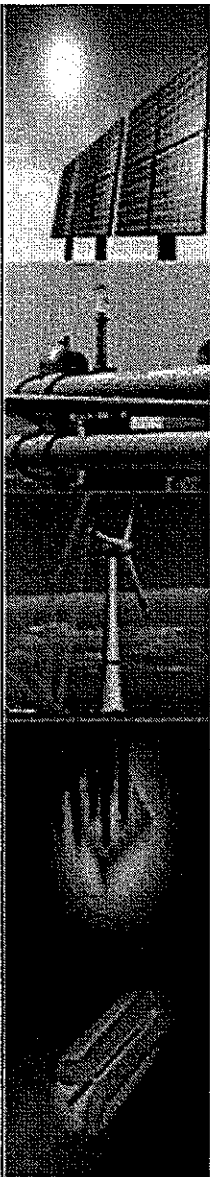
ROLL OVER SUBMISSION

Transfer Payments

- The remaining balance was R12.9 million
- The request submitted amounted to R12.8 million being the balance from
 - EDI-H R11.8 million
 - 2010 SWC Local organising Committee earmarked funding R1 million

EDI-H funding

- The Department had submitted requests, prior to year end, seeking approval from the NT to reclassify this funding from Transfer payments to Goods & services
- These requests as well as a deviation from the 8% limitation rule request, which was the main reason for the requests being unsuccessful, were all turned down by the NT
- The current submission requested a reclassification based on the fact that these funds will be directed towards the Approach to Distribution Asset Management project, which was the main project of the EDI-H



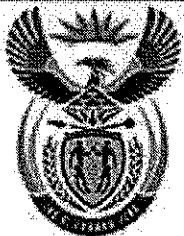
energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MAJOR COST DRIVERS (Top 5) -GOODS AND SERVICES AS AT 31 MARCH 2012

Expenditure Item	2011/12 Actual Expenses	% of Actual to the 11/12 total Goods & services Budget
Travel and Subsistence	40,120,757	24.33%
Cons/Prof: Business & Advisory Service	35,653,815	21.62%
Lease Payments	25,830,321	15.67%
Operating Payments	13,461,618	8.16%
Venues and Facilities	8,210,352	4.98%
TOTAL	123,276,863	74.77%

TOTAL 2011/12 GOODS & SERVICES BUDGET 164,877,000

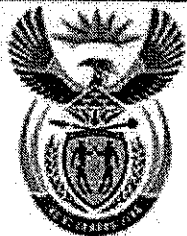


energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

FINANCIAL PERFORMANCE AS AT 31 MARCH 2012 – OVERVIEW per PROGRAMME

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
TOTAL: Programme	6,200,909	6,174,261	26,647	0.43%	99.57%	70.6%
Administration	204,561	196,259	8,302	4.06%	95.94%	76.1%
Energy Policy & Planning	1,545,785	1,545,690	95	0.01%	99.99%	50.3%
Energy Regulation	541,572	529,268	12,304	2.27%	97.73%	40.4%
National Electrification Programme	3,265,580	3,264,540	1,040	0.03%	99.97%	79.9%
Nuclear Energy and Regulation	643,411	638,505	4,906	0.76%	99.24%	96.3%



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 1: Administration

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
	204,561	196,259	8,302	4.06%	95.94%	76.1%
Compensation of employees	84,508	84,491	17	0.02%	99.98%	83.5%
Goods and Services	110,675	107,603	3,072	2.78%	97.22%	73.2%
Financial Transactions Assets & Liabilities	60	59	1	1.67%	98.33%	
Transfers and subsidies	349	98	251	71.92	28.08%	9.5%
Payments for Capital Assets	8,969	4,008	4,961	55.31%	44.69%	39.4%

- **Goods and services:** Balance attributable to International membership fees to APPA R2.2 million & International Energy Forum (IEF) for R174 thousand
- **Payment for Capital Assets:** Funding for ICT costs within the relocation project. Payment for ICT contracts is only made once work is completed to minimize additional costs due to teething problems post implementation



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 2: Energy Policy and Planning

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended - 3 rd Qtr.
	1,545,785	1,545,690	95	0.21%	99.79%	50.3%
Compensation of employees	33,592	33,953	(361)	-1.07%	101.07%	62.9%
Goods and Services	12,043	11,737	306	2.54%	97.46%	50.1%
Transfers and subsidies	1,500,000	1,500,000	-	0.00%	100.00%	50.0%
Payments for Capital Assets	150	-	150	100%	0.00%	0.0%

- **Current Payment(Compensation of employees PLUS Goods & services:** Saving in Goods & services off sets the deficit in Compensation of employees. The deficit in Compensation of employees is mainly due to staff appointed above the approved establishment e.g. interns
- **Payment for Capital Assets:** The balance was a provision made for the purchase of computer equipment which could not be utilized as anticipated



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 3: Energy Regulation

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
	541,572	529,268	12,304	2.27%	97.73%	40.4%
Compensation of employees	48,172	47,799	373	0.77%	99.23%	70.6%
Goods and Services	17,514	17,314	200	1.14%	98.86%	68.0%
Financial Transactions Assets & Liabilities	1	-	1	100%	0.00%	0.0%
Transfers and subsidies	475,849	464,134	11,715	2.46%	97.54%	37.0%
Payments for Capital Assets	36	21	15	41.67%	58.33%	

- Remaining balance is mainly due to the funds left within the Transfer payments category
- **Transfer payments:** Funding earmarked for transfer to the EDI-H could not be transferred as there was sufficient funding within the EDI-H bank account to cater for any outstanding winding down matters. The Department requested approval from the NT to utilize this amount for operational expenditures aimed at the ADAM project.



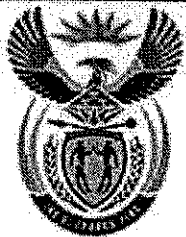
energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 4: National Electrification

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
	3,265,580	3,264,540	1,040	0.03%	99.97%	79.9%
Compensation of employees	14,640	14,639	1	0.01%	99.99%	73.5%
Goods and Services	6,655	6,619	36	0.54%	99.46%	98.4%
Transfers and subsidies	3,244,285	3,243,282	1,003	0.03%	99.97%	79.9%
Payments for Capital Assets	-	-	-	-	-	-

- The balance of R1 million is what remained from the amount allocated for payment to the 2010 SWC LOC
- The Department has requested NT through the Roll over process to make this amount available to off set expenditure in the Payments for Capital Assets category.



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 5: Nuclear Energy and Regulation

Vote 29: Energy	11/12 Adjusted Budget R'000	YTD Actual R'000	YTD VARIANCE R'000	YTD VARIANCE %	% of total 11/12 Budget expended- 4 th Qtr.	% of Total 11/12 Budget expended- 3 rd Qtr.
	643,411	638,505	4,906	0.76%	99.24%	96.3%
Compensation of employees	3,957	3,955	2	0.05%	99.95%	58.1%
Goods and Services	17,990	13,064	4,926	27.38%	72.62%	88.8%
Transfers and subsidies	621,464	621,486	(22)	0.00%	100.00%	96.9%
Payments for Capital Assets	-	-	-	-	-	-

- **Goods and services:** Balance attributable to International membership fees which were delayed due to processing time frames at the NT and Reserve bank, R5 million was paid by the Department to the International Atomic Energy Agency (IAEA)



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

TRANSFER PAYMENT SCHEDULE

Programme	Projects & Entities	11/12 Adjusted Budget R'000	YTD Actual Expenditure 31/03/12 R'000	YTD Actual Expenditure 31/03/12 R'000	% of total 11/12 Budget expended
Programme 2	Transnet Pipelines	1,500,000	1,500,000	0	100%
Programme 3	EEDSM - Municipalities	280,000	280,000	0	100%
	EEDSM – Eskom	118,800	118,800	0	100%
	REFSO	20,191	20,191	0	100%
	EDIH	11,758	0	11,758	0.00%
	WORKING FOR ENERGY	25,000	25,000	0	100%
	SANEDI	20,100	20,100	0	100%
Programme 4	INEP - Municipalities	1,096,612	1,096,611	1	100%
	INEP - Eskom	1,737,812	1,737,811	1	100%
	INEP – Non-grid	127,861	127,860	1	100%
	LOC 2010 WC	282,000	281,000	1,000	99.65%
Programme 5	NNR	35,430	35,430	0	100%
	NECSA	586,034	586,034	0	100%
Programme 1	Households	349	163	186	46.70%
	Total Transfers	5,841,947	5,829,000	12,947	99.78%



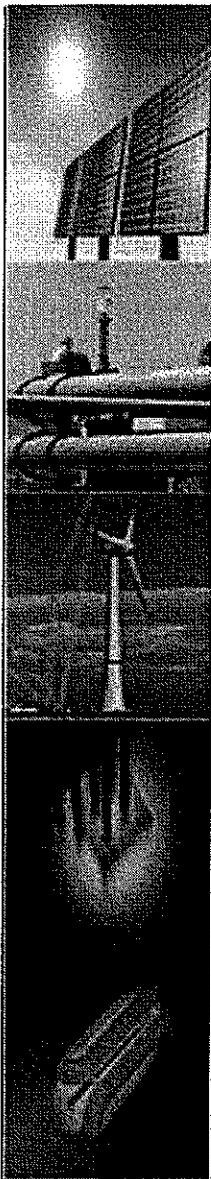
BUDGET COMPOSITION PER PROGRAMME FOR 2011/12 TO 2014/15 MTEF ALLOCATIONS

	2011/12 Adjusted Budget R'000	12/13 MTEF allocation R'000	13/14 Indicative Baseline R'000	14/15 Indicative Baseline R'000
Programme	6,200,909	6,805,903	6,389,935	7,008,524
Administration	198,140	181,745	184,087	193,702
Energy Policy & Planning	1,544,708	1,541,548	75,213	79,737
Energy Regulation	551,631	1,350,028	2,067,180	2,375,276
National Electrification Programme	3,264,555	3,136,294	3,410,148	3,706,096
Nuclear Energy and Regulation	641,875	596,288	653,307	653,713



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA



Thank You!



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA