

TRANSACTION - CONSTRUCTION OF BUILDINGS AND OTHER FIXED STRUCTURES - OWN ACCOUNT

The Provincial Department of Education in Mpumalanga **CONSTRUCT** a new primary school on **OWN ACCOUNT** in the Steve Tshwete district and use of their employees full time on the project, purchase the services of an additional building contractor, buy inventory materials and supplies and equipment less than the capitalisation threshold. Budget for this expenditure is carried against programme 2, Public Ordinary School Education and subprogramme 1, Public Primary Schools. The total cost of construction for the MTEF amounts to R 2 bil starting from 2010/11. Funding for this project will be recorded against Provincial Earmarked and Specific funding.

A. THE ECONOMIC REPORTING FORMAT (ERF)/BUDGET FORMAT PRESENTATION

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R million	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Public Primary Schools	0.0	0.0	0.0	0.0	400.0	700.0	900.0
Total	0.0	0.0	0.0	0.0	400.0	700.0	900.0

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Current payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Compensation of employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goods and services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for capital assets	0.0	0.0	0.0	0.0	400.0	700.0	900.0
Build & other fixed structures	0.0	0.0	0.0	0.0	400.0	700.0	900.0
Buildings	0.0	0.0	0.0	0.0	400.0	700.0	900.0
Other fixed structures	0	0	0	0.0	0	0	0.0
Total	0.0	0.0	0.0	0.0	400.0	700.0	900.0

Construction always capital

Include capitalised Compensation of Employees & Goods and Services

B. PRESENTATION AND CLASSIFICATION IN THE SEGMENTS OF THE STANDARD CHART OF ACCOUNTS (SCOA)

Project	Objective	Fund	Item	Asset	Responsibility	Region
Projects BAS 1 (NP)	Payments BAS 1 (NP)	Expen voted BAS 1 (NP)	Payments BAS 1 (NP)	Tangible cap ass BAS 1 (NP)	Departmental	Regional identifier BAS 2 (NP)
Projects infrastruct BAS 53 (NP)	Prov pay BAS 8 (NP)	Dept approp BAS 148 (NP)	Payments BAS 308 (NP)	Build&Oth fix struc BAS 5 (NP)	Specific	Region Province BAS 3 (NP)
Prij new infr ass cap BAS 79 (NP)	Mpu prov pay obj BAS 919 (NP)	Earm&Spec funds BAS 153 (NP)	Comp of employ BAS 364 (NP)	Non Res buildings BAS 238 (NP)		Mpumalanga BAS 47 (NP)
Prij new infr ass cap BAS 80 (NP)	Mpu Education BAS 1641 (NP)	E&S Funds provincial BAS 562(NP)	S&W BAS 430 (NP)	Univ, Coll&Schools BAS 256 (NP)		MP: Municipalities BAS 160 (NP)
New infr noprj listedBAS81(P)	MED: Pub Ord School Educ BAS 1922(NP)	Dept create post lev (P)	S&W in cash BAS 447 (NP)	Schools BAS 267 (NP)		Nkangala Municipality BAS 162 (NP)
or	MED: Pub Prim Schools BAS 1945 (NP)		S&W Residents BAS 448 (NP)	Schools new BAS 270 (NP)		MP313 Steve Tshwete BAS 172 (NP)
Dept create specific proj code	Dept create post lev (P)		S&W Remun Res BAS 457 (NP)	Dept create post lev (P)		Dept create post lev (P)
			S&W Pens Res BAS 452 (NP)			
			S&W Basic Sal Res BAS 474 (P)			
			Goods & serv BAS 365 (NP)			
			Assets <R5000 BAS 394 (NP)			
			Dept select relevant post lev			
			Contractors BAS 402 (NP)			
			Contr:Build&Construct BAS2848(P)			
			Inv: Mat&Supp BAS 377 (NP)			
			Dept select relevant post lev			

NP - Non posting level
P - Posting level
Always consult the latest SCOA master for updated BAS codes and descriptions at <http://scoa.treasury.gov.za> or via the Treasury website at www.treasury.gov.za

C. PRESENTATION IN THE ANNUAL FINANCIAL STATEMENTS

C.1 APPROPRIATION STATEMENT
DEPARTMENT OF EDUCATION MPUMALANGA
Appropriation statement
for the year ended 31 March 2011

	2010/11							2009/10	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
2. PUBLIC ORDINARY SCHOOL EDUCATION									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	400,000	-	-	400,000	400,000	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Subtotal	400,000	-	-	400,000	400,000	-	100%	-	-
Direct charge against Revenue Fund									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	400,000	-	-	400,000	400,000	-	100%	-	-

	2010/11							2009/10	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Payment for capital asset	400,000	-	-	400,000	400,000	-	100%	-	-
Build & other fixed structures	400,000	-	-	400,000	400,000	-	100%	-	-
Total	400,000	-	-	400,000	400,000	-	100%	-	-

Detail per programme 2 - PUBLIC ORDINARY SCHOOL EDUCATION

	2010/11							2009/10	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
2.1 PUBLIC PRIMARY SCHOOLS									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	400,000	-	-	400,000	400,000	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	400,000	-	-	400,000	400,000	-	100%	-	-

	2010/11							2009/10	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Payment for capital asset	400,000	-	-	400,000	400,000	-	100%	-	-
Build & other fixed structures	400,000	-	-	400,000	400,000	-	100%	-	-
Total	400,000	-	-	400,000	400,000	-	100%	-	-

D. BASIC ACCOUNTING SYSTEM (BAS) TRIAL BALANCE (EXTRACTION FOR ILLUSTRATION PURPOSES)

Maintenance RP0065BS

BAS PROV: EDUCATION MPUMALANGA TRIAL BALANCE AS AT 31/03/2011 REPORT INTRODUCTORY PAGE

DATE: 15/04/2011 TIME: 06:14:30 PAGE: 1

INSTALLATION ID : PROV: EDUCATION MPUMALANGA
LOCATION ID : PROV: EDUCATION MPUMALANGA
USERID : MAINTENANCE
REPORT REQUEST ID : 00047408
SORT CRITERIA : R M F O P A I
SELECTION CRITERIA :
1. LAST CLOSED MONTH : 03/2011
2. ITEM : I
3. OBJECTIVE : O
4. RESPONSIBILITY : R
5. FUND : F
6. PROJECT : P
7. ASSETS : A
8. REGIONAL IDENTIFIER : M

SELECTION CRITERIA : TYPE DETAIL
RESPONSIBILITY ALL
REGIONAL IDENTIFIER ALL
FUND ALL
OBJECTIVE ALL
PROJECT ALL
ASSETS ALL
ITEM ALL

SORT CRITERIA : R M F O P A I
TOTALS : F0002 I0003 I0006 I0011
PAGE BREAK : NONE
LAST CLOSED MONTH : 03/2011

TYPE LEVEL	DESCRIPTION	DEBIT	CREDIT
I 003	COMPENSATION OF EMPLOYEES		
I 006	SALARIES & WAGES-RESIDENTS		
I 009	S&W: BASIC SALARY (RES)	20,000,000.00	0.00
TOTAL I 006	SALARIES & WAGES-RESIDENTS	20,000,000.00	0.00
TOTAL I 003	COMPENSATION OF EMPLOYEES	20,000,000.00	0.00
I 003	GOODS AND SERVICES		
I 004	ASSETS <R5000	15,000,000.00	0.00
I 004	CONTRACTORS	40,000,000.00	0.00
I 005	CONTR: BUILD&CONSTR	40,000,000.00	0.00
I 004	INV MAT&SUPPLIES	325,000,000.00	0.00
TOTAL I 003	GOODS AND SERVICES	380,000,000.00	0.00

Don't FORGET!

FOR GETTING THE ECONOMIC CLASSIFICATION, THE DEPARTMENT NEED TO DRAW AND COMBINE THEIR REPORT BASED ON THE PROJECT, ASSET AND ITEM SEGMENT TOGETHER. THE TRIAL BALANCE IS ONLY BASED ON ITEM.

WHAT ABOUT THE ASSET REGISTER CONSULT THE RELEVANT GUIDELINES FOR RECORDING ASSETS

Please note the presentation of items in the trial balance for construction on OWN ACCOUNT, it is only presented at item level. Draw report as a combination of Project, Asset and Item to get the ECONOMIC CLASSIFICATION

C.2 STATEMENT OF FINANCIAL PERFORMANCE

DEPARTMENT OF EDUCATION MPUMALANGA
Statement of Financial Performance
for the year ended 31 March 2011

	Note	2010/11	2009/10
		R' 000	R' 000
REVENUE			
TOTAL REVENUE			
EXPENDITURE			
Current expenditure			
Compensation of employees			
Goods and Services			
Transfers and subsidies			
Expenditure on capital assets		400,000	
Tangible capital assets		400,000	
Payments for financial assets			
TOTAL EXPENDITURE		400,000	
SURPLUS(DEFICIT) FOR THE YEAR			

Extraction for illustration purposes
Include notes as required per AFS guideline

DON'T FORGET!

Always consult relevant legislation, guidelines and policies for budgeting, classification and accounting of RRUA. i.e. Public Finance Management Act Treasury Regulations National Treasury Budget Guidelines Reference Guide to the Economic Reporting Format (ERF)(Blue Book September 2009) Guideline for the Preparation of Annual Financial Statements Asset Management Framework Classification Circulars and or Instruction Notes

! Note the difference in presentation for the Economic Reporting Format and Annual Financial Statements vs. SCOA segments and the BAS Trial Balance for Construction on OWN ACCOUNT