

TRANSACTION - OPERATING LEASES

The National Department of Health has entered into a contract for leasing labour saving devices from Minolta for a period of three years after which Minolta will take ownership and control of the assets again. The contract stipulate that Minolta will also take charge of the maintenance and repair of the assets for the period of the lease. Budget for this expenditure is carried against programme 1, Administration and subprogramme 4, Corporate Services. The total contract cost for the MTEF amounts to R 6.5 mil starting from 2010/11. All funds are appropriated against voted funds.

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

Table 1.1 Administration						
Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million						
Corporate services	0.6	0.7	0.8	0.9	1.0	1.5
Total	0.6	0.7	0.8	0.9	1.0	1.5

Economic classification						
	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Current payments	0.6	0.7	0.8	0.9	1.0	1.5
Goods and services	0.6	0.7	0.8	0.9	1.0	1.5
of which:						
Lease payments	0.6	0.7	0.8	0.9	1.0	1.5
Total	0.6	0.7	0.8	0.9	1.0	1.5

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

Project	Objective	Fund	Item	Asset	Responsibility	Region
Stand alone (No proj) BAS 2 (NP)	Payments BAS 1 (NP)	Expen voted BAS 1 (NP)	Payments BAS 1 (NP)	Leased assets BAS 502 (NP)	Departmental	Region ident BAS 2 (NP)
No proj <i>salone cur</i> BAS 16 (P)	Nat pay BAS 9 (NP)	Dept approp BAS 148 (NP)	Payments BAS 308 (NP)	Other mach&equip BAS 506 (NP)	Specific	Nat Funct:whole of country: Dom BAS 447 (NP)
	Nat dept BAS 10 (NP)	Voted funds discret BAS 152 (NP)	Goods & serv BAS 365 (NP)	Dept create post lev (P)		Dept create post lev (P)
	Health BAS 12 (NP)	Voted funds BAS 559 (P)	Lease pay BAS 384 (NP)			
	DHL: Admin BAS 584 (NP)		Operating leases BAS 3022 (P)			
	DHL: Corp serv BAS 613 (NP)					
	Dept create post lev (P)					

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 HEALTH
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
1. ADMINISTRATION									
Current payment	1,000	-	-	1,000	1,000	-	100%	900	900
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Subtotal	1,000	-	-	1,000	1,000	-	100%	900	900
Direct charge against Revenue Fund									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	1,000	-	-	1,000	1,000	-	100%	900	900

Appropriation per economic classification

	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	-	-	-	1,000	1,000	-	100%	900	900
Interest and rent on land	-	-	-	-	-	-	-	-	-
Total	-	-	-	1,000	1,000	-	100%	900	900

Detail per programme 1 - ADMINISTRATION

	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
1.4 CORPORATE SERVICES									
Current payment	1,000	-	-	1,000	1,000	-	100%	900	900
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	1,000	-	-	1,000	1,000	-	100%	900	900

Detail per economic classification Programme 1 - ADMINISTRATION

	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	-	-	-	1,000	1,000	-	100%	900	900
Interest and rent on land	-	-	-	-	-	-	-	-	-
Total	-	-	-	1,000	1,000	-	100%	900	900

C.2 STATEMENT OF FINANCIAL PERFORMANCE

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

	Note	2010/11 R' 000	2009/10 R' 000
REVENUE			
TOTAL REVENUE			
EXPENDITURE			
Current expenditure		1,000	900
Compensation of employees			
Goods and services		1,000	900
Transfers and subsidies			
Expenditure on capital assets			
Payments for financial assets			
TOTAL EXPENDITURE		1,000	900
SURPLUS/(DEFICIT) FOR THE YEAR			

Extraction for illustration purposes
Include notes as required per AFS guideline

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

MAINTENANCE RP0065BS	BAS NAT: HEALTH TRIAL BALANCE AS AT 31/03/2011 REPORT INTRODUCTORY PAGE	DATE: 15/04/2011 TIME: 06:14:30 PAGE: 1
INSTALLATION ID : NAT: HEALTH	LOCATION ID : NAT: HEALTH	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
I 003	GOODS AND SERVICES	
I 005	OPERATING LEASES	1,000,000.00
TOTAL I 003	GOODS AND SERVICES	1,000,000.00
		0.00
		0.00



**** END OF REPORT RP065BS ****
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.

DON'T FORGET!

Always consult relevant legislation, guidelines and policies for budgeting, classification and accounting of OPERATING LEASES. i.e.
Public Finance Management Act
Treasury Regulations
National Treasury Budget Guidelines
Reference Guide to the Economic Reporting Format (ERF)/(Blue Book September 2009)
GRAP 13 - Leases
Guideline for the Preparation of Annual Financial Statements
Classification Circulars and or Instruction Notes



Prepared by the SCOA Technical Committee
e-mail: SCOA@treasury.gov.za
Website: <http://scoa.treasury.gov.za>

