

**TRANSACTION - REFURBISHMENT, REHABILITATION, UPGRADE AND ADDITIONS (RRUA) OF BUILDINGS AND OTHER FIXED STRUCTURES - OUTSOURCED**

The National Department of Correctional Services **UPGRADE** Correctional Facilities in Gauteng Province by **OUTSOURCING** the entire project. Budget for this expenditure is carried against programme 7, Facilities and subprogramme 3, Building and Maintenance. The total upgrading cost for the MTEF amounts to R 1 bil starting from 2010/11. Funding for these projects will be recorded against specifically and exclusively appropriated funds for correctional and other facilities maintenance and upgrades.

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

Table 1.8 Facilities									
Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates				
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13		
R million	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13		
Building and Maintenance	100.0	130.0	150.0	170.0	200.0	350.0	450.0		
<b>Total</b>	<b>100.0</b>	<b>130.0</b>	<b>150.0</b>	<b>170.0</b>	<b>200.0</b>	<b>350.0</b>	<b>450.0</b>		

  

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates				
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13		
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		
<b>Payments for capital assets</b>	<b>100.0</b>	<b>130.0</b>	<b>150.0</b>	<b>170.0</b>	<b>200.0</b>	<b>350.0</b>	<b>450.0</b>		
Build & other fixed structures	100.0	130.0	150.0	170.0	200.0	350.0	450.0		
Buildings	100.0	130.0	150.0	170.0	200.0	350.0	450.0		
Other fixed structures	0	0	0	0.0	0	0	0.0		
<b>Total</b>	<b>100.0</b>	<b>130.0</b>	<b>150.0</b>	<b>170.0</b>	<b>200.0</b>	<b>350.0</b>	<b>450.0</b>		

**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)	Nat pay BAS 9 (NP)	Dept approp BAS 148 (NP)	Payments BAS 308 (NP)	Build&Oth fix struc BAS 5 (NP)	Specific	Region Province BAS 3 (NP)
Prj exist infrastr ass BAS 55 (NP)	Nat dept BAS 10 (NP)	Earm&Spec funds BAS 153 (NP)	Goods & serv BAS 365 (NP)	Res buildings BAS 237 (NP)		Western Cape BAS 50 (NP)
Upgrade&Add Cap BAS 61 (NP)	Correctional Services BAS 16 (NP)	E&S Funds national BAS 167 (NP)	Property payments BAS 385 (NP)	Prisons&Rehab BAS 281 (NP)		<b>WC: Whole Province BAS 51 (P)</b>
<b>Upgr&amp;Add noprjlistBAS 64(P)</b>	DCS: Facilities BAS 454 (NP)	E&S/F Corr Serv BAS 196 (NP)	Upgrade&Add prop BAS 2984 (NP)	<b>Dept create post lev (P)</b>		
or	DCS: Build&Maintenance BAS 458 (NP)	Spec&Excl appr BAS 271 (NP)				
<b>Dept create specific proj code</b>	<b>Dept create post lev (P)</b>	<b>C/W/P/I:Cor&amp;Oth fac</b>				
		<b>Main&amp;Upg BAS 542 (P)</b>				

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](http://www.treasury.gov.za)

**C. PRESENTATION IN THE ANNUAL FINANCIAL STATEMENTS**

C.1 APPROPRIATION STATEMENT									
NATIONAL DEPARTMENT OF CORRECTIONAL SERVICES									
Appropriation statement for the year ended 31 March 2011									
Appropriation per programme									
	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
<b>7. FACILITIES</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200,000	-	-	200,000	200,000	-	100%	170,000	170,000
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
<b>Direct charge against Revenue Fund</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
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	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Payment for capital asset</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
Build & other fixed structures	200,000	-	-	200,000	200,000	-	100%	170,000	170,000
<b>Total</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
Detail per programme 7 - FACILITIES									
	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
<b>7.3 BUILDING AND MAINTENANCE</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200,000	-	-	200,000	200,000	-	100%	170,000	170,000
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
Detail per economic classification programme 7 - FACILITIES									
	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	-	-	-	-	-	-	-	-	-
<b>Payment for capital asset</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>
Build & other fixed structures	200,000	-	-	200,000	200,000	-	100%	170,000	170,000
<b>Total</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>100%</b>	<b>170,000</b>	<b>170,000</b>

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

MAINTENANCE RP0065BS		BAS NAT: CORRECTIONAL SERVICES TRIAL BALANCE AS AT 31/03/2011 REPORT INTRODUCTORY PAGE		DATE: 15/04/2011	TIME: 06:14:30	PAGE: 1
INSTALLATION ID : NAT: CORRECTIONAL SERVICES						
LOCATION ID : NAT: CORRECTIONAL SERVICES						
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 GOODS AND SERVICES						
I 004 PROPERTY PAYMENTS 200,000,000.00 0.00						
I 005 P/P:UPGR&ADD PROP 200,000,000.00 0.00						
TOTAL I 003 GOODS AND SERVICES----- 200,000,000.00 0.00						
**** END OF REPORT RP0065BS ****						

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

Please note the presentation of items in the trial balance for Refurbishment, Rehabilitation, Upgrade and Additions (RRUA) when OUTSOURCED, it is only presented at item level. Draw report as a combination of Project, Asset and Item to get the ECONOMIC CLASSIFICATION

**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.

**C.2 STATEMENT OF FINANCIAL PERFORMANCE**

NATIONAL DEPARTMENT OF CORRECTIONAL SERVICES			
Statement of Financial Performance for the year ended 31 March 2011			
	Note	2010/11 R' 000	2009/10 R' 000
<b>REVENUE</b>			
TOTAL REVENUE			
<b>EXPENDITURE</b>			
Current expenditure			
Compensation of employees			
Goods and Services			
Transfers and subsidies			
Expenditure on capital assets		200,000	170,000
Tangible capital assets		200,000	170,000
Payments for financial assets		-	-
<b>TOTAL EXPENDITURE</b>		<b>200,000</b>	<b>170,000</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			

**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 Refurbishment, Rehabilitation, Upgrade and Additions when OUTSOURCED