PRACTIONERS EXAMPLE ON RRUA OF MACHINERY&EQUIPMENT IN THE (A) ECONOMIC REPORTING FORMAT (ERF)/BUDGET FORMAT (B) STANDARD CHART OF ACCOUNTS (SCOA) SEGMENTS (C) ANNUAL FINANCIAL STATEMENTS (AFS) (D) BASIC ACCOUNTING SYSTEM (BAS) TB

TRANSACTION - REFURBISHMENT, REHABILITATION, UPGRADE AND ADDITIONS (RRUA) OF MACHINERY AND EQUIPMENT - OUTSOURCED

The Provincial Department of Health in Gauteng embarked on a programme of **UPGRADING** another 10 mobile clinics over a period of three years serving communities of the Sedibeng municipalities. The upgrading of these mobile clinics are **OUTSOURCED**. Budget for this expenditure is carried against programme 8, Health Facilities Management and subprogramme 6, Other Facilities. The total upgrading cost for the MTEF amounts to R 450 mil starting from 2010/11. Funding for these projects will be recorded against Provincial Earmarked and Specifc funding.

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

Table 1.9 Health Facilities Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
R million	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Other Facilities	30.0	55.0	75.0	90.0	110.0	150.0	190.0
Total	**30.0**	**55.0**	**75.0**	**90.0**	**110.0**	**150.0**	**190.0**

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
Payments for capital assets	**30.0**	**55.0**	**75.0**	**90.0**	**110.0**	**150.0**	**190.0**
Machinery & Equipment	30.0	55.0	75.0	90.0	110.0	150.0	190.0
Other Mach&Equipment	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Transport equipment	*30.0*	*55.0*	*75.0*	*90.0*	*110.0*	*150.0*	*190.0*
Total	**30.0**	**55.0**	**75.0**	**90.0**	**110.0**	**150.0**	**190.0**

RRUA, always capital

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)
Proj non infra BAS 54 (NP)	Prov pay BAS 8 (NP)	Dept approp BAS 148 (NP)	Payments BAS 308 (NP)	Mach&Equipment BAS 7 (NP)	Specific	Region Province BAS 3 (NP)
Prj not rel to infr ass BAS 66 (NP)	GT prov pay obj BAS 916 (NP)	Earm&Spec funds BAS 153 (NP)	Goods & serv BAS 365 (NP)	Transport Equip BAS 13 (NP)		Gauteng BAS 44 (NP)
Not rel infr ass prjcapBAS68(NP)	GT Health BAS 2584 (NP)	E&S Funds provincial BAS 562(NP)	Contractors BAS 402 (NP)	Mobile clinics BAS 159 (NP)		GT: Municipalities BAS 299 (NP)
Ninfrass rel U&A Cap BAS70(NP)	GHW: Healt Fac Man BAS 4506 (NP)	***Dept create post lev (P)***	***CntrUp&Ad,Ma&Eq BAS3043(P)***	***Dept create post lev (P)***		Sedibeng Municipalities BAS 301 (NP)
Dept create post lev (P)	GHW: Other Facilities BAS 1587 (NP)					***All Municipalities: DC46 BAS 417 (P)***
	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 GAUTENG

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
8. HEALTH FACILITIES MANAGEMENT									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	110,000	-	-	110,000	110,000	-	100%	90,000	90,000
Payment for financial assets	-	-	-	-	-	-	-	-	-
Subtotal	**110,000**	**-**	**-**	**110,000**	**110,000**	**-**	**100%**	**90,000**	**90,000**
Direct charge against Revenue Fund									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**110,000**	**-**	**-**	**110,000**	**110,000**	**-**	**100%**	**90,000**	**90,000**

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	-	-	-	-	-	-	-	-	-
Payment for capital asset									
Machinery and Equipment	110,000	-	-	110,000	110,000	-	100%	90,000	90,000
Total	**110,000**	**-**	**-**	**110,000**	**110,000**	**-**	**100%**	**90,000**	**90,000**

Detail per programme 8 - HEALTH FACILITIES MANAGEMENT

	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
8.6 OTHER FACILITIES									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	110,000	-	-	110,000	110,000	-	100%	90,000	90,000
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**110,000**	**-**	**-**	**110,000**	**110,000**	**-**	**100%**	**90,000**	**90,000**

Detail per economic classification Programme 8 - HEALTH FACILITIES MANAGEMENT

	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									
Machinery and Equipment	110,000	-	-	110,000	110,000	-	100%	90,000	90,000
Total	**110,000**	**-**	**-**	**110,000**	**110,000**	**-**	**100%**	**90,000**	**90,000**

C.2 STATEMENT OF FINANCIAL PERFORMANCE

DEPARTMENT OF HEALTH GAUTENG

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		-	-
Compensation of employees		-	-
Goods and Services		-	-
Transfers and subsidies		-	-
Expenditure on capital assets		**110,000**	**90,000**
Tangible capital assets		110,000	90,000
Payments for financial assets		-	-
TOTAL EXPENDITURE		**110,000**	**90,000**
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)

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                                                BAS                                    DATE: 15/04/2011
MAINTENANCE                                     PROV: HEALTH GAUTENG                   TIME: 06:14:30
RP0065BS                                        TRIAL BALANCE                          PAGE:    1
                                                AS AT 31/03/2011
                                                REPORT INTRODUCTORY PAGE
                                                ------------------------

          INSTALLATION ID       : PROV: HEALTH GAUTENG
          LOCATION ID           : PROV: HEALTH GAUTENG
          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   CONTRACTORS                                                               110,000,000.00                   0.00
        I 005   CONTR: UPGR&ADD MACH&EQUIP                                                110,000,000.00                   0.00
 TOTAL  I 003   GOODS AND SERVICES---------------------------------------------          110,000,000.00                   0.00

                                                                                   ---------------------  ---------------------

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                                         **** END OF REPORT RP065BS ****
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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) 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

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 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 on OWN ACCOUNT

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national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA