



provincial treasury

Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL Special Edition



Let's Grow North West Together.

2022/23 BUDGET SPEECH

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MEC Motlalepula Rosho tables R531 754 million departmental budget

By: Lemogang Mayekiso

MEC Motlalepula Rosho tabled the departmental budget of R531 754 on May 26 at the North West Provincial Legislature. The MEC stated that the budget focuses on department performance targets for the 2022/23 financial year as well as reflecting on performance progress in the past financial year.

Rosho said the department is mandated with a responsibility to provide support to provincial departments, public entities and Municipalities and as a result the budget of the year under review is intended to support and capacitate these institutions with a view of improving and accelerating service delivery. "The budget for

the department is expected to facilitate the initiatives related to improving audit outcomes of departments and public entities, improve budget spending across the province, intensify technical support to delegated municipalities on the preparation of budgets and monitoring implementation in line with section 154 of the constitution, as well as compliance with the annual reporting framework" said Rosho.

She further stated that provincial government departments, public entities, and municipalities must examine and focus on key institutional drivers that can help improve public sector efficiency. The current economic climate forces government to limit

spending growth, while factors such as rising health-care and social-grants costs add to budgetary pressures.

"Citizens want government to be held accountable for what it does with taxpayer's money, which should propel government to transform the workforce, improve budget practices and implement tangible outputs.

She made a commitment that through the determination and love this province, the department will work to intensify its intervention to other government institutions as this will ensure that the beautiful name of this province is restored.

Executive intervention needed as a matter of urgency at provincial public entities



By: Lindiwe Mzingaye

MEC Rosho has raised a concern that the situation of the provincial public entities has over the years broadly not improved and needs executive intervention as a matter of urgency. During the tabling of the departmental budget speech, she indicated that the state of governance at provincial public entities remains a cause for concern.

She however committed that her department through the Office of the Provincial Accountant General will continue to provide financial management support to all departments and public entities on accounting, audit, reviewing of financial statements and monitoring of the implementation of post audit action plans for improved audit outcomes.

Rosho said that although the situation at the public entities is disheartening, there is gradual improvement registered at provincial departments. She also committed that having noted the progress made with the implementation of the clean audit initiative in four departments and North West Provincial Legislature, one department which is Cooperative Governance and Traditional Affairs and one public entity, Donkervliet, will be added to this initiative in the current financial year. This will be implemented after the finalisation of the memorandum of understanding with the Head of Department and CEO, respectively.

The MEC also highlighted that irregular expenditure is a thorny subject that needs to be tackled. She said over and above the planned risk-based audits, the Provincial Internal Audit (PIA) will continue with the pre-audit of bids in excess of R10 million before the award as part of the provincial government efforts to prevent irregular expenditure. “To enhance good governance in departments, the PIA will review the establishment and implementation of combined assurance”, she concluded.



Provincial Treasury to strictly monitor allocated budgets to departments to ensure prudent spending

By Kelepile Mokaila

Given the constrained fiscal framework, Provincial Treasury will strictly monitor 2022/23 budgets allocated to departments to ensure efficient and effective spending in line with approved departmental plans.

“To absorb spending pressures and achieve value for money through the utilisation of scarce

resources, the Provincial Treasury will continue to implement expenditure reviews aimed at evaluating the efficiency, effectiveness and performance of programmes so that we improve spending,” says MEC Rosho.

The department will furthermore assess, monitor and contain spending on compensation of employees given the ceiling limit on spending on compensation and

encourage the reduction on the headcount of non-core programmes.

To improve reporting, promote accountability and transparency, the department has introduced a new in-year reporting framework for public entities which provides financial and non-financial information.

Provincial Treasury to continue strengthening support to municipalities

By Kelepile Mokaila

Provincial Treasury will continue to render and strengthen support to ailing municipalities.

MEC Motlalepula Rosho said the Provincial Treasury devotes this financial year to continue providing its unwavering support to departments, public entities and municipalities to accelerate the provision of quality basic services to the people. The responsibility to deliver basic services to communities falls squarely on all government institutions.

She said in line with Section 154 of the Constitution which directs national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs, the Provincial Treasury would intensify the following support initiatives to all municipalities and the focus would be on the following areas:

- ✓ Budgets will be analysed for compliance to ensure that they are funded before being adopted;
- ✓ Putting systems in place that are targeted to Improve Audit Outcomes through implementation of proper internal controls and standard operating procedures (SOPs) to eliminate



the root causes of the audit findings;

- ✓ Capacity Building will be provided through direct workplace, training, workshop and learnership to build both individual and organisational capacity.

“The serious problems in local government cannot simply be ignored as it violates the Constitution and jeopardises every citizen's dignity and right to access basic services. This includes a requirement for provincial and national government to assume their responsibilities to intervene timeously and effectively in terms of the law. Persistent municipal

failures call for decisive and coherent course of action to be taken in line with the permitted legislative mechanisms to ensure that financial distress, financial crisis, service delivery failures and poor governance are dealt with in a manner that seeks to instil fiscal discipline,” she said

Rosho said that the municipal finance support programme in a collaborative approach with other stakeholders will continue to support and capacitate municipalities to resolve the financial crisis so as to enable them to adequately execute their constitutional and legislative mandates.

Province to implement mandatory interventions at municipalities operating under severe financial crisis



By Khushbuban Patel

The department in the previous year committed to develop a roadmap that detail specific mandatory interventions that will be implemented in municipalities operating under severe financial crisis. Through this initiative, the Provincial Executive Committee (EXCO) resolved to place eight (08) municipalities namely Madibeng, Kgetleng Rivier, Tswaing, Mahikeng, Ditsobotla, Ramotshere Moiloa, Naledi and Dr Ruth Segomotsi Mompati under mandatory intervention in line with Section 139(5) (a) and (c) of the Constitution read together with section 139 of the Municipal Finance Management Act.

In implementing this EXCO resolution, the Provincial Treasury jointly with the department of Cooperative Governance and Traditional Affairs (COGTA and South African Local Governance Association (SALGA) convened engagements with the affected eight (8) municipalities to provide feedback on the assessment conducted in line with section 138 and 140 of the Municipal Finance Management Act (MFMA)

The department has further commenced with the induction of municipal councils on the Intervention framework and to date six (6) municipalities have been concluded and two (2) would be finalised by June 2022.

To support and strengthen the roll-out of the district development model, senior managers attached to the MFMA unit at district level have been given the responsibility to contribute to the development of one plan for all districts.

The Provincial Treasury in collaboration with SALGA, COGTA and National Treasury provided Integrated Councillors Induction Programme to the newly elected councillors to strengthen sound financial management principles. In addition, the Provincial Treasury conducted portfolio-based training for the newly elected councillors who are members of the Municipal Public Accounts Committees as well as Finance Portfolio Committees in an effort to strengthen their oversight role.

All state of organs urged to adhere to procurement measures put in place



By : Happy Pilane

The Provincial Treasury in consultation with National Treasury has advised all organs of state to apply for exemption to the Minister of Finance for all necessary critical procurement as an interim measure.

This follows the developments regarding the recent constitutional court judgement that declared the Preferential procurement Regulation, 2017 (PPR 2017) to be invalid. The move has put the procurement of bids in abeyance and has impacted negatively on department, entities and municipalities ability to spend their allocated budget.

The lockdown levels that prevented movement and service delivery to our communities is a result of this poor service or irregular expenditure.

MEC Motlalepula Rosho reported to the Provincial legislature during the tabling of the departmental budget that at the end of March 2022, the provincial procurement spend was in excess of R7.1 billion out of a total of R 11,5 billion and benefited targeted designated groups. She explained that based on the thresholds that were targeted for women, youth and people living with disabilities, 22,1 %, 22,93%, and 0,06 % respectively was achieved during 2021/2022 financial year against the targets of 15% for women,

10% for youth and 5% for people living with disabilities.

She said the Provincial Treasury will seek to improve through its mandate to increase the allocation of bids for these disadvantaged groups to eliminate poverty in the North West communities.

The MEC highlighted that in a plight of “one District, one Model approach” to improve service delivery in our local communities and municipalities, the Provincial Supply chain will introduce new bids for Infrastructure Development to be in line with National Development Plan (2030) and municipal IDP's to speed the delivery of services in the province of the North West.

Infrastructure delivery performance is prioritised



By Lemogang Mayekiso

MEC Motlalepula Rosho in her maiden speech acknowledged that the provincial government cannot dispute the fact infrastructure delivery in the process has challenges. She said this is a thorny issue aspect and it can never be left unattended as it is important in improving the economy of our province.

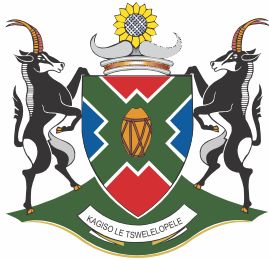
“This is one aspect that has the potential to create jobs, reduce unemployment and improve the economic activity of our province”, said MEC.

Rosho announced that the Provincial Treasury in ensuring that departments are assisted in improving in their infrastructure spending has conducted six (6) infrastructure project review sessions with all departments receiving infrastructure allocations where the issue of maintenance and repairs was the major discussion point.

Furthermore, she indicated that training was also provided on Budget Facility for Infrastructure (BFI) to all the Provincial Institutions to enable submissions and presentations of project proposals for large capital projects

that require sourcing of alternative funding;

The MEC said in response to the level of depreciation of Government Immovable Assets, the Provincial Treasury in collaboration with National Treasury provided training on the application of Module 8 of the Infrastructure Delivery Model System Body of Knowledge (IDMSBOK) guiding all the departments on the implementation of maintenance and repairs for sustainability of existing government assets and improved level of performance.



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